

MainFirst

Société d'Investissement à Capital Variable, SICAV

(General Section)



January 2017

Subscriptions can only be accepted on the basis of this full prospectus ("Full Prospectus"). The Full Prospectus is only valid if submitted together with the latest available Annual Report or, where applicable, the latest available Semi-annual Report if prepared later than the most recent annual report. The respective Annual and Semi-annual Reports and the essential information for investors are available before and after conclusion of contract from the Company's registered office or any paying or information agent free of charge.

Nobody shall be authorised to rely on statements that are not included in the Full Prospectus or in the essential information for investors or in documents to which this Full Prospectus or the essential information for investors refers and that are available to the public.

Investors should note that this document is a translation from the German language version of the Prospectus. As regards the legal relationship between the Company and an investor, only the Prospectus in its German language version which has been filed, approved and visa-stamped by the Luxembourg financial sector authority (Commission de surveillance du secteur financier - CSSF) is current and effective. In case of discrepancies between this translation and the German language version, the latter will prevail.

MainFirst

**Investment company with variable capital
under the law of Luxembourg
(*Société d'Investissement à Capital Variable, SICAV*)**

Luxembourg Trade and Companies Register no. B 89 173

Board of directors:

President	Daniel VAN HOVE, CFA Director, Member of the Management Orionis Management SA, Luxembourg
Members of the Board	Moritz POHLE Lawyer, SNP Schlawien Partnerschaft mb Partnerschaftsgesellschaft, Freiburg Björn KOGLER Managing Director MainFirst Affiliated Fund Managers S.A. 16, rue Gabriel Lippmann L-5365 Munsbach

Management Company:	MainFirst Affiliated Fund Managers S.A. 16, rue Gabriel Lippmann L-5365 Munsbach
----------------------------	--

Custodian Bank and Paying Agent:	J.P. Morgan Bank Luxembourg S.A. 6c, route de Trèves L-2633 Senningerberg
---	---

Central Administration Agent, Register and Transfer agent:	J. P. Morgan Bank Luxembourg S.A. 6c, route de Trèves L-2633 Senningerberg
---	--

Investment manager	MainFirst Bank AG Kennedyallee 76 D-60596 Frankfurt am Main MainFirst Affiliated Fund Manager (Switzerland) AG Gartenstraße 32 CH-8002 Zurich
---------------------------	--

Nominee:	MainFirst Bank AG Kennedyallee 76 D-60596 Frankfurt am Main
-----------------	---

Auditor:

KPMG Luxembourg
39, avenue J. F. Kennedy
L-1855 Luxembourg

Table of Contents

	Page
DEFINITIONS	7
1. Introduction	9
2. General information on the company and its management	11
3. General investment objectives, investment policy and risks	17
4. Shares of the company	18
5. Issue of shares	19
6. Redemption of shares	19
7. Conversion of shares	21
8. Statutory notification to prevent money laundering	21
9. Protection of personal data and telephone recordings	21
10. Combating market timing and late trading	23
11. Dividend policy	23
12. Costs	23
13. Remuneration policy	25
14. Taxation status of the company and its shareholders	26
15. Information for investors concerning the automatic exchange of information	28
16. Notifications to shareholders	28
17. Investment restrictions	29
18. Calculation of the net asset value	46
19. Dissolution, liquidation, merging	47
20. Available documents	50
21. Additional information for investors in the federal republic of germany	50
MainFirst – Classic Stock Fund	56
1. Overview	57
2. Investment objective and investment policy	58
3. Risk profile and risk management process	58
4. Base currency of the sub-fund	58
5. Issue, redemption and conversion of shares	58
6. Investment manager	59
7. Costs	59
8. Term of the Sub-Fund	60
MainFirst – Top European Ideas Fund	61
1. Overview	62
2. Investment objective and investment policy	63
3. Risk profile and risk management process	64
4. Base currency of the sub-fund	64
5. Issue, redemption and conversion of shares	64
6. Investment manager	64
7. Costs	64
8. Term of the sub-fund	66
MainFirst – Germany Fund	67
1. Overview	68
2. Investment objective and investment policy	69
3. Risk profile and risk management process	69
4. Base currency of the sub-fund	69
5. Issue, redemption and conversion of shares	69
6. Investment manager	69
7. Costs	70
8. Term of the sub-fund	71
MainFirst – Emerging Markets Corporate Bond Fund Balanced	72

1.	Overview	73
2.	Investment objective and investment policy	74
3.	Risk factors, risk profile and risk management process	75
4.	Base currency of the sub-fund.....	77
5.	Issue, redemption and conversion of shares	77
6.	Investment manager	77
7.	Costs.....	77
8.	Term of the sub-fund.....	77
	MainFirst – Global Equities Fund	78
1.	Overview	79
2.	Investment objective and investment policy	80
3.	Risk profile and risk management process.....	80
4.	Base currency of the sub-fund.....	80
5.	Issue, redemption and conversion of shares	80
6.	Investment manager	81
7.	Costs.....	81
8.	Term of the sub-fund.....	82
	MainFirst – Absolute Return Multi Asset	83
1.	Overview	84
2.	Investment objective and investment policy	85
3.	Risk profile and risk management process.....	85
4.	Base currency of the sub-fund.....	85
5.	Issue, redemption and conversion of shares	85
6.	Investment manager	86
7.	Costs.....	86
8.	Term of the sub-fund.....	87
	MainFirst – Emerging Markets Credit Opportunities Fund	88
1.	Overview	89
2.	Investment objectives and investment policy.....	90
3.	Risk factors, risk profile and risk management process	91
4.	Base currency of the sub-fund.....	93
5.	Issue, redemption and conversion of shares	93
6.	Investment manager	93
7.	Costs.....	93
8.	Term of the sub-fund.....	94
	MainFirst – Diversified Alpha.....	95
1.	Overview	96
2.	Investment objective and investment policy	97
3.	Investment strategy	97
4.	Risk profile and risk management process.....	98
5.	Base currency of the sub-fund.....	98
6.	Issue, redemption and conversion of shares	98
7.	Investment manager	98
8.	Costs.....	98
9.	Term of the sub-fund.....	100
	MainFirst – Vermögensverwaltungsfonds Ausgewogen.....	101
1.	Overview	102
2.	Investment objective and investment policy	102
3.	Investment strategy	103
4.	Risk profile and risk management process.....	104
5.	Base currency of the sub-fund.....	104
6.	Issue, redemption and conversion of shares	104
7.	Investment manager	104

8.	Costs.....	104
9.	Term of the sub-fund.....	105
	MainFirst – Dynamic Risk Parity.....	106
1.	Overview	107
2.	Investment objective and investment policy	107
3.	Risk profile and risk management process.....	108
4.	Base currency of the sub-fund.....	108
5.	Issue, redemption and conversion of shares	108
6.	Investment manager	109
7.	Costs.....	109
8.	Term of the sub-fund.....	109
	MainFirst – Global Dividend Stars.....	106
1.	Overview	10711
2.	Investment objective and investment policy	10711
3.	Risk profile, investor profile and risk management procedures	10811
4.	Base currency of the sub-fund.....	10812
5.	Issue, redemption and conversion of shares	10812
6.	Investment manager.....	10912
7.	Costs	10912
8.	Term of the sub-fund.....	10913

DEFINITIONS

Articles of Incorporation	The Articles of Incorporation of the Company.
Banking Day	A day (other than a Saturday or Sunday) on which the Banks are open for normal business in Luxembourg City all day, subject to any deviations as stipulated in the Special Section. In this respect, 24 December and 31 December of each year shall not be considered as Banking Days.
Base currency	The currency in which the respective class of a sub-fund is denominated.
Board of Directors	The Board of Directors of the Company.
Central Administration, Transfer, Register and Domiciliary Agent	J.P. Morgan Bank Luxembourg S.A., 6c, route de Trèves, L-2633 Senningerberg, Luxembourg.
Class	A class or several classes of a sub-fund with particular features in terms of fee structure, minimum investment requirements, distribution policy, prerequisites to be fulfilled by the shareholders, base currency and other specific criteria.
Company	MainFirst, a variable capital investment company governed by Luxembourg law
Custodian Bank	J.P. Morgan Bank Luxembourg S.A., 6c, route de Trèves, L-2633 Senningerberg, Luxembourg
EEA	European Economic Area
EEA member state	A member state of the European Economic Area
EU	European Union
EU member state	A member state of the European Union
EUR or euro	The official currency of the member states of European monetary union.
Full prospectus	The Company's Full Prospectus as last amended.
Fund currency	The currency in which the assets in which a sub-fund invests are quoted and valued. Further details are provided in the appendix relating to the respective sub-fund.
Law of 2010	The Law of 17 December 2010 on Undertakings for Collective Investment, including subsequent amendments and additions.
Member of the Board of Directors	A member of the Company's Board of Directors.
Money market instruments	Instruments normally traded on the money market that are liquid and that have a value that can be determined at any time.
Net asset value	The net asset value of the Company, a sub-fund or, where applicable, a class, calculated as described in this Prospectus and the Articles of Incorporation.
OECD	The <i>Organisation for Economic Cooperation and Development</i> , whose member states at the time of publication include Australia, Austria, Belgium, Chile, Canada, Czech Republic, Denmark, Estonia, Finland, France, Germany, Grand Duchy of Luxembourg, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan,

	Mexico, New Zealand, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Turkey, United Kingdom and the United States of America.
OECD member state	A member state of the OECD
Regulation 2015/2365	Refers to Regulation (EU) 2015/2365 of the European Parliament and the Council of 25 November 2015 on the transparency of securities financing transactions and the reuse and amending of Regulation (EU) No. 648/2012.
Securities	Securities as defined in Article 1(34) of the Law of 2010: <ul style="list-style-type: none"> • Equities and other securities equivalent to equities (equities) • Bonds and other securitised debt instruments (debt instruments) • All other marketable securities that entitle the holder to acquire securities by subscription or exchange with the exception of the techniques and instruments referred to in Article 42 of the Law of 2010.
Shares	Shares in the capital of the Company. All of the shares must be fully paid up.
Sub-fund	A sub-fund as defined in Article 181 of the Law of 2010, i.e. a special portfolio of assets set up for one or more classes of the Company that is invested in accordance with a specific investment objective. The sub-fund does not have its own legal personality independent of the Company. However, each sub-fund is liable exclusively for the assets and liabilities attributable to it. The features of the individual sub-funds are described in more detail in the corresponding appendix.
UCI	Undertaking for collective investment
UCITS	Undertakings for collective investment in transferable securities pursuant to the European Council 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).
USD or US dollars	The official currency of the United States of America.
VAG investors	German pension funds and other German institutional investors subject to the provisions of the German Insurance Supervisory Act (Versicherungsaufsichtsgesetz, VAG) in its current version, or to the provisions of the VAG by virtue of special legal directives or on the basis of other regulations.
Valuation Day	Any Banking Day on which the net asset value per share of a sub-fund (or a particular class of a sub-fund) is calculated and which is referred to in the appendix for the respective sub-fund.

1. INTRODUCTION

The Full Prospectus is published in the scope of the current share (issue) offer of **MainFirst** (the Company), a variable capital investment company.

The shares being offered (the Shares) are Shares of the various Sub-funds of the Company and are offered for sale via Distributors. Subscriptions are only accepted if based on the valid Full Prospectus (General Section and Special Section) in conjunction with the latest published Annual Report and the latest published Semi-annual Report if it has been published later than the Annual Report.

Each Sub-Fund is legally dependent and all Sub-funds together form the Investment Company, which itself is a legally independent entity. The Full Prospectus is exclusively published in the context of the offer of Shares of the Sub-funds available at the time of print of the Full Prospectus. The Sub-funds' Shares are issued, redeemed or converted at the prices resulting from the calculation of the Net Asset Value per Share of the relevant Sub-fund (in this context please refer to the sections "Issue of Shares", "Redemption of Shares" and "Conversion of Shares").

Pursuant to the provisions of the law of 17 December 2010, relating to undertakings for collective investment ("UCIs"), as amended (the 2010 Law), the Company is entitled and obliged to prepare essential information for investors for the distribution of Shares of one or several Sub-fund(s), with the Full Prospectus available in Luxembourg at the Company's registered office, from the Management Company and from national agents.

Thus, the Full Prospectus contains one General Section comprising the provisions applicable to all Sub-funds, and a Special Section, detailing the individual Sub-funds and the provisions specific to them. In its Special Section, the Full Prospectus includes all activated Sub-funds and may be consulted by investors at the Company's registered office, via the Management Company and via the national agents. The offering prospectus includes the General Section and the respective applicable Special Section. Additionally, the Company must issue essential information for investors in the form of a Simplified Prospectus containing a concise presentation of the relevant Sub-fund, information regarding the fields of investment, economy and trading, and additional information for investors.

The Company's Board of Directors has taken all necessary steps to ensure that the Full Prospectus, at the time of its publication, contains accurate and precise information on all of the key issues tackled therein. All members of the Board of Directors accept their liability in this regard.

Potential subscribers of Shares are requested to seek personal advice - via their bank or their financial, legal or tax advisor - to become fully aware of any legal or tax consequences or of any consequences related to foreign exchange restrictions or controls which may be applicable to the subscription, the holding, redemption, conversion or transfer of Shares with regard to the current legal situation in the country of residence, ordinary residence or place of business of such person.

Nobody is authorised to issue information other than the information provided in the Full Prospectus and in the documents referred to therein.

Any information disclosed by a person who is not referred to in the Full Prospectus should be regarded as unauthorised information. The information contained in the Full Prospectus is accurate at the time of issue, it may be updated from time to time to take account of any major changes that subsequently occur. Any potential subscriber of Shares is therefore advised to check with the Company as to whether a more recent Full Prospectus has been published since the original date of publication.

Any reference to the terms EUR, USD, and CHF in this Full Prospectus shall mean the relevant legal tender in the member states of the single European currency, the United States or Switzerland.

The Annexes are integral parts of the Full Prospectus and must be read in conjunction with it.

The Company informs potential investors of the fact that all investors can only assert their rights in their entirety directly against the Company, in particular the right to participate in General Meetings, if the investor is himself a shareholder of the Company and is thus entered in the Company's share register in his own name. In cases in which the investor has invested in the Company through an intermediary such as a trustee or a so-called nominee who has made the investment in his own name but on behalf of the investor, all of the rights associated with the investment may not automatically be asserted by the investor directly vis-à-vis the Company. Investors are advised to seek advice on their rights in such a situation.

Copies of the Full Prospectus may be acquired free of charge from the Management Company and from the Central Administration Agent, Register and Transfer Agent:

J. P. Morgan Bank Luxembourg S.A.
6c, route de Trèves
L-2633 Senningerberg

The Full Prospectus may be translated into other languages. Any foreign-language versions should be accurate and true translations of the German original. In the event of any differences between the German version of the Full Prospectus and other language versions of the same document, the German version shall be binding, unless national legal provisions in a country of sale stipulate that the version of the Full Prospectus issued in that country in a different language is the binding version.

EUROPEAN UNION (EU) – The Company is an Undertaking for Collective Investment in Transferable Securities (UCITS) pursuant to Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS Directive); the Company's Board of Directors intends to publicly distribute the Shares in various EU member states according to the provisions of the UCITS Directive.

LUXEMBOURG – The Company is an Undertaking for Collective Investment in Transferable Securities (UCITS) pursuant to Section I of the 2010 Law. The Company's admission as a Luxembourg UCITS must not be interpreted as a positive judgement by the Luxembourg supervisory authority, Commission de surveillance du secteur financier (the CSSF), regarding the quality of the Shares in the Company distributed on the basis of this Full Prospectus.

The Full Prospectus must not serve as a basis for an offer or an invitation to purchase in a certain country or under certain conditions unless such offer or invitation is authorised in the relevant country or under the relevant conditions. Any potential subscriber of Shares receiving a copy of the Full Prospectus (General and Special Section) or the subscription from outside of the Grand Duchy of Luxembourg, shall regard such documents as an invitation to purchase or subscribe regarding such Shares only if such invitation can be made in full legally in the corresponding country without any registration or other requirements, or if the relevant person complies with such country's applicable legal provisions, or has received all official and any other authorisations required, and has complied with all applicable formal requirements.

FRANCE – Shares in certain Sub-funds of the Company may be held in France as part of a share savings plan (*Plan d'épargne en actions*). As regards the Germany Fund, Top European Ideas Fund, Avant-garde Stock Fund, and Classic Stock Fund Sub-funds, the Company undertakes to invest its assets pursuant to article 91 quater L of Annex II of the French *Code général des impôts* such that on a sustained basis at least 75% is invested in transferable securities or rights, as indicated under a, b and c of the 1st paragraph of article L.221-31 of the French *Code monétaire et financier*.

UNITED STATES OF AMERICA – The Shares have not been registered under the provisions of the United States Securities Act of 1933; thus, they must by no means be offered or in any way sold within the United States of America or any of its territories and may also not be offered or sold either

to United States citizens or for the benefit of US persons, with the term “US person” being defined in article 10 of the Articles of Incorporation (Articles).

2. GENERAL INFORMATION ON THE COMPANY AND ITS MANAGEMENT

General information on the Company

- 2.1 The Company is an investment company with variable capital ("*société d'investissement à capital variable*", *SICAV*) which was established on 26 September 2002, in the form of a stock company in accordance with Luxembourg law, pursuant to the provisions of the law of 10 August 1915 on Commercial Companies including subsequent changes and supplements and the amended law of 30 March 1988 on undertakings for collective investments for an indefinite period. The Company's Articles of Incorporation and the Full Prospectus have been amended pursuant to the Law of 20 December 2002 on Undertakings for Collective Investment and also, subsequently, pursuant to the Law of 2010.
- 2.2 It has its registered office at 6c, route de Trèves, L-2633 Senningerberg, Luxembourg. By means of a domiciliary agreement effective as of 18 August 2014, the Company has appointed J.P. Morgan Bank Luxembourg S.A as its Domiciliary Agent.
- 2.3 The Company is recorded in the Luxembourg Register of Commerce and Companies under no. B 89 173.
- 2.4 The founding Articles of incorporation were published in *Mémorial C, Recueil Spécial des sociétés et associations* (Mémorial) on 24 October 2002. The Company's Articles of Incorporation were last amended pursuant to a notarial deed of 30 April 2009 drawn up by the public notary Hellinckx and published in the "Mémorial" on 31 December 2011.
- 2.5 The Company's Central Administration is located in Luxembourg.
- 2.6 At the time of incorporation, the Company's initial capital amounted to EUR 125,000, represented by two thousand five hundred (2,500) fully paid-in no-par Shares.
- 2.7 The Company's capital was required to have reached a level of EUR 1,250,000 within six months of the Company being approved. It is represented by fully paid-in no-par Shares.
- 2.8 In accordance with the Articles of Incorporation, Shares can be issued as considered by the Board of Directors to various Sub-funds of the Company's assets. The assets of each Sub-fund are established separately and invested according to the relevant Sub-fund's investment objectives. Thus, the Company is established as an umbrella fund, enabling the investor to choose from various investment objectives and to invest in one or several Sub-fund(s) of the Company's assets.
- 2.9 Each Sub-fund has its independent portfolio of securities and legitimate assets managed according to specific investment objectives. Each of the Sub-funds can vary in particular by investment strategy, investment objectives, fund currency or other criteria as mentioned in the respective appendix. Exemption of liability exists among the individual Sub-funds. Shareholder and creditor rights concerning a Sub-fund or rights regarding the inception, custody or the liquidation of a Sub-fund only refer to the assets of this Sub-fund.
- 2.10 The assets of a Sub-fund are only liable up to the sum of the shareholder's invested assets in this Sub-fund and also liable for the costs associated with the inception, management or liquidation of the Sub-fund. Every Sub-fund is treated as an independent entity with regards to the relationships of Shareholders to one another.
- 2.11 The Sub-fund can issue several Classes whose assets are subject to a mutual investment objective. The Classes differ for instance regarding the fee structure, minimum investment requirements, distribution policy, and compliance of requirements for the Shareholders, denominated currency and other specific

criteria. **A specific Class does not hold a separate portfolio of investments. Each Class is therefore also liable for an obligation specifically made in another Class of the Sub-fund, for example from currency hedging when issuing currency hedged Classes. This inclusion may negatively impact the net asset value of the non-hedged Classes.**

2.12 At present, shares in the following sub-funds of the Company are issued:

- **MainFirst – Classic Stock Fund**
- **MainFirst – Top European Ideas Fund**
- **MainFirst – Germany Fund**
- **MainFirst – Emerging Markets Corporate Bond Fund Balanced**
- **MainFirst – Global Equities Fund**
- **MainFirst – Absolute Return Multi Asset**
- **MainFirst – Emerging Markets Credit Opportunities Fund**
- **MainFirst – Diversified Alpha**
- **MainFirst – Vermögensverwaltungsfonds Ausgewogen**
- **MainFirst – Dynamic Risk Parity**
- **MainFirst – Global Dividend Stars**
-

2.13 The Board of Directors shall exclusively issue registered shares in the above Sub-funds.

2.14 Upon the inception of new Sub-funds, the Full Prospectus shall be amended as appropriate by providing detailed information regarding the new Sub-funds.

2.15 At any time, the Company's capital corresponds to the total of all Sub-funds' net asset values.

Management Company

2.16 The Board of Directors of the Management Company has appointed MainFirst Affiliated Fund Managers S.A., as the Company's Management Company as defined in the Law of 2010 pursuant to an agreement concluded with effect from 1 January 2016.

The Management Company was founded for an unlimited term on 12 March 2013. The share capital currently totals EUR 1,000,000. The Management Company is entered in the Luxembourg Commercial Register under number RCS B 176025. Its Articles of Incorporation were last amended on 20 November 2015 and published in the official gazette Mémorial on 18 December 2015. The registered office of the Management Company is located at 16, rue Gabriel Lippmann, L-6365 Munsbach, Grand Duchy of Luxembourg.

2.17 The Board of Directors of the Management Company is composed of the following persons: Oliver Haseley (Chairman), Carsten Steinborn (representative) and Josiane Jennes

- (a) Oliver Haseley is Head of Asset Management and a member of the Management Board of MainFirst Affiliated Fund Manager (Switzerland) AG and MainFirst Holding AG.

Oliver Haseley is a co-founder of MainFirst. He was previously Deputy Head of Equities at Julius Baer in Frankfurt and Head of Equity Trading at Dresdner Bank in Berlin.

- (b) Carsten Steinborn is Head of Group Accounting, Controlling & Reporting of MainFirst Bank AG. He was previously Senior Manager at KPMG Wirtschaftsprüfungsgesellschaft. He is a member of the Board of Directors of MainFirst Schweiz AG.
- (c) Josiane Jennes is Chief Financial Officer of ETHENEA Independent Investors S.A.

2.18 The managers of the Management Company are:

- (a) Anja Richter

Anja Richter has a German doctorate in Law and has worked in the Luxembourg finance industry for over 15 years. She is responsible for the legal, compliance & outsourcing controlling, structuring, portfolio management and trading areas. She is also on the Board of Directors for several Luxembourg fund structures and has extensive experience in the administration and design of Luxembourg fund structures.

- (b) Björn Kogler

Björn Kogler, a member of the management since 2015, is responsible for the management of sales activities from Luxembourg for the MainFirst Group. He is also responsible for internal auditing, reporting, accounting, and finance & taxes. In addition, he is a member of the Management of MainFirst Affiliated Fund Managers (Switzerland) AG and a member of the Board of Directors at MainFirst SICAV. Björn Kogler has extensive experience in the area of investment funds. He worked in fund administration at Deutsche Postbank Financial Services, and in the area of institutional fund controlling at ComInvest GmbH and Transaction Banking at Commerzbank AG. Björn Kogler is a trained banker and successfully completed the EMBA Financial Services & Insurance international MBA programme at the University of St. Gallen in 2016.

- (c) Thomas Merx

Thomas Merx is responsible for the Fund Operations, Investment Compliance, Risk Management and IT/Infrastructure divisions. He came to MainFirst Bank AG in 2010 as Senior Portfolio Manager and Risk Manager, before being named Head of Risk Management of MainFirst Affiliated Fund Managers S.A. in 2015. Mr Merx has an MBA from Columbia University, New York, and a BA (Bachelor of Arts) from Middlebury College. Mr Merx has held various positions in the financial services industry since 1995.

2.19 The Management Company acts as management company to several investment funds and companies in Luxembourg. A full list of these investment vehicles can be obtained from its registered office. Information on the remuneration policy and a description of procedures for avoiding conflicts of interest can be found at www.mainfirst-fundmanagers.com.

2.20 The Management Company, as the Management Company appointed by the Company in accordance with Chapter 15 of the Law of 2010, fulfils the remit described in Annex II of the 2010 Law with regard to portfolio management, central administration and distribution of the Shares in the Company. The domiciliation tasks are not assigned to the Management Company.

2.21 Subject to the Board of Directors' consent and in accordance with the applicable statutory rules, the Management Company may delegate performance of the tasks with regard to portfolio management, central administration and distribution of the Shares in the Company to third parties.

2.22 Any such delegation to third parties notwithstanding, the Management Company shall retain responsibility for monitoring the tasks concerned.

2.23 This covers the following activities in particular:

- (a) Administration of the Company's assets and Sub-funds that have been outsourced to MainFirst Bank AG with registered office in Kennedyallee 76, D-60596 Frankfurt am Main and MainFirst Affiliated Fund Managers (Switzerland) AG, Gartenstraße 32, CH-8002 Zürich under respective Investment Management Agreement, applicable as of 1 January 2016 in each case.
- (b) Central administration agency and registrar and transfer agency outsourced by means of the agreement applicable as of 1 January 2016 to J. P. Morgan Bank Luxembourg S.A., with registered office at 6c, route de Trèves, L-2633 Senningerberg.
- (c) Distribution, which has been outsourced to MainFirst Bank AG with headquarters at Kennedyallee 76, D-60596 Frankfurt am Main. The outsourcing is not exclusive; the management company can appoint additional distributors. The distributors for their part may sub-delegate distribution.

Custodian Bank and Paying Agent

2.24 The Company's assets are deposited with J. P. Morgan Bank Luxembourg S.A. (**Custodian Bank**), which has agreed to act as Custodian Bank subject to a global custody agreement entered into with the Company for an unspecified period of time with effect from 18th March 2016 (**the Custodian Bank Agreement**).

The Company can terminate the Custodian Bank Agreement at 60 days' written notice. For the Custodian, a notice period of 180 days is applicable in this regard. Termination must always observe the provisions of Article 36(a) of the Law of 2010, i.e., a bank replacing the Custodian Bank must be named within a period of two months after the termination, and the Custodian Bank must perform the activities required to uphold the legitimate interests of the Shareholders until a new bank is named.

The Custodian Bank is organised as a public limited company (*société anonyme*) under Luxembourg law for an unlimited duration, and its registered office is at 6c, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg. It is subject to supervision by the Luxembourg financial market supervisory authority (CSSF) and is entered in the Luxembourg Trade and Companies Register under number B 10958.

Under the Custodian Bank Agreement, the Custodian shall (i) perform the duties of custodian in relation to the custodial assets of the Company and (ii) carry out monitoring to ensure that any non-custodial assets of the Company always remain in the ownership of the Company. In addition, the Custodian Bank shall effectively and adequately monitor the Company's cash flows in accordance with legal requirements

With regard to its custodial function as mentioned under (i) above, the Custodian Bank shall keep all financial instruments in a corresponding account opened at the custodian in the name of the Company (the account being at all times segregated in such a way that all financial instruments in this account can be clearly identified as belonging to the Company), as well as all financial instruments that can be physically held at the Custodian Bank. In the event of the Custodian Bank's insolvency or bankruptcy, assets of the Company segregated in this way shall not be available to creditors of the Custodian Bank in order to meet any claims of such creditors against the Custodian Bank.

With regard to other non-custodial assets as referred to in (ii) above, the Custodian Bank shall check the Company's ownership of such assets and enter these assets in a register. This register shall be kept permanently up to date by the Custodian Bank. For the purpose of checking the Company's right of

ownership, the Custodian Bank shall have access to information and documents provided to it by the Company, and, in so far as available, publicly accessible or verifiable information or registers.

The Custodian Bank is responsible for adequate surveillance of the Company's cash flows and, in particular, for ensuring that all payments made by or on behalf of investors reach the Company and that all cash of the Company is posted to cash accounts which (i) have been opened in the name of the Company or in the name of the Custodian Bank on behalf of the Company, (ii) have been opened in accordance with points (a), (b) and (c) of Article 18(1) of Directive 2006/73/EC, and (iii) are in accordance with the obligations to be observed pursuant to Article 16 of Directive 2006/76/EC. Where cash accounts have been opened in the name of the Custodian Bank on behalf of the Company, cash of the Company within the meaning of (ii) above and cash of the Custodian Bank must not be mixed in these accounts.

2.25 Pursuant to the provisions of the 2010 Law, and in addition to its custodial duties, it is the task of the Custodian Bank to ensure that:

- (a) the sale, issue, redemption, conversion and the declaration of invalidity of Shares by the Company itself or for its account are carried out in compliance with legal requirements and the Articles of Incorporation;
- (b) valuation of Shares is carried out in compliance with the law and the Articles of Incorporation
- (c) the instructions of the Company are carried out, provided these do not infringe legal requirements or the Articles of Incorporation
- (d) regarding transactions involving the Company's assets, the corresponding consideration is received within the usual timeframe;
- (e) the Company's revenues are used for the purposes specified in the Articles of Incorporation.

2.26 Company's assets held by the Custodian Bank cannot be reused by the Custodian Bank, or by a third party to whom the custodial function has been transferred, in particular but not exclusively through transfer, pledge, sale or lending of the held assets.

According to the provisions of the Custodian Bank Agreement and the requirements of the 2010 Law, the Custodian Bank may, under certain conditions and to ensure the performance of its duties, transfer all or part of its tasks to third parties whom it appoints from time to time. A list of third parties who may potentially be appointed by the Custodian Bank is available at www.mainfirst-fundmanagers.com.

The Custodian Bank shall employ all due skill, care and diligence in selecting and appointing such third parties, as required by the 2010 Law, so as to ensure that its entrusts assets of the Company only to those third parties who have adequate resources and experience to undertake the transferred activities and appropriate standards of security in accordance with the 2010 Law. This includes, in particular, ensuring that the third party is subject to appropriate prudential financial regulation and supervision.

Regardless of the foregoing, where the laws of a third country require that certain financial instruments of the Company be held in custody by a company established in the third country concerned, the Custodian Bank may transfer the custodial function to such companies, but only as long as and to the extent that the laws of a third country so require.

2.27 The Custodian Bank's liability shall not be affected, should the Bank entrust third parties wholly or partially with the custody of the Company's assets.

The Custodian Bank is liable to the Company and its Shareholders for the loss of any financial instruments that have been held by the Custodian Bank or a third party (delegate) in accordance with

the 2010 Law, and in particular is obliged to deliver a financial instrument of the same type or the corresponding amount back to the Company without undue delay.

The Custodian Bank shall also be liable for any other losses caused by it through negligence or intentional misconduct arising in the exercise of its obligations under the 2010 Law.

If the event which resulted in the loss of financial instrument was not due to the Custodian Bank's own actions or omissions (or those of a third party), the Custodian Bank shall be released from liability if it is able to show that it could not have prevented the event which led to the loss, despite all precautionary measures and efforts, in accordance with the provisions of the 2010 Law.

- 2.28 As remuneration for its services as the Custodian Bank, the Custodian Bank charges the standard banking costs in Luxembourg in connection with holding assets and securities, which are described in greater detail in Section 12 of the General Section.
- 2.29 In compliance with the provisions of the Custodian Bank Agreement, J. P. Morgan Bank Luxembourg S.A. has also agreed to serve as the Company's Paying Agent. In this context, the Bank shall mainly perform financial services related to the issue and redemption of the Company's Shares and as instructed by the Company.

In carrying out its duties, the Custodian Bank shall always act honestly, fairly, professionally, independently and exclusively in the interest of the Company and its investors. In particular, the Custodian Bank must not undertake any activities in relation to the Company that might constitute a conflict of interest between the Company, the Shareholders and the Custodian Bank, unless the Custodian Bank is able to make a functional and hierarchical separation of the exercise of custodial duties with potential conflicts, and such potential conflict points are properly identified, managed, monitored and disclosed.

Central Administration Agent, Register and Transfer Agent

- 2.30 The Management Company has delegated to J. P. Morgan Bank Luxembourg S.A. the tasks of the Central Administration Agent, Registrar and Transfer Agent. J. P. Morgan Bank Luxembourg S.A. (**Central Administration Agent, Registrar and Transfer Agent**) shall be responsible, among other tasks, for the performance of the central administrative functions required by Luxembourg law, the maintenance of the Company's accounting records and the maintenance of the share register. In addition, it shall be responsible for the periodic calculation of the Net Asset Value per Share and shall also assume any other functions of a **central administration agent according to Luxembourg laws**. In particular, it shall be responsible for the subscription, redemption and conversion of Shares as well as the transfer of the relevant proceeds; it shall be responsible for and supervise the dispatch of any reports, notices or other documents to Shareholders.

Distributors

- 2.31 In compliance with the applicable laws, the Company and the Management Company intend to appoint distributors (**Distributors**) for the distribution and sale of Shares of all Sub-funds in all countries in which distribution and sale of such Shares is permitted. The Distributors are authorised to keep or reduce the sales charge or a part thereof relating to the Shares that they have sold. The Distributors' Distribution Agreements are concluded for an unspecified period of time and may be terminated by either Party with three months' prior written notice. The Company has nominated Distributors and may also nominate additional Distributors.
- 2.32 The Distributor transmits the subscription, redemption and conversion orders to the Company and the Management Company and initiates the relevant payments.

Investment manager

- 2.33 The Company and the Management Company have named MainFirst Affiliated Fund Manager (Switzerland) AG, Gartenstrasse 32, 8002 Zurich, Switzerland, as investment manager for the Sub-funds MainFirst – Emerging Markets Corporate Bond Fund Balanced and MainFirst – Emerging Markets Credit Opportunities Fund; and MainFirst Bank AG, Kennedyallee 76, D-60596 Frankfurt am Main, Germany, for all of the other Sub-funds.
- 2.34 The appointment of MainFirst Bank AG is based on a contract applicable as of 1 January 2016. This agreement will be updated if additional Sub-funds are set up for which MainFirst Bank AG is to be appointed as Investment Manager. MainFirst Bank AG is a public limited company under German law. It was incorporated on 16 August 2001 and entered into the Commercial Register on 5 October 2001, under the name of MainFirst Bank AG. The then German Federal Banking Supervisory Office (Bundesaufsichtsamt für das Kreditwesen, BAKred, now the Bundesanstalt für Finanzdienstleistungen, BaFin) authorised MainFirst Bank AG by letter dated 4 October 2001 to provide banking services pursuant to Section 1 (1) Sentence 2 Nos. 1 - 5 and 7 - 12 of the German Banking Act (Kreditwesengesetz, KWG) and to provide financial services pursuant to Section 1 (1a) Sentence 2 of the KWG. MainFirst Bank AG's equity amounted to EUR 650,233.81 on 31 December 2015.
- 2.35 The appointment of MainFirst Affiliated Fund Managers (Switzerland) AG is based on a contract applicable as of 1 January 2016. MainFirst Affiliated Fund Managers (Switzerland) AG represents MainFirst Bank AG in Switzerland and brokers stock trading to MainFirst Bank AG. It provides consulting and financial services in particular for banks, securities traders, other financial intermediaries and institutional investors. In particular it performs management consulting for banks, securities traders and other financial intermediaries. MF Financial Services was created in May 2003 and renamed MainFirst Affiliated Fund Managers (Switzerland) AG in May 2003. MainFirst Affiliated Fund Managers (Switzerland) AG's equity amounted to CHF 237,893.90 on 31 December 2015.

The investment managers are authorized, subject to supervision by the Board of Directors and the Management Company, to take decisions on the investment and re-investment of the sub-funds' assets while taking into account the Offering Prospectus and the Company's Articles of Incorporation.

3. GENERAL INVESTMENT OBJECTIVES, INVESTMENT POLICY AND RISKS

- 3.1 The fundamental objective of the Company is to provide its Shareholders with an appropriate increase in value of the capital invested in conjunction with a broad diversification of the risks involved.
- 3.2 Investments in any of the Company's Sub-funds are subject to market fluctuations and other risks typically associated with investing in securities.
- 3.3 The value of the investment may be influenced by national and international macroeconomic developments, by interest rate fluctuations or by changes in the currencies of the investment countries, but also by exchange control provisions, by the tax legislation of the individual investment countries, including the provisions regarding withholding tax, by change of government or by changes in the economic and currency policies of the relevant countries. There is therefore no guarantee that the objectives of the investment policy will be achieved in practice.
- 3.4 The investment policy for the respective Sub-funds is consistently implemented in accordance with the investment restrictions described in section 17.
- 3.5 Each Sub-fund may apply different strategies to reduce investment risks and to optimise its portfolio return but is, however, subject to the investment restrictions described in section 17. At present, such strategies include options on securities, exchange futures, futures, and options on futures. The situation on the markets and the applicable legal provisions may restrict the use of such instruments. The

Company cannot guarantee the success of such strategies. The Sub-funds participating in the futures and options markets, and the Sub-funds applying currency exchange transactions in compliance with the investment restrictions specified under section 17 are subject to the risks and costs related to such specific investments; they would not be subject to such risks and costs if they had not concluded such transactions. Should the fund manager's assessment of the development of the securities, currency and interest markets not be correct, the Sub-fund may find itself in a more unfavourable situation than if the risk hedging or optimising strategies had not been applied.

- 3.6 There is no guarantee that the Sub-funds' portfolios are effectively hedged or that the Sub-funds will actually achieve their investment objectives.
- 3.7 None of the Company's Sub-funds shall, as part of their investment policy, invest in equities or shares of the Investment Manager or of companies that are associated with the Investment Manager.

4. SHARES OF THE COMPANY

- 4.1 The Company may issues Shares in the form of bearer Shares or registered Shares. Bearer shares are only issued in the form of a global certificate held in a clearing and settlement system.
- 4.2 The issued Shares, regardless of their form, may be issued as either accumulating or distributing Shares.
- 4.3 The Board of Directors may issue Classes of Shares as detailed in the respective Special Sections.
- 4.4 The net return from the issue of Shares shall be invested in the corresponding Sub-fund's assets.
- 4.5 The Board of Directors shall set up separate assets for each Sub-fund. Each of these assets shall be allocated exclusively to the Shares issued for the relevant Sub-fund considering the ratio of the Shareholders concerned.
- 4.6 Each Sub-fund shall only be only liable for its own obligations to third parties and to creditors in particular. Pursuant to the 2010 Law, the Company is not liable as a whole, irrespective of which Sub-fund's liabilities are concerned.
- 4.7 Registered Shares are entered into a register of Shares maintained by the Company or one or several person(s) commissioned by the Company to this effect. The registration comprises the name of each holder of registered Shares, the holder's domicile or chosen ordinary residence as communicated to the Company, the number of registered Shares held and the amount paid in for each such Share.
- 4.8 Entry of the shareholder's name in the register is proof of his ownership.
- 4.9 **Subject to the Company's consent, Shares may also be held via an intermediary such as a trustee or nominee. In such cases, the trustee or nominee is entered into the register following the subscription of Shares. However, all Shareholders may at any time have their own name entered in the register by requesting that the trustee or nominee transfer the Shares to the Shareholder.**
- 4.10 Bearer shares are issued in the form of global certificates. Shareholders are not entitled to the delivery of physical securities.
- 4.11 All Shares must be fully paid in; they have no face value and do not grant any preference or pre-emptive rights. Pursuant to the legal provisions and the stipulations of the Articles of Incorporation, each Share grants one vote in any general meeting, irrespective of the corresponding Sub-fund.

5. ISSUE OF SHARES

- 5.1 Accumulating and/or distributing Shares in each Sub-fund are issued at the subscription price. This price is calculated on any valuation day on the basis of the net asset value per Share.
- 5.2 As soon as Sub-funds are available for subscription, the Company may determine an initial subscription period in which the Shares are issued at a fixed initial subscription price plus a sales charge if applicable.
- 5.3 After the initial subscription period, the Shares of the various Sub-funds are issued at an issue price based on the net asset value per Share on the relevant valuation day. Moreover, a sales charge is applied which can be credited wholly or partially to the Distributor commissioned with the sale of the Shares in the country in which the investor is ordinarily resident.
- 5.4 Subscription orders arriving at the Central Administration Agent by no later than 12 noon (Luxembourg time) on the valuation day are settled after acceptance at the subscription price applicable on that valuation day. Orders arriving after 12 noon (Luxembourg time) on the valuation day are settled after acceptance at the subscription price of the following valuation day.
- 5.5 The issue price must be paid within three (3) bank working days of receipt of subscription.
- 5.6 In any case, the issue price shall be determined after the specified cut-off time in order to ensure that investors subscribe based on prices that are not known to them in advance.
- 5.7 Individual Sub-funds may deviate from these general proceedings. In such case, the individual proceedings for the Sub-fund in question are detailed in the Special Section comprising the description of such Sub-fund.
- 5.8 Moreover, Shareholders may directly contact J. P. Morgan Bank Luxembourg S.A., the registered office of which is located at 6c, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg, and which effectively performs the work of the central administration in full or in part.
- 5.9 The Company reserves the right to reject or only partially accept any subscription order. Moreover, the Company reserves the right to suspend the issue and redemption of Shares of any Sub-fund without prior notice and at any time.
- 5.10 The Company may resolve to issue fractions of Shares if the net amount of a subscription is not sufficient for a whole Share and the investor has not given instructions to subscribe to whole Shares only. Fractions of registered Shares may be issued up to one hundredth of a Share.
- 5.11 Subscription orders sent to the Distributor or other intermediaries must in any case include the purchaser's proxy statement granting sub-proxies.
- 5.12 Should the Company suspend calculation of the net asset value per Share for a Sub-fund (refer to section 18 of the Full Prospectus), no Shares shall be issued for the relevant Sub-fund during the time of the suspension.

6. REDEMPTION OF SHARES

- 6.1 Pursuant to the Articles of Incorporation and subject to the following stipulations, every Shareholder of the Company is entitled to request from the Company at any time the redemption of some or all of the Shares he/she/it holds in a Sub-fund.
- 6.2 The Shareholders who wish to redeem all or a part of their Shares must submit a written, irrevocable application to the Company. Such application shall detail the following: the identity and the address of the applicant, the number of Shares to be redeemed or the amount for which the Shareholder wishes to redeem Shares, and the name of the Sub-fund in which the Shares have been issued. The redemption

price may not be paid to any person other than the Shareholder. Any exceptions are subject to a review by the Custodian Bank of the information provided.

- 6.3 The redemption price can only be paid out if all of the documents required for the redemption are submitted with the application in the proper form, as well as any certificates, where applicable.
- 6.4 Redemption orders received by the Central Administration Agent by no later than 12 noon. (Luxembourg time) on the valuation day are settled after acceptance at the redemption price applicable on that valuation day. Orders arriving after 12 noon (Luxembourg time) on the valuation day are settled after acceptance at the redemption price of the following valuation day.
- 6.5 Moreover, Shareholders may directly contact J. P. Morgan Bank Luxembourg S.A., the registered office of which is located at 6c, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg, and which effectively performs the work of the central administration in full or in part.
- 6.6 As a general rule, the redemption price shall be paid in the currency of the relevant Sub-fund or - upon Shareholder's application - in another currency as specified by the Shareholder and available from the Custodian Bank, with the exchange-related costs charged to the Shareholder.
- 6.7 The redemption price of Shares may be higher or lower than the relevant purchase or subscription price. The redemption price corresponds to the net asset value per Share on the corresponding valuation day. It is generally paid out in Luxembourg, at the latest five (5) Banking Days after the day on which the net asset value applicable to the redemption has been calculated.
- 6.8 Payments are made at the Shareholder's risk by bank transfer to an account specified by the Shareholder. If the account is held by a third party, the restriction defined in 6.2 shall apply accordingly.
- 6.9 Redeemed Shares shall be cancelled.
- 6.10 Redemptions of a Sub-fund's Shares shall not be carried out during any period when calculation of the net asset value per Share for that Sub-fund has been suspended.
- 6.11 Should the incoming redemption (article 8 of the Articles of Incorporation) or conversion orders (article 9 of the Articles of Incorporation) for Shares, on a day on which the redemption or conversion of Shares is possible, exceed 10% of the relevant Sub-fund's outstanding Shares, the Board of Directors or Management Company may resolve to suspend all or a part of the redemption and conversion orders for a specified period of time and under consideration of the Company's interests. However, such suspension must as a general rule not exceed seven (7) valuation days. The processing of these redemption and conversion orders is then given priority over the processing of subsequent orders received after the initial redemption date.
- 6.12 Pursuant to article 10 of the Articles of Incorporation, the Company is authorised to repurchase all Shares held by a US person.
- 6.13 In order to protect the remaining investors, shares which are presented for redemption may be subject, at the discretion of the board of directors, to a redemption fee (the **Redemption Fee**). Further information on whether a Redemption Fee will apply and the amount thereof can be found in the relevant appendix to the Sub-fund.
- 6.14 The Redemption Fee will be deducted from the redemption proceeds paid for the respective redemption request. The Redemption Fee will be applied to the respective Sub-fund and shall be used as a priority for the purpose of paying the costs of settling the redemption request as well as generating available redemption funds. The Board of Directors reserves the right at its discretion to waive the Redemption Fee in whole or in part for any share class.

7. CONVERSION OF SHARES

- 7.1 Pursuant to the stipulations of the Articles of Incorporation and subject to the following stipulations, every Shareholder may convert Shares issued in one Sub-fund into Shares of another Sub-fund.
- 7.2 The conversion of Shares within a Sub-fund or between different Sub-funds is possible on any valuation day.
- 7.3 The Shareholder shall place the conversion order with the Company by fax or in writing. The procedures and time limits applicable to the redemption of Shares shall also apply to the conversion of Shares.
- 7.4 A conversion order shall be executed when a properly completed conversion order is received by the Domiciliary Agent.
- 7.5 Moreover, subscribers or Shareholders may directly contact J. P. Morgan Bank Luxembourg S.A., the registered office of which is located at 6c, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg, and which effectively performs the work of the central administration.
- 7.6 The conversion ratio for the relevant Shares is calculated based on the relevant Shares' net asset values on the same valuation day. The Board of Directors and Management Company are authorised to allow the conversion on condition that the relevant costs incurred at the agents charged with the conversion of Shares are paid.
- 7.7 Conversion of Shares shall not take place during any period when calculation of the net asset value per Share has been suspended with regard to the relevant Shares of the Company.

8. STATUTORY NOTIFICATION TO PREVENT MONEY LAUNDERING

- 8.1 As part of efforts to combat money laundering, the Company and the Central Administration Agent must comply with all of the applicable international and Luxembourg laws and regulations on the prevention of money laundering and financing of terrorism, in particular (i) the Law to Combat Money Laundering and the Financing of Terrorism of 12 November 2004, as amended by the Law of 17 July 2008 and clarified in some regards by the Grand Ducal Ordinance of 1 February 2010, (ii) the Law of 5 April 1993 on the Financial Sector, as last amended, (iii) the CSSF Regulation No. 12-02, (iv) the Circular CSSF 06/274, (v) the Circular CSSF 08/387, (vi) the Circular CSSF 10/476, (vii) the Circular 11/529 and (viii) the Circular CSSF 13/556 (including in each case any subsequent amendments and additions) and with other obligations imposed by further applicable legal provisions and circulars for persons operating in the financial sector in order to avoid investment funds being used for money laundering purposes.
- 8.2 The anti-money laundering measures mean that the identity of every potential investor in the Company must be proven.
- 8.3 Consequently, the Company and Central Administration Agency may request all information or documents required to determine the identity of a potential investor and the origin of monies being invested.
- 8.4 Failure to supply such documentation may result in the Company delaying or refusing an application for the subscription or exchange of shares in the Company or in a delay in investors being paid for the redemption of shares.

9. PROTECTION OF PERSONAL DATA AND TELEPHONE RECORDINGS

- 9.1 The Company, as the party responsible for the data processing, records, stores and processes, electronically and in other ways, the data provided by Shareholders when they subscribe and, where

applicable, subsequently, and collected over the course of the contractual relationship, in order to be able to provide the services required by Shareholders and to meet its legal and regulatory obligations. The data will include the name, address and amount invested for every Shareholder.

- 9.2 Investors may refuse at their own discretion to send personal data to the Company. In this event, however, the Company or Management Company may reject their application for subscription of Shares in the Company.
- 9.3 The personal data provided by Shareholders are used to fulfil the contractual obligations existing with respect to the Shareholders, i.e. in particular (i) to maintain the share register, (ii) to process applications for subscription, redemption and conversion of Shares as well as dividend payments to Shareholders, (iii) to prevent 'late trading' and 'market timing' practices, (iv) for commercialisation purposes, and for marketing purposes and in order to comply with their legal and regulatory obligations, and in compliance with applicable legislation legal and regulatory provisions (and in accordance with section 9.4 processed and published). In accordance with section 9.4, the data may also be processed and published in accordance within the group including the central administrative agent, the custodian bank or the registrar and transfer agent for the purpose of worldwide risk management, including for the purpose of storing trading transactions and company communications. The central administration agent, the custodian or the registrar and transfer agent may also optionally process the personal data of the shareholder as an independent person responsible for data processing and transferred to third parties (in accordance with section 9.4) for the purpose of fulfilling its own legal and regulatory requirements and for the purpose of being a member of the global risk management of the respective corporate group of these entities or companies.
- 9.4 The Company may transfer the processing of personal data to one or more offices which are based in the European Union, such as the central administrative agent, Management Company, or the registrar and transfer agent. If need be, the Company, the central administrative agent, the custodian bank and/or the registrar and transfer agent may transfer personal data to offices or to companies which belong to the respective group of companies but also to companies outside the respective group of companies, which are transferred by them from time to time to help with the provision of services to the Company. or which are asset managers to the Company. These offices or companies which belong or do not belong to the group of companies may be located outside Luxembourg or outside the legal jurisdiction of other EU member states, in countries which may not apply any provisions or may apply few far-reaching provisions for the processing and confidentiality of personal data equivalent to the provisions applicable in Luxembourg, including the provisions of the law dated 2 August, 2002, on the protection of personal data in its currently valid form (the (German) Data Protection Act), or concerning professional secrecy pursuant to the Luxembourg Law of 5 April 1993 on the Financial Sector, in its applicable version, to which the central administrative agent, custodian bank and/or registrar and transfer agent are or may be subject. This may also include the provision that the authorities (including supervisory or government authorities) and all courts, regardless of whether they are located within the European Union or elsewhere in the world, may demand or obtain access to or the disclosure of data in accordance with legal and regulatory provisions applicable in the country in question.
- 9.5 A Shareholder has the right to object to the use of their personal data for marketing purposes. Such an objection may be lodged by means of a letter addressed to the Company.
- 9.6 Personal data will not be stored beyond the time during which it needs to be used subject to the legally stipulated limitation periods.
- 9.7 By subscribing for or purchasing Shares, a Shareholder agrees that his/her/its telephone conversations conducted with the Distributors, the Management Company, the Custodian Bank, the Central Administration Agent or the registrar and transfer agent (or telephone conversations conducted with them by a third party who is entitled to act on behalf of the shareholder), may be recorded and thus processed as per the Data Protection Act and as per the law of 30 May 2005 concerning the protection of private life in the field of electronic communications in its latest form, for the purpose of storing evidence of trading activities and business communications.

- 9.8 Investors' attention is also drawn to the fact that their personal data will be recorded in the Share register recorded by the registrar and transfer agent. In accordance with the provisions of the data protection law, shareholders are entitled to request at reasonable intervals information on and to correct their personal data. The shareholder undertakes to indicate changes to his data of the company promptly.
- 9.9 By investing in the Company, the shareholder agrees to the use, including the processing and disclosure, of personal data as stated in this section 9.

10. COMBATING MARKET TIMING AND LATE TRADING

- 10.1 Purchasing, selling or converting Shares in order to perform market timing, late trading or similar practices is not allowed.
- 10.2 Market timing means the application of arbitrage transactions, i. e. investors systematically subscribe, redeem or convert Shares of an Undertaking for Collective Investment ("UCI") within a short period of time, making use of time zones and/or inefficiencies or weaknesses of the valuation system of the UCI's Shares.
- 10.3 The Company does not permit any practices related to market timing, as these may have a negative impact on the performance of the Company by increasing costs and/or diluting profits. The Company reserves the right to reject subscription or conversion applications from an investor who is suspected of using such practices. The Company may also temporarily or completely suspend the issue of Shares or take appropriate action to protect the Company's other shareholders. Any payments already made shall be repaid without delay.
- 10.4 Late trading means the acceptance of a subscription, conversion or redemption application which has been received after the expiry of the cut-off time of the relevant day, and execution thereof at a price corresponding to the relevant share price of that day.
- 10.5 In any case, the Company shall ensure that subscription, redemption and conversion are based on a share price that was not previously known to the investor. The cut-off time for the acceptance of applications is explicitly specified in the Special Section of the Full Prospectus.

11. DIVIDEND POLICY

- 11.1 The income and capital gains achieved in each Sub-fund shall be accumulated or distributed by the relevant Sub-fund. Should it however be deemed appropriate to pay a dividend with regard to any Sub-fund, the members of the Board of Directors may suggest to the Annual General Meeting of Shareholders that a dividend be distributed from the distributable net capital gains and/or the realised and/or non-realised capital gains net of the realised and/or non-realised capital losses.
- 11.2 Any dividend statements shall be published in the "Luxemburger Wort" and - upon resolution of the Board of Directors - in other newspapers.
- 11.3 Dividends not collected within five years shall be forfeited to the benefit of the relevant Sub-fund.

12. COSTS

Flat-rate fee

- 12.1 The Company shall pay, for the services of the Investment Manager and the Distributors, a flat rate in the various Classes and as detailed in the Special Sections, the amount of which is specified in the corresponding Special Sections of the Full Prospectus. All the other costs, including the commissions for the Custodian Bank, the Domiciliary Agent, the Administration Agent, the Registrar, the Transfer Agents, all Paying Agents and all permanent representatives at locations where the Company is subject

to registration, shall be borne by the Company. Costs incurred outside of the flat rate can be covered by the flat rate subject to a resolution of the Company's Board of Directors.

Central administration's fee

- 12.2 The remuneration for the central administration of the Company amounts to max. 0.10% p.a. and is calculated on the basis of the daily net asset value. At present, the Administration fee amounts to up to 0.06% p.a. of the average net asset value. The Central administration is free to charge a lower remuneration. The fee for central administration includes the fees for the Domicile, Paying, Accounting and Transfer Agents.

Custodian bank's fee

- 12.3 The Custodian currently receives remuneration of max. 0.07% p.a., calculated on the basis of the net asset value established daily, for the custody and administration of the Company's assets. The Custodian is free to charge a lower remuneration.

Other costs

- 12.4 Moreover, the Company shall bear the costs resulting from the Company's operations. This also includes the costs which result in connection with the following aspects of business operations:
- (a) Taxes and other state levies, including potential costs incurred by the Company in conjunction with the FATCA rules;
 - (b) Legal services and audits;
 - (c) Purchase and sale of securities and fees in connection with securities transactions including potential costs in relation to Regulation (EU) No. 648/2012 of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (EMIR), and other transaction costs;
 - (d) Proxy statements for the convening of the general meeting of Shareholders;
 - (e) Annual and semi-annual reports;
 - (f) Prospectuses and key investor information (including any translations);
 - (g) Sales promotion and marketing activities;
 - (h) Payment of distributions;
 - (i) Registration and reporting to all government and supervisory authorities;
 - (j) Fees and expenses of the Board of Directors;
 - (k) Insurance premiums;
 - (l) Interest;
 - (m) Listing fees and brokerage;
 - (n) Reimbursement of expenses for the Custodian Bank and all other contractual partners of the Company.
 - (o) Publication of the net asset value per share and the share price;
 - (p) Legal and tax consulting; as well as

- (q) License fees for the use of any proprietary trade names;
 - (r) Costs of any necessary valuation experts for non-liquid assets; and
 - (s) Other transaction costs
- 12.5 The Company may estimate administrative and other recurring or periodical costs and recognize them annually or for any other period.
- 12.6 If a liability of the Company cannot be allocated to a specific Sub-fund, it shall be allocated to all Sub-funds on a pro rata basis of the relevant net asset values or in any other way as may be decided by the Board of Directors to the best of its knowledge and belief, with - pursuant to the provisions of the preceding section “Shares” - all liabilities, irrespective of the Sub-fund to which they are allocated, binding the Company as a whole unless otherwise agreed upon with the individual creditors.
- 12.7 The costs are paid initially from the earnings, then from the realised or non-realised price gains. Costs related to setting up the Company and the subsequent inception of new Sub-funds are paid on a pro rata basis out of the assets of the various Sub-funds of the Company’s assets and amortized over the next five business years of the Company. Costs for the launch of new Sub-funds are exclusively charged to the respective Sub-fund and can be written down over a period of five years after the launch of the respective Sub-fund.
- 12.8 In the event that a Sub-fund acquires shares in another Sub-fund of the Company, a UCITS or UCI that is directly or indirectly managed by the same management company, the same Investment Manager or a company with which it is associated by way of joint management or control or direct or indirect investment exceeding 10% of the capital or the votes (associated undertakings), only a reduced flat rate management fee of 0.25% may be charged to the Sub-fund assets and no performance fee may be charged. Additionally, any subscription or redemption charges of the associated companies may not be charged to the Sub-fund. If, however, a Sub-fund invests in shares in a UCITS or UCI that is issued and/or managed by another company, it should be borne in mind that subscription and redemption charges may be calculated for these target funds. The subscription and redemption charges paid by the respective Sub-fund shall be reported in the respective financial report. If a Sub-fund invests in a UCITS or UCI, fees for the administration and management of the target funds as well as the fees incurred in relation to the administration and management of the investing fund will be charged to the fund assets. To this extent, the possibility of fees for fund administration and fund management being charged twice cannot be excluded.

Techniques for efficient portfolio management

- 12.9 All income that is recorded as a result of the use of efficient techniques for portfolio management benefits the respective sub-fund for the portfolio of which these are employed.

Management Company fee

- 12.10 An annual Management Company fee shall be charged to each Sub-fund, paid to MainFirst Affiliated Fund Managers S.A. This fee shall be calculated on the basis of the daily net asset value of the Sub-fund and shall be payable monthly by the Sub-fund. The fee shall be composed of a charge of 1-3 basis points p.a. calculated on the portfolio of assets held by the Sub-fund and based on the amount of the assets held by the respective Sub-fund, plus a compliance fee of EUR 5,000.00 p.a. per Sub-fund. However a minimum fee of EUR 20,000.00 p.a. per Sub-fund shall apply.

13. REMUNERATION POLICY

- 13.1 The Company has established a remuneration policy which applies to all employees in accordance with the relevant laws and regulations, in particular the 2010 Law, the ESMA Guidelines (2015/1172) and the CSSF circular 10/437.

- 13.2 This remuneration policy is intended to support both the culture and the corporate strategy of the Management Company. It is based on the assumption that remuneration should be linked to a person's performance and behaviour and be in line with the strategy, objectives, values, and interests of the Company and its Shareholders. The remuneration policy is available at www.mainfirst-fundmanagers.com and in hard copy upon request.
- 13.3 The remuneration policy is consistent with sound and effective risk management and it does not promote and encourage risk-taking which is inconsistent with the risk profiles, contractual conditions or articles of association of the UCITS managed by Management Company.
- 13.4 The remuneration policy is consistent with the business strategy, objectives, values and interests of the Management Company and the UCITS it manages and of the investors in such UCITS and includes measures to avoid conflicts of interest.
- 13.5 The performance is evaluated over a period of several years, which is appropriate to the holding period which the Management Company recommended to the investors in the UCITS, in order to ensure that the evaluation is based on the longer-term performance of the UCITS and its investment risks and that the actual disbursement of performance-based remuneration components is spread over the same period.
- 13.6 The fixed and variable components of total remuneration are in appropriate proportion to each other, with the proportion of the fixed component of the total remuneration high enough to offer complete flexibility in terms of variable remuneration components, including the possibility of paying no variable component at all.

14. TAXATION STATUS OF THE COMPANY AND ITS SHAREHOLDERS

Taxation status of the Company in Luxembourg

- 14.1 Pursuant to the relevant stipulations of the Luxembourg law and administrative practice, the Company is not subject to any Luxembourg tax on its income. Distributions by the Company are not subject to a withholding tax in the Grand Duchy of Luxembourg. In Luxembourg, however, the Company is subject to a capital levy (*taxe d'abonnement*) amounting to 0.05% p.a. of its net asset value. For all classes in all Sub-funds expressly reserved for institutional investors within the meaning of Article 174 of the 2010 Law, the capital tax (*taxe d'abonnement*) amounts to 0.01% of the net assets of the corresponding class in the respective Sub-fund. This tax is to be paid quarterly and is calculated based on the net assets of the Company at the end of the corresponding quarter.
- 14.2 Upon the issue of new Shares in the Company, no stamp or other taxes are to be paid in Luxembourg, with the exception of a non-recurring tax amounting to EUR 1,250, which was paid upon incorporation of the Company, and a tax of EUR 75 upon each amendment to the Company's Articles of Incorporation. Realised or non-realised price gains resulting from the Company's assets are not subject to taxation in Luxembourg. Dividend and interest income from the Company's investments may be subject to tax payments at various rates in the relevant countries. Such withheld taxes can only be reclaimed in individual cases.
- 14.3 The above information is based on the current legal situation and administrative practice and may therefore be subject to change.

Taxation status of the Shareholders

- 14.4 In conjunction with ownership of the Company's Shares, the Shareholders are not subject to taxation on income or price gains in the Grand Duchy of Luxembourg. This does not apply to Shareholders who have their domicile or ordinary residence or business office in Luxembourg.
- 14.5 Before 1 January 2015 and pursuant to EU Savings Directive (Directive 2003/48/EC), Luxembourg charged a withholding tax of 35% with regard to individuals who are resident in the EEA member

states. Thus, income from investment funds was able to be subject to withholding tax. Luxembourg abolished this withholding tax with effect from 1 January, 2015, and since then conducts the automatic exchange of information within the meaning of the EU Savings Directive.

FATCA – Foreign Account Tax Compliance Act

14.6 Compliance with FATCA

- (a) Sections 1471 to 1474 of the US Internal Revenue Code (**FATCA**) has introduced a new notification requirement and, where applicable, a 30% withholding tax is levied on specific payments (a) to any financial institutions not based in the USA “*foreign financial institution*” (FFI) (as defined by the FATCA), which are not participating FFIs by virtue of entering into an agreement with the Internal Revenue Service (**IRS**) to provide the IRS with specific information on their account holders and investors, or which are not in another way exempt from FATCA regulations or have the status of a “*deemed-compliant*” FFI or (b) to all investors (who are not FATCA exempt investors) who do not provide sufficient information in order to establish whether such investors are US Persons or whether they should be treated otherwise as holders of a US account. The new withholding tax regulation will be introduced on 1 July 2014 for payments that originate from sources in the United States and will enter into force no earlier than 2017 for “*foreign passthru payments*” (a term which has not yet been defined).
- (b) The United States and a number of other countries have announced that they intend to make “*intergovernmental agreements*” (**IGAs**) in order to simplify the implementation of the FATCA requirements. In accordance with FATCA and the “Model 1” and “Model 2” IGAs, an FFI in an IGA signatory country can be treated as a reporting FI and accordingly may not be subject to any FATCA-related withholding tax on payments which it receives. Such FFI would then not be required to withhold the tax on the basis of the FATCA or of an IGA (or any law whose implementation or compliance is related thereto, or which was introduced in order to meet an IGA) (FATCA withholding tax) on payments which it makes. The Model 2 IGA does, however, leave open the option that a reporting FI may in future be required to withhold the tax for *foreign passthru payments* that it makes. A reporting FI would then be required to provide specific information regarding its account holders to its own government. On 28 March 2014, the United States and the Grand Duchy of Luxembourg signed a Model 1 IGA (the **Luxembourg IGA**).
- (c) The Company expects that it will be treated as the reporting FI in accordance with the Luxembourg IGA and that accordingly no FATCA withholding tax is required to be withheld on payments which it makes in connection with shares. However there is no guarantee that the company will be treated as the reporting FFI or that it, or intermediaries through which the payments are made in respect of the shares, will not be required to withhold FATCA withholding tax in the future.
- (d) In the event that certain sums are required to be deducted or withheld as FATCA withholding tax from payments, neither the Company nor any other person shall make additional payments due to the deduction or the withholding of such tax.

14.7 The FATCA regulation is very complex and at present it is uncertain how it will be applied. The above description is partly based on the proposed regulations, official guidelines, the model IGAs and the Luxembourg IGA, which may possibly, however, be further amended or implemented in a highly modified form. Potential investors should consult their own tax advisers in order to ascertain the extent to which these regulations are of relevance for the Company and in relation to payments which they may receive on the shares.

14.8 The above information is based on the current legal situation and administrative practice and may therefore be subject to change.

- 14.9 **Prospective Shareholders are urged to obtain information and proper advice as regards laws and provisions covering taxation and exchange controls in their countries or in the country of domicile or ordinary residence or incorporation, and which are related to the subscription, purchase, ownership, redemption, conversion and other ways of realising the Shares of the Company. The Company and its Promoter do not accept any such liability**

15. INFORMATION FOR INVESTORS CONCERNING THE AUTOMATIC EXCHANGE OF INFORMATION

The Organisation for Economic Cooperation and Development (OECD) has developed a new Common Reporting Standard (CRS) for the automatic exchange of financial account information between tax authorities.

Luxembourg has signed the CRS and is expected to carry out the automatic exchange of information from 1 September 2017 onwards, relating to the 2016 tax year. The CRS was adopted in Luxembourg under the Luxembourg Law of 18 December 2015 (the "CRS Law") concerning the automatic exchange of financial account information and the implementation of EU Directive 2014/107/EC amending Directive 2011/16/EC concerning the obligation to carry out automatic exchange of information in the area of taxation. If the Company is viewed as a notifying financial institution within the meaning of the CRS Law, it may be obliged to request that its investors supply confirmation of domicile for tax purposes.

The Company is obliged to observe the due diligence and reporting procedures laid down by the CRS Law. Investors may therefore be asked to provide additional information to the Company to enable the Company to meet its obligations under the CRS Law. If the requested information is not supplied, any taxes, fines or other payments levied on the Company may be claimed from the investor. The Company may redeem units of such an investor in a Sub-fund of the Company and, at its discretion, transfer the proceeds to specified third parties or otherwise serve notice to the investor.

Interested investors are recommended to seek individual advice from a tax consultant concerning the requirements of the CRS.

The Company or the Appointed Third Party may pass on information concerning any investor (including any information provided by the investor, as described in this section) to any person, provided that this originates from a tax assessment authority or other government agency; this also applies to countries that do not have equally strict data protection or similar laws.

16. NOTIFICATIONS TO SHAREHOLDERS

- 16.1 Any convening of General Meetings including such General Meetings called to decide on amendments to the Articles of Incorporation or on the dissolution and liquidation of the Company, shall be disclosed to Shareholders pursuant to Luxembourg law. Registered Shareholders shall be provided with an information document accordingly. If and to the extent that bearer shares have been issued, the convening of meetings or other important notifications shall be published pursuant to the relevant statutory provisions in Luxembourg.
- 16.2 The Board of Directors may determine all other conditions to be fulfilled by Shareholders in order for them to participate in a General Meeting. The agenda may stipulate that the necessary quorum and majorities are to be determined on the basis of the number of shares that have been issued by midnight (Luxembourg time) five days before the date of the General Meeting (the fixing date). In such a case, Shareholders' participation rights shall be based on the number of shares that they hold on the fixing date.
- 16.3 The Company shall publish annually a detailed report on its business activities and the management of its assets, including the balance sheet, the profit and loss account, a detailed statement of each Sub-

fund's assets, the consolidated accounts of the Company covering all Sub-funds, and the report of the financial auditor.

- 16.4 Moreover, the Company shall publish Semi-annual Reports which include - especially for each Sub-fund and for the Company as a whole - the composition of assets, the number of Shares outstanding and the number of Shares issued and redeemed since the last publication.
- 16.5 These documents can be requested free of charge by any interested party at the Company's registered office.
- 16.6 The financial year of the Company begins on 1 January of the calendar year and ends on 31 December of the same year.
- 16.7 The annual consolidated Balance Sheet of the Company - i.e. the summary of all Sub-funds - is prepared in EUR, the base currency of the Company's capital.
- 16.8 The Annual General Meeting of Shareholders shall be held in Luxembourg at the place specified in the convening notice, on the last Thursday in April, at 10:30 a.m. Should this day be a public or bank holiday in Luxembourg, the General Meeting shall take place on the following Banking Day.
- 16.9 The Company has introduced a procedure designed to handle complaints from Shareholders quickly and appropriately. Shareholders may submit their complaints to the Company's address at any time. In order to guarantee that the complaint will be dealt with promptly, it should refer to the relevant Sub-fund and class in which the shareholder submitting the complaint holds shares. Complaints may be lodged in writing, by telephone or during a personal discussion. Written complaints shall be recorded and kept on file. Verbal complaints shall be documented in writing and kept on file. Written complaints may be submitted in German or in any of the official languages of the investor's home state within the European Union. The e-mail address for complaints is: anja.richter@mainfirst.com. Complaints may also be submitted to the Management Company by post: MainFirst Affiliated Fund Managers S.A., 16 rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg.

17. INVESTMENT RESTRICTIONS

- 17.1 The Company's assets are subject to risks and fluctuations typical for securities investments. Therefore, the Company cannot guarantee that the planned investment objective will actually be achieved and that the Company's investments will develop positively. The Board of Directors specifies the investment policy for each Sub-fund based on the principle of risk diversification. The General Principles listed below shall apply to all Sub-funds of the Company
- 17.2 None of the Company's Sub-funds shall, as part of their investment policy, invest in equities or shares of the Investment Manager or of companies that are associated with the Investment Manager. Likewise, no Sub-fund of the company will invest as part of its investment policy in shares or units of an enterprise that are not traded on an exchange or a regulated market.
- 17.3 In general, the investment policy to be applied to each Sub-fund shall be in compliance with the following provisions:

Company's Investments

- 17.4 The Company's investments consist of the following financial instruments in accordance with the 2010 Law:
 - (a) Securities and money market instruments listed or traded on a regulated market; and/or
 - (b) Securities and money market instruments traded on another market in a EU member state, provided that such market is recognised, open to the public and functions properly; and/or

- (c) Securities and money market instruments officially listed on a securities exchange of a third state or traded on another regulated market of a third state, provided that such market is recognised, open to the public and functions properly, if such securities exchange or market is specified in the Company's Articles of Incorporation; and/or
- (d) Securities and money market instruments from new issues, provided that:
 - their issue terms include the obligation for an official listing on a securities exchange or for trading on another regulated market as specified above under (b) and (c);
 - they are admitted there for official trading within one year upon issue; and/or
- (e) Shares of UCITS admitted pursuant to the UCITS Directive and/or other undertakings for collective investment in transferable securities within the meaning of article 1 paragraph 2 letters a) and b) of the UCITS Directive having their registered office in an EU member state or a third state, provided that:
 - such other undertakings for collective investment have been admitted based on legal provisions that subject them to a supervisory authority which is considered by the Luxembourg CSSF as equally suitable by EU standards, and that the cooperation of the relevant authorities is sufficiently ensured;
 - the level of protection for Shareholders of the other undertakings for collective investment is equivalent to the level of protection of an UCITS and that especially the regulations concerning the separate custody of the special assets, borrowing, lending and short selling of securities and money market instruments are considered as equivalent to the provisions of the UCITS Directive;
 - the business activities of the other undertakings for collective investment are specified in Semi-annual and Annual Reports, which enable a judgement to be formed as regards the assets and liabilities, the income and the transactions within the reporting period;
 - the UCITS or the other undertakings for collective investment, the shares of which are to be purchased, are authorised in compliance with their respective Articles of Incorporation to invest a total of 10% of their special assets in other UCITS or undertakings for collective investment; and/or
- (f) sight deposits or callable deposits with a maturity not exceeding 12 months with credit institutes, if such credit institution has its registered office in an EU member state, or - if the credit institution's registered office is in a third state - if such institute is subject to supervisory provisions that the CSSF considers as equivalent to EU standards; and/or
- (g) derivative financial instruments (**derivatives**), including equivalent instruments which are settled in cash and traded on a regulated market specified under letters (a), (b) and (c) , and/or derivative financial instruments not traded on a securities exchange (**OTC derivatives**) provided that:
 - the underlying assets are instruments within the meaning of article 41, paragraph 1 of the 2010 Law, or financial indices, interest rates, exchange rates or currencies, in which the UCITS is allowed to invest pursuant to the investment targets specified in its Articles of Incorporation;
 - the counterparties to the transactions with OTC derivatives are institutes subject to a supervisory authority of such category as authorised by the CSSF;

- and the OTC derivatives are subject to a reliable and verifiable daily valuation and can be sold, liquidated or sold off by a counter-deal at the appropriate market value at any time upon the initiative of the UCITS; and/or
- (h) money market instruments not traded on a regulated market and within the definition of article 1 of the current law of 2010, if the issue or the issuer of such instruments is already subject to provisions regarding the protection of deposits and investors, and provided that they have been:
- issued or guaranteed by a centralised governmental, regional or local corporate body or the central bank of a EU member state, the European Central Bank, the EU or the European Investment Bank, a third state, or, if it is a federal state, a member state of the federation, or by an international public body comprising at least one member state; or
 - issued by a company whose securities are traded on a regulated market specified under letters (a), (b) and (c); or
 - issued or guaranteed by an institution that is subject to a supervisory authority pursuant to the criteria defined by Community law, or by an institution that is subject to and complies with supervisory provisions that are considered by the CSSF to be at least as strict as those laid down in Community law; or
 - issued by other issuers belonging to a category approved by the Luxembourg supervisory authority, provided that the investments in such instruments are subject to investor protection equivalent to that laid down in the first, second and third indent and provided the issuer is either a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC or is an entity which, within a group of companies that includes one or more listed companies, is responsible for the financing of the group, or is an entity that is responsible for the financing of securitisation vehicles which benefit from a banking liquidity line.

17.5 Moreover, the Company may execute the transactions specified below for each Sub-fund.

- (a) The Company may invest up to 10% of a Sub-fund's net assets in securities other than those described under 17.4.
- (b) The Company may hold for any Sub-fund liquid assets and other instruments related to liquid assets (including money market instruments which are traded regularly, their residual terms not exceeding 12 months) amounting to up to 40% of such Sub-fund's net assets.
- (c) The investment in money market instruments is limited to the extent that such money market instruments comply with the requirements specified under 17.4(h).
- (d) The Company may borrow money amounting to up to 10% of any Sub-fund's net assets for a limited period of time.
- (e) The Company may acquire foreign currencies via a back-to-back loan.
- (f) The Company may acquire shares of other undertakings for collective investment in transferable securities (UCITS) and/or other undertakings for collective investments (UCI) pursuant to the following investment restrictions:

- (i) The Company may acquire shares of other UCITS and/or other UCI within the meaning of 17.4(e) provided that such investment in one and the same UCITS and/or other UCI does not exceed 20% of the Sub-fund's net assets.
- (ii) Investments in shares of UCI other than UCITS may not exceed a total of 30% of such UCITS' net assets.

The above restrictions shall not apply to feeder sub-funds as defined in section 17.34.

17.6 Moreover, the Company shall comply, regarding any of its Sub-funds, with the following investment restrictions:

(a) The Company is not allowed to invest its assets in securities or money market instruments of one and the same issuer if the investment restrictions specified below are exceeded:

(i) The Company must not invest more than 10% of any Sub-fund's net assets in securities or money market instruments of one and the same issuer. Moreover, the Company must not invest more than 20% of any Sub-fund's net assets in deposits with one and the same institution. The Fund's risk exposure to a counterparty in an OTC derivative transaction may not exceed:

(A) 10% of any Sub-fund's net assets if the other party is a credit institution according to the meaning of article 41 section 1 letter f) of the 2010 Law;

(B) otherwise 5% of any Sub-fund's net assets

(ii) The aggregate value of securities and money market instruments of issuers in whose securities and instruments the Company invests more than 5% of any Sub-fund's net assets must not exceed 40% of the net assets of the relevant Sub-fund. Such restriction does not apply to deposits and transactions involving OTC derivatives with credit institutions subject to prudential supervision.

Notwithstanding the individual limit of (i) the Company must not invest more than 20% of any Sub-fund's net assets in one and the same institution

(A) Transferable securities or money market instruments issued by a single institution; and/or

(B) Deposits with a single institution, and/or

(C) OTC derivatives purchased from a single institution.

comprising:

(iii) The limit specified above under (i) sentence 1 can be extended to a maximum of 35% in the case of securities or money market instruments issued or guaranteed by a EU member state and its local authorities, by a third state or by international public bodies involving at least one EU member state.

(iv) The limit specified above under (i) sentence 1 can be extended to a maximum of 25% in the case of certain debt obligations issued by a credit institution with its registered office in a EU member state, if such institution is subject to a special prudential supervision based on legal provisions for the protection of the holders of such debt obligations. In particular, the proceeds from the issue of such debt obligations must be invested - pursuant to legal provisions - in assets which sufficiently cover the liabilities resulting therefrom for the whole term of such debt obligations and which would be used in the first instance to repay the principal and the interest payments in

the event of the issuer being wound up. Should the Company invest more than 5% of any Sub-fund's net assets in such debt obligations of one and the same issuer, the total of such investments must not exceed 40% of the Sub-fund's net asset value.

The securities and money market instruments specified above under items (iii) and (iv) are included in the calculation of the investment limit of 40% pursuant to items (iii) above.

The investment limits specified in items (i), (ii), (iii) and (iv) must not be accumulated; therefore investments in securities or money market instruments of one and the same issuer, or deposits or derivatives with/of such issuer within the meaning of items (i), (ii), (iii) and (iv) must on no account exceed 35% of any Sub-fund's net assets.

Companies which are part of the same group regarding the preparation of consolidated Annual Reports within the meaning of Directive 83/349/EEC or pursuant to generally acknowledged international accounting standards must be considered as one single issuer for the purposes of calculating the investment limits specified in this article.

One fund may invest a total of 20% of its net assets in securities and money market instruments of one and the same group of companies.

Pursuant to article 181(1) of the 2010 Law, any Sub-fund of an umbrella fund must be regarded individually as one single issuer, provided that the principle of separation of obligations of the various Sub-funds via third parties is guaranteed.

Notwithstanding the investment limits specified above under (i), (ii) and (iii), the Company shall be entitled to invest - based on the principle of risk diversification - up to 100% of any Sub-fund's assets in securities and money market instruments issued or guaranteed by a EU member state or its local authorities, by another OECD member state or by international public bodies including one or several EU member state(s), provided such securities comprise at least six different issues and the assets of one and the same issue do not exceed 30% of the relevant Sub-fund's assets.

- (b) For all Sub-funds combined, the Company may not purchase more than 10% of the debt obligations issued by one and the same issuer.
- (c) For all Sub-funds combined, the Company may not purchase more than 25% of the shares issued by one and the same UCITS and/or other UCI.
- (d) For all Sub-funds combined, the Company may not purchase more than 10% of the money market instruments issued by one and the same issuer.

The investment limits specified above under letters (b), (c) and (d) do not have to be applied at the time of purchase if the gross amount of the debt obligations or the money market instruments or the net amount of the Shares issued cannot be calculated at the time of the purchase.

The above investment limits specified under items (b), (c) and (d) shall not apply to:

- (i) securities and money market instruments issued or guaranteed by a EU member state or its local authorities;
- (ii) securities and money market instruments issued or guaranteed by a state that is not a EU member state;
- (iii) securities and money market instruments issued by an international public body that comprises one or several EU member state(s);

- (iv) shares of a company in a state that is not an EU member state (“third state”), provided such company invests its assets mainly in the assets of issuers based in such state and if such participation is the only possible way to invest in assets of the relevant issuer of such state, due to the state’s legal provisions. The above stipulation shall, however, only apply if the company in the third state complies with the investment limits laid down in items 17.517.5(e) and 17.6(a)17.6(a)(i) to (a)(iv), (b), (c) and (d). In the event of the investment limits specified in items 17.6(a)17.6(a)(i) to (a)(iv) and 17.517.5(e) being exceeded, letter (l) shall apply accordingly;
 - (v) shares of the equity capital of subsidiaries held by one investment company or several investment companies, if such subsidiary - in the state of its registered office - performs only and exclusively for such investment company/companies certain administration, advisory or distribution services regarding the repurchase of shares upon application of the Shareholders.
- (e) The Company is not allowed to invest in commodities or precious metals or in certificates thereof; currency transactions including the corresponding futures and options are not considered as commodity trade within the meaning of this investment restriction.
 - (f) The Company shall not make investments involving an unlimited liability of the investor.
 - (g) The Company is not allowed to short sell securities or to deal otherwise in instruments it does not own.
 - (h) The Company shall not purchase real property unless this is indispensable for its immediate business activities.
 - (i) The Company shall not use its assets for firm commitment underwritings.
 - (j) The Company shall not issue options or other subscription rights on its Shares.
 - (k) Notwithstanding the admissibility of purchasing bonds and other securitised receivables, as well as the ownership of bank securities accounts, the Company is not allowed to provide loans or guarantees to third parties. However, the Company may invest up to 10% of each Sub-fund’s net assets in securities that have not been fully paid up.
 - (l) The Company may exceed the above investment restrictions in the scope of exercising subscription rights to the extent that such rights result from the securities comprising the Company’s assets. Should the Company exceed the investment restrictions involuntarily or by exercising subscription rights, it shall primarily try to remedy this situation in the Shareholders’ interests within the scope of its selling transactions.

Risk information

17.7 The assets in which the Investment Manager invests on behalf of a Sub-fund of the Company carry risks as well as opportunities to create additional value. These include

- (a) General market risk: The assets in which the Fund Manager invests on behalf of the Fund carry risks as well as opportunities to create additional value. If the Fund invests directly or indirectly in securities and other assets, it is exposed to general trends and tendencies in the markets, particularly the securities markets, which are due to diverse and sometimes irrational factors. Losses may occur when the market value of the assets decreases with respect to the cost price. If an investor sells units in the Fund at a time when the value of the assets in the Fund has decreased since the time of unit purchase, he will not receive the full amount of the money he invested in the Fund. Although the Fund always seeks to increase its value, this cannot be guaranteed. The investor’s risk is however limited to the amount invested. There is no additional funding obligation concerning the money invested.

- (b) Interest rate risk: Investing in fixed-income securities entails a risk that the market interest rate at the time of issuance of a security could change. If market rates increase with respect to the interest rate at the time of issue, fixed-income securities will generally decrease in value. If, on the other hand, market interest rates fall, then the price of fixed-income securities will rise. This price trend means that the current return on a fixed-income security is roughly equivalent to the current market interest rate. However, such fluctuations can have different consequences, depending on the maturity of fixed-income securities. Fixed-income securities with shorter maturities generally have lower price risks than fixed-income securities with longer maturities. On the other hand, fixed-income securities with shorter maturities generally have lower returns compared to fixed-income securities with longer maturities.
- (c) Credit risk: The creditworthiness (ability and willingness to pay) of the issuer of securities or money market instruments held directly or indirectly by the Fund may decrease later on. This generally leads to a fall in the price of the security concerned, in excess of general market fluctuations.
- (d) Corporate risk: The performance of securities and money market instruments held directly or indirectly by the Fund is also dependent on company-specific factors, such as the business-economic situation of the issuer. If company-specific factors deteriorate, the price of the security concerned may decrease significantly and permanently, despite an otherwise generally positive stock market performance.
- (e) Counterparty default risk: The issuer of securities held directly or indirectly by the Fund or the debtor of a claim belonging to the Fund may become insolvent. The corresponding assets of the Fund may become economically worthless as a result.
- (f) Counterparty risk: Where transactions are not performed through a stock exchange or regulated market ("OTC transactions"), there is a risk – above and beyond the general counterparty default risk – of the counterparty of the transaction failing or being unable to meet all of its obligations. This applies particularly to transactions involving techniques and instruments. The Management Company may accept collateral to reduce counterparty risk in the case of OTC derivatives. This is done in accordance with and taking into account the requirements of ESMA Guideline 2012/832. Collateral can be accepted both in cash and in the form of securities pursuant to article 4 no. 4 c) cc) of the Articles of Incorporation. The received cash collateral will not be reinvested. The received securities will not be sold, reinvested or pledged. The Management Company will apply graduated valuation discounts to securities received as collateral (haircut strategy), taking into account the specific characteristics of the securities and the issuer. The applied haircuts can be inquired of the Management Company at any time free of charge. Collateral is based on individual contractual agreements between the counterparty and the Management Company. These define, among other things, the type and quality of the collateral, haircuts, allowances and minimum transfer amounts. The values of OTC derivatives and of any collateral already provided are determined on a daily basis. If an increase or reduction of collateral is necessary based on the individual contractual conditions, this will be requested or claimed back from the counterparty. Details of the agreements can be requested from the Management Company at any time free of charge. The Management Company shall ensure that the risk of default in the case of transactions of the respective Sub-fund with OTC derivatives does not exceed 10% of the net Sub-fund assets where the counterparty is a credit institution within the meaning of Article 41 (1) f) of the Law of 17 December 2010 and 5% of net Sub-fund assets in all other cases.
- (g) Currency risk: Where the Fund directly or indirectly holds assets denominated in foreign currencies, it is exposed to a currency risk (if foreign currency positions are not hedged). Any depreciation of the foreign currency against the base currency of the Fund will lead to a reduction in the value of assets denominated in the foreign currency.

- (h) Sector risk: Where a Fund's investments are focused on particular sectors, this reduces the diversification of risk. As a result, the Fund will be particularly dependent both on general trends and on the trend of company profits in individual sectors or interdependent sectors.
- (i) Country/region risk: Where a Fund's investments are focused on particular countries or regions, this likewise reduces the diversification of risk. As a result, the Fund will be particularly dependent on individual or interrelated countries and regions and on the companies based and/or operating in those countries and regions.
- (j) Country and transfer risks: Economic or political instability in countries where the Fund is invested may mean that the Fund does not receive all or part of the monies due to it, despite the solvency of the issuer of the securities or other assets concerned. This may be due to e.g. foreign exchange controls, transfer restrictions or other legal changes.
- (k) Liquidity risk: Particularly in the case of illiquid (narrow-market) securities, even an order that is not particularly large can lead to significant price changes both on buying and on selling. If an asset is not liquid, there is a risk that it cannot be sold, or can only be sold at a substantial discount. In the case of purchase, the illiquidity of an asset may mean that the purchase price is significantly increased.
- (l) Custody risk: Custody risk describes the risk resulting from the general possibility that, in the event of insolvency or negligent, deliberate or fraudulent behaviour on the part of the custodian or a sub-custodian, the Fund may be deprived, wholly or partly and to its detriment, of access to the investments held in custody.
- (m) Emerging markets risks: Investments in emerging markets are investments in countries that, according to the World Bank's classification, do not fall in the category of "high gross national income per capita", i.e. that are not classified as "developed". In addition to the specific risks of the specific asset class, investments in these countries are subject in particular to liquidity risk and general market risk. Greater risks may also occur when processing transactions in securities from these countries, leading to losses for investors, in particular because delivery of securities concurrently against payment is not possible or usual in those countries. In emerging markets, the legal and regulatory environment and the accounting, auditing and reporting standards may also differ significantly from otherwise customary international levels and standards, to the investor's disadvantage. Greater custody risk may also arise in such countries, due in particular to the different ways of acquiring title to purchased assets.
- (n) Inflation risk: Inflation risk means the risk of suffering financial losses owing to inflation. Inflation can significantly reduce the return of the Fund and the value of the investment as such in terms of purchasing power. Different currencies are affected by inflation risk to varying degrees.
- (o) Settlement risk: Particularly in the case of investments in unlisted securities, there is a risk that settlement by a transfer system will not be executed as expected due to payment or delivery being delayed or not taking place as agreed.
- (p) Risks associated with the use of derivatives: Due to the leverage effect of options, the value of the Fund's assets may be more strongly affected – both positively and negatively – than is the case where securities and other assets are acquired directly; this being so, their use entails particular risks. Financial futures contracts used for a purpose other than hedging are also associated with significant opportunities and risks, since only a fraction of the contract size (margin) has to be paid immediately. Price changes can therefore lead to significant gains or losses. As a result, the risk and volatility of the Fund may be increased. Depending on the format of swaps, a future change in the market interest rate (interest rate risk) or the failure of the other party (counterparty risk) or a change in the underlying can have an impact on the valuation of swaps. In general, future changes in (the value of) underlying cash flows, assets, income, or risks can lead to gains as well as losses in the Fund.

- (q) Risk of suspension of redemption: Shareholders are entitled in principle to demand daily redemption of their shares from the Management Company. However, the Management Company may temporarily suspend redemption of shares in exceptional circumstances and only redeem the shares later at the price then applicable (see also article 13 of the Articles of Incorporation "Suspension of calculation of net asset value per share" and article 16 of the Articles of Incorporation "Redemption and conversion of shares"). This price may be lower than it was prior to suspension of redemption. The Management Company may also be obliged to suspend redemption if one or more funds whose units have been acquired for the Fund for their part suspend redemption, and these account for a significant proportion of the net assets of the Fund.
- (r) Risk associated with investment in commodities Although the source of commodities in nature is finite and some commodities cannot be artificially reproduced, this is no guarantee of a constant increase in value in future. Instead, prices are inherently subject to local and global market fluctuations and the potential influence of numerous factors such as liquidity, the ratio of supply and demand, market activity, regulatory interventions, natural disasters and other geopolitical circumstances. These factors can affect values both positive and negatively, which may lead to partial loss of the sum invested. Furthermore, the proceeds achievable on sale may differ from the current value. Commodities should generally be regarded as risky due to their high volatility, which describes the degree and frequency of price fluctuations.
- (s) Specific risks of investing in target funds: If the investment manager uses other funds (target funds) for account of a sub-fund as an investment vehicle for its assets by acquiring shares in such other funds, it assumes, in addition to the risks generally associated with investment policies of the other funds, the risks that result from the structure of the "fund" vehicle. As a result it is itself subject to fund capital risk, settlement risk, the risk of restricted flexibility, the risk of changes to underlying conditions, the risk of changes to terms and conditions, the investment policy and other general provisions of a fund, key personnel risk, the risk of transaction costs at the fund level arising from share movements and, in general, performance risk. If a target fund's investment policy is oriented towards investment strategies that expect markets to rise, the relevant positions should usually have a positive effect on the target fund's net assets when markets are rising, and normally a negative effect when the markets are falling. If a target fund's investment policy is oriented towards investment strategies that expect markets to fall, the relevant positions should usually have a positive effect on the target fund's net assets when markets are falling, and normally a negative effect when the markets are rising. The fund managers of different target funds act independently of each other. This may lead to several target funds assuming opportunities and risks in the same or related markets or assets, which concentrates the opportunities and risks of the fund holding these target funds on the same or related markets or assets. However, the opportunities and risks incurred by different target funds may also offset each other. If a fund invests in target funds, costs are regularly incurred both at the level of the fund making the investment and at the level of the target funds, in particular management fees (fixed and/or performance-related), custodian fees and other costs; these result in increased charges to the investors in the fund making the investment.

Risk profiles

17.8 The investment funds managed by the Management Company are classified in one of the following risk profiles. The risk profile of the Fund can be found in the Annex. The descriptions of the following profiles have been prepared assuming normally functioning markets. In unforeseen market situations or in case of market disruptions due to non-functioning markets, further risks may arise besides those mentioned in the risk profile.

- (a) Risk profile – risk-averse: The Fund is suitable for risk-averse investors. Due to the composition of the net fund assets, there is a low overall risk, accompanied by corresponding income potential. Risks include, in particular, currency, credit and price risks, and risks resulting from changes in market interest rates.

- (b) Risk profile – conservative: The Fund is suitable for conservative investors. Due to the composition of the net fund assets, there is a moderate overall risk, also accompanied by corresponding income potential. Risks include, in particular, currency, credit and price risks, and risks resulting from changes in market interest rates.
- (c) Risk profile – growth-oriented: The Fund is suitable for growth-oriented investors. Due to the composition of the net fund assets, there is a high overall risk, also accompanied by high income potential. Risks include, in particular, currency, credit and price risks, and risks resulting from changes in market interest rates.
- (d) Risk profile – speculative: The Fund is suitable for speculative investors. Due to the composition of the net fund assets, there is a very high overall risk, also accompanied by very high income potential. Risks include, in particular, currency, credit and price risks, and risks resulting from changes in market interest rates.

17.9 The Company shall apply a risk management procedure that enables it to monitor and measure at all times the risks related to the investment positions and their share of the total risk profile of the investment portfolios of the Funds managed by it. In accordance with the Law of 17 December 2010 and the applicable regulatory requirements of the CSSF, the Management Company reports regularly to the CSSF concerning the risk management process used. The Management Company ensures, within the framework of the risk management process and on the basis of appropriate and reasonable methods, that the overall risk of the managed Funds associated with derivatives does not exceed the total net asset value of their portfolios. For this purpose the Management Company uses the following methods:

- (a) Commitment approach: Under the commitment approach, positions in derivative financial instruments are converted into their corresponding underlying equivalents using the delta method. Netting and hedging effects between derivative financial instruments and their underlyings are taken into account. The sum of these underlying equivalents may not exceed the total net asset value of the Fund portfolio.
- (b) VaR approach: The value-at-risk indicator (VaR) is a mathematical, statistical concept and is used as a standard measure of risk in the financial sector. The VaR indicates the potential loss of a portfolio during a certain period (called the holding period) which will not be exceeded with a certain probability (called the confidence level).
 - (i) Relative VaR approach: Under the relative VaR approach, the VaR of the Fund may not be greater than twice the VaR of a reference portfolio. The reference portfolio must accurately reflect the Fund's investment policy.
 - (ii) Absolute VaR approach: With the absolute VaR approach, the VaR (99% confidence level, 20-day holding period) of the Fund may not exceed 20% of the Fund's assets.
- (c) For funds whose overall risk associated with derivatives is calculated using the VaR approach, the Management Company estimates the expected degree of leverage. This degree of leverage may deviate from the actual value depending on the market situation, and may be greater or smaller. Investors are advised that this information provides no indication of the risk exposure of the Fund. It is also made explicit that the published expected degree of leverage is not to be understood as an investment limit. The method used to determine the overall risk associated with derivatives and, where applicable, disclosure of the reference portfolio, the expected degree of leverage and the method used to calculate it, are indicated in the Fund-specific Annex.

Use of techniques and instruments for efficient portfolio management

17.10 In line with CSSF Circular 14/592 regarding the ESMA guidelines on exchange traded funds and other UCITS issues, the Company may use techniques and instruments relating to securities and money

market instruments for the purposes of efficient portfolio management of a Sub-fund, insofar as these (i) are economically appropriate and cost efficient, (ii) are intended to generate additional returns in keeping with the risk profile of the respective Sub-fund and the risk diversification provisions contained in this prospectus and/or (iii) are used to achieve a reduction in risks or costs and (iv) the associated risks are adequately covered by the risk management procedure of the respective Sub-fund.

- 17.11 The use of techniques and instruments for efficient portfolio management may in no way cause a Sub-fund to deviate from its investment objectives and investment restrictions as laid out in this Full Prospectus or be exposed to any additional risk exceeding that described in this Full Prospectus and which, in particular, has an adverse impact on the ability to carry out redemption orders.
- 17.12 Only first-class financial institutions may act as counterparties for the Company when using techniques and instruments for a Sub-fund of the Company.
- 17.13 The respective techniques and instruments used during the reference period must be disclosed in the Company's Semi-annual and Annual Reports such that the overall value of the transactions and/or total value of the resulting open positions is clearly shown in relation to the respective Sub-fund portfolios.

The Company's Annual Report includes information on the following issues:

- (a) Total value of open positions recorded by using techniques for efficient portfolio management;
- (b) Identity of the counterparty/counterparties for these techniques for efficient portfolio management;
- (c) Type and amount of the collateral received that can be allocated to the counterparty risk for the Sub-fund;
- (d) The identity of the issuer if the securities held by this issue exceed 20% of the net asset value of the Sub-fund;
- (e) Whether the Sub-fund is entirely collateralised via securities that are issued or guaranteed by a EU member state; and
- (f) Income that results from techniques for efficient portfolio management for the entire reporting period, including direct and indirect operating costs and fees incurred.

The Company's Annual Report must include information on the following for the respective Sub-funds which employed financial instruments in the period under review:

- (g) Total value of open positions recorded with derivatives;
 - (h) Identity of the counterparty/counterparties for financial derivatives;
 - (i) Type and amount of the collateral received that can be allocated to the counterparty risk for the Sub-fund.
- 17.14 Each Sub-fund will ensure that the total value of the open positions resulting from derivatives does not exceed the respective fund's net asset value.
 - 17.15 The total value of the open positions is calculated using the current value of the underlying assets, the counterparty risk, the forecast market movements and the time remaining through to liquidation of the open positions.
 - 17.16 If a security or a money market instrument includes a derivative, the derivative must be included in the calculations to be performed according to this section 17.

17.17 Techniques for efficient portfolio management include (i) options on securities and futures and also, among others, (ii) securities lending and securities repurchase transactions (*opérations à réméré, opérations de prise/mise en pension*), acquisition with repurchase option, reverse repurchase agreements (securities financing transactions) and (iii) total return swaps as described below.

(a) Options on securities and futures:

(i) The following applies to the functioning and risks of **options**:

An option is the right to buy (call option) or sell (put option) a certain asset at a predetermined price (strike price) on a predetermined date (exercise date). The price of a call or put option is known as the option “premium”. Buying and selling options is associated with particular risks. The premium paid for a purchased call or put option may be lost if the price of the underlying security of the option does not perform as expected and if it is therefore not in the interest of the holder to exercise the option. When selling a call option, there is a risk that the holder may no longer participate in a potentially substantial price increase of the security or may be forced to cover its position under unfavourable market conditions if the option is exercised. When selling a put option there is a risk that the holder could be obliged to buy the underlying securities at the strike price, despite the market value of these securities being considerably lower when the option is exercised. The leverage effect of options can mean that the impact on the value of a fund’s assets is much greater than if the securities had been purchased directly.

(ii) The following applies to the functioning and risks of **financial futures**:

Financial futures are mutual contracts authorising or requiring the parties to the contract to receive or deliver a particular asset at a predetermined time and at a predetermined price. This implies considerable opportunities and also risks, as only a fraction of the total contract volume (margin) must be paid immediately. Any price volatility referred to the margin may result in substantial profits or losses.

The Company reserves the right to establish additional investment restrictions at any time, provided that they are indispensable for compliance with laws and regulations of certain states in which the Company’s Shares are offered and sold.

(b) Securities lending (securities loan)

- (i) The Company may lend securities from its portfolio to a counterparty for a standard market fee for a given period. Following this period, the counterparty is obliged to return securities of the same type and value to the Company (securities lending or securities loan).
- (ii) The Company may lend securities to a counterparty itself or as part of a standardised lending system organised by a recognised clearing system or a first-class financial institution.

(c) Securities repurchase transactions

The Company may enter into securities repurchase transactions as defined below:

- (i) as the borrower or “repo seller” in which case the Company sells securities from its portfolio with a repurchase option.

(ii) as the lender or “repo buyer”, in which case the Company purchases securities and the counterparty has a repurchase option on condition that the securities are one of the types listed below:

- (A) short-term bank certificates or money market instruments as defined in the 2010 Law;
- (B) bonds issued or guaranteed by OECD member states or by their local authorities or by supranational institutions or organisations with regional, EEA or worldwide scope;
- (C) shares or units in money market funds with daily calculation of net asset value and with a rating of AAA or equivalent;
- (D) bonds issued by non-governmental issuers which have adequate liquidity;
- (E) units which are listed or traded on an exchange or a regulated market of an EU member state, provided these securities are represented in an important index.

During the period of the securities repurchase agreement, and until such time as the counterparty has exercised the option or the deadline for the repurchase has expired, the Company may not sell the securities underlying the loan unless it is able to hedge these positions in another way.

(d) Repurchase agreements (repo transactions)

A repurchase agreement is an advance transaction for which, when it matures, the Sub-fund has an obligation to repurchase the sold assets and the purchaser (counterparty) has the obligation to return the assets received.

If a Sub-fund agrees a repurchase agreement, it should ensure that it can call back the underlying securities for the repurchase agreement at any time, or that it can terminate the agreed repurchase agreement.

(e) Reverse repo transactions

A reverse repo transaction is an advance transaction for which, when it matures, the seller (counterparty) must accept the return of the assets sold and the respective Sub-fund must return the assets received.

During the term of a reverse repo transaction the Company may not pledge the securities or transfer them as collateral, unless the Company is able to hedge these positions in another way.

If a Sub-fund enters into a reverse repo transaction, it must ensure that it can call back the full monetary amount at any time, or that it can either terminate the agreed reverse repo transaction either in the total amount incurred or at a mark-to-market value, if the mark-to-market value for the reverse repo transaction is used to calculate the net asset value of the respective sub-fund.

(f) Total return swap

A total return swap is a derivative contract as defined in Article 2 number 7 of Regulation (EU) No. 648/2012 in which one counterparty transfers to another counterparty the total return of a reference obligation, including income from interest and fees, gains and losses from volatility and credit losses.

- 17.18 The Sub-fund must ensure that all of the securities transferred as part of securities lending can be transferred back and that all of the securities lending agreements entered into can be terminated at any time.
- 17.19 Forward repo transactions and reverse repo transactions of up to seven days should be viewed as agreements for which the Sub-fund can call back the assets at any time.
- 17.20 The company will prepare a strategy for direct and indirect operating costs/fees which result from the techniques for efficient portfolio management and which are to be deducted from the income of the respective Sub-fund. The difference accrues, in full, to the corresponding Sub-fund. As described in 17.13 (d), the annual report will disclose the income as well as the direct and indirect operating costs and fees for the entire period under review.
- 17.21 The counterparty risk in connection with OTC derivatives and techniques for efficient portfolio management may not exceed 10% of the Sub-fund's assets. The counterparty risk in connection with OTC derivatives and techniques for efficient portfolio management may not exceed 10% of the Sub-fund's assets if the counterparty is a bank with its registered office in the European Union or a country which the CSSF believes is comparable with EU regulations with regard to financial supervision regulations. In all other cases, the maximum limit is 5%.
- 17.22 The counterparty risk for a sub-fund vis-à-vis the counterparty is equal to the positive mark to market value of all transactions in connection with OTC derivatives and techniques for efficient portfolio management with the counterparty, subject to the condition that:
- (a) In the event that forecloseable netting agreements apply, open items that result from transactions with derivatives and techniques for efficient portfolio management with a counterparty can be netted; and
 - (b) Collateral which is deposited in favour of a Sub-fund and which meets the conditions stipulated in 17.23 below at all times, reduce the counterparty risk of the corresponding Sub-fund in line with the amount of the collateral deposited.

Management of collateral for transactions with OTC derivatives and techniques for efficient portfolio management

- 17.23 The Company may also obtain collateral in order to reduce the counterparty risk for sales with a right of repurchase and/or reverse repurchase transactions. In cases where such collateral is obtained, the Company shall adhere to the applicable legal provisions in respect of such collateral, in particular Circular 08/356, to the extent that these are not superseded by the regulations set out below.
- 17.24 All collateral that minimizes the counterparty risk must fulfil the following requirements at all times:
- (a) Liquidity: All collateral received that is not cash must be highly liquid and be traded at a transparent price on a regulated market or within a multi-lateral trading system, so that they can be sold short-term at a price that is close to the valuation established prior to the sale. The collateral must always observe the regulations set out under 17.6(b), 17.6(c) and 17.6(d) above.
 - (b) Valuation: Collateral received should be valued at least once per stock market day. Assets that have highly volatile prices should only be accepted as collateral if suitable conservative haircuts are applied.
 - (c) Issuer's creditworthiness: The issuer of the collateral that is received should have a good credit rating.

- (d) Correlation: The collateral received by the Sub-fund should be issued by a legal entity which is independent of the counterparty and does not have a high correlation with the counterparty's development.
 - (e) Diversification of collateral (asset concentration): With regard to the collateral, attention must be paid to ensure suitable diversification with regard to countries, markets and issuers. The criterion of reasonable diversification in view of the issuer concentration is regarded as having been fulfilled if the Sub-fund of a counterparty with efficient portfolio management or transactions with OTC derivatives receives a collateral basket for which the maximum amount of the open items vis-à-vis a specific issuer is 20% of the net asset value. If a Sub-fund has different counterparties, the various collateral baskets should be aggregated, in order to calculate the 20% threshold for the total value of the open items vis-à-vis an individual issuer. Deviating from this sub-section, a Sub-fund may be collateralised entirely by different securities and money market instruments that are issued or guaranteed by a EU member state, one or more local authorities, an OECD state or an international public body that belongs to at least one EU member state. This Sub-fund should hold securities that have been issued as part of at least six different issues, whereby the securities from one single emission should not exceed 30% of the net asset value of the Sub-fund. If a Sub-fund aims to be entirely collateralised by securities issued or guaranteed by one EU member state, this fact must be disclosed in the appendix to the Sub-fund. Furthermore, the Sub-fund should specify which EU member state, local authorities or international public bodies have issued or guaranteed the securities that the Sub-fund has accepted as collateral for more than 20% of its net asset value.
 - (f) Risks in connection with collateral management, for example, operating and legal risks, are to be identified, controlled and minimised by risk management.
- 17.25 The sub-fund should have the opportunity of exploiting the collateral received at all times without referring to the counterparty or approval by the counterparty.
- 17.26 The Sub-funds will exclusively accept the following assets as collateral:
- (a) Cash collateral: Cash collateral not only includes cash and short-term bank certificates, but also money market instruments as set out in the UCITS guideline. A letter of credit or a guarantee at first request issued by a top-quality bank that is not affiliated with the counterparty is equivalent to liquid assets.
 - (b) Bonds issued or guaranteed by an OECD member state or a local regional authority in such a country or a public authority in such a country or an EU institution, or by a supranational institution with a regional or global orientation.
 - (c) Equities or units issued by undertakings for collective investments active on the money market whose net asset value is valued daily, and which have an AAA or comparable rating.
 - (d) Equities or units issued by undertakings for collective investments in securities.
 - (e) Bonds issued or guaranteed by first-class issuers that offer a reasonable liquidity.
 - (f) Units that are admitted or traded on a regulated market in an EU member country or a stock exchange in an OECD member country, subject to the condition that the units are included in a main index.
- 17.27 Non-cash collateral received should not be sold, re-invested or pledged.
- 17.28 Cash collateral received should only:
- (a) be invested as a demand deposit;

- (b) be invested in top quality government bonds;
 - (c) be used for reverse repo transactions, subject to the condition that these are transactions with banks that are subject to supervision, and the Sub-fund can call back the full amount accrued at any time;
 - (d) be invested in money market funds with short term structures according to the definition in CESR's guidelines CESR/10~049 on a joint definition for European money market funds.
- 17.29 Newly invested cash collateral should be diversified according to the diversification conditions for non-cash collateral.
- 17.30 Each Sub-fund which receives collateral for at least 30% of its assets, should have a reasonable stress-test strategy. This aims to ensure that both under normal and extraordinary liquidity conditions stress tests are performed regularly, so that the Sub-fund can value the liquidity risk associated with the collateral.
- 17.31 In line with CSSF Circular 13/559 the Company will set up a haircut strategy for each class of assets that are received as collateral. [As a rule, the Company will receive cash collateral, equities and top-quality government bonds with haircuts of between 1-10% as collateral. However, the Company reserves the right to use other collateral with a corresponding haircut. When working in the haircut strategy, the Company will take into account the characteristics of the assets, such as creditworthiness or price volatility.]
- 17.32 As part of collateral management, the Company sets thresholds for over-collateralisation. Over-collateralisation for cash and government bond collateral is between 102-110% and for equity securities it totals 110% of the securities conferred.
- 17.33 The following provisions also apply to securities lending transactions:
- (a) The net risks (i.e. risks of a UCITS minus the collateral received) to which the Company is exposed vis-à-vis a counterparty as a result of securities lending or securities repurchase transactions for the purchase or sale of securities must be included within the 20% investment limit stipulated in item 17.6(a)17.6(a)(ii).
 - (b) Prior to or at the point of transfer of the securities to be lent, the Company must have received the collateral from the borrower or an intermediary acting on its own account. Provided the intermediary operates under a lending system as defined under item 17.17(b)17.17(b)(ii), the securities may be transferred prior to the receipt of the collateral on condition that the intermediary provides a guarantee that the transfer will be duly concluded.

Special information on the counterparty risk for the use of derivatives

Each Sub-fund can perform transactions on OTC markets. The Sub-fund is thus exposed to the counterparty's credit risk and its ability to fulfil such agreements. For example, the Sub-fund can enter into a swap transaction or another derivative instrument as above under 17.17. Each individual transaction exposes the Sub-fund to the risk that the counterparty will not fulfil its obligations. In the event of bankruptcy or the insolvency of a counterparty, the Sub-fund may suffer significant losses as a result of a delay in liquidating the positions, this includes the loss of the investments' value while the Company exercises its rights. There is also the possibility that the use of the agreed techniques is ended, for example as a result of bankruptcy, a violation of the law, or changes to the law compared to the laws that were in force on the date the agreements were concluded. These risks are limited in line with the requirements to uphold the investment restrictions set out under 17.4, 17.5 and 17.17.

OTC markets and inter-dealer markets impact the transactions of Sub-funds that are held by Sub-funds. Participants on these markets are typically not subject to the credit evaluation or financial supervision required for participants on regulated markets. A Sub-fund which invests in swaps, derivatives,

synthetic instruments or other OTC transactions on these markets bears the counterparty's credit risk and is also subject to its default risk. These risks may differ materially from those for transactions on regulated markets, as the latter are secured with guarantees, daily mark to market valuations, daily settlements and corresponding segregation as well as minimum capitalisation requirements. As a rule, transactions that are concluded directly between two counterparties do not benefit from this protection. Each Sub-fund is also subject to the risk that the counterparty does not execute the transaction as agreed as a result of an inconsistency regarding the contractual conditions (irrespective of whether in good faith or not) or as a result of a credit or liquidity problem. This can lead to losses for the respective Sub-fund. This counterparty risk increases for contracts with longer maturities, as events could prevent agreement, or if the Company has geared its transactions to a single counterparty or a small group of counterparties. In the event that the counterparty defaults, the respective Sub-fund can become the subject of contradictory market movements while it performs replacement transactions. The respective Sub-fund can conclude a transaction with any counterparty, it can also conclude an unrestricted number of transactions with only one counterparty. The Sub-funds do not perform any internal checks of the counterparty's creditworthiness. The Sub-fund's possibility of concluding transactions with any counterparty, the lack of meaningful and independent valuation evaluation of own financial transactions by the counterparty and the lack of a regulated market for the conclusion of agreements can increase the Sub-fund's loss potential.

Special information on techniques for efficient portfolio management

According to the conditions and thresholds set out in 17.17 (d) and (e) the Sub-fund can enter into an acquisition with a repurchase option or a reverse repo transaction as the purchaser or seller. If the counterparty for an acquisition with a repurchase option or a reverse repo transaction defaults, the Sub-fund may suffer a loss in that the income from the purchase of the underlying securities for the transaction and/or other collateral which is held by the Sub-fund in connection with the acquisition of the repurchase option or the reverse repo transaction, are lower than the repurchase price or the value of the underlying securities. In addition, the respective Sub-fund can suffer losses as a result of the bankruptcy of or corresponding similar proceedings against the counterparty for the acquisition with a repurchase option or the reverse repo transaction or any other type of non-fulfilment on the repurchase date, for example loss of interest or loss in the value of the respective security as well as default and foreclosure costs with regard to the acquisition with a repurchase option or the reverse repo transaction.

Any Sub-fund can enter securities lending agreements according to the conditions and thresholds stipulated in 17.17 (b). If the counterparty to a securities lending agreement defaults, the respective Sub-fund can suffer a loss in that the income from the sale of the Sub-fund in connection with the collateral held as part of the securities lending agreement are lower than the securities conferred. In addition, the respective Sub-fund can suffer losses as a result of the bankruptcy of or corresponding similar proceedings against the counterparty to the securities lending agreement or any other type of non-fulfilment for the return of the securities, for example a loss of interest or a loss in the value of the respective security as well as default and foreclosure costs with regard to the securities lending agreement.

The respective Sub-fund will only employ an acquisition with a repurchase option or a reverse repo transaction and a securities lending agreement in order to minimise risks (hedging) or to generate additional capital or income for the respective Sub-fund. When employing these techniques, the Sub-fund will uphold the conditions set out above at any time. The risks from the conclusion of an acquisition with a repurchase option or a reverse repo transaction and a securities lending agreement are closely monitored. In addition, techniques (including security or collateral management) are employed in order to reduce these risks. It is to be assumed that the use of an acquisition with a repurchase option or a reverse repo transaction and a securities lending agreement do not have a major impact on the performance of the Sub-fund. However, this use can have a significant effect, be this positive or negative, on the Sub-fund's net asset value.

As Sub-funds can reinvest cash collateral received, there is the risk that the value of the reinvested cash collateral may be lower than the amount to be repaid. However, this risk is reduced via investments in top-quality government bonds, reverse repo-transactions, liquid money market funds, term deposits, etc.

EMIR (European Markets Regulation)

- 17.34 The Company shall, pursuant to the usage of the investment instruments described in this Section 17, in all cases in conjunction with the respective banking partner or counterparty, comply with the central counterparties and transaction register and the execution stipulations thereof as well as the regulations delegated hereto as set forth in CSSF circular 13/557 and on the basis of Regulation EU/648/2012 on OTC derivatives (known as the EMIR regulation) where, and to the extent, applicable.

1. REGULATION 2015/2365

- 17.35 Securities are affected by the use of securities financing transactions and total return swaps.
- 17.36 If securities financing transactions and total return swaps are used, the maximum percentage of assets under management and the percentage being used in these transactions shall be published on the website mentioned in section 20.1 of the General Section.
- 17.37 All earnings generated through the use of securities financing transactions and total return swaps are returned to the assets of the Sub-fund, less any costs associated with the implementation of the securities financing transactions and total return swaps, including transaction costs.
- 17.38 Assets covered by section 17.35 and collateral received in this connection are held in custody by the Custodian Bank.

Feeder Sub-funds

- 17.39 The Board of Directors may set up Sub-funds in the form of feeder Sub-funds as defined in article 77 (1) of the Law of 2010. If and insofar as a Sub-fund is to be used as a feeder Sub-fund, this Full Prospectus shall be updated accordingly.

18. CALCULATION OF THE NET ASSET VALUE

Calculation and publication of the Net Asset Value per Share

- 18.1 The Net Asset Value per Share is calculated separately for each Sub-fund under the responsibility of the Central Administration Agent, Registrar and Transfer Agent and in the corresponding Sub-fund's currency (the base currency of the Sub-fund).
- 18.2 The net asset value of an accumulating or distributing Share of a Sub-fund corresponds to the amount resulting from the division of such net assets applicable to the total of the accumulating or distributing Shares by the total number of such Sub-fund's accumulating or distributing Shares issued and outstanding.
- 18.3 A Sub-fund's net asset value per Share is calculated on each Banking Day in Luxembourg (valuation day), based on the last known closing prices of the Banking Day published by the relevant stock exchanges, and considering the value of the assets held by the Company pursuant to article 11 of the Articles of Incorporation.
- 18.4 For any Sub-fund of the Company, the latest net asset value per Share and the issue, redemption and conversion price of the Shares can be obtained from the Company's registered office during business hours or from a website as determined by the Company.

Temporary suspension of the calculation of the Net Asset Value per Share, as well as of the issuing, redemption and conversion of Shares

- 18.5 The Company may suspend the calculation of the net asset value, the issue, redemption and conversion of Shares of any Sub-fund to the extent that this complies with the provisions of article 12 of the Articles of Incorporation.
- 18.6 The information regarding such suspension and termination thereof shall be published in the “Luxemburger Wort” and in any other newspaper to be determined by the Board of Directors. Shareholders who have applied for the subscription, redemption or conversion of Shares and are thus affected by the suspension of the calculation of the net asset value shall be informed accordingly by the Company.

Swing pricing adjustment

- 18.7 A Sub-fund may suffer a dilution of the net asset value per share due to investors who sell or buy shares in a Sub-fund at a price which does not reflect the trading or other costs which arise from the investment manager conducting securities transactions in order to take account of the net inflows and/or outflows of funds.
- 18.8 In order to counteract this influence and to protect shareholders’ interests, a swing pricing procedure can be applied. If the total net inflows and outflow of funds of a Sub-fund on a valuation day exceed a limit set beforehand by the Board of Directors, the net asset value per share can be correspondingly adjusted upwards or downwards. The limit is regularly checked and where necessary adjusted by the Board of Directors for each Sub-fund.
- 18.9 The amount of the respective net inflows and net outflows of funds is calculated on the basis of the latest information available at the time the net asset value is calculated. The swing pricing procedure can be applied to all Sub-funds.
- 18.10 The amount of the price adjustment is determined by the Board of Directors based on the Sub-fund’s trading and other costs. Such adjustment may vary according to the Sub-fund and shall not exceed up to 1% of the original net asset value per share. The price adjustment applicable to a specific Sub-fund can be requested from the registered office of the Company.

19. DISSOLUTION, LIQUIDATION, MERGING

Dissolution and liquidation of the Company

- 19.1 The Company can be dissolved at any time by a resolution of the General Meeting of Shareholders, resulting in an amendment to the Articles of Incorporation.
- 19.2 Should the amount of the Company’s capital fall below two thirds of the minimum capital specified in article 5 of the Articles of Incorporation, the Board of Directors shall submit a motion of dissolution of the Company at the General Meeting. The General Meeting shall decide by a simple majority of the Shares present at the Meeting without a specific quorum being required.
- 19.3 Should the amount of the Company’s capital fall below one quarter of the minimum capital specified in article 5 of the Articles of Incorporation, the Board of Directors shall submit to the General Meeting a motion of dissolution of the Company. The General Meeting shall reach its decisions without a specific quorum being required, and the decision to dissolve the Company may be taken by the Shareholders representing one quarter of the Shares present at the Meeting.
- 19.4 The meeting must be convened such that the General Meeting can be held within 40 days of it being determined that the net assets have fallen below two thirds or one quarter of the statutory minimum capital.

- 19.5 The liquidation is performed by one or several liquidator(s); these may be natural or legal persons and are appointed - upon approval of the supervisory authority - by the General Meeting, which also decides on their powers and remuneration.
- 19.6 The liquidators shall distribute the net proceeds from the liquidation of each Sub-fund to the Shareholders of the corresponding Sub-fund in relation to the net asset value per Share.
- 19.7 Should the Company be liquidated due to its own decision or to a court ruling, such liquidation shall be performed pursuant to the provisions of the 2010 Law. This law determines the measures to be taken to enable the Shareholders to participate in the pay-out of the liquidation proceeds. It stipulates that any amount not claimed by Shareholders after conclusion of the liquidation shall be deposited with the Caisse de Consignation. The deposited amounts shall be forfeited unless collected within the statutory limitation period.

Dissolution, liquidation and merging of Sub-funds

- 19.8 The General Meeting of Shareholders of a Sub-fund may decide to reduce the fund assets by dissolving the Sub-fund concerned and cancelling the Shares of that Sub-fund that have been issued, paying out the value of the Shares to the Shareholders minus realisation costs on the basis of the valuation day on which the decision enters into force. A quorum is not required at the General Meetings of Shareholders of the Sub-funds concerned and decisions shall be adopted with a simple majority of the Shares present or represented at the Meeting.
- 19.9 Following completion of the liquidation of a Sub-fund, the proceeds from liquidation for Shares that have not been handed in are immediately deposited with the *Caisse de Consignation* in Luxembourg.
- 19.10 If for whatsoever reason the total net asset value of a Sub-fund or class within a Sub-fund falls below a value or does not reach a value stipulated by the Board of Directors as being the minimum value for the economically efficient management of that Sub-fund or class, or in the event of an essential change in the political, economic or monetary environment or in the context of a rationalisation, the Board of Directors may resolve to withdraw all of the Shares of the corresponding class(es) at the value (taking into account the actual realisation prices and realisation costs of the investments) on the valuation date or at the time when the corresponding decision enters into force. The Company shall inform holders of the corresponding class(es) prior to the forced redemption taking effect, detailing the reasons for the redemption and the procedure to be followed. Subject to any decision to the contrary in the interests of the Shareholders or in order to uphold the equal treatment of all Shareholders, Shareholders of the Sub-fund concerned may apply to have their Shares redeemed or converted free of charge prior to the forced redemption (but taking account of the actual realisation prices and costs of the investments).

Merger of the Company or of Sub-funds

- 19.11 The Company may participate in crossborder or domestic mergers according to the following rules in the capacity of either a "merging" or a "receiving" UCITS (as defined in article 1 (20) a) to c) of the Law of 2010):
- (a) The Board of Directors is responsible for determining the date on which the merger will enter into force.
 - (b) For the purposes of item 19.11:
 - (i) the terms "merger", "merging UCITS" and "receiving UCITS" have the meaning assigned to them pursuant to article 1 (20), a) to c) of the Law of 2010;
 - (ii) the terms "shareholder" (*Anteilinhaber*) or "share" (*Anteil*) also include, in certain circumstances, the Shareholders or shares of the Company or another UCITS;
 - (iii) the term "UCITS" also refers to a Sub-fund of a UCITS; and

- (iv) the term "Company" also refers to a Sub-fund of the Company.
- (c) If the Company is the subject of a merger with another UCITS in the capacity of either a merging or receiving UCITS, the following general rules should be adhered to:
- (i) The Company shall provide its Shareholders with appropriate and precise information (particularly the details prescribed in article 72(3), a) to e)) on the planned merger to enable the Shareholders to form a sound judgement on the effects of the plan on their investment and to be able to effectively exercise their rights as described in more detail under items (ii) and (iii). This information shall only be provided to Shareholders following approval of the merger by the CSSF and at least thirty days prior to the final deadline for applying for Shares to be redeemed or paid out (or converted where applicable) free of charge.
 - (ii) The decision by the Board of Directors to merge shall be subject to approval by the General Meeting, which shall vote on the basis of a simple majority of the votes present or represented at the Meeting. In the case of a merger leading to the dissolution of the Company, the resolution of the General Meeting must be recorded by notarial deed and must also be supported by a majority of votes and have the quorum as stipulated for an amendment to the Articles of Incorporation. Where the approval of the General Meeting is required, only the consent of the General Meeting of Shareholders of the Sub-fund concerned is needed.
 - (iii) The Company's Shareholders have the right to request that their Shares be resold or redeemed without any further costs other than those retained by the Company to cover its costs of dissolving the Company. This right shall take effect as of the date on which the Shareholders in the merging UCITS and the Shareholders in the receiving UCITS are informed of the planned merger in accordance with item (i) and expire five working days before the date on which the conversion ratio is calculated pursuant to item (vi).
 - (iv) The Board of Directors may, without any impact on the rights described in item (iii) and in deviation from the provisions of article 11(2) and article 28 paragraph (1), item b) of the Law of 2010, suspend the subscription, redemption or disbursement of shares for as long as such a suspension is justified in order to protect the Shareholders.
 - (v) The Company and the other UCITS must draw up a common merger plan that corresponds to the content requirements of Article 69 paragraph (1) of the Law of 2010.
 - (vi) The merger plan must set out a date on which the merger will take effect and the date for the calculation of the ratio for the exchange of Shares in the merging UCITS for Shares in the receiving UCITS and, where applicable, for stipulating the relevant net holding for cash payments.
 - (vii) The Fund's Custodian Bank must verify the details described in article 69 paragraph (1), items a), f) and g) of the Law of 2010.
- (d) If the Company is the merging UCITS, the following special rules must be adhered to:
- (i) The Company shall commission its auditor with the task of verifying the following details:
 - (A) the agreed criteria for the valuation of the assets and, where applicable, the liabilities at the time of calculating the conversion ratio pursuant to section (c)(vi);

- (B) where applicable, the cash payment per share; and
- (C) the method for calculation of the conversion ratio and the actual conversion ratio at the time of calculating the ratio pursuant to section (c)(vi).
- (ii) Upon request, the Shareholders in the Company and the Shareholders of the receiving UCITS, as well as the responsible supervisory authorities, shall be provided with a copy of the auditor's report free of charge.
- (e) If the Company is the receiving UCITS, the following special rules must be adhered to:
 - (i) Whilst adhering to the principle of risk diversification, the Company may for a period of six (6) months after the date on which the merger takes effect deviate from the provisions of articles 43, 44, 45 and 46 of the 2010 Law.
 - (ii) The Company shall confirm to the Custodian Bank in writing that the transfer of the assets and, where applicable, liabilities of the merging UCITS has been concluded.
 - (iii) The Company shall take the requisite measures to ensure that details of the merger are published as required and that the CSSF and all other authorities concerned are duly informed.

20. AVAILABLE DOCUMENTS

- 20.1 Copies of the documents specified below can be consulted on the Company's website www.mainfirst.com and www.mainfirst-fundmanagers.com and/or may be inspected at the Company's registered office at 6c, route de Trèves, L-2633 Senningerberg, or at the registered office of the Central Administration Agent at the same address or at the Management Company's registered office at , 16, rue Gabriel Lippmann, L-5365 Munsbach on any Banking Day during office hours:
- (i) the Articles of Incorporation (available as a copy);
 - (ii) the Custodian Bank Agreement, a description of the tasks and duties of the Custodian Bank and a list of functions outsourced to third parties, a description of the policy for avoidance of conflicts of interest;
 - (iii) the Administrative Agent, Register and Transfer Agent Agreement;
 - (iv) the agreements with the Investment Managers of the respective Sub-funds;
 - (v) the Annual and Semi-annual Reports (available as a copy);
 - (vi) the voting policy; and
 - (vii) the Key Investor Information Document (**KIID**).

21. ADDITIONAL INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY

- 21.1 The Company is authorised to sell the shares in the Federal Republic of Germany and has issued notice of its intention to sell shares of the Sub-funds in the Federal Republic of Germany.
- 21.2 It should be noted that for the MainFirst – Dynamic Risk Parity and MainFirst – Vermögensverwaltungsfonds Ausgewogen Sub-funds, MainFirst Sicav was not permitted to issue any notice of distribution of shares in the Federal Republic of Germany in accordance with section 310 of

the German Investment Code (Kapitalanlagegesetzbuch). Consequently, shares of these Sub-funds may not be distributed in the Federal Republic of Germany.

21.3 The Company has appointed

MainFirst Bank AG
Kennedyallee 76
D-60596 Frankfurt am Main

as its Information Office in the Federal Republic of Germany (the “German Information Agent”)

- 21.4 The Company does not issue shares securitised in the form of printed individual certificates for the Sub-funds whose distribution has been notified in the Federal Republic of Germany. Payments to shareholders are made via electronic payment transactions.
- 21.5 Redemption and conversion requests for shares may be submitted either directly to the Investment Manager by letter, fax or by any other means approved by the Investment Manager, or via the local intermediary in the Federal Republic of Germany that has subscribed shares for the investor.
- 21.6 The Offering Prospectus, which contains key investor information, the articles of incorporation as well as the Company’s latest Annual Report and Semi-annual Report can be obtained as a hard copy from the German Information Agent as well as from MainFirst Bank AG. The net asset value per share and the issuing, redemption and any exchange prices can also be obtained there free of charge.
- 21.7 The Custody Agreement, a description of the tasks and duties of the Custodian Bank and a list of functions outsourced to third parties, a description of the policy for avoidance of conflicts of interest, the Administrative Agent, Register and Transfer Agent Agreement and the agreements with the investment managers, and the Company’s voting policy can be obtained from the German Information Agent as well as from MainFirst Bank AG, free of charge.
- 21.8 The subscription and redemption prices are published at the following internet address: http://mainfirst.de/en/assetmanagement/products/mainfirst_charts.php. Any announcements to Investors are published in the “Börsen-Zeitung”.

Information on taxation in the Federal Republic of Germany

- 21.9 The following information offers an overview of the income tax consequences of an investment in the Sub-funds of MainFirst SICAV detailed in this prospectus (hereinafter the “Investment Fund”). The information does not claim to be complete/ It only relates to German taxation of investors in the Investment Funds who are tax payers subject to unlimited taxation in Germany (hereinafter the “Investors”). The presentation is based on an interpretation of the tax laws in force on 18 November 2016. Tax treatment can change at any time - in some cases retroactively - and depends on the Investor’s personal circumstances. As a result, there may be future changes compared to the taxation set out below. Investors and potential investors are urgently advised to have a tax adviser advise them on the tax consequences of investing in units in the Investment Funds.

Transparent taxation

- 21.10 Pursuant to the introduction of the AIFM Tax Adjustment Act (*Steueranpassungsgesetz*), alongside the former taxation system for investment funds, a new taxation concept was introduced for so-called investment companies. The classification of a fund as an investment fund or as an investment company is governed by the investment provisions of Article 1 para. 1b Investmentsteuergesetz (“InvStG”). It is intended to meet the investment provisions for investment funds. Furthermore it is intended to comply with the requirements for taxation for investors according to the regulations which apply for so-called transparent Investment Funds (Sections 2, 3, 4 and 8 of the InvStG - Investment Tax Act), although no guarantee can be made in this regard. Negative tax consequences resulting from not upholding this (as described in Lump-sum taxation and taxation of investment companies” at Section

II describing the taxation of investment companies) cannot be excluded. In connection with investment companies, the investors are subject to the taxation for investment companies described in Section II.

On-going taxation

- 21.11 Investors are subject to taxation for the disbursements and the Investment Fund's income that is not used for disbursements or to cover costs. The retained income (so-called income equivalent to disbursements) is regarded as having accrued to investors for tax purposes at the end of the respective fiscal year. If a disbursement is made for the respective fiscal year after it has ended, the disbursed income or any income equivalent to disbursements is, in contrast, generally regarded as having accrued to the investor when it is disbursed. In the case of investors who hold units as part of their private assets (hereinafter referred to as "private investors"), the disbursements and the income equivalent to disbursements count as income from capital assets within the meaning of Section 20 (1) No. 1 of the *Einkommensteuergesetz* ("EstG" - German Income Tax Act). If the units are held as company assets ("corporate investors"), this constitutes company income.
- 21.12 Investment Fund income is identified as the excess of receipts over income-related expenses. In financial years commencing after 31 December 2013, indirect income-related expenses are also proportionately assignable to the current income and the other profits and losses from sales transactions. Income is only netted at a Fund level for income of the same type. If negative income results in an income category (excess of income-related expenses), this is carried forward at the Investment Fund level, and can be netted with the same type of positive income in the following years. Tax deduction for negative income for the investor is excluded prior to the sale or write-off of the Fund units.
- 21.13 The Investment Fund's income may be subject to foreign withholding tax. If it is permitted to net off these withholding taxes under German law or a double taxation agreement, the Investment Funds can deduct the respective withholding tax as advertising costs when identifying the income. As an alternative, these withholding taxes can be disclosed as part of the publication of the Investment Fund's taxation principles. They are deductible according to the statutory provisions upon application by the investor when identifying total income, or can be netted with part of the investor's German income or corporation tax that is due to the corresponding foreign income. In the case of private investors, there has been netting with the flat tax rate of 25% (plus 5.5% solidarity surcharge) charged for income tax since 2009.

Exceptions

- 21.14 There are, among others, the following exceptions to the above taxation:
- (a) Profits that the Investment Fund records from the sale of interests in corporations and subscription rights to interests in corporations and profits from forward transactions from which the Investment Fund receives a settlement or a specific monetary amount or advantage from the value of a changeable indicator, are not allocated to investors for tax purposes in the event of being retained by the Investment Fund.
 - (b) However, profits from the sale of interests in corporations and subscription rights to interests in corporations that the Investment Fund acquired after 31 December 2008 and profits from forward transactions that the Investment Fund concluded after 31 December 2008 are subject to flat rate tax if disbursed to private investors.
 - (c) In the case of corporate investors, the disbursement (but not retention) of these profits from equities and forward transactions is, as a rule, operating income. However, in the case of the disbursement of profits from the sale of equities to corporate investors subject to income tax, Section 3 No. 40(a) of the EStG applies, with 60% of profits being taxable. For investors subject to corporation tax, as a rule the privilege offered in Section 8b (2) of the KStG applies, according to which, profits - irrespective of cases which are separately regulated, such as for

banks - are 95% tax-free. In each case, this is subject to the Investment Fund publishing the requisite information on the disbursed profits from the sale of equities and the return on shares.

- (d) Profits from the sale of certificates or other debt instruments for which neither an even partial repayment of the capital transferred nor a separate fee for the transfer of capital is agreed, and the repayment of the capital is geared to the performance of an individual share or a published share index, and this performance is mapped to the same extent, are not taxable if retained. The disbursement of such profits to private investors is, however, only tax free if the respective debt instruments were acquired by the Investment Fund prior to 31 December 2008. Different rules apply for debt instruments or receivables that do not correspond to the above criteria. These rules cannot be presented here.
- (e) The dividends that accrue to a private investor as part of a disbursement by the Investment Fund, or which are allocated as part of the income that is equivalent to a disbursement, are subject to the flat-rate withholding tax in full. For a commercial investor subject to income tax, 60% of these dividends are taxable. In the case of investors subject to corporation tax, the dividends collected by the Investment Fund as of 1 March 2013 are taxable in full.
- (f) The (partial) exemption for dividends is, in each case, subject to the fund publishing the corresponding information and the equities profit.

Return and sale of Investment Fund units

- 21.15 Profits recorded by a private investor from the return or sale of Fund units that were acquired prior to 31 December 2008 are not taxable. Profits from the sale or return of Fund units that private investors acquire after 31 December 2008 are taxable, irrespective of the holding period.
- 21.16 As a rule, investors who hold units of the Investment Fund in their corporate assets, have to pay tax on all of the profits from sale. Profits from sale recorded by a corporate investor can, however, be partially tax-free, or any loss from a sale can be partially of no significance for tax purposes. The respective scope is based on the return on equities. The return on equities generally includes dividend income and both realised and non-realised increases in value of the equities held by the Investment Fund, to the extent that this income is not disbursed to investors or allocated to these investors as income that is equivalent to a disbursement. The return on equities for investors subject to corporation tax, however, only includes dividends that the Investment Fund received prior to 1 March 2013.
- 21.17 When selling or returning units to the Investment Fund, private investors must pay tax on the interim profits, irrespective of the date of acquisition. The interim profit is the fee for certain Investment Fund income that has not yet accrued to the investor or fund income that is considered to have accrued, and is regarded as being included in the income from the sale of the units. The Investment Fund's income included in the interim profits includes interest income, income that is equivalent for German tax purposes, accrued entitlements to interest or equivalent income (including profits from the sale or redemption of other receivables within the meaning of Section 20 (2) Sentence 1 No. 7 of the EStG, which constitutes income equivalent to disbursements) and, to a limited extent, actual or fictitious income from any participating interests in other investment funds.

Income tax rate

- 21.18 If disbursements, income equivalent to disbursements or profits from the return or sale of Investment Fund units is recorded or allocated, as a rule the special tax rate for capital gains of 25% (plus 5.5% solidarity surcharge) applies for private investors. Upon application by the tax payer, this can be taxed using the personal income tax rate if this is lower for the respective private investor.
- 21.19 Corporate investors have to pay tax on the taxable income and profits using their personal income tax rate (plus 5.5% solidarity surcharge). A corporation tax rate of 15% (plus 5.5% solidarity surcharge) applies to investors subject to corporation tax. In the case of commercial operations, the income is also subject to trade tax.

- 21.20 In the case of private investors and corporate investors who are not corporate entities, church tax may also be incurred.

Deduction of capital gains tax

- 21.21 If the payment or crediting of disbursements by the Investment Fund or income from the sale or return of units of the Investment Fund is granted or managed (so-called custody) by a bank (or equivalent company) active in Germany which holds or manages (so-called “custody”) units, or which pays out or credits the disbursements or the income against submission of coupons (so-called “over-the-counter transaction”), this bank must generally perform the tax deduction. As a rule, the tax deduction is a withholding tax for private investors.
- 21.22 In the case of disbursements, the tax deduction is retained from the disbursed income or the income equivalent to disbursements; this does not include profits from the sale securities and subscription rights to interests in corporations that the Investment Fund acquired before 1 January 2009 and profits from forward transactions that the Investment Fund concluded before 1 January 2009.
- 21.23 In the event of a sale or return of a unit in the Investment Fund, the tax deduction for the interim profits and the income that is regarded as having accrued to an investor per unit for German tax purposes after 31 December 1993, is performed, to the extent that this was not subject to a deduction of capital gains tax during a disbursement. If the bank making the pay-out acquired or sold the unit and has held it since then, capital gains tax is only retained from the interim profit and the income that is considered to have accrued in the holding period, and which is not already subject to a tax deduction upon disbursement. In addition, in the case of investors subject to income tax (but not for corporations and corporate investors subject to income tax who have issued a corresponding declaration to the paying agent), profits from the sale of units in the Investment Fund that were acquired after 31 December 2008 are also subject to tax deduction.
- 21.24 The tax deduction rate is 26.375% (including solidarity surcharge) for disbursements, sales or returns. As part of the assessment of the respective investor, the capital gains tax deducted can be netted or refunded with the investor’s income or corporation tax. Investors may also have to state the income received from the Investment Fund as part of their income tax declaration after the introduction of the flat-rate withholding tax.
- 21.25 Since 1 January 2015, church tax – if owed – shall also be collected by deduction if the investor has not objected to the withholding tax deduction by a restriction notice to the Federal Central Tax Office. If the withholding tax has been objected to or the church tax deduction has not taken place for other reasons, the income is to be specified on the tax return and the church tax is to be collected by other means.

Effect of tax audits

- 21.26 The Investment Fund’s published tax data can be audited by the German fiscal authorities. If information has been provided in an amount which is not correct, the differences in amount must be considered in the notice made for the current fiscal year. These differences can have a positive or negative tax impact on the taxation of investors who are allocated disbursed income and income equivalent to a disbursement in the current fiscal year.

II. Lump-sum taxation and taxation of Investment Companies

- 21.27 In the event that the conditions for classification as a transparent Investment Fund according to the German Investment Tax Act are not met, investors have to tax the disbursements due to their unit as well as 70% of the additional amount which results between the first redemption price set and the last redemption price set in the calendar year, as a minimum 6% of the last redemption price set in the calendar year is to be taxed.

- 21.28 Profits recorded by a private investor from the return or sale of Investment Fund units that were acquired after 31 December 2008 are taxable, irrespective of the holding period. Investors who hold the units in corporate assets must also pay tax on all profits from the sale or return of units of the Investment Fund, irrespective of the period for which they were invested.
- 21.29 In the event of a return or sale of units in the Investment Fund, in any event 6% of the fee for the return or sale must be taxed. In the opinion of the German financial authorities, this replacement value is to be applied to interim profits on a pro-rata basis based on the calendar year.
- 21.30 The disbursements are subject in full to tax deductions at the tax rates set out above. In the event of a return or sale of units in the Investment Fund, the tax deduction is also performed at the above tax rates on the replacement value for the interim profits plus the income that is considered to have accrued to investors for German tax purposes after 31 December 1993 and has not yet been subject to tax deductions. In the case of investors subject to income tax (but not for corporations and corporate investors subject to income tax who have issued a corresponding declaration to the paying agent), profits from the sale or return of units in the Investment Fund that were acquired after 31 December 2008 are also subject to tax deduction.
- 21.31 In the event set that the conditions for classification as an investment fund in accordance with the Investment Tax Act are not met for one or several investment funds, the rules for investment companies shall apply. For investment companies in the legal form of investment limited partnerships (*Investmentkommanditgesellschaft*) or a comparable foreign legal form (investment partnership *Personen-Investitionsgesellschaft*), the income in accordance with Article 180 para. 1 no. 2 of the German Fiscal Code (*Abgabenordnung*) shall be established separately and uniformly.
- 21.32 The rules for investment corporations (*Kapital-Investitionsgesellschaften*) shall apply to investment companies which are not investment partnerships. In the case of investors who hold their units in an investment corporation as private assets, distributions count as income from capital assets. For corporate investors the distributions may be partly tax-exempt if the investor can prove that the capital investment company is based in a member state of the European Union or in another state which has signed the European Economic Area agreement and is subject there to the taxation of income for investment corporations and is not exempt from it, or is based in another state and is subject in that state to income tax on investment corporations of at least 15% and is not exempt from this. Gains or losses from the redemption or sale of units in investment corporations which are not part of corporate assets also count as capital income. Gains or losses from units that are classified as corporate assets, may, under the above-mentioned conditions, be partly tax-exempt or partly not taken into consideration for taxation purposes. Distributions and gains from the redemption or sale of units of investment corporations are subject in full to the deduction of tax. Furthermore the rules for the taxation of foreign sourced income in accordance with the International Transaction Tax Act (*Außensteuergesetz*) shall be applied.

III. Reform of the German Investment Tax Act (Investmentsteuergesetz) as of 1 January 2018

- 21.33 Under the Investment Tax Reform Act (*InvStRefG*), which was published in the German Federal Law Gazette on 26 July 2016 and will enter into force on 1 January 2018, will replace the current system of taxation for transparent investment funds with a system of separate taxation at fund and investor level. As a result of the implementation of the *InvStRefG*, all investment units of the Fund will be deemed for tax purposes as having been sold on 31 December 2017 and notionally purchased on 1 January 2018. Under the future taxation concept, investment funds will themselves be taxed on their income. Fund investors, similar to shareholders, will only be taxed on the actual distributions of their investment funds and their gains on the sale or redemption of fund units. Furthermore, an advance lump sum will be charged at investor level at least annually.

MainFirst – Classic Stock Fund

A Sub-Fund of MainFirst, SICAV

Special Section I

This Special Section supplements the General Section with respect to the MainFirst – **Classic Stock Fund** (hereinafter the Sub-fund) and should only be read in combination with the General Section.

MAINFIRST – CLASSIC STOCK FUND

1. OVERVIEW

Classes	A shares	B shares	C shares	D shares
ISIN code	LU0152754726	LU0279295249	LU0152755707	LU0719478231
Base currency	EUR	EUR	EUR	EUR
Minimum subscription and minimum holding amount	EUR 2,500	EUR 2,500	EUR 500,000	EUR 500,000
Front load fee	up to 5% of the Net Asset Value of the Share			
Flat-rate fee	up to 1.80% of the net assets p.a.		up to 1.20% of the net assets p.a.	
Fractions	up to 1/100th of a Share			
Investor	Public transactions		Institutional investors	
Distribution policy	Accumulating	Distributing (distributions paid annually on 15 May or on the next banking day)	Accumulating	Distributing (distributions paid annually on 15 May or on the next banking day)

Classes	R shares	X shares	V shares
ISIN code	LU1004823396	LU1004823479	LU1394739228
Base currency	EUR	EUR	EUR
Minimum subscription and minimum holding amount	EUR 10,000,000	EUR 10,000,000	EUR 2,500
Initial issue price	EUR 100		
Front load fee	up to 5% of the Net Asset Value of the Share		
Flat-rate fee	up to 1.00% of the net assets p.a.		up to 1.8% of the net assets p.a.
Fractions	up to 1/100th of a Share		
Investor	Public transactions		VAG investors
Distribution policy	Accumulating	Distributing (distributions paid annually on 15 May or on the next banking day)	Accumulating

2. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

- 2.1 The Sub-fund seeks to achieve long-term capital growth in line with a reasonable risk diversification by investing primarily in shares and other equity-related securities of companies all over the world.
- 2.2 The investment focus is such that at least 75% of the Sub-fund's assets (excluding cash and cash equivalents) are invested in shares and other equity-related securities of companies that are based in the eurozone, conduct most of their business in the eurozone or are holding companies, the majority of whose associated companies have their registered offices in a eurozone country. Depending on the actual situation, the investment focus may be on large-cap companies or also on small and mid-caps.
- 2.3 Up to 25% of the Sub-fund's assets may be invested in: Shares of companies all over the world that do not meet the requirements of the preceding paragraph as well as bonds, convertible bonds and warrant bonds, whose warrants are issued on securities of companies worldwide that are denominated in a freely convertible currency.
- 2.4 Notwithstanding the desired risk diversification, the Sub-fund's assets may temporarily be concentrated on certain countries and sectors.
- 2.5 The Sub-fund may hold a higher allocation of liquid assets on a temporary basis.
- 2.6 Contrary to item 17.4(e) of the investment restrictions of the General Section of the Full Prospectus, the Sub-fund shall not buy shares of funds (UCITS and/or UCI), irrespective of their legal form.

3. RISK PROFILE AND RISK MANAGEMENT PROCESS

Risk profile

- 3.1 The Sub-fund is recommended for investors who do not need the invested capital for a long time. Due to the composition of the net Sub-fund assets, there is a very high overall risk, also accompanied by very high income potential. Risks include, in particular, currency, credit and price risks, and risks resulting from changes in market interest rates.

Risk management

3.2 The Sub-Fund shall apply the relative Value-at-Risk (VaR) method on the benchmark EUROSTOXX TOTAL RETURN INDEX (SXXT) in order to determine the risk associated with its investments.

3.3 Leverage of the Sub-fund's investments, using derivative financial instruments where applicable, is not expected to exceed 100% of the nominal value of these investments. Individual cases may, however, arise, in which this limit is exceeded. This limit is calculated from the total of all nominal values of the derivative financial instruments used by the Sub-fund.

4. BASE CURRENCY OF THE SUB-FUND

The base currency of the sub-fund is EUR.

5. ISSUE, REDEMPTION AND CONVERSION OF SHARES

The procedural rules stipulated in the General Section shall apply accordingly.

6. INVESTMENT MANAGER

The Company and the Management Company have appointed MainFirst Bank AG as investment manager for this sub-fund.

7. COSTS

Flat rate fee and remuneration of Central Administration

- 7.1 The sub-fund is charged a flat-rate fee in the amount described in Section 1 of this Special Section. The Investment Manager and the Distributors - among others - are paid out of this flat rate fee. The applicable flat rate in each case is specified in the periodic reports.
- 7.2 Including remuneration for the central administration agent, this thus results in total remuneration for investment management, distribution and central administration of up to 1.90% p.a. of the net assets. The applicable rate of remuneration and the effective costs charged are reported in the Annual and Semi-annual Reports.

Remuneration for investment manager, performance fee.

- 7.3 The investment manager is paid from the flat-rate fee charged.
- 7.4 Thus the Manager receives remuneration for rendering the above services in the form of an annual commission which is calculated daily and is payable for each calendar month.
- 7.5 Additionally, the Company pays a performance fee as an incentive to the Investment Manager, amounting to 15% for Class A, B, C, D, R and X Shares of the net value added per Share of the Sub-fund resulting from the ordinary business activity of the Sub-fund. No performance-related fee is levied for Class V Shares.
- 7.6 The performance fee is calculated separately for the Sub-fund using the following formula:

The performance fee amounts to 15% of the positive difference between the percentage change in the net asset value per Share of the respective class and the percentage-based performance in the benchmark index EUROSTOXX TOTAL RETURN INDEX (SXXT) (the performance index) in EUR. It is calculated on the basis of the number of Shares currently in circulation in the respective Share class.

- 7.7 The daily return differential between the percentage change in the net asset value per Share of the respective class and the performance in percentage terms of the benchmark index EUROSTOXX TOTAL RETURN INDEX (SXXT) (the performance index) in EUR is calculated as follows:

Return of the net asset value per share (if this exceeds the performance in percentage terms of the benchmark index) - return of benchmark index = return differential.

- 7.8 For the calculation of the performance fee, an additional mechanism is applied, which states that this fee can only be levied if the cumulative difference calculated under application of the above mentioned method has reached a new peak value since the launch of the Sub-fund (high watermark). The difference between the cumulative old (before withdrawal of the performance fee) and the new peak value is applied.
- 7.9 The performance fee is paid at the end of the quarter in each case; corresponding provisions for the performance fee are made each time the net asset value of the Sub-fund is calculated. These provisions are included in the net asset value. A further performance fee is only applicable if and to the extent that the last high watermark determined upon the quarterly payment of the performance fee is exceeded.

- 7.10 The calculation period for the performance-related fee is quarterly. The basis for the first-time calculation of the performance fee is the total subscription amounts received during the initial subscription period. After the initial subscription period, the performance fee is calculated daily on the basis of the respective net asset value and the applicable return differential in each case.
- 7.11 Should the Company or the Sub-fund be liquidated, the net asset value used is that applicable on the day on which the decision was made to dissolve the Company or the Sub-fund.

Management Company fee

- 7.12 The Management Company fee shall be composed of a charge of 1-3 basis points p.a. calculated on the portfolio of assets held by the Sub-fund and based on the amount of the assets held by the respective Sub-fund, plus a compliance fee of EUR 5,000.00 p.a. However, a minimum fee of EUR 20,000.00 p.a. per Sub-fund shall apply.
- 7.13 This fee shall be calculated on a pro rata basis taking into account the daily net asset value of the Sub-fund and shall be payable monthly by the Sub-fund.
- 7.14 In the case of investment or savings plans, no more than one third of each of the payments agreed for the first year shall be used to cover costs, and the remaining costs shall be evenly spread across all subsequent payments.

8. TERM OF THE SUB-FUND

The Sub-Fund has been created for an unspecified period of time.

MainFirst – Top European Ideas Fund

A Sub-Fund of MainFirst, SICAV

Special Section II

This Special Section supplements the General Section with respect to the MainFirst – **Top European Ideas Fund** (hereinafter the Sub-fund) and should only be read in combination with the General Section.

MAINFIRST – TOP EUROPEAN IDEAS FUND

1. OVERVIEW

Classes	ISIN code	Base currency	Minimum subscription and minimum holding amount	Initial issue price
A share	LU0308864023	EUR	EUR 2,500	-
A1 share	LU1006509753	EUR/hedged	EUR 2,500	-
A2 share	LU1006510173	GBP	GBP 2,500	-
A3 share	LU1006510504	USD	USD 2,500	-
B share	LU0308864296	EUR	EUR 2,500	-
B1 share	LU1006509837	EUR/hedged	EUR 2,500	-
B2 share	LU1006510256	GBP	GBP 2,500	-
B3 share	LU1006510686	USD	USD 2,500	-
C share	LU0308864965	EUR	EUR 500,000	-
C1 share	LU1006509910	EUR/hedged	EUR 500,000	-
C2 share	LU1006510330	GBP	GBP 500,000	-
C3 share	LU1006510769	USD	USD 500,000	-
D share	LU0719477936	EUR	EUR 500,000	-
D1 share	LU1006510090	EUR/hedged	EUR 500,000	-
D2 share	LU1006510413	GBP	GBP 500,000	-
D3 share	LU1006510843	USD	USD 500,000	-
R share	LU1004823552	EUR	EUR 10,000,000	EUR 100
R1 share	LU1004825920	EUR/hedged	EUR 10,000,000	EUR 100
R2 share	LU1004826142	GBP	GBP 10,000,000	GBP 100
R3 share	LU1004826498	USD	USD 10,000,000	USD 100
X share	LU1004823636	EUR	EUR 10,000,000	EUR 100
X1 share	LU1004826068	EUR/hedged	EUR 10,000,000	EUR 100
X2 share	LU1004826225	GBP	GBP 10,000,000	GBP 100
X3 share	LU1004826571	USD	USD 10,000,000	USD 100
V share	LU1394739491	EUR	EUR 2,500	EUR 100

Classes	Front load fee	Flat-rate fee	Fractions	Investor	Distribution policy
A share	up to 5% of the Net Asset Value of the Share	up to 1.80% of the net assets p.a.		Public transactions	Accumulating
A1 share					
A2 share					
A3 share					Distributing (distributions paid annually on 15 May or on the next banking day)
B share					
B1 share					
B2 share					
B3 share		up to 1.20% of the net assets p.a.	up to 1/100th of a Share	Institutional investors	Accumulating
C share					
C1 share					
C2 share					Distributing (distributions paid annually on 15 May or on the next banking day)
C3 share					
D share					
D1 share					
D2 share		up to 1.00% of the net assets p.a.		Public transactions	Accumulating
D3 share					
R share					
R1 share					Distributing (distributions paid annually on 15 May or on the next banking day)
R2 share					
R3 share					
X share					
X1 share		up to 1.8% of the net assets p.a.		VAG investors	Accumulating
X2 share					
X3 share					
V share	up to 5% of the Net Asset Value of the Share	up to 1.8% of the net assets p.a.		VAG investors	Accumulating

2. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

- 2.1 The investment target of the Sub-fund is to outperform the share index STOXX EUROPE 600 TR (performance index) in EUR. Investments are made in shares and other equity-related securities across the world, although the investment focus lies on European companies. Additionally, occasional investments may be made in emerging markets on the basis of an opportunistic approach. Depending on the actual situation, the investment focus may be on large-cap companies or also on small and mid-caps.
- 2.2 The investment focus is such that at least 75% of the Sub-fund's assets (excluding cash and cash equivalents) is invested in shares and other equity-related securities of companies that are based in a EU member state, conduct most of their business in a EU member state or are holding companies, the majority of whose associated companies have their registered offices in a EU member state.
- 2.3 Up to 25% of the Sub-fund's assets may be invested in: Shares of companies all over the world that do not meet the requirements of the preceding paragraph as well as bonds, convertible bonds and warrant bonds, whose warrants are issued on securities of companies worldwide that are denominated in a

freely convertible currency. Notwithstanding the desired risk diversification, the Sub-fund's assets may temporarily be concentrated on certain countries and sectors.

- 2.4 The Sub-fund may hold a higher allocation of liquid assets on a temporary basis.
- 2.5 Contrary to item 17.4(e) of the investment restrictions of the General Section of the Full Prospectus, the Sub-fund shall not buy shares of funds (UCITS and/or UCI), irrespective of their legal form.

3. RISK PROFILE AND RISK MANAGEMENT PROCESS

Risk profile

- 3.1 The Sub-fund is recommended for speculative investors who do not need the invested capital for a long time. Due to the composition of the net Sub-fund assets, there is a very high overall risk, also accompanied by very high income potential. Risks include, in particular, currency, credit and price risks, and risks resulting from changes in market interest rates.

Risk management

- 3.2 The Sub-Fund shall apply the relative Value-at-Risk (VaR) method on the benchmark STOXX EUROPE 600 TR (SXXR) in order to determine the risk associated with its investments.
- 3.3 Leverage of the Sub-fund's investments, using derivative financial instruments where applicable, is not expected to exceed 100% of the nominal value of these investments. Individual cases may, however, arise, in which this limit is exceeded. This limit is calculated from the total of all nominal values of the derivative financial instruments used by the Sub-fund.

4. BASE CURRENCY OF THE SUB-FUND

The base currency of the sub-fund is EUR.

5. ISSUE, REDEMPTION AND CONVERSION OF SHARES

The procedural rules stipulated in the General Section shall apply accordingly.

6. INVESTMENT MANAGER

The Company has appointed MainFirst Bank AG as investment manager for this sub-fund.

7. COSTS

Flat rate fee and remuneration of Central Administration

7.1 The sub-fund is charged a flat-rate fee in the amount described in Section 1 of this Special Section. The Investment Manager and the Distributors - among others - are paid out of this flat rate fee. The applicable flat rate in each case is specified in the periodic reports.

7.2 Including remuneration for the central administration agent, this thus results in total remuneration for investment management, distribution and central administration of up to 1.90% p.a. of the net assets. The applicable rate of remuneration and the effective costs charged are reported in the Annual and Semi-annual Reports.

Remuneration for investment manager, performance fee.

- 7.3 The investment manager is paid from the flat-rate fee charged.

- 7.4 Thus the Manager receives remuneration for rendering the above services in the form of an annual commission which is calculated daily and is payable for each calendar month.
- 7.5 Additionally, the Company pays a performance fee as an incentive to the Investment Manager, amounting to 15% for Class A, B, C, D, R and X Shares of the net value added per Share of the Sub-fund resulting from the ordinary business activity of the Sub-fund. The shares of Class V have no performance fee component.
- 7.6 The performance fee is calculated separately for the Sub-fund using the following formula:
- The performance fee amounts to 15% of the positive difference between the percentage change in the net asset value per Share of the respective class and the percentage-based change in the benchmark index STOXX EUROPE 600 TR (SXXR) (the performance index) in EUR. It is calculated on the basis of the number of Shares currently in circulation in the respective Share class.
- 7.7 The daily return differential between the percentage change in the net asset value per Share of the respective class and the performance in percentage terms of the benchmark index STOXX EUROPE 600 TR (SXXR) (the performance index) in EUR is calculated as follows:
- Return of the net asset value per share (if this exceeds the performance in percentage terms of the benchmark index) - return of benchmark index = return differential.
- 7.8 For the calculation of the performance fee, an additional mechanism is applied, which states that this fee can only be levied if the cumulative difference calculated under application of the above mentioned method has reached a new peak value since the launch of the Sub-fund (**high watermark**). The difference between the cumulative old (before withdrawal of the performance fee) and the new peak value is applied.
- 7.9 The performance fee is paid at the end of the quarter; corresponding provisions for the performance fee are made each time the net asset value of the Sub-fund is calculated. These provisions are included in the net asset value. A further performance fee is only applicable if and to the extent that the last high watermark determined upon the quarterly payment of the performance fee is exceeded.
- 7.10 The calculation period for the performance-related fee is quarterly. The basis for the first-time calculation of the performance fee is the total subscription amounts received during the initial subscription period. After the initial subscription period, the performance fee is calculated daily on the basis of the respective net asset value and the applicable return differential in each case.
- 7.11 Should the Company or the Sub-fund be liquidated, the net asset value used is that applicable on the day on which the decision was made to dissolve the Company or the Sub-fund.

Management Company fee

- 7.12 The Management Company fee shall be composed of a charge of 1-3 basis points p.a. calculated on the portfolio of assets held by the Sub-fund and based on the amount of the assets held by the respective Sub-fund, plus a compliance fee of EUR 5,000.00 p.a. However, a minimum fee of EUR 20,000.00 p.a. per Sub-fund shall apply.
- 7.13 This fee shall be calculated on a pro rata basis taking into account the daily net asset value of the Sub-fund and shall be payable monthly by the Sub-fund
- 7.14 In the case of investment or savings plans, no more than one third of each of the payments agreed for the first year shall be used to cover costs, and the remaining costs shall be evenly spread across all subsequent payments.

8. TERM OF THE SUB-FUND

The Sub-Fund has been created for an unspecified period of time.

MainFirst – Germany Fund

A Sub-Fund of MainFirst, SICAV

Special Section III

This Special Section supplements the General Section with respect to the MainFirst – **Germany Fund** (hereinafter the Sub-fund) and should only be read in combination with the General Section.

MAINFIRST – GERMANY FUND

1. OVERVIEW

Classes	A shares	B shares	C shares	D shares
ISIN code	LU0390221256	LU0390221686	LU0390221926	LU0719478157
Base currency	EUR	EUR	EUR	EUR
Minimum subscription and minimum holding amount	EUR 2,500	EUR 2,500	EUR 500,000	EUR 500,000
Front load fee	up to 5% of the Net Asset Value of the Share			
Flat-rate fee	up to 1.80% of the net assets p.a.		up to 1.20% of the net assets p.a.	
Fractions	up to 1/100th of a Share			
Investor	Public transactions		Institutional investors	
Distribution policy	Accumulating	Distributing (distributions paid annually on 15 May or on the next banking day)	Accumulating	Distributing (distributions paid annually on 15 May or on the next banking day)

Classes	R shares	X shares	V shares
ISIN code	LU1004823719	LU1004823800	LU1394739574
Base currency	EUR	EUR	EUR
Minimum subscription and minimum holding amount	EUR 10,000,000	EUR 10,000,000	EUR 2,500
Initial issue price	EUR 100		
Front load fee	up to 5% of the Net Asset Value of the Share		
Flat-rate fee	up to 1.00% of the net assets p.a.		up to 1.8% of the net assets p.a.
Fractions	up to 1/100th of a Share		
Investor	Public transactions		VAG investors
Distribution policy	Accumulating	Distributing (distributions paid annually on 15 May or on the next banking day)	Accumulating

2. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

- 2.1 The Sub-fund seeks to achieve long-term capital growth in line with a reasonable risk diversification by investing the Sub-fund's assets primarily in shares and other equity-related securities with the focus on Germany, where at least two thirds of the Sub-fund's Assets are invested. Depending on the actual situation, the investment focus may be on large-cap companies or also on small and mid-caps.
- 2.2 The investment focus is such that at least 75% of the Sub-fund's assets (excluding cash and cash equivalents) is invested in shares and other equity-related securities of companies that are based in a EU member state, conduct most of their business in a EU member state or are holding companies whose associated companies predominantly have their registered offices in a EU member state.
- 2.3 Up to 25% of the Sub-fund's assets may be invested in: Shares of companies all over the world that do not meet the requirements of the preceding paragraph as well as bonds, convertible bonds and warrant bonds, whose warrants are issued on securities of companies worldwide that are denominated in a freely convertible currency. Notwithstanding the desired risk diversification, the Sub-fund's assets may temporarily be concentrated on certain countries and sectors.
- 2.4 The Sub-fund may hold a higher allocation of liquid assets on a temporary basis.
- 2.5 Contrary to item 17.4(e) of the investment restrictions of the General Section of the Full Prospectus, the Sub-fund shall not buy shares of funds (UCITS and/or UCI), irrespective of their legal form.

3. RISK PROFILE AND RISK MANAGEMENT PROCESS

Risk profile

- 3.1 The Sub-fund is suitable for growth-oriented investors. Due to the composition of the net Sub-fund assets, there is a high overall risk, also accompanied by high income potential. Risks include, in particular, currency, credit and price risks, and risks resulting from changes in market interest rates.

Risk management

- 3.2 The Sub-fund shall use the commitment approach to calculate its total risk exposure. In this way, the company shall ensure that the total risk associated with derivatives does not exceed the total net asset value of the Sub-fund portfolio. **This results in a possible total exposure of the Sub-fund in the amount of up to 200% of its net assets.**

4. BASE CURRENCY OF THE SUB-FUND

The base currency of the sub-fund is EUR.

5. ISSUE, REDEMPTION AND CONVERSION OF SHARES

The procedural rules stipulated in the General Section shall apply accordingly.

6. INVESTMENT MANAGER

The Company and the Management Company have appointed MainFirst Bank AG as investment manager for this sub-fund.

7. COSTS

FLAT RATE FEE AND REMUNERATION OF CENTRAL ADMINISTRATION

7.1 The sub-fund is charged a flat-rate fee in the amount described in Section 1 of this Special Section. The Investment Manager and the Distributors - among others - are paid out of this flat rate fee. The applicable flat rate in each case is specified in the periodic reports.

7.2 Including remuneration for the central administration agent, this thus results in total remuneration for investment management, distribution and central administration of up to a maximum of 1.90% p.a. of the net assets. The applicable rate of remuneration and the effective costs charged are reported in the Annual and Semi-annual Reports.

Remuneration for investment manager, performance fee.

7.3 The investment manager is paid from the flat-rate fee charged.

7.4 Thus the Manager receives remuneration for rendering the above services in the form of an annual commission which is calculated daily and is payable for each calendar month.

7.5 Additionally, the Company pays a performance fee as an incentive to the Investment Manager, amounting to 15% for Class A, B, C, D, R and X Shares of the net value added per Share of the Sub-fund resulting from the ordinary business activity of the Sub-fund.

7.6 The performance fee is calculated separately for the Sub-fund using the following formula:

The performance fee amounts to 15% of the positive difference between the percentage change in the net asset value per Share of the respective class and the percentage development of the H-DAX benchmark index. It is calculated on the basis of the number of Shares currently in circulation in the respective Share class.

7.7 The daily return differential between the percentage change in the net asset value per Share of the respective class and the percentage development of the H-DAX benchmark index is calculated as follows:

Return of the net asset value per share (if this exceeds the performance in percentage terms of the benchmark index) - return of benchmark index = return differential.

7.8 For the calculation of the performance fee, an additional mechanism is applied, which states that this fee can only be levied if the cumulative difference calculated under application of the above mentioned method has reached a new peak value since the launch of the Sub-fund (**high watermark**). The difference between the cumulative old (before withdrawal of the performance fee) and the new peak value is applied.

7.9 The performance fee is paid at the end of the quarter; corresponding provisions for the performance fee are made each time the net asset value of the Sub-fund is calculated. These provisions are included in the net asset value. A further performance fee is only applicable if and to the extent that the highest high watermark ever determined upon the annual payment of the performance fee is exceeded.

7.10 The calculation period for the performance-related fee is quarterly. The basis for the first-time calculation of the performance fee is the total subscription amounts (excluding subscription fee) received during the initial subscription period. After the initial subscription period, the performance fee is calculated daily on the basis of the respective net asset value and the applicable return differential in each case.

- 7.11 Should the Company or the Sub-fund be liquidated, the net asset value used is that applicable on the day on which the decision was made to dissolve the Company or the Sub-fund.

Management Company fee

- 7.12 The Management Company fee shall be composed of a charge of 1-3 basis points p.a. calculated on the portfolio of assets held by the Sub-fund and based on the amount of the assets held by the respective Sub-fund, plus a compliance fee of EUR 5,000.00 p.a. However, a minimum fee of EUR 20,000.00 p.a. per Sub-fund shall apply.
- 7.13 This fee shall be calculated on a pro rata basis taking into account the daily net asset value of the Sub-fund and shall be payable monthly by the Sub-fund.
- 7.14 In the case of investment or savings plans, no more than one third of each of the payments agreed for the first year shall be used to cover costs, and the remaining costs shall be evenly spread across all subsequent payments.

8. TERM OF THE SUB-FUND

The Sub-Fund has been created for an unspecified period of time.

MainFirst – Emerging Markets Corporate Bond Fund Balanced

A Sub-Fund of MainFirst, SICAV

Special Section IV

This Special Section supplements the General Section with respect to the MainFirst – **Emerging Markets Corporate Bond Fund Balanced** (hereinafter the Sub-fund) and should only be read in combination with the General Section.

MAINFIRST – EMERGING MARKETS CORPORATE BOND FUND BALANCED

1. OVERVIEW

Classes	ISIN code	Base currency	Minimum subscription and minimum holding amount	Initial issue price
A share	LU0816909013	USD	USD 2,500	-
A1 share	LU0816909286	CHF	CHF 2,500	-
A2 share	LU0816909369	EUR	EUR 2,500	-
B share	LU0816909443	USD	USD 2,500	-
B1 share	LU0816909799	CHF	CHF 2,500	-
B2 share	LU0816909872	EUR	EUR 2,500	-
M share	LU1061985948	USD	USD 50,000,000	USD 100
C share	LU0816909955	USD	USD 500,000	-
C1 share	LU0816910292	CHF	CHF 500,000	-
C2 share	LU0816910375	EUR	EUR 500,000	-
D share	LU0816910458	USD	USD 500,000	-
D1 share	LU0816910615	CHF	CHF 500,000	-
D2 share	LU0816910706	EUR	EUR 500,000	-
R share	LU1004824014	USD	USD 10,000,000	USD 100
R1 share	LU1004824287	CHF	CHF 10,000,000	CHF 100
R2 share	LU1004824444	EUR	EUR 10,000,000	EUR 100
X share	LU1004824105	USD	USD 10,000,000	USD 100
X1 share	LU1004824360	CHF	CHF 10,000,000	CHF 100
X2 share	LU1004824527	EUR	EUR 10,000,000	EUR 100

Classes	Front load fee	Flat-rate fee	Fractions	Investor	Distribution policy
A share	up to 5% of the Net Asset Value of the Share	up to 1.20% of the net assets p.a.	up to 1/100th of a Share	Public transactions	Accumulating
A1 share					Distributing (distributions paid annually on 15 May or on the next banking day)
A2 share					
B share					
B1 share					
B2 share					
M Share		up to 0.80% of the net assets p.a.	up to 1/100th of a Share	Institutional investors	Accumulating
C share					Distributing (distributions paid annually on 15 May or on the next banking day)
C1 share					
C2 share					
D share				Public transactions	Accumulating
D1 share					
D2 share					
R share					
R1 share					
R2 share					
X share					Distributing (distributions paid annually on 15 May or on the next banking day)
X1 share					
X2 share					

2. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

- 2.1 This sub-fund seeks to achieve positive growth in the value of its assets by investing in a diversified portfolio of debt securities and similar debt instruments which are issued by debtors in emerging markets and which are denominated in a freely convertible currency.
- 2.2 In order to meet this objective, the sub-fund will mostly invest its assets in bonds (including zero bonds), short-term debt securities and in similar debt instruments (the Investment Instruments). Investment instruments are issued or guaranteed by government debtors from emerging markets (in particular central banks, government authorities and regional banks) or corporate debtors with their registered office in an emerging market. In so doing, the sub-fund will focus its investments on investment instruments from corporate debtors. All of the investment instruments must be listed on a stock exchange or be admitted to trading on another regulated market according to 17.4(b) and 17.4(c) of the General Section.
- 2.3 In particular the following countries are understood as being “Emerging Countries” for the purpose of this Special Section: Argentina, Brazil, Chile, China, Hong Kong, India, Indonesia, Israel, Kazakhstan, Columbia, South Korea, Mexico, Nigeria, Peru, The Philippines, Poland, Qatar, Russia, Singapore, South Africa, Thailand, Ukraine, United Arab Emirates, Venezuela. The above list should not be regarded as being conclusive and is subject to change. Emerging countries generally undergo a phase of economic development, however without having reached the stage of being a developed nation, in particular such as Western Europe, North America or Japan.
- 2.4 Investment instruments can be denominated in any convertible currency, including USD, EUR and the currencies of emerging countries to the extent that these are freely convertible. A maximum of 30% of the net sub-fund assets can be invested in investment instruments which are denominated in a currency of a non-OECD member country. There is no limit to the total proportion of investment instruments that are denominated in currencies from non-OECD member countries. Investment instruments can be denominated in an unlimited number of currencies or in a single currency.
- In connection with this section 2.3, OECD member countries which belong to the emerging countries, are not counted as being OECD member countries.
- 2.5 The sub-fund pursues a *balanced strategy*, i.e., investment instruments do not have to have any or any specific rating (S&P, Moodys and Fitch). It is much rather the case that investments are made in a large number of rating categories. The intended target is an average rating of at least BB over the entire Sub-fund. In addition, the portfolio is diversified in terms of regions, countries and sectors.
- 2.6 In addition, the sub-fund can invest in the following investment instruments:
- (a) fixed or variable income debt securities denominated in freely convertible currencies, and which were issued by government debtors in a non-emerging country or corporate debtors with their registered office in a non-emerging country, which mostly record their revenues in an emerging country;
 - (b) Convertible bonds or debt securities with warrants issued by corporate debtors with their registered office in a non-emerging country, which mostly record their revenues in an emerging country and which are denominated in a freely convertible currency;
 - (c) Investment instruments which resulted passively from the forced conversion, the forced exchange or other type of realization, without input from the Company or the asset manager for the convertible bonds and debt securities with warrants named under (b) (e.g. as the result of bankruptcy or restructuring of the issuer).
- 2.7 In addition, for hedging or for efficient portfolio management purposes, the Sub-fund can, at any time, invest in derivative financial instruments and use all other techniques and instruments for

efficient portfolio management purposes within the meaning of Sections 17.10 et seq. of the General Section.

- 2.8 The sub-fund can buy or sell futures contracts, swaps and options for currencies to hedge exchange rate risks.

In addition, the sub-fund can build up currency positions against the base currency or another currency using these transactions. Liabilities from these transactions may not, at any time, exceed 20% of the net sub-fund assets.

Investment instruments which are not denominated in USD should be hedged against exchange rate risks at all times for at least 80-100% of their value (including the underlying exchange rate risks for, for example, ADRs and GDRs). Temporary over hedging of max. 10% is permitted.

- 2.9 Notwithstanding the desired risk diversification, the Sub-Fund's assets may temporarily be concentrated on certain sectors.
- 2.10 The Sub-fund may hold a higher allocation of liquid assets on a temporary basis.
- 2.11 Contrary to item 17.4(e) of the investment restrictions of the General Section of the Full Prospectus, the Sub-fund shall not buy shares of funds (UCITS and/or UCI), irrespective of their legal form.

3. RISK FACTORS, RISK PROFILE AND RISK MANAGEMENT PROCESS

Special risk factors in connection with investments in emerging countries

- 3.1 As a result of its investment policy, the sub-fund is subject, in particular, to the risk of negative developments for emerging countries. The following is a non-conclusive list of the general risks that are associated with investments in emerging countries. However, investors in the sub-fund should note that the circumstances in emerging countries can change often and at relatively short intervals.
- 3.2 Functioning legal systems, which are required for capital markets to function properly, often still have to be developed in emerging countries. As a result, there may be all kinds of legal uncertainties. A large number of legal concepts, that are essential components of developed legal systems, still have to develop in emerging countries, be confirmed by consistent case law and practice, and stand the test of time. It is often difficult to predict the results of court and administrative proceedings as a result of the lack of relevant practice or the lack of independence on the part of judges or public authorities.
- 3.3 The supervision and regulation of stock exchanges, credit institutions and issuers in various emerging countries is limited under certain circumstances. In addition, the sub-fund's investments could be subject to specific local restrictions for securities from specific emerging countries as a result of the fact that it is a foreign investor.
- 3.4 The underlying tax conditions in emerging countries may not develop favourably. In some emerging countries, confiscatory or retroactive taxation is possible.
- 3.5 Many emerging countries only recently developed organized securities markets and the corresponding institutions. The method used to process, clear and register securities transactions can lead to technical and practical problems. In the worst cases, this can result in disputes concerning the ownership of securities; in other cases inefficient systems can lead to payment delays. Risks can also result in connection with local custody agreements, as this may be a relatively new practice for some emerging countries.
- 3.6 Many emerging countries have foreign exchange controls, which could impact the import or export of foreign currencies into or from the respective emerging country and the convertibility of the respective national currency. Particular attention must be paid to the rules for exchanging currencies and any

licenses that may be required in this regard. In addition, the value of investment instruments in emerging countries may be affected, to a substantial amount, by volatile exchange rates and high inflation. In some emerging countries, it may be the case that the repayment of profits and income from the sub-fund's investments is not possible without a state dispensation, which generally has a negative impact on the value of shares of the sub-fund.

- 3.7 Stock markets and other markets in emerging countries are generally much smaller (in terms of market capitalization, turnover and the number of instruments traded) than their counterparts in developed countries. This alone can impact the value of an investment by the sub-fund, and will probably lead to increased volatility.
- 3.8 In some emerging countries, the accounting standards and practices differ significantly from internationally recognized standards. In the emerging countries in which new accounting legislation has been passed in order to bring this into line with international standards it is thus difficult to obtain reliable historical financial information. In some emerging countries, corporate debtors may not be subject to the rules of accounting, auditing or comparable requirements.
- 3.9 Emerging countries have a potentially more unstable political climate than developed countries. A common characteristic of emerging countries is the rapid pace of political and social change. Far-reaching political reform has often led to new constitutional and social tension. It is not possible to fully rule out the possibility of continuing instability, through to society reacting to fundamental principles, rules or reforms of the market economy. There is a particular risk in emerging countries that guarantees for investor protection, from which the sub-fund is expected to benefit, are not always respected. In addition, it may not be possible to continue or reverse activities to promote foreign investments. In extreme cases, this could lead to a renationalization of the privatized industries and to expropriation or private ownership without compensation.
- 3.10 The success of investments by the sub-fund in emerging countries can be negatively impacted by the type of underlying, economically under-developed infrastructure to be found there. Poor telecommunication and transport systems and an inefficient banking sector could prevent positive business growth. In addition, in individual cases, there is an increased risk of subsequent liability for environmental problems which are caused by the former owners of a company or plot of land.

General risk factors

- 3.11 The sub-fund may, if necessary, invest in futures contracts, swaps and options for currencies. The corresponding markets are volatile. The risk of suffering losses is higher than for direct investments in securities. These techniques and instruments are only used if they are in line with the sub-fund's investment policy and do not negatively affect its quality.
- 3.12 Even when the Company does everything within its power to achieve the investment target, no guarantee can be given that it will be achieved. Correspondingly, the net asset value of the Shares in the Sub-fund can rise or fall. Investments in this Sub-Fund are intended for long-term investors.

Risk profile

3.13 The Sub-fund is suitable for growth-oriented investors. Due to the composition of the net Sub-fund assets, there is a high overall risk, also accompanied by high income potential. Risks include, in particular, currency, credit and price risks, and risks resulting from changes in market interest rates.

Risk management

- 3.14 The sub-fund shall use the commitment approach to calculate its total risk exposure. In this way, the company shall ensure that the total risk associated with derivatives does not exceed the total net asset value of the Sub-fund portfolio. This results in a possible total exposure of the Sub-fund in the amount of up to 200% of its net assets.

4. BASE CURRENCY OF THE SUB-FUND

The base currency of the sub-fund is USD.

5. ISSUE, REDEMPTION AND CONVERSION OF SHARES

The procedural rules stipulated in the General Section shall apply accordingly.

6. INVESTMENT MANAGER

The Company and the Management Company have appointed MainFirst Affiliated Fund Manager (Switzerland) AG as investment manager for this Sub-fund.

7. COSTS

Flat rate fee and remuneration of Central Administration

7.1 The sub-fund is charged a flat-rate fee in the amount described in Section 1 of this Special Section. The Investment Manager and the Distributors - among others - are paid out of this flat rate fee. The applicable flat rate in each case is specified in the periodic reports.

7.2 Including remuneration for the central administration agent, this thus results in total remuneration for investment management, distribution and central administration of up to a maximum of 1.30% p.a. of the net assets. The applicable rate of remuneration and the effective costs charged are reported in the Annual and Semi-annual Reports.

Management Company fee

7.3 The Management Company fee shall be composed of a charge of 1-3 basis points p.a. calculated on the portfolio of assets held by the Sub-fund and based on the amount of the assets held by the respective Sub-fund, plus a compliance fee of EUR 5,000.00 p.a. However, a minimum fee of EUR 20,000.00 p.a. per Sub-fund shall apply.

7.4 This fee shall be calculated on a pro rata basis taking into account the daily net asset value of the Sub-fund and shall be payable monthly by the Sub-fund.

8. TERM OF THE SUB-FUND

The Sub-Fund has been created for an unspecified period of time.

MainFirst – Global Equities Fund

A Sub-Fund of MainFirst, SICAV

Special Section V

This Special Section supplements the General Section with respect to the MainFirst – **Global Equities Fund** (hereinafter the Sub-fund) and should only be read in combination with the General Section.

MAINFIRST – GLOBAL EQUITIES FUND

1. OVERVIEW

Classes	A shares	B shares	C shares	D shares
ISIN code	LU0864709349	LU0864710354	LU0864710602	LU0864711089
Base currency	EUR	EUR	EUR	EUR
Minimum subscription and minimum holding amount	EUR 2,500	EUR 2,500	EUR 500,000	EUR 500,000
Front load fee	up to 5% of the Net Asset Value of the Share			
Flat-rate fee	up to 1.80% of the net assets p.a.		up to 1.20% of the net assets p.a.	
Fractions	up to 1/100th of a Share			
Investor	Public transactions		Institutional investors	
Distribution policy	Accumulating	Distributing (distributions paid annually on 15 May or on the next banking day)	Accumulating	Distributing (distributions paid annually on 15 May or on the next banking day)

Classes	R shares	X shares	V shares
ISIN code	LU1004824790	LU1004824873	LU1394739731
Base currency	EUR	EUR	EUR
Minimum subscription and minimum holding amount	EUR 10,000,000	EUR 10,000,000	EUR 2,500
Initial issue price	EUR 100		
Front load fee	up to 5% of the Net Asset Value of the Share		
Flat-rate fee	up to 1.00% of the net assets p.a.		up to 1.8% of the net assets p.a.
Fractions	up to 1/100th of a Share		
Investor	Public transactions		VAG investors
Distribution policy	Accumulating	Distributing (distributions paid annually on 15 May or on the next banking day)	Accumulating

2. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

- 2.1 The Sub-fund's investment target is to outperform the MSCI World index in EUR (Bloomberg Code: MSDEWIN Index (Total Return)) (the benchmark index). Investments are made in equities and other equity-related securities across the world. Depending on the actual situation, the investment focus may be on large-cap companies or also on small and mid-caps.
- 2.2 Up to 25% of the Sub-fund's assets may be invested in: Bonds, convertible bonds and warrant bonds whose warrants are issued on securities of companies worldwide that are denominated in a freely convertible currency. Notwithstanding the desired risk diversification, the Sub-fund's assets may temporarily be concentrated on certain countries and sectors.
- 2.3 The Sub-fund may hold a higher allocation of liquid assets on a temporary basis.
- 2.4 In addition, for hedging or for efficient portfolio management purposes, the Sub-fund can, at any time, invest in derivatives and use all other techniques and instruments for efficient portfolio management purposes within the meaning of Sections 17.10 et seq. of the General Section. The Sub-fund can buy or sell futures contracts, swaps and options on currencies to hedge exchange rate risks. In addition, the Sub-fund can build up currency positions against the base currency or another currency using these transactions.
- 2.5 Contrary to item 17.4(e) of the investment restrictions of the General Section of the Full Prospectus, the Sub-fund shall not buy shares of funds (UCITS and/or UCI), irrespective of their legal form.

3. RISK PROFILE AND RISK MANAGEMENT PROCESS

Risk profile

- 3.1 The Sub-fund is recommended for speculative investors who do not need the invested capital for a long time. Due to the composition of the net Sub-fund assets, there is a very high overall risk, also accompanied by very high income potential. Risks include, in particular, currency, credit and price risks, and risks resulting from changes in market interest rates.

Risk management

- 3.2 The Sub-fund will apply the relative Value at Risk method (VaR) to the benchmark MSCI World (EUR) in order to determine the overall risk of its investments.
- 3.3 The leverage of the investments of the Sub-fund possibly generated through the use of derivative financial instruments is not expected to exceed 200% of the nominal value of the portfolio's investments. In individual cases, however, it may happen that the aforementioned limit is exceeded. The aforementioned limit is calculated from the sum of all nominal values of the derivative financial instruments used by the Sub-fund.

4. BASE CURRENCY OF THE SUB-FUND

The base currency of the sub-fund is EUR.

5. ISSUE, REDEMPTION AND CONVERSION OF SHARES

The procedural rules stipulated in the General Section shall apply accordingly.

6. INVESTMENT MANAGER

The Company and the Management Company have appointed MainFirst Bank AG as investment manager for this sub-fund.

7. COSTS

Flat rate fee and remuneration of Central Administration

- 7.1 The sub-fund is charged a flat-rate fee in the amount described in Section 1 of this Special Section. The Investment Manager and the Distributors - among others - are paid out of this flat rate fee. The applicable flat rate in each case is specified in the periodic reports.
- 7.2 Including remuneration for the central administration agent, this thus results in total remuneration for investment management, distribution and central administration of up to 1.90% p.a. of the net assets. The applicable rate of remuneration and the effective costs charged are reported in the Annual and Semi-annual Reports.

Remuneration for investment manager, performance fee.

- 7.3 The investment manager is paid from the flat-rate fee charged.
- 7.4 Thus the Manager receives remuneration for rendering the above services in the form of an annual commission which is calculated daily and is payable for each calendar month.
- 7.5 Additionally, the Company pays a performance fee as an incentive to the Investment Manager, amounting to 15% for Class A, B, C, D, R and X Shares of the net value added per Share of the Sub-fund resulting from the ordinary business activity of the Sub-fund.
- 7.6 The performance fee is calculated separately for the Sub-fund using the following formula:
- The performance fee amounts to 15% of the positive difference between the percentage change in the net asset value per Share of the respective class and the percentage development of the benchmark index in EUR. It is calculated on the basis of the number of Shares currently in circulation in the respective Share class.
- 7.7 The daily return differential between the percentage change in the net asset value per Share of the respective class and the percentage development of the EUR benchmark index is calculated as follows:
- Return of the net asset value per share (if this exceeds the performance in percentage terms of the benchmark index) - return of benchmark index = return differential.
- 7.8 For the calculation of the performance fee, an additional mechanism is applied, which states that this fee can only be levied if the cumulative difference calculated under application of the above mentioned method has reached a new peak value since the launch of the Sub-fund (high watermark). The difference between the cumulative old (before withdrawal of the performance fee) and the new peak value is applied.
- 7.9 The performance fee is paid at the end of the quarter; corresponding provisions for the performance fee are made each time the net asset value of the Sub-fund is calculated. These provisions are included in the net asset value. A further performance fee is only applicable if and to the extent that the last high watermark determined upon the quarterly payment of the performance fee is exceeded.
- 7.10 The calculation period for the performance-related fee is quarterly. The basis for the first-time calculation of the performance fee is the total subscription amounts received during the initial subscription period. After the initial subscription period, the performance fee is calculated daily on the basis of the respective net asset value and the applicable return differential in each case.

- 7.11 Should the Company or the Sub-fund be liquidated, the net asset value used is that applicable on the day on which the decision was made to dissolve the Company or the Sub-fund.

Management Company fee

- 7.12 The Management Company fee shall be composed of a charge of 1-3 basis points p.a. calculated on the portfolio of assets held by the Sub-fund and based on the amount of the assets held by the respective Sub-fund, plus a compliance fee of EUR 5,000.00 p.a. However, a minimum fee of EUR 20,000.00 p.a. per Sub-fund shall apply.
- 7.13 This fee shall be calculated on a pro rata basis taking into account the daily net asset value of the Sub-fund and shall be payable monthly by the Sub-fund
- 7.14 In the case of investment or savings plans, no more than one third of each of the payments agreed for the first year shall be used to cover costs, and the remaining costs shall be evenly spread across all subsequent payments.

8. TERM OF THE SUB-FUND

The Sub-Fund has been created for an unspecified period of time.

MainFirst – Absolute Return Multi Asset

A Sub-Fund of MainFirst, SICAV

Special Section VI

This Special Section supplements the General Section with respect to the MainFirst – **Absolute Return Multi Asset** (hereinafter the Sub-fund) and should only be read in combination with the General Section.

MAINFIRST – ABSOLUTE RETURN MULTI ASSET

1. OVERVIEW

Classes	A shares	B shares	C shares	D shares
ISIN code	LU0864714000	LU0864714422	LU0864714935	LU0864715312
Base currency	EUR	EUR	EUR	EUR
Minimum subscription and minimum holding amount	EUR 2,500	EUR 2,500	EUR 500,000	EUR 500,000
Front load fee	up to 5% of the Net Asset Value of the Share			
Flat-rate fee	up to 1.50% of the net assets p.a.		up to 1.00% of the net assets p.a.	
Fractions	up to 1/100th of a Share			
Investor	Public transactions		Institutional investors	
Distribution policy	Accumulating	Distributing (distributions paid annually on 15 May or on the next banking day)	Accumulating	Distributing (distributions paid annually on 15 May or on the next banking day)

Classes	R shares	X shares	V shares
ISIN code	LU1004824956	LU1004825508	LU1394739814
Base currency	EUR	EUR	EUR
Minimum subscription and minimum holding amount	EUR 10,000,000	EUR 10,000,000	EUR 2,500
Initial issue price	EUR 100		
Front load fee	up to 5% of the Net Asset Value of the Share		
Flat-rate fee	up to 1.00% of the net assets p.a.		up to 1.8% of the net assets p.a.
Fractions	up to 1/100th of a Share		
Investor	Public transactions		VAG investors
Distribution policy	Accumulating	Distributing (distributions paid annually on 15 May or on the next banking day)	Accumulating

2. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

- 2.1 The Sub-fund's investment strategy aims to generate a positive investment result of more than 5% p.a. over the long term (the benchmark).
- 2.2 In order to achieve this investment target, the Sub-fund invests in fixed and variable interest securities, equities, convertible bonds, warrants, profit-participation certificates, zero bonds, money market instruments and certificates and derivative financial instruments based on equities, bonds or commodity indices.
- 2.3 For interest-bearing securities the issuer is selected at the investment manager's discretion and is not subject to a minimum rating from a ratings agency, with the result that bonds without ratings can also be acquired.
- 2.4 In addition, for hedging or for efficient portfolio management purposes, the Sub-fund can, at any time, invest in derivatives and use all other techniques and instruments for efficient portfolio management purposes within the meaning of Sections 17.10 et seq. of the General Section. The Sub-fund can buy or sell futures contracts, swaps and options on currencies to hedge exchange rate risks. In addition, the sub-fund can build up currency positions against the base currency or another currency using these transactions.
- 2.5 With regard to the certificates and derivatives on commodities, precious metal and commodities future indices, the Sub-fund will exclusively invest in listed products that are sufficiently liquid and which include regular, verifiable valuations.
- 2.6 The Sub-fund may hold a higher allocation of liquid assets on a temporary basis.
- 2.7 In addition, as part of its investment policy, the Sub-fund can invest up to 10% of the fund's assets in fund units (UCITS and/or UCI), irrespective of their legal form, that are subject to supervision equivalent to the CSSF.

3. RISK PROFILE AND RISK MANAGEMENT PROCESS

Risk profile

- 3.1 The Sub-fund is suitable for growth-oriented investors. Due to the composition of the net Sub-fund assets, there is a high overall risk, also accompanied by high income potential. Risks include, in particular, currency, credit and price risks, and risks resulting from changes in market interest rates

Risk management

- 3.2 The Sub-fund shall use the commitment approach to calculate its total risk exposure. In this way, the Company shall ensure that the total risk associated with derivatives does not exceed the total net asset value of the Sub-fund portfolio. This results in a possible total exposure of the Sub-fund in the amount of up to 200% of its net assets.

4. BASE CURRENCY OF THE SUB-FUND

The base currency of the sub-fund is EUR.

5. ISSUE, REDEMPTION AND CONVERSION OF SHARES

The procedural rules stipulated in the General Section shall apply accordingly.

6. INVESTMENT MANAGER

The Company and the Management Company have appointed MainFirst Bank AG as investment manager for this sub-fund.

7. COSTS

Flat rate fee and remuneration of Central Administration

- 7.1 The sub-fund is charged a flat-rate fee in the amount described in Section 1 of this Special Section. The Investment Manager and the Distributors - among others - are paid out of this flat rate fee. The applicable flat rate in each case is specified in the periodic reports.
- 7.2 Including remuneration for the central administration agent, this thus results in total remuneration for investment management, distribution and central administration of up to 1.60% p.a. of the net assets. The applicable rate of remuneration and the effective costs charged are reported in the Annual and Semi-annual Reports.

Remuneration for investment manager, performance fee.

- 7.3 The investment manager is paid from the flat-rate fee charged.
- 7.4 Thus the Manager receives remuneration for rendering the above services in the form of an annual commission which is calculated daily and is payable for each calendar month.
- 7.5 Additionally, the Company pays a performance fee as an incentive to the Investment Manager, amounting to 15% for Class A, B, C, D, R and X Shares of the net value added per Share of the Sub-fund resulting from the ordinary business activity of the Sub-fund.
- 7.6 The performance fee is calculated separately for the Sub-fund using the following formula:

The performance fee amounts to 15% of the amount by which the performance in net asset value per share of the respective class increases, subject to a minimum performance of 5% p.a. (the "benchmark"). The performance fee is calculated on the basis of the number of Shares currently in circulation in the respective Share class.
- 7.7 The daily return differential between the percentage change in the net asset value per Share of the respective class and the percentage development of the benchmark index is calculated as follows:

Return of the net asset value per share (provided the share exceeds the performance in percentage terms of the benchmark) - return of benchmark = return differential.
- 7.8 For the calculation of the performance fee, an additional mechanism is applied, which states that this fee can only be levied if the cumulative difference calculated under application of the above mentioned method has reached a new peak value since the launch of the Sub-fund (high watermark). The difference between the cumulative old (before withdrawal of the performance fee) and the new peak value is applied.
- 7.9 The performance fee is paid at the end of the quarter; corresponding provisions for the performance fee are made each time the net asset value of the Sub-fund is calculated. These provisions are included in the net asset value. A further performance fee is only applicable if and to the extent that the last high watermark determined upon the quarterly payment of the performance fee is exceeded.
- 7.10 The calculation period for the performance-related fee is quarterly. The basis for the first-time calculation of the performance fee is the total subscription amounts received during the initial subscription period. After the initial subscription period, the performance fee is calculated daily on the basis of the respective net asset value and the applicable return differential in each case.

- 7.11 Should the Company or the Sub-fund be liquidated, the net asset value used is that applicable on the day on which the decision was made to dissolve the Company or the Sub-fund.

Management Company fee

- 7.12 The Management Company fee shall be composed of a charge of 1-3 basis points p.a. calculated on the portfolio of assets held by the Sub-fund and based on the amount of the assets held by the respective Sub-fund, plus a compliance fee of EUR 5,000.00 p.a. However, a minimum fee of EUR 20,000.00 p.a. per Sub-fund shall apply.
- 7.13 This fee shall be calculated on a pro rata basis taking into account the daily net asset value of the Sub-fund and shall be payable monthly by the Sub-fund
- 7.14 In the case of investment or savings plans, no more than one third of each of the payments agreed for the first year shall be used to cover costs, and the remaining costs shall be evenly spread across all subsequent payments.

8. TERM OF THE SUB-FUND

The Sub-Fund has been created for an unspecified period of time.

MainFirst – Emerging Markets Credit Opportunities Fund

A Sub-fund of MainFirst, SICAV

Special Section VII

This Special Section supplements the General Section with respect to the MainFirst – **Emerging Markets Credit Opportunities Fund** (hereinafter the Sub-fund) and should only be read in combination with the General Section.

MAINFIRST – EMERGING MARKETS CREDIT OPPORTUNITIES FUND

1. OVERVIEW

Classes	ISIN code	Base currency	Minimum subscription and minimum holding amount	Initial issue price
A share	LU1061983901	USD	USD 2,500	USD 100
A1 share	LU1061984032	CHF	CHF 2,500	CHF 100
A2 share	LU1061984115	EUR	EUR 2,500	EUR 100
B share	LU1061984206	USD	USD 2,500	USD 100
B1 share	LU1061984388	CHF	CHF 2,500	CHF 100
B2 share	LU1061984461	EUR	EUR 2,500	EUR 100
C share	LU1061984545	USD	USD 500,000	USD 100
C1 share	LU1061984628	CHF	CHF 500,000	CHF 100
C2 share	LU1061984891	EUR	EUR 500,000	EUR 100
D share	LU1061984974	USD	USD 500,000	USD 100
D1 share	LU1061985195	CHF	CHF 500,000	CHF 100
D2 share	LU1061985278	EUR	EUR 500,000	EUR 100
R share	LU1061985351	USD	USD 10,000,000	USD 100
R1 share	LU1061985435	CHF	CHF 10,000,000	CHF 100
R2 share	LU1061985518	EUR	EUR 10,000,000	EUR 100
X share	LU1061985609	USD	USD 10,000,000	USD 100
X1 share	LU1061985781	CHF	CHF 10,000,000	CHF 100
X2 share	LU1061985864	EUR	EUR 10,000,000	EUR 100

Classes	Front load fee	Flat-rate fee	Redemption fee	Fractions	Investor	Distribution policy
A share	up to 5% of the Net Asset Value of the Share	up to 1.50% of the net assets p.a.	up to 1% of the Net Asset Value if the net redemption volume exceeds 5% of the fund volume on one trading day	up to 1/100th of a Share	Public transactions	Accumulating
A1 share						
A2 share						
B share						
B1 share						
B2 share						
C share		up to 1.10% of the net assets p.a.			Accumulating	
C1 share						
C2 share						
D share						
D1 share						
D2 share						
R share		up to 0.95% of the net assets p.a.			Public transactions	Accumulating
R1 share						
R2 share						
X share						
X1 share						
X2 share						
						Distributing (distributions paid annually on 15 May or on the next banking day)

2. INVESTMENT OBJECTIVES AND INVESTMENT POLICY

- 2.1 This Sub-fund seeks to achieve positive growth in the value of its assets by investing in a diversified portfolio of debt securities and similar debt instruments which are issued by debtors in emerging markets and which are denominated in a freely convertible currency.
- 2.2 In order to meet this objective, the Sub-fund will mostly invest its assets in bonds (including zero bonds), short-term debt securities and in similar debt instruments (the Investment Instruments). Investment instruments are issued or guaranteed by government debtors from emerging markets (in particular central banks, government authorities and regional banks) or corporate debtors with their registered office in an emerging market. In so doing, the Sub-fund will focus its investments on investment instruments from corporate debtors. All of the investment instruments must be listed on a stock exchange or be admitted to trading on another regulated market according to parts 15.4(b) and 15.4(c) of the General Section.
- 2.3 In particular the following countries are understood as being “Emerging Countries” for the purpose of this Special Section: Argentina, Bahrain, Brazil, Chile, China, Dominican Republic, Hong Kong, El Salvador, Ghana, Guatemala, India, Indonesia, Iraq, Israel, Jamaica, Kazakhstan, Columbia, Croatia, Kuwait, South Korea, Malaysia, Mexico, Mongolia, Nigeria, Oman, Panama, Peru, Philippines, Poland, Qatar, Russia, Singapore, South Africa, Thailand, Turkey, Ukraine, Venezuela, United Arab Emirates, Vietnam. The above list should not be regarded as being definitive and is subject to change. Emerging countries are generally undergoing a phase of economic development but have not yet, however, reached the stage of being a developed nation, particularly Western Europe, North America or Japan.
- 2.4 Investment instruments can be denominated in any convertible currency, including USD, EUR and the currencies of emerging countries and non-OECD Member States. Investment instruments can be denominated in an unlimited number of currencies or in a single currency. The investment instruments of the Sub-fund’s net assets may also be denominated in the currencies of non-OECD Member States. However, a maximum of 30% of the net Sub-fund assets may be invested in investment instruments which are denominated in a single currency of a non-OECD Member State. In connection with this Section 2.3, OECD Member States which are emerging countries, are not counted as being OECD Member States.
- 2.5 The Sub-fund pursues a high yield strategy, i.e. the investment instruments do not need to be rated or have a specific rating (S&P, Moodys and Fitch). Most of the investments are in high yield rating categories. The portfolio is diversified in terms of regions, countries and sectors.
- 2.6 In addition, the Sub-fund may invest in the following investment instruments:
- (a) fixed or variable income debt securities denominated in freely convertible currencies, and which were issued by government debtors in a non-emerging country or corporate debtors with their registered office in a non-emerging country, which mostly generate their revenues in an emerging country;
 - (b) Convertible bonds or debt securities with warrants issued by corporate debtors with their registered office in a non-emerging country, which mostly generate their revenues in an emerging country and which are denominated in a freely convertible currency;
 - (c) Investment instruments which resulted passively from the forced conversion, the forced exchange or other type of realization, without input from the Company or the asset manager for the convertible bonds and debt securities with warrants named under (b) (e.g. as the result of bankruptcy or restructuring of an issuer).
- 2.7 In addition, for hedging or for efficient portfolio management purposes, the Sub-fund can, at any time, invest in derivative financial instruments and use all other techniques and instruments for efficient portfolio management purposes within the meaning of Sections 15.9 *et seq.* of the General Section.

- 2.8 The Sub-fund may buy or sell futures contracts, swaps and options for currencies to hedge exchange rate risks.

In addition, the Sub-fund can build up currency positions against the base currency or another currency using these transactions. Liabilities from these transactions may not, at any time, exceed 20% of the net Sub-fund assets.

Investment instruments which are not denominated in USD should be hedged against exchange rate risks at all times for at least 80-100% of their value (including the underlying exchange rate risks of, for example, ADRs and GDRs). Temporary excess hedging of a maximum of 10% is permitted.

- 2.9 Notwithstanding the desired risk diversification, the Sub-fund's assets may temporarily be concentrated on certain sectors.
- 2.10 The Sub-fund may hold a higher allocation of liquid assets on a temporary basis.
- 2.11 Contrary to item 17.4(e) of the investment restrictions of the General Section of the Full Prospectus, the Sub-fund shall not buy shares of funds (UCITS and/or UCI), irrespective of their legal form.

3. RISK FACTORS, RISK PROFILE AND RISK MANAGEMENT PROCESS

Special risk factors in connection with investments in emerging countries

- 3.1 As a result of its investment policy, the Sub-fund is subject, in particular, to the risk of negative developments for emerging countries. The following is a non-conclusive list of the general risks that are associated with investments in emerging countries. However, investors in the Sub-fund should note that the circumstances in emerging countries can change often and at relatively short intervals.
- 3.2 Functioning legal systems, which are required for capital markets to function properly, often still have to be developed in emerging countries. As a result, there may be all kinds of legal uncertainties. A large number of legal concepts, that are essential components of developed legal systems, still have to develop in emerging countries, be confirmed by consistent case law and practice, and stand the test of time. It is often difficult to predict the results of court and administrative proceedings as a result of the lack of relevant practice or the lack of independence on the part of judges or public authorities.
- 3.3 The supervision and regulation of stock exchanges, credit institutions and issuers in various emerging countries is limited under certain circumstances. In addition, the Sub-fund's investments could be subject to specific local restrictions for securities from specific emerging countries as a result of the fact that it is a foreign investor.
- 3.4 The underlying tax conditions in emerging countries may not develop favourably. In some emerging countries, confiscatory or retroactive taxation is possible.
- 3.5 Many emerging countries have only recently developed organized securities markets and the corresponding institutions. The method used to process, clear and register securities transactions can lead to technical and practical problems. In the worst cases, this can result in disputes concerning the ownership of securities; in other cases inefficient systems can lead to payment delays. Risks can also result in connection with local custody agreements, as this may be a relatively new practice for some emerging countries.
- 3.6 Many emerging countries have foreign exchange controls, which could impact the import or export of foreign currencies into or from the respective emerging country and the convertibility of the respective national currency. Particular attention must be paid to the rules for exchanging currencies and any licensing that may be required in this regard. In addition, the value of investment instruments in emerging countries may be affected, to a substantial amount, by volatile exchange rates and high inflation. In some emerging countries, it may be the case that the repayment of profits and income

from the Sub-fund's investments is not possible without a state dispensation, which generally has a negative impact on the value of shares of the sub-fund.

- 3.7 Stock markets and other markets in emerging countries are generally much smaller (in terms of market capitalization, turnover and the number of instruments traded) than their counterparts in developed countries. This alone can impact the value of an investment by the Sub-fund, and will probably lead to increased volatility.
- 3.8 In some emerging countries, the accounting standards and practices differ significantly from internationally recognized standards. In the emerging countries in which new accounting legislation has been passed in order to bring this into line with international standards it is thus difficult to obtain reliable historical financial information. In some emerging countries, corporate debtors may not be subject to the rules of accounting, auditing or comparable requirements.
- 3.9 Emerging countries have a potentially more unstable political climate than developed countries. A common characteristic of emerging countries is the rapid pace of political and social change. Far-reaching political reform has often led to new constitutional and social tension. It is not possible to fully rule out the possibility of continuing instability, through to society reacting to fundamental principles, rules or reforms of the market economy. There is a particular risk in emerging countries that guarantees for investor protection, from which the Sub-fund is expected to benefit, are not always respected. In addition, it may not be possible to continue or reverse activities to promote foreign investments. In extreme cases, this could lead to a renationalization of the privatized industries and to expropriation or private ownership without compensation.
- 3.10 The success of investments by the Sub-fund in emerging countries can be negatively impacted by the type of underlying, economically under-developed infrastructure in place. Poor telecommunication and transport systems and an inefficient banking sector could prevent positive business growth. In addition, in individual cases, there is an increased risk of subsequent liability for environmental problems which are caused by the former owners of a company or plot of land.

General risk factors

- 3.11 The Sub-fund may, if necessary, invest in futures contracts, swaps and options on currencies. The corresponding markets are volatile. The risk of suffering losses is higher than for direct investments in securities. These techniques and instruments are only used if they are in line with the Sub-fund's investment policy and do not negatively affect its quality.
- 3.12 Even when the Company does everything within its power to achieve the investment target, no guarantee can be given that it will be achieved. Correspondingly, the net asset value of the Shares in the Sub-fund can rise or fall. Investments in this Sub-fund are intended for long-term investors.

Risk profile

- 3.13 The Sub-fund is suitable for growth-oriented investors. Due to the composition of the net Sub-fund assets, there is a high overall risk, also accompanied by high income potential. Risks include, in particular, currency, credit and price risks, and risks resulting from changes in market interest rates.

Risk management

- 3.14 The Sub-fund shall use the commitment approach to calculate its total risk exposure. In this way, the Company shall ensure that the total risk associated with derivatives does not exceed the total net asset value of the Sub-fund portfolio. This results in a possible total exposure of the Sub-fund in the amount of up to 200% of its net assets.

4. BASE CURRENCY OF THE SUB-FUND

The base currency of the Sub-fund is USD.

5. ISSUE, REDEMPTION AND CONVERSION OF SHARES

- 5.1 The procedural rules stipulated in the General Section shall apply accordingly.

6. INVESTMENT MANAGER

The Company and the Management Company have appointed MainFirst Affiliated Fund Managers (Switzerland) AG as investment manager for this Sub-fund.

7. COSTS

Flat rate fee and remuneration of Central Administration

- 7.1 The Sub-fund is charged a flat-rate fee in the amount described in Section 1 of this Special Section. The Investment Manager and the Distributors - among others - are paid out of this flat rate fee. The applicable flat rate in each case is specified in the periodic reports.
- 7.2 Including remuneration for the central administration agent, this therefore, results in total remuneration for investment management, distribution and central administration of up to a maximum of 1.50% p.a. of the net assets for share classes A and B, a maximum of 1.10% p.a. of the net assets for classes C and D and a maximum of 0.95% p.a. of the net assets for classes R and X. The applicable rate of remuneration and the effective costs charged are reported in the Annual and Semi-annual Reports.

Remuneration of investment manager, performance fee.

- 7.3 The investment manager is paid from the flat-rate fee charged.
- 7.4 Accordingly, the Manager receives remuneration for rendering the above services in the form of an annual commission which is calculated daily and is payable for each calendar month.
- 7.5 Additionally, the Company pays a performance fee as an incentive to the Investment Manager, amounting to 15% for Class A, B, C, D, R and X Shares of the net value added per share of the Sub-fund resulting from the ordinary business activity of the Sub-fund.
- 7.6 The performance fee is calculated separately for the Sub-fund using the following formula:

The performance fee is calculated in conjunction with the performance of the JP Morgan Corporate Emerging Market Bond Index High Yield Index Level in USD (JPM CEMBI HY – Sub Index – Bloomberg Code: JCMBNOIG Index) (the **Benchmark Index**).

The performance fee is only due if the portfolio of the Sub-fund shows a positive performance at the end of the quarter. If the benchmark index at the end of the quarter is negative but the portfolio of the Sub-fund is positive, a performance fee shall be due. Accordingly, a performance fee shall not apply if both the benchmark index and the portfolio of the Sub-fund are negative.

- 7.7 The daily return differential between the percentage change in the net asset value per share of the respective class and the percentage development of the benchmark index is calculated as follows:

Return of the net asset value per share (if this exceeds the performance in percentage terms of the Benchmark Index) – the positive performance of benchmark index = return differential.

- 7.8 The performance fee is paid at the end of the quarter; corresponding provisions for the performance fee are made each time the net asset value of the Sub-fund is calculated. These provisions are included in the net asset value.
- 7.9 The calculation period for the performance-related fee is quarterly. The basis for the first-time calculation of the performance fee is the total subscription amounts received during the initial subscription period. After the initial subscription period, the performance fee is calculated daily on the basis of the respective net asset value and the applicable return differential in each case.
- 7.10 Should the Company or the Sub-fund be liquidated, the net asset value used is that applicable on the day on which the decision was made to dissolve the Company or the Sub-fund.

Management Company's fee

- 7.11 The Management Company fee shall be composed of a charge of 1-3 basis points p.a. calculated on the portfolio of assets held by the Sub-fund and based on the amount of the assets held by the respective Sub-fund, plus a compliance fee of EUR 5,000.00 p.a. However, a minimum fee of EUR 20,000.00 p.a. per Sub-fund shall apply.
- 7.12 This fee shall be calculated on a pro rata basis taking into account the daily net asset value of the Sub-fund and shall be payable monthly by the Sub-fund.

8. TERM OF THE SUB-FUND

The Sub-fund has been created for an unspecified period of time.

MainFirst – Diversified Alpha

A Sub-fund of MainFirst, SICAV

Special Section VIII

This Special Section supplements the General Section with respect to the MainFirst – **Diversified Alpha Fund** (the Sub-fund) and should only be read in combination with the General Section.

MAINFIRST – DIVERSIFIED ALPHA

1. OVERVIEW

Classes	A shares	B shares	C shares	D shares	E shares
ISIN code	LU1501515388	LU1501515461	LU1501515545	LU1501515628	LU1501515891
Base currency	EUR	EUR	EUR	EUR	EUR
Minimum subscription and minimum holding amount	EUR 2,500	EUR 2,500	EUR 500,000	EUR 500,000	EUR 5,000,000
Initial issue price	EUR 100	EUR 100	EUR 100	EUR 100	EUR 100
Front-load fee	up to 5% of the Net Asset Value of the Share				
Lump-sum fee	up to 1.80% of the net assets p.a.		up to 1.20% of the net assets p.a.		up to 1.00% of the net assets p.a.
Fractions	up to 1/100th of a Share				
Investor	Public transactions		Institutional investors		Public transactions
Distribution policy	Accumulating	Distributing (distributions paid annually on 15 May or on the next banking day)	Accumulating	Distributing (distributions paid annually on 15 May or on the next banking day)	Accumulating
Volume limit	-	-	-	-	100.000.000.00

Classes	F shares	R shares	X shares	V shares
ISIN code	LU1501515974	LU1501516196	LU1501516279	LU1501516352
Base currency	EUR	EUR	EUR	EUR
Minimum subscription and minimum holding amount	EUR 5,000,000	10.000.000 EUR	10.000.000 EUR	EUR 2,500
Initial issue price	EUR 100	EUR 100		
Front-load fee	up to 5% of the Net Asset Value of the Share			
Lump-sum fee	up to 1.00% of the net assets p.a.	up to 1.00% of the net assets p.a.	up to 1.00% of the net assets p.a.	up to 1.80% of the net assets p.a.
Fractions	up to 1/100th of a Share			
Investor	Public transactions			VAG investors
Distribution policy	Distributing (distributions paid annually on 15 May or on the next banking day)	Accumulating	Distributing (distributions paid annually on 15 May or on the next banking day)	Accumulating
Volume limit	EUR 100.000.000.00	-	-	-

2. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

- 2.1 The investment objective of the Sub-fund is to achieve gross return in the equity and bond markets of 5% to 6% above the 3-month Euribor over a period of three to five years. To achieve this objective, the Sub-fund may invest in various asset classes, especially equities, bonds, indirectly in commodities and in currencies.. The Sub-fund primarily uses derivatives in order to enter into both long and short positions in these asset classes. The Sub-fund may also invest in other UCITS-compliant funds, especially those in the alternative investment strategies segment..
- 2.2 The exposure to commodities is achieved exclusively via derivatives on indices whose underlying assets are commodities, exchange-traded commodities (ETCs) and/or certificates that qualify as securities and contain no derivative components.
- 2.3 Positions in currencies are selected in particular through FX forwards and futures. Permitted currencies are AUD, CAD, CHF, DKK, EUR, GBP, HKD, JPY, NOK, SEK and USD. Ancillary positions may also be held in other freely convertible currencies.
- 2.4 The Sub-fund should be neutrally positioned relative to the capital markets over the long term, so that 3-month Euribor used as the benchmark for returns. However, the risk of the Sub-fund is not comparable with that of money market investments.
- 2.5 The Sub-fund may hold a higher allocation of liquid assets.

3. INVESTMENT STRATEGY

- 3.1 The Sub-fund is a long/short multi-asset fund, whose assets can be invested according to different sub-strategies, with pro-cyclical, market-neutral and anti-cyclical components that are applied to different asset classes to collect different risk premiums. All sub-strategies have the objective of being as uncorrelated to traditional asset classes, including to each other, as possible, in order to achieve optimal portfolio diversification.
- 3.2 The sub-strategies include the following components, amongst others:

Momentum component

- (i) The momentum component adds a quantitative element to the investment strategy by assessing and weighting investments using both fundamental analysis and principles based on investor sentiment and behavioural finance theories as well as trends.

Contrarian component

- (ii) With the contrarian component, excessive and short-term price changes are analysed in order to establish corresponding long or short positions if their valuation is inappropriate.

Discretionary component

- (iii) The discretionary component combines several strategies. The markets are valued using fundamental and technical analysis as well as market trend analyses and volatility strategies.

UCITS alternative component

- (iv) The UCITS alternative component serves both to diversify the assets and to stabilise earnings.

- 3.3 The weighting of the sub-strategy depends on its risk and the assessment of the investment manager. Individual sub-strategies can be abandoned and new ones added.

4. RISK PROFILE AND RISK MANAGEMENT PROCESS

Risk profile

- 4.1 The Sub-fund is recommended for investors who do not need the invested capital for a long time to come. Due to the composition of the net Sub-fund assets, there is a very high overall risk, also accompanied by very high income potential. Risks include, in particular, currency, credit and price risks, and risks resulting from changes in market interest rates.

Risk management

- 4.2 The Sub-Fund shall apply the absolute Value-at-Risk (VaR) method in order to determine the risk associated with its investments.
- 4.3 The total risk of the Sub-fund may not exceed 20 % of the Sub-fund's net asset value.
- 4.4 Any leverage of the Sub-fund's investments achieved through the use of derivative financial instruments is not expected to exceed 500% of the net assets of the Sub-fund. This limit may however be exceeded in individual cases. This limit is calculated from the total of all nominal values of the derivative financial instruments used by the Sub-fund.

5. BASE CURRENCY OF THE SUB-FUND

The base currency of the sub-fund is EUR.

6. ISSUE, REDEMPTION AND CONVERSION OF SHARES

- 6.1 The procedural rules stipulated in the General Section shall apply accordingly.
- 6.2 The Management Board may reject subscription orders for classes E and F if the net asset value of the Sub-fund exceeds EUR 100,000,000.00.

7. INVESTMENT MANAGER

The Company and the Management Company have appointed MainFirst Bank AG as investment manager for this Sub-fund.

8. COSTS

Flat rate fee and remuneration of Central Administration

- 8.1 The Sub-fund is charged a flat-rate fee in the amount described in Section 1 of this Special Section. The Investment Manager and the Distributors - among others - are paid out of this flat-rate fee. The applicable flat rate in each case is specified in the periodic reports.
- 8.2 Including remuneration for the central administration agent, this results in total remuneration for investment management, distribution and central administration of up to 1.80% p.a. of the net assets for class A and B shares, up to 1.20% p.a. of the net assets for class C and D shares, up to 1.00% p.a. of the net assets for class E, F, R and X shares and up to 1.80% p.a. of the net assets for class V shares. The applicable rate of remuneration and the effective costs charged are reported in the annual and semi-annual reports.

Remuneration for investment manager, performance fee

- 8.3 The investment manager is paid from the flat-rate fee charged.

8.4 Thus, the Manager receives remuneration for rendering the above services in the form of an annual commission which is calculated daily and is payable for each calendar month.

8.5 Additionally, the Company pays a performance fee as an incentive to the investment manager, amounting to 15% for class A, B, C, D, R and X shares of the net value added per share of the Sub-fund resulting from the ordinary business activity of the Sub-fund.

8.6 The performance fee is calculated separately for the Sub-fund using the following formula:

The performance fee is calculated depending on the development of 3-month Euribor (Bloomberg Code: ECC0TR03) (the benchmark index).

The performance fee is only due if the Sub-fund's portfolio has achieved positive performance at the end of a quarter. If the benchmark index ends the quarter with negative performance, while the Sub-fund's portfolio has achieved positive performance, the performance fee is payable. No performance fee is payable, however, if both the benchmark index and the sub-fund's portfolio end the quarter with negative performance.

8.7 The daily return differential between the percentage change in the net asset value per share of the respective class and the percentage development of the benchmark index is calculated as follows:

Return of the net asset value per share (if this exceeds the performance in percentage terms of the benchmark index) – the positive performance of the benchmark index = return differential.

8.8 For the calculation of the performance fee, use is made also of a mechanism which ensures that this can only be levied if the accumulated difference calculated by using the method specified above since the initiation of the Sub-fund has reached a new **high watermark**. For this, the difference between the accumulated old high watermark (before subtraction of the performance fee) and the new high watermark is used..

8.9 The performance fee is paid at the end of the quarter; however, corresponding provisions for the performance fee are made each time the net asset value of the Sub-fund is calculated. These provisions are included in the net asset value.

8.10 The calculation period for the performance-related fee is quarterly. The basis for the first-time calculation of the performance fee is the sum of subscription amounts received during the initial subscription period. After the initial subscription period, the performance fee is calculated daily on the basis of the respective net asset value and the applicable return differential in each case.

8.11 Should the Company or the Sub-fund be liquidated, the net asset value used is that applicable on the day on which the decision was made to dissolve the Company or the Sub-fund.

Management company fee

8.12 The management company fee consists of a fee of 1-3 basis points p.a. calculated based on the portfolio of assets held by the sub-fund, depending on the amount of the assets held by the sub-fund, plus a compliance fee of EUR 5,000 p.a. However, the management company fee for each sub-fund shall be not less than EUR 20,000 p.a.

8.13 This management company fee is determined proportionally for the Sub-fund based on the daily net asset value of the Sub-fund and is payable by the Sub-fund on a monthly basis.

8.14 In the case of investment plans or savings plans, no more than one third of each of the payments agreed for the first year shall be used to cover costs, and the remaining costs shall be evenly spread across all subsequent payments.

9. TERM OF THE SUB-FUND

The Sub-fund has been created for an unspecified period of time.

MainFirst – Vermögensverwaltungsfonds Ausgewogen

A Sub-Fund of MainFirst SICAV

Special Section IX

This Special Section supplements the General Section with respect to the MainFirst – **Vermögensverwaltungsfonds Ausgewogen Fund** (the **Sub-fund**) and should only be read in combination with the General Section.

MAINFIRST – VERMÖGENSVERWALTUNGSFONDS AUSGEWOGEN

1. OVERVIEW

Classes	A shares	B shares	C shares	D shares	E shares
ISIN code	LU1501516436	LU1501516600	LU1501516782	LU1501516865	LU1501516949
Base currency	EUR	EUR	EUR	EUR	EUR
Minimum subscription and minimum holding amount	EUR 2,500	EUR 2,500	EUR 500,000	EUR 500,000	EUR 5,000,000
Initial issue price	EUR 100	EUR 100	EUR 100	EUR 100	EUR 100
Front-load fee	up to 5% of the Net Asset Value of the Share				
Lump-sum fee	up to 1.80% of the net assets p.a.		up to 1.20% of the net assets p.a.		up to 1.00% of the net assets p.a.
Fractions	up to 1/100th of a Share				
Investor	Public transactions		Institutional investors		Public transactions
Distribution policy	Accumulating	Distributing (distributions paid annually on 15 May or on the next banking day)	Accumulating	Distributing (distributions paid annually on 15 May or on the next banking day)	Accumulating
Volume limit	-	-	-	-	100.000.000.00

Classes	F shares	R shares	X shares	V shares
ISIN code	LU1501517087	LU1501517244	LU1501517327	LU1501517590
Base currency	EUR	EUR	EUR	EUR
Minimum subscription and minimum holding amount	EUR 5,000,000	10.000.000 EUR	10.000.000 EUR	EUR 2,500
Initial issue price	EUR 100	EUR 100	EUR 100	EUR 100
Front-load fee	up to 5% of the Net Asset Value of the Share			
Lump-sum fee	up to 1.00% of the net assets p.a.	up to 1.00% of the net assets p.a.	up to 1.00% of the net assets p.a.	up to 1.80% of the net assets p.a.
Fractions	up to 1/100th of a Share			
Investor	Public transactions			VAG investors
Distribution policy	Distributing (distributions paid annually on 15 May or on the next banking day)	Accumulating	Distributing (distributions paid annually on 15 May or on the next banking day)	Accumulating
Volume limit	EUR 100,000,000.00	-	-	-

2. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

- 2.1 The investment objective of the Sub-fund is to participate strategically in the performance of equity and bond markets in conjunction with a high, market-neutral alpha component.

- 2.2 The Sub-fund is a multi-asset balanced fund whose assets are determined primarily by the performance of equity and bond markets. To achieve this objective, the Sub-fund may invest in various asset classes, especially equities, bonds, commodities and currencies. The Sub-fund primarily uses derivatives in order to enter into both long and short positions in these asset classes. The sub-fund may also invest in other UCITS-compliant funds, especially those in the alternative investment strategies segment.
- 2.3 The exposure to commodities is achieved exclusively via derivatives on indices whose underlying assets are commodities, exchange-traded commodities (ETCs) and/or certificates that qualify as securities and contain no derivative components. In this context, commodities that are part of the Bloomberg Commodity Index or the GSCI Commodity Index are permitted, although the direct or indirect investment in agricultural commodities (including livestock) is excluded.
- 2.4 Positions in currencies are selected in particular through FX forwards and futures. Permitted currencies are AUD, CAD, CHF, DKK, EUR, GBP, HKD, JPY, NOK, SEK and USD. Ancillary positions may also be held in other freely convertible currencies.
- 2.5 The return and risk component is geared towards a balanced mix of equities and bonds. The benchmark for equities and bonds is a mix of 35% MSCI World in EUR (Bloomberg Code: MSDEWIN) and 65% Citi Emu GBI (Bloomberg Code: SBEGEU) (the benchmark index).
- 2.6 The Sub-fund may hold a higher allocation of liquid assets.

3. INVESTMENT STRATEGY

- 3.1 The Sub-fund invests strategically in equities and bonds. In addition, various long/short strategies are pursued with the aim of generating returns or reducing risk. Short options are only taken out synthetically. These long/short sub-strategies follow procyclical, non-cyclical or anticyclical investment approaches which are applied to different asset classes in order to collect different risk premiums. All sub-strategies have the objective of being as uncorrelated to traditional asset classes, including to each other, as possible, in order to achieve optimal portfolio diversification.
- 3.2 The sub-strategies include the following components, amongst others:

Momentum component

- (i) The momentum component adds a quantitative element to the investment strategy by assessing and weighting investments using both fundamental analysis and principles based on investor sentiment and behavioural finance theories as well as trends.

Contrarian component

- (ii) With the contrarian component, excessive and short-term price changes are analysed in order to establish corresponding long or short positions if their valuation is inappropriate.

Discretionary component

- (iii) The discretionary component combines several strategies. The markets are valued using fundamental and technical analysis as well as market trend analyses and volatility strategies.

UCITS alternative component

- (iv) The UCITS alternative component serves both to diversify the assets and to stabilise earnings.

- 3.3 The weighting of the sub-strategy depends on its risk and the assessment of the investment manager. Individual sub-strategies can be abandoned and new ones added.

4. RISK PROFILE AND RISK MANAGEMENT PROCESS

Risk profile

- 4.1 The Sub-fund is recommended for investors who do not need the invested capital for a long time to come. Due to the composition of the net Sub-fund assets, there is a very high overall risk, also accompanied by very high income potential. Risks include, in particular, currency, credit and price risks, and risks resulting from changes in market interest rates.

Risk management

- 4.2 The Sub-Fund shall apply the absolute Value-at-Risk (VaR) method in order to determine the risk associated with its investments.
- 4.3 The total risk of the Sub-fund may not exceed 20 % of the Sub-fund's net asset value.
- 4.4 Any leverage of the Sub-fund's investments achieved through the use of derivative financial instruments is not expected to exceed 600% of the net assets of the Sub-fund. This limit may however be exceeded in individual cases. This limit is calculated from the total of all nominal values of the derivative financial instruments used by the Sub-fund.

5. BASE CURRENCY OF THE SUB-FUND

The base currency of the sub-fund is EUR.

6. ISSUE, REDEMPTION AND CONVERSION OF SHARES

- 6.1 The procedural rules stipulated in the General Section shall apply accordingly.
- 6.2 The Management Board may reject subscription orders for classes E and F if the net asset value of the Sub-fund exceeds EUR 100,000,000.00.

7. INVESTMENT MANAGER

The Company and the Management Company have appointed MainFirst Bank AG as investment manager for this Sub-fund.

8. COSTS

Flat rate fee and remuneration of Central Administration

- 8.1 The Sub-fund is charged a flat-rate fee in the amount described in Section 1 of this Special Section. The Investment Manager and the Distributors - among others - are paid out of this flat-rate fee. The applicable flat rate in each case is specified in the periodic reports.
- 8.2 Including remuneration for the central administration agent, this results in total remuneration for investment management, distribution and central administration of up to 1.80% p.a. of the net assets for class A and B shares, up to 1.20% p.a. of the net assets for class C and D shares, up to 1.00% p.a. of the net assets for class E, F, R and X shares and up to 1.80% p.a. of the net assets for class V shares. The applicable rate of remuneration and the effective costs charged are reported in the annual and semi-annual reports.

Remuneration for investment manager, performance fee

- 8.3 The investment manager is paid from the flat-rate fee charged.

- 8.4 Thus, the Manager receives remuneration for rendering the above services in the form of an annual commission which is calculated daily and is payable for each calendar month.
- 8.5 Additionally, the Company pays a performance fee as an incentive to the investment manager, amounting to 15% for class A, B, C, D, R and X shares of the net value added per share of the Sub-fund resulting from the ordinary business activity of the Sub-fund.
- 8.6 The performance fee is calculated separately for the Sub-fund using the following formula:
- The performance fee amounts to 15% of the positive difference between the percentage change in the net asset value per Share of the respective class and the percentage development of the benchmark index in EUR. It is calculated on the basis of the number of Shares currently in circulation in the respective Share class.
- 8.7 The daily return differential between the percentage change in the net asset value per share of the respective class and the percentage development of the benchmark index is calculated as follows:
- Return of the net asset value per share (if this exceeds the performance in percentage terms of the benchmark index) - return of benchmark index = return differential.
- 8.8 For the calculation of the performance fee, an additional mechanism is applied, which states that this fee can only be levied if the cumulative difference calculated under application of the above mentioned method has reached a new peak value since the launch of the Sub-fund ("high watermark"). The difference between the cumulative old (before withdrawal of the performance fee) and the new peak value is applied.
- 8.9 The performance fee is paid at the end of the quarter; however, corresponding provisions for the performance fee are made each time the net asset value of the Sub-fund is calculated. These provisions are included in the net asset value. A further performance fee is only applicable if and to the extent that the last high watermark determined upon the quarterly payment of the performance fee is exceeded.
- 8.10 The calculation period for the performance-related fee is quarterly. The basis for the first-time calculation of the performance fee is the sum of subscription amounts received during the initial subscription period. After the initial subscription period, the performance fee is calculated daily on the basis of the respective net asset value and the applicable return differential in each case.
- 8.11 Should the Company or the Sub-fund be liquidated, the net asset value used is that applicable on the day on which the decision was made to dissolve the Company or the Sub-fund.

Management company fee

- 8.12 The management company fee consists of a fee of 1-3 basis points p.a. calculated based on the portfolio of assets held by the sub-fund, depending on the amount of the assets held by the sub-fund, plus a compliance fee of EUR 5,000 p.a. However, the management company fee for each sub-fund shall be not less than EUR 20,000 p.a.
- 8.13 This management company fee is determined proportionally for the Sub-fund based on the daily net asset value of the Sub-fund and is payable by the Sub-fund on a monthly basis.
- 8.14 In the case of investment plans or savings plans, no more than one third of each of the payments agreed for the first year shall be used to cover costs, and the remaining costs shall be evenly spread across all subsequent payments.

9. TERM OF THE SUB-FUND

The Sub-fund has been created for an unspecified period of time.

MainFirst – Dynamic Risk Parity

A Sub-Fund of MainFirst SICAV

Special Section X

This Special Section supplements the General Section with respect to the MainFirst – **Dynamic Risk Parity Fund** (the **Sub-fund**) and should only be read in combination with the General Section.

MAINFIRST – DYNAMIC RISK PARITY

1. OVERVIEW

Classes	A shares	B shares	C shares	D shares	E shares
ISIN code	LU1501517673	LU1501517756	LU1501517830	LU1501517913	LU1501518051
Base currency	EUR	EUR	EUR	EUR	EUR
Minimum subscription and minimum holding amount	EUR 2,500	EUR 2,500	EUR 500,000	EUR 500,000	EUR 5,000,000
Initial issue price	EUR 100	EUR 100	EUR 100	EUR 100	EUR 100
Front-load fee	up to 5% of the Net Asset Value of the Share				
Lump-sum fee	up to 1.80% of the net assets p.a.		up to 1.20% of the net assets p.a.		up to 1.00% of the net assets p.a.
Fractions	up to 1/100th of a Share				
Investor	Public transactions		Institutional investors		Public transactions
Distribution policy	Accumulating	Distributing (distributions paid annually on 15 May or on the next banking day)	Accumulating	Distributing (distributions paid annually on 15 May or on the next banking day)	Accumulating
Volume limit	-	-	-	-	100.000.000.00

Classes	F shares	R shares	X shares	V shares
ISIN code	LU1501518135	LU1501518218	LU1501518481	LU1501518564
Base currency	EUR	EUR	EUR	EUR
Minimum subscription and minimum holding amount	EUR 5,000,000	10.000.000 EUR	10.000.000 EUR	EUR 2,500
Initial issue price	EUR 100	EUR 100		
Front-load fee	up to 5% of the Net Asset Value of the Share			
Lump-sum fee	up to 1.00% of the net assets p.a.	up to 1.00% of the net assets p.a.	up to 1.00% of the net assets p.a.	up to 1.80% of the net assets p.a.
Fractions	up to 1/100th of a Share			
Investor	Public transactions			VAG investors
Distribution policy	Distributing (distributions paid annually on 15 May or on the next banking day)	Accumulating	Distributing (distributions paid annually on 15 May or on the next banking day)	Accumulating
Volume limit	EUR 100.000.000.00	-	-	-

2. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

- 2.1 The investment objective of the Sub-fund is long-term capital growth through investment in a wide range of asset classes.

- 2.2 The risk parity approach determines the allocation of different liquid asset classes (such as equities, REITs, commodities, government bonds, covered bonds, inflation-linked bonds, high-yield bonds, emerging market bonds) within the Sub-fund, so that all asset classes should make the same contribution to the overall risk of the portfolio over a full market cycle. As a result, the allocation to asset classes with higher risk potential is usually lower than the allocation to asset classes with a lower risk potential.
- 2.3 The exposure to commodities is achieved exclusively via derivatives on indices whose underlying assets are commodities, exchange-traded commodities (ETCs) and/or certificates that qualify as securities and contain no derivative components.
- 2.4 The risk parity approach only considers asset classes for which the corresponding exposure is achieved through the purchase of assets or the use of techniques and instruments which are considered sufficiently liquid to maintain the daily liquidity of the Sub-fund.
- 2.5 For hedging or for efficient portfolio management purposes, the Sub-fund can, at any time, invest in derivatives and use all other techniques and instruments for efficient portfolio management purposes within the meaning of Sections 17.10 et seq. of the General Section. The Sub-fund can buy or sell futures contracts, swaps and options on currencies to hedge exchange rate risks. In addition, the Sub-fund can build up currency positions against the base currency or another currency using these transactions.
- 2.6 The Sub-fund may hold a higher allocation of liquid assets on a temporary basis.
- 2.7 The Sub-fund can invest up to 10% of the fund's assets in fund units (UCITS and/or UCI), irrespective of their legal form.

3. RISK PROFILE AND RISK MANAGEMENT PROCESS

Risk profile

- 3.1 The Sub-fund is recommended for investors who do not need the invested capital for a long time to come. Due to the composition of the net Sub-fund assets, there is a very high overall risk, also accompanied by very high income potential. Risks include, in particular, currency, credit and price risks, and risks resulting from changes in market interest rates.

Risk management

- 3.2 The Sub-Fund shall apply the absolute Value-at-Risk (VaR) method in order to determine the risk associated with its investments.
- 3.3 The total risk of the Sub-fund may not exceed 20% of the Sub-fund's net asset value.
- 3.4 Any leverage of the Sub-fund's investments achieved through the use of derivative financial instruments is not expected to exceed 500% of the net assets of the sub-fund. This limit may however be exceeded in individual cases. This limit is calculated from the total of all nominal values of the derivative financial instruments used by the Sub-fund.

4. BASE CURRENCY OF THE SUB-FUND

The base currency of the sub-fund is EUR.

5. ISSUE, REDEMPTION AND CONVERSION OF SHARES

- 5.1 The procedural rules stipulated in the General Section shall apply accordingly.

- 5.2 The Management Board may reject subscription orders for classes E and F if the net asset value of the Sub-fund exceeds EUR 100,000,000.00.

6. INVESTMENT MANAGER

The Company and the Management Company have appointed MainFirst Bank AG as investment manager for this Sub-fund.

7. COSTS

Flat rate fee and remuneration of Central Administration

- 7.1 The Sub-fund is charged a flat-rate fee in the amount described in Section 1 of this Special Section. The Investment Manager and the Distributors - among others - are paid out of this flat-rate fee. The applicable flat rate in each case is specified in the periodic reports.
- 7.2 Including remuneration for the central administration agent, this results in total remuneration for investment management, distribution and central administration of up to 1.80% p.a. of the net assets for class A and B shares, up to 1.20% p.a. of the net assets for class C and D shares, up to 1.00% p.a. of the net assets for class E, F, R and X shares and up to 1.80% p.a. of the net assets for class V shares. The applicable rate of remuneration and the effective costs charged are reported in the annual and semi-annual reports.

Management company fee

- 7.3 The management company fee consists of a fee of 1-3 basis points p.a. calculated based on the portfolio of assets held by the sub-fund, depending on the amount of the assets held by the sub-fund, plus a compliance fee of EUR 5,000 p.a. However, the management company fee for each sub-fund shall be not less than EUR 20,000 p.a.
- 7.4 This management company fee is determined proportionally for the Sub-fund based on the daily net asset value of the Sub-fund and is payable by the Sub-fund on a monthly basis.
- 7.5 In the case of investment or savings plans, no more than one third of each of the payments agreed for the first year shall be used to cover costs, and the remaining costs shall be evenly spread across all subsequent payments.

8. TERM OF THE SUB-FUND

The Sub-fund has been created for an unspecified period of time

MAINFIRST– GLOBAL DIVIDEND STARS

A Sub-Fund of MainFirst

Special Section XI

This Special Section supplements the General Section with respect to the **MainFirst - Global Dividend Stars** sub-fund (hereinafter “the Sub-fund”) and should only be read in combination with the General Section.

MAINFIRST - GLOBAL DIVIDEND STARS

1. OVERVIEW

Classes	A shares	B shares	C shares	D shares	R shares	X shares
ISIN securities number	LU1238901240	LU1238901323	LU1238901596	LU1238901679	LU1238901752	LU1238901836
Base currency	EUR	EUR	EUR	EUR	EUR	EUR
Minimum subscription and minimum holding amount	EUR 2,500	EUR 2,500	EUR 500,000	EUR 500,000	EUR 10 million	EUR 10 million
Front load fee	up to 5% of the Net Asset Value of the Share					
Flat-rate fee**	up to 1.50 % of the net sub-fund assets p.a.		up to 1.00 % of the net assets p.a.		up to 0.75 % of the net sub-fund assets p.a.	
Fractions	up to 1/100th of a Share					
Initial issue price	100 euros					
Investors	Public transactions		Institutional investors		Public transactions	
Distribution policy	Accumulating	Distribution*	Accumulating	Distribution*	Accumulating	Distribution*

* The Board of Directors decides on the distribution dates at its own discretion.

** This overview is to be read in conjunction with the information on costs in the General Section (particularly section 12) and the Special Section. All information on remuneration is exclusive of any value added tax that may be due.

2. INVESTMENT OBJECTIVE AND INVESTMENT POLICY

- 2.1 The Sub-fund's investment target is to outperform the MSCI World index in EUR (Bloomberg Code: MSCI World High Dividend Yield Net (Ticker: M1WDHVD)) (the **benchmark index**). Sub-fund investments are made in equities and other equity-related securities across the world. Depending on the actual situation, the investment focus may be on large-cap companies or also on small and mid caps. The main focus of investment policy is equity investments with the objective of attractive dividend income.
- 2.2 Up to 25 % of the Sub-fund's assets may be invested in: Bonds, convertible bonds and warrant bonds whose warrants are issued on securities of companies worldwide that are denominated in a freely convertible currency. Notwithstanding the desired risk diversification, the Sub-fund's assets may temporarily be concentrated on certain countries and sectors.
- 2.3 The Sub-fund may hold a higher allocation of liquid assets on a temporary basis. In addition, liquid assets may be held up to a value of 49% of the Sub-fund's net asset value.
- 2.4 The Sub-fund may also make use of derivative financial instruments to hedge against currency and interest rate risks. The derivative financial instruments may be both exchange-listed and OTC derivatives, but the latter only if the counterparty is a reputable financial institution that specializes in this type of transaction.
- 2.5 Other than specified in section 17.4(e) of the investment restrictions of the General Section of the Full Prospectus, the Sub-fund shall not buy shares of funds (UCITS and/or UCI), irrespective of their legal form.
- 2.6 In addition, the general investment principles set out in section 17 of the General Section apply.

3. RISK PROFILE, INVESTOR PROFILE AND RISK MANAGEMENT PROCEDURES

Risk profile

- 3.1 The Fund is suitable for growth-oriented investors.

Investor profile

- 3.2 The Sub-Fund is recommended for risk-aware investors who do not need the invested capital in the long term.

Risk management procedure

- 3.3 The Sub-fund shall use the commitment approach to calculate its total risk exposure. In this way, the Company shall ensure that the total risk associated with derivatives does not exceed the total net asset value of the Sub-fund portfolio.
- 3.4 Under the commitment approach, positions in derivative financial instruments are converted into their corresponding underlying equivalents using the delta method. Netting and hedging effects between derivative financial instruments and their underlyings are taken into account. The sum of these underlying equivalents may not exceed the total net asset value of the Fund portfolio.

4. BASE CURRENCY OF THE SUB-FUND

The base currency of the Sub-fund is EUR.

5. ISSUE, REDEMPTION AND CONVERSION OF SHARES

The procedural rules stipulated in the General Section shall apply accordingly.

6. INVESTMENT MANAGER

The Company has appointed MainFirst Bank AG as investment manager for this sub-fund.

7. COSTS

General

- 7.1 Within this Sub-fund Annex, all information on remuneration is exclusive of any value added tax that may be due.
- 7.2 This section should be read in conjunction with the section 12 of the General Section. It also contains specific information on the remuneration of the Management Company, the Custodian Bank and Paying Agent in Luxembourg and the Central Administration Agent.
- 7.3 The sub-fund is charged a flat-rate fee in the amount described in Section **Error! Reference source not found.** of this Sub-fund Annex. The Investment Manager, the Central Distributor and the Distributors - among others - are paid out of this flat rate fee. The applicable flat rate in each case is specified in the periodic reports.
- 7.4 Including remuneration for the central administration agent, this thus results in total remuneration for investment management, distribution and central administration of up to 1.60 % p.a. of the net assets of the Sub-fund. The applicable rate of remuneration and the effective costs charged are reported in the Annual and Semi-annual Reports.

Performance fee of the Investment Manager

- 7.5 In addition to its remuneration from the flat-rate fee, the Company also pays the Investment Manager a **performance fee**) as an incentive, amounting to 15% of the net value added per share of the Sub-fund resulting from the ordinary business activity of the Sub-fund for class A, B, C, D, R and X shares.
- 7.6 The performance fee is calculated separately for the Sub-fund using the following formula:
- The performance fee amounts to 15 % of the positive difference between the percentage change in the net asset value per Share of the respective class and the percentage development of the benchmark index in EUR. It is calculated on the basis of the number of Shares currently in circulation in the respective Share class.

The daily return differential is calculated as follows:

Return of the net asset value per share (if this exceeds the performance in percentage terms of the benchmark index) - return of benchmark index = return differential.

- 7.7 For the calculation of the performance fee, an additional mechanism is applied, which states that this fee can only be levied if the cumulative difference calculated under application of the above mentioned method has reached a new peak value since the launch of the Sub-fund ("**High Watermark**"). The difference between the cumulative old (before withdrawal of the performance fee) and the new peak value is applied.
- 7.8 The performance fee is paid at the end of each calendar quarter; corresponding provisions for the performance fee are made each time the net asset value of the Sub-fund is calculated. These provisions are included in the net asset value. A further performance fee is only applicable if and to the extent that the last High Watermark determined upon the quarterly payment of the performance fee is exceeded.
- 7.9 The performance-related fee is calculated quarterly in each calendar year. The basis for the first-time calculation of the performance fee is the total subscription amounts received during the initial subscription period. After the initial subscription period, the performance fee is calculated daily on the basis of the respective net asset value and the applicable return differential in each case.
- 7.10 Should the Company or the Sub-fund be liquidated, the net asset value used is that applicable on the day on which the decision was made to dissolve the Company or the Sub-fund.

8. TERM OF THE SUB-FUND

The Sub-Fund has been created for an unspecified period of time.