

# Maj Invest Funds

## Sales Prospectus

including  
Management Regulations  
16.04.2026 edition



*An investment fund of the Grand Duchy of Luxembourg*

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

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

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

According to the current national Luxembourg FATCA legislation, the Fund qualifies as a “Restricted Fund” in accordance with Annex II, Section IV (E) (5) of the IGA Luxembourg-USA. As per definition of the Annex II, Section IV (E) (5) of the IGA Luxembourg-USA, a Restricted Fund is a Non-Reporting Luxembourg Financial Institution and shall be treated as a deemed-compliant Foreign Financial Institution for purposes of section 1471 of the US Internal Revenue Code. Therefore, Units of the Fund must not be offered, sold, transferred or delivered to:

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

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

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

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

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

## **Prohibited Persons**

A prohibited person means any person, corporation, limited liability company, trust, partnership, estate or other corporate body, if in the sole opinion of the Management Company, the holding of Units of the Fund may be detrimental to the interests of the existing Unitholders or of the Fund itself, if it may result in a breach of any law or regulation, whether Luxembourg or otherwise, or if as a result thereof the Fund or any subsidiary or investment structure (if any) may become exposed to tax or other legal, regulatory or administrative disadvantages, fines or penalties that it would not have otherwise incurred or, if as a result thereof the relevant sub-fund (the “**Sub-Fund**” or the “**Sub-Funds**”) or any subsidiary or investment structure (if any), the Management Company and/or the Fund, may become required to comply with any registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply (the “**Prohibited Person**”).

The term “Prohibited Person” includes

- (i) any U.S. Person or
- (ii) any natural persons or entities who has failed to provide any information or declaration required by the Management Company or the Fund within one calendar month of being requested to do so, or
- (iii) any natural persons or entities acting, directly or indirectly, in contravention of any applicable AML/CTF Rules, or
- (iv) any natural persons or entities, acting directly or indirectly, who are the subject of sanctions, and / or financial sanctions, including those persons or entities that are included on any relevant lists like public European sanction lists or lists maintained by the United Nations, the North Atlantic Treaty Organization, the Organization for Economic Cooperation and Development, the Financial Action Task Force, the U.S. Central Intelligence Agency, and the U.S. Internal Revenue Service, all as may be amended from time to time.

The Management Board of the Management Company will not accept investments by or on behalf of Prohibited Persons as indicated under (i) –(iii) and is obliged to not accept investments by or on behalf of Prohibited Persons as indicated under (iv).

The subscriber represents and warrants that the proposed subscription for Units, whether made on the subscriber’s own behalf or, if applicable, as an agent, trustee, representative, intermediary, nominee, or in a similar capacity on behalf of any other beneficial owner, is not a Prohibited Person and further represents and warrants that the investor will promptly notify the Fund of any change in its status or the status of any underlying beneficial owner(s) with respect to its representations and warranties regarding Prohibited Persons.

If the Management Board of the Management Company discovers at any time that any beneficial owner of the Units is a Prohibited Person as indicated under (i)-(iii) either alone or in conjunction with any other person, whether directly or indirectly, the Management Board may at its discretion and without liability, compulsorily redeem the Units in accordance with the rules set out in the Management Regulations of the Fund and upon redemption, the Prohibited Person will cease to be the owner of those Units. If the Management Board of the Management Company discovers at any time that any beneficial owner of the Units is a Prohibited Person as indicated under (iv) either alone or in conjunction with any other person, whether directly or indirectly, the Management Board is obliged without liability, to compulsorily redeem the Units in accordance with the rules set out in the Management Regulations of the Fund and upon redemption, the Prohibited Person will cease to be the owner of those Units.

The Management Board of the Management Company may require any Unitholders of the Fund to provide it with any information that it may consider necessary for the purpose of determining whether or not such owner of Units is or will be a Prohibited Person.

Further, Unitholders shall have the obligation to immediately inform the Fund to the extent the ultimate beneficial owner of the Units held by such Units becomes or will become a Prohibited Person.

The Management Board of the Management Company has the right to refuse any transfer, assignment or sale of Units in its sole discretion if the Board reasonably determines that it would result in a Prohibited Person indicated under (i)-(iii) holding Units , either as an immediate consequence or in the future. The Management Board of the Management Company has the obligation to refuse any transfer, assignment or sale of Units in its sole discretion if the Board reasonably determines that it would result in a Prohibited Person indicated under (iv) holding Units , either as an immediate consequence or in the future.

Any transfer of Units may be rejected by the UCI Administrator and the transfer shall not become effective until the transferee has provided the required information under the applicable know your customer and anti-money laundering rules.

## **Management and administration**

### **Management Company and UCI Administrator:**

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

Equity: EUR 29.623.916,00  
(as at: 30 September 2025\*)

### **Management Board:**

Jérémy Albrecht  
Member of the board

Matthias Müller  
Member of the board

Martin Groos  
Member of the board

Gerrit van Vliet  
Member of the board

all professionally residing at 15, rue de Flaxweiler  
L-6776 Grevenmacher  
Grand Duchy of Luxembourg

### **Supervisory Board:**

Dr. André Jäger  
Chairman of the Supervisory Board

Markus Neubauer  
Member of the Supervisory Board

Katja Müller  
Member of the Supervisory Board

Hilton Hess  
Member of the Supervisory Board

### **Depositary:**

Brown Brothers Harriman (Luxembourg) S.C.A.  
80 Route d'Esch  
L-1470 Luxembourg  
Grand Duchy of Luxembourg

### **Portfolio Manager:**

Fondsmæglerselskabet Maj Invest A/S  
Gammeltorv 18  
DK-1457 Copenhagen

**Transfer Agent and Registrar as well as Paying Agent in the Grand Duchy of Luxembourg:**

Brown Brothers Harriman (Luxembourg) S.C.A.  
80 Route d'Esch  
L-1470 Luxembourg

**Distributor:**

Fondsmæglerselskabet Maj Invest A/S  
Gammeltorv 18  
DK-1457 Copenhagen

**Auditor:**

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

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

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

Purchases of Units based on information or statements not contained in this Sales Prospectus are made entirely at the purchaser's risk. The following Management Regulations including the appendix entitled "Overview of the Sub-Funds" form an integral element of this Prospectus.

This Prospectus applies to all unit classes (the "**Unit Classes**") of the Maj Invest Funds, with the Sub-Fund Maj Invest Funds – Maj Invest Global Value Equities and can be obtained free of charge from the Management Company and Depositary as well as the Paying Agents.

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

## The Fund

The fund Maj Invest Funds (the “**Fund**”) is an undertaking for collective investment in securities (the “**UCITS**”) in the form of a common contractual fund (*fonds commun de placement*, “**FCP**”) in accordance with part I of the Luxembourg Law of 17 December 2010 on the undertakings for collective investment in line with the European Directives (“Law of 2010”) and in relation 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.

This Sales Prospectus together with the Management Regulations in the latest valid version, the latest annual report and additionally the latest semi-annual report, should the annual report be older than eight months, and the Key Information Document (PRIIPs-KID) shall be provided to unitholders free of charge from the registered office of the Management Company, Depositary and any Paying Agent. These documents are also available free of charge online at [www.universal-investment.com](http://www.universal-investment.com).

It is not permissible to give information or explanations which deviate from the Sales Prospectus.

The Fund is made up of all the Sub-Funds. Each investor holds a stake in the Fund through investing in a Sub-Fund. The Management Company may launch one or more new Sub-Funds, merge two or more Sub-Funds and wind up one or more existing Sub-Funds at any time.

Each Sub-Fund represents an investment fund which is subdivided among the Unitholders of the Sub-Fund entailing equal rights and equivalent to the ratio of the number of units they hold in the Sub-Fund.

The unit classes I are only available to institutional investors. The unit classes AD are available to all investors. The unit classes with the prefix A and AD are available for any investor, including retail investors. Units classes with the prefix C are reserved to Institutional Investors who cannot meet the minimum investment amount in the Classes of Units with the prefix I. Those unit classes with the prefix C are available via financial intermediaries including distributors and platforms having separate agreements with their clients to offer investment services related to the Sub-Fund and cannot, under the current legislation, receive from the Management Company any remuneration in the context of these financial services.

Unit Classes with the prefix I and ID are only available for Institutional Investors.

Unit Classes with the prefix Y, YD and Z are only available to Institutional Investors and are subject to a prior agreement between the investor, the Management Company and/or other agents involved.

The Unitholders hold a Unit in the assets of the Fund proportional to the Units they hold. All units issued have equal rights.

The currency of the Fund and its Sub-Funds is the USD.

The Fund was established for an indefinite period.

The accounting year of the Fund runs from 1 January to 31 December of each calendar year.

The investment principles, objectives and limits of the Fund are presented in the section “Special remarks” of this Prospectus, in the annex entitled “Overview of the Sub-Funds” in conjunction with Article 4 of the Management Regulations.

When unit classes denominated in currencies other than the reference currency are formed, the risk of currency fluctuations can be partially reduced through the use of instruments and other techniques. The objective of reducing currency fluctuations defined in the sub-fund-specific Annex shall be pursued with a hedging ratio of between 95% and 105%. However, there can be no guarantee that this investment objective will be achieved.

If the Fund or Sub-Fund assets are invested in target funds, a double cost may be incurred for the performance of the Fund or Sub-Fund, especially as both the target fund and the Maj Invest Funds or its Sub-Funds are subject to costs and expenses as defined in Article 10 of the Management Regulations.

The Fund was established in 2014 in accordance with Part I of the Luxembourg Law of 17 December 2010 on undertakings for collective investment and consists of the Sub-Fund Maj Invest Funds – Maj Invest Global Value Equities.

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

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

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

x = value of purchased assets during the reference period

y = value of sold assets during the reference period

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

s = value of subscriptions during the reference period

t = value of repurchases during the reference period

M = average net fund assets during the reference period.

The current version of the Management Regulations have been filed with the commercial register of the District Court of Luxembourg and came into effect on 2 May 2023. A notice of its deposit was published on 2 May 2023 in the electronic collection of companies and associations (*Recueil électronique des sociétés et associations*; hereinafter: "**RESA**").

## The Management Company

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

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

The Articles of Incorporation of the Management Company were published in the *Mémorial C, Recueil des Sociétés et Associations* ("**Mémorial**") (replaced by the RESA electronic collection of companies and associations (*Recueil électronique des sociétés et associations* - hereinafter "**RESA**") on 3 June 2000 and filed with the Luxembourg Commercial and Companies Register (R.C.S. Luxembourg). The last amendment to the Articles of Association has been published via RESA and deposited with the Luxembourg Commercial and Company Register.

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

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

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

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

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

Furthermore, the Management Company can obtain advice from one or more investment advisers and/or may appoint one or more portfolio managers.

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

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

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

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

The Management Company delegates, in accordance with the provisions of Point 394 of CSSF Circular 18/698 and Article 23 of CSSF Regulation 10-4, the casting of the voting rights attached to listed shares belonging to the Fund or a Sub-Fund to the external service provider IVOX Glass Lewis, GmbH, Kaiserallee 23a, 76133 Karlsruhe, Germany („Glass Lewis“), which will cast these voting rights only upon receiving a notification from the Management Company, who will exercise the Funds' voting rights in accordance with notifications from the Portfolio Manager, unless the voting notified by the Portfolio Manager is considered arbitrary and abusive exercise of discretion or in other way contrary to the interest of the Unitholders.

## **UCI Administrator**

The UCI Administrator of the Fund is the Management Company.

UCI administrator performs a wide range of tasks and can be divided into three main functions:

The register function, net asset value calculation ('NAV calculation') and fund accounting function and client communication.

The registrar function comprises all tasks required to maintain the fund register. This includes the entries, changes and deletions required for regular updating and maintenance.

The NAV calculation function is the accurate and complete recording of transactions in order to properly maintain the fund's books and records in compliance with applicable legal, regulatory and contractual requirements and the relevant accounting policies, as well as the calculation and preparation of the fund's NAV in accordance with applicable regulations.

The client communication function includes the preparation and delivery of confidential documents intended for unitholders.

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

The Management Company has delegated the register function to Brown Brothers Harriman (Luxembourg) S.C.A..

## **The Depositary**

Brown Brothers Harriman (Luxembourg) S.C.A. has been appointed as the depositary of the Fund (the "Depositary") pursuant to the terms of a depositary agreement, as amended from time to time (the "Depositary Agreement"). Brown Brothers Harriman (Luxembourg) S.C.A. is registered with the Luxembourg Company Register (RCS) under number B 29923 and has been incorporated under the laws of Luxembourg on 9 February 1989. It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector. Brown Brothers Harriman (Luxembourg) S.C.A. is a bank organised as a société en commandite par actions in and under the laws of the Grand Duchy of Luxembourg and maintains its registered office at 80 Route d'Esch, L-1470 Luxembourg.

The Depositary shall assume its functions and responsibilities as a fund depositary in accordance with the provisions of Depositary Agreement and the law of 17 December 2010 concerning undertakings for collective investment which has been amended by the Law of 10 May 2016 transposing the UCITS V Directive (Directive 2014/91/EU), the Commission delegated regulation 2016/438 of 17 December 2015 and applicable Luxembourg law, rules and regulations (the "Law") regarding (i) the safekeeping of financial instruments of the Fund to be held in custody and the supervision of other assets of the Fund that are not held or capable of being held in custody, (ii) the monitoring of the Fund's cash flow and the following oversight duties:

- i. ensuring that the sale, issue, repurchase, redemption and cancellation of the Units of the are carried out in accordance with the Management Regulations and applicable Luxembourg law, rules and regulations;
- ii. ensuring that the value of the Units is calculated in accordance with the Management Regulations and the Law;
- iii. ensuring that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits;
- iv. ensuring that the Fund's income is applied in accordance with the Management Regulations and the Law; and
- v. ensuring that instructions from the Management Company of the Fund did not conflict with the Management Regulations and the Law.

The Depositary maintains comprehensive and detailed corporate policies and procedures requiring the Depositary to comply with applicable laws and regulations.

The Depositary has policies and procedures governing the management of Conflict of Interests (“Cols”). These policies and procedures address Cols that may arise through the provision of services to UCITS.

The Depositary's policies require that all material Cols involving internal or external parties are promptly disclosed, escalated to senior management, registered, mitigated and/or prevented, as appropriate. In the event a conflict of interest may not be avoided, the Depositary shall maintain and operate effective organizational and administrative arrangements in order to take all reasonable steps to properly (i) disclosing conflicts of interest to the UCITS and to, unitholders (ii) managing and monitoring such conflicts.

The Depositary ensures that employees are informed, trained and advised of Col policies and procedures and that duties and responsibilities are segregated appropriately to prevent Col issues.

Compliance with Col policies and procedures is supervised and monitored by the Board of Managers as general partner of the Depositary and by the Depositary's Authorized Management, as well as the Depositary's compliance, internal audit and risk management functions.

The Depositary shall take all reasonable steps to identify and mitigate potential Cols. This includes implementing its Col policies that are appropriate for the scale, complexity and nature of its business. This policy identifies the circumstances that give rise or may give rise to a Col and includes the procedures to be followed and measures to be adopted in order to manage Cols. A Col register is maintained and monitored by the Depositary.

The Depositary does also act as registrar and transfer agent pursuant to the terms of the Administrative Agreement. The Depositary has implemented appropriate segregation of activities between the Depositary and the administration/ registrar and transfer agency services, including escalation processes and governance. In addition, the depositary function is hierarchically and functionally segregated from the administration and registrar and transfer agency services business unit.

The Depositary may delegate to third parties the safe-keeping of the Fund's assets to correspondents (the “Correspondents”) subject to the conditions laid down in the applicable laws and regulations and the provisions of the Depositary Agreement. In relation to the Correspondents, the Depositary has a process in place designed to select the highest quality third-party provider(s) in each market. The Depositary shall exercise due care and diligence in choosing and appointing each Correspondent so as to ensure that each Correspondent has and maintains the required expertise and competence. The Depositary shall also periodically assess whether Correspondents fulfil applicable legal and regulatory requirements and shall exercise ongoing supervision over each Correspondent to ensure that the obligations of the Correspondents continue to be appropriately discharged. The list of Correspondents relevant to the UCITS is available on <https://www.bbh.com/en-us/investor-services/custody-and-fund-services/depositary-and-trustee/lux-subcustodian-list>.

This list may be updated from time to time and is available from the Depositary upon written request.

A potential risk of conflicts of interest may occur in situations where the Correspondents may enter into or have a separate commercial and/or business relationship with the Depositary in parallel to the safekeeping delegation relationship. In the conduct of its business, conflicts of interest may arise between the Depositary and the Correspondent. Where a Correspondent shall have a group link with the Depositary, the Depositary undertakes to identify potential conflicts of interests arising from that link, if any, and to take all reasonable steps to mitigate those conflicts of interest.

The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to any Correspondent. The Depositary will notify the Board of the UCITS and/or the Board of the Management Company of the relevant UCITS of any such conflict should it so arise.

To the extent that any other potential conflicts of interest exist pertaining to the Depositary, they have been identified, mitigated and addressed in accordance with the Depositary's policies and procedures.

Updated information on the Depositary's custody duties and conflicts of interest that may arise may be obtained, free of charge and upon request, from the Depositary.

The Law provide for a strict liability of the Depositary in case of loss of financial instruments held in custody. In case of loss of these financial instruments, the Depositary shall return financial instruments of identical type of the corresponding amount to the Management Company of the Fund unless it can prove that the loss is the result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. Unitholders are informed that in certain circumstances financial instruments held by the Fund will not qualify as financial instruments to be held in custody (*i.e.* financial instruments that can be registered in a financial instrument account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary). The Depositary will be liable to the Management Company of the Fund or the Unitholders for the loss suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfill its obligations pursuant to the Law.

The Depositary or the Management Company may, at any time, and subject to a written prior notice of at least three (3) months from either party to the other, terminate the appointment of the Depositary, provided however that the termination of the Depositary's appointment by the Management Company is subject to the condition that another depositary bank assumes the functions and responsibilities of a depositary bank. Upon termination of the Depositary Agreement, the Management Company shall be obliged to appoint a new depositary bank which shall assume the functions and responsibilities of a depositary bank in accordance with the Management Regulations and the Law, provided that, as from the expiry date of the notice until the date of the appointment of a new depositary bank by the Management Company, the Depositary's only duties shall be to take such steps as are necessary to protect the interests of Unitholders.

## **The Transfer Agent and Registrar**

**Brown Brothers Harriman (Luxembourg) S.C.A.** has also been appointed by the Management Company as Registrar and Transfer Agent. It is the entity authorized under the provisions of the 2010 Law that the Management Company may appoint as delegate to perform the function of registrar, one of the three main activities of the UCI management as detailed in the section of the Prospectus entitled "UCI Administrator".

## **Special information**

### **a) Investment policy and investment limits**

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

**The Management Company is authorised, while paying due attention to the principle of risk diversification, to invest up to 100% of the Fund's assets in different transferable securities and money market instruments issued or guaranteed by a member state of the EU or its non-central public sector entities, by a member state of the OECD which is outside the EU or by international organisations under public law to which one or more member states of the EU belong. These securities must have been issued as part of at least six different issues, with securities from one and the same issue not making up more than 30% of the net fund assets.**

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

Pursuant to the amended CSSF Circular 08/356, the CSSF Circular 13/559, supplemented by the CSSF Circular 14/592 and the ESMA Guidelines ESMA/2014/937 (the "ESMA Guidelines"), the techniques for efficient portfolio management may be used for the Fund. Securities financing transactions are currently not used.

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

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

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

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

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

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

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

## **c) Notes concerning risk**

The special risks of the Fund based on their investment policies can be found in the annex entitled "Overview of the Sub-Funds".

### **aa) Risks entailed by fund units**

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

In the case of units denominated in a foreign currency, the exchange rates entail risks and rewards. It must also be considered that such units are exposed to what is referred to as "transfer risk". The purchaser of the units only makes a profit on selling his units if the increase in value exceeds the front-end load paid at the

time of purchase, taking into account the redemption fee. In the case of just a brief duration of the particular investment the front-end load may reduce the performance for the investor or even result in losses.

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

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

## **bb) Risks entailed by the Fund's investments**

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

When choosing investments, the expected performance of the assets takes priority. It should be noted that, in addition to the opportunities for price gains and income, securities are exposed to the risk that their price will fall below the original price paid at the time of purchase.

### **Risks entailed by equities**

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

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

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

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

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

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

### **Legal and tax risk**

Changes to tax regulations and tax assessment of circumstances in the various countries in which the respective Sub-Fund holds assets, the Unitholders' country of domicile, and to the respective SubFund's country of domicile may have adverse effects on the tax situation of the respective Sub-Fund or its Unitholders.

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

From 1 January 2018, certain income generated in Germany (in particular income from dividends, rent and gains from the sale of property) will have to be taxed at fund level. Exemptions to this fund-level taxation are only possible if the fund units are held by certain tax-privileged investors or held under old-age provision or

basic pension agreements (Riester/Rürup pension plans). In addition, from 2018 withholding taxes levied on income earned by the fund will no longer be able to be deducted at investor level.

In particular, from 2018, investors will not be exempt from paying tax on gains from the sale of shares, and withholding taxes levied on income earned by the fund will not be deducted at investor level.

To compensate for prior tax encumbrances, investors may, subject to certain conditions, be entitled to receive a tax-free lump sum of part of the income earned by the fund (referred to as "partial relief"). However, since the partial relief is provided as a flat-rate, this mechanism cannot be relied upon to fully compensate for said charges in all cases.

If the applicable partial exemption regime changes, or the requirements relating thereto cease to apply, then the investment unit shall be regarded as sold.

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

## **ATAD**

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

## **DAC6**

Reportable cross-border arrangements

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

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

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

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

**Issuer risk**

Even with a cautious selection of securities to be acquired, credit risk, *i.e.* the risk of loss when issuers become insolvent (issuer risk) cannot be excluded.

**Credit risk**

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

**Commodity risk**

Commodities are defined as physical goods that are or can be traded on a secondary market, e.g. industrial metals and oil.

In the case of commodities, the price risk is often more complex and volatile than with currencies and interest rates. The markets for commodities can also be less liquid so that changes in supply and demand may impact on prices and volatility. These features of the market can impede price transparency and the effective hedging of commodity risk. No instruments are used in the funds which lead to the physical delivery of the commodities.

**Sector risk**

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

**Counterparty risk**

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

**Concentration risk**

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

**Country risk**

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

**Liquidity risk**

The liquidity of a financial market product is viewed as the ease and speed with which it can be resold at a fair price. For example, it is more difficult to sell a security with low market depth and a low issue volume than the share of a DAX-listed company.

**Risks in Investing in Emerging Markets**

The political and economic situation in countries with emerging markets can be subject to significant and rapid changes. Such countries may be less stable politically and economically in comparison to more developed countries and be subject to a considerable risk of price fluctuations. This instability is caused among other things by authoritarian governments, military involvement in political and economic decision making, hostile relations with neighbouring states, ethnic and religious problems and racial conflicts, etc. These, as well as unexpected political and social developments, can have an effect on the value of the investments of the Fund in these countries and also affect the availability of the investments. Moreover the

payment of earnings from the redemption of Units of the Fund investing in the emerging market can be delayed in some circumstances. Due to the fact that the security markets are very inexperienced in some of these countries and that the number of the tradable volumes can possibly be limited, there may be increased illiquidity of the Fund as well as an increased amount of administration that must be carried out before the acquisition of an investment. Investments issued by companies domiciled in countries with emerging and markets can be affected by the fiscal policy. At the same time it must be noted that no provision is made to safeguard existing standards. This means that fiscal provisions especially can be changed at any time and without prior notice, and in particular retroactively. Such revisions can have negative effects for the investors in certain circumstances. Furthermore, the regulation of stock exchanges, financial institutions and issuers as well as government prudential supervision may be less reliable than in industrial nations. Under certain conditions, the processing and settlement conditions in emerging markets may not be very well organised. Due to this, there is a risk that transactions could be delayed and the Funds liquid funds or securities jeopardised. The Fund and its unitholders bear these and similar risks associated with these markets.

### **Emerging Markets – Custody risk**

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

### **Emerging Markets – Liquidity risk**

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

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

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

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

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

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

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

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

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

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

The risk of loss increases when credit is used to satisfy obligations arising through financial futures or the

commitment from such transactions or the consideration claimable for this is denominated in a foreign currency or unit of account. Listed options and futures also involve a market risk as a consequence of the change in exchange rates, interest rates, etc. or the corresponding underlying securities, e.g. rises and falls in Unitprices.

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

### **Currency risks**

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

### **Note concerning borrowing by the Fund**

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

### **Risks linked with dealing in securities in China via Stock Connect**

It is possible that the Fund investments' in China are dealt via Hong Kong - Shanghai Stock Connect Programme ("Stock Connect") which is the mutual market access programme through which non-PRC investors can deal in select securities listed on a PRC stock exchange, currently the Shanghai Stock Exchange, through a platform organized by the Hong Kong Stock Exchange and a broker and a clearing house based in Hong Kong and PRC domestic investors can deal in select securities listed on the Hong Kong Stock Exchange through a platform put in place by a PRC stock exchange, currently the Shanghai Stock Exchange, To the extent that the Fund's investments in China are dealt via Stock Connect, such dealing may be subject to additional risk factors. In particular, Unitholders should note that Stock Connect is a new trading programme. The relevant regulations are untested and subject to change. Stock Connect is subject to quota limitations which may restrict the Fund's ability to deal via Stock Connect on a timely basis. This may impact the Fund's ability to implement its investment strategy effectively. Initially, the scope of Stock Connect includes all constituent stocks of the SSE 180 Index and the SSE 380 Index as well as dual listed stocks at the Hong Kong Stock Exchange and the Shanghai Stock Exchange ("SSE") and may be broadened to include further SSE shares. Should the Stock Connect program be extended as to include China A-, B- and H-Shares listed on the Shenzhen Stock Exchange, then China A-, B- and H-Shares shall be part of the investment universe of the Fund (the "Stock Connect Shares") Shareholders should note further that under the relevant regulations a security may be recalled from the scope of Stock Connect. This may adversely affect the Fund's ability to meet its investment objective, e.g. when the Portfolio Manager wishes to purchase a security which is recalled from the scope of Stock Connect.

### **Beneficial owner of the Stock Connect Shares**

Stock Connect comprises the Northbound link, through which Hong Kong and overseas investors like the Company may purchase and hold Stock Connect Shares, and the Southbound link, through which investors in Mainland China may purchase and hold shares listed on the Stock Exchange of Hong Kong ("SEHK"). The Fund trades Stock Connect Shares through its Shares Broker who is a SEHK exchange participants. These Stock Connect Shares will be held following settlement by brokers or Depositary's as clearing participants in accounts in the Hong Kong Central Clearing and Settlement System ("CCASS") maintained by the Hong Kong Securities and Clearing Corporation Limited ("HKSCC") as central securities depositary in Hong Kong and nominee holder. HKSCC in turn holds Stock Connect Shares of all its participants through a "single nominee omnibus securities account" in its name registered with ChinaClear, the central securities depositary in Mainland China.

Because HKSCC is only a nominee holder and not the beneficial owner of Stock Connect Shares, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that Stock Connect Shares will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under Mainland China law. However, HKSCC will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in SSE Shares in Mainland China. Foreign Investors like the Fund investing through the Stock Connect holding the Stock Connect Shares through HKSCC are the beneficial owners of the assets and are therefore eligible to exercise

their rights through the nominee only.

### **Non-Protection by Investor Compensation Fund**

Investors should note that any Northbound trading under Stock Connect will not be covered by Hong Kong's Investor Compensation Fund nor the China Securities Investor Protection Fund and thus investors will not benefit from compensation under such schemes.

Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Examples of default are insolvency, in bankruptcy or winding up, breach of trust, defalcation, fraud, or misfeasance.

### **Risk of ChinaClear default**

ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. Pursuant to the General Rules of CCASS, if China Clear (as the host central counterparty) defaults, HKSCC will, in good faith, seek recovery of the outstanding Stock Connect securities and monies from ChinaClear through available legal channels and through ChinaClear's liquidation process, if applicable. HKSCC will in turn distribute the Stock Connect securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant Stock Connect authorities. Although the likelihood of a default by ChinaClear is considered to be remote, investors in the Fund should be aware of this arrangement given the Funds potential exposure when engaging in Northbound Trading.

### **Risk of HKSCC default**

A failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of Stock Connect securities and/or monies in connection with them and the Fund and its investors may suffer losses as a result. Neither the Fund nor the Portfolio Manager shall be responsible or liable for any such losses.

### **Ownership of Stock Connect Shares**

Stock Connect Shares are uncertificated and are held by HKSCC for its account holders. Physical deposit and withdrawal of Stock Connect Shares are not available under the Northbound Trading for the Fund.

The Fund's title or interests in, and entitlements to Stock Connect Shares (whether legal, equitable or otherwise) will be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction. It is uncertain whether the Chinese courts would recognise the ownership interest of the investors of the Fund to allow them standing to take legal action against the Chinese entities in case disputes arise.

### **Difference in trading day and trading hours**

Due to differences in public holiday between Hong Kong and Mainland China or other reasons such as bad weather conditions, there may be a difference in trading days and trading hours on the stock exchanges including the Stock Connect program. Stock Connect will only operate on days when both markets are open for trading and when banks in those markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but it is not possible to carry out any China A-, B- and H-Shares trading in Hong Kong.

### **The recalling of eligible stocks and trading restrictions**

A stock may be recalled from the scope of eligible stocks for trading via Stock Connect for various reasons, and in such event the stock can only be sold but is restricted from being bought. This may affect the Fund's portfolio or strategies of the Portfolio Manager. Under Stock Connect, the Portfolio Manager will only be allowed to sell China A-, B- and H-Shares but be restricted from further buying if: (i) the China A-Share subsequently ceases to be a constituent stock of the relevant indices; (ii) the China A-Share is subsequently under "risk alert"; and/or (iii) the corresponding H share of the China A-Share subsequently ceases to be traded on the relevant stock exchange. Price fluctuation limits are applicable to China A-, B- and H-Shares.

### **Trading costs**

In addition to paying trading fees and stamp duties in connection with China A-, B- and H-Shares trading, the Fund, if carrying out Northbound trading via Stock Connect, could become liable to new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which would be determined by the

relevant authorities.

### **Local market rules, foreign shareholding restrictions and disclosure obligations**

Under Stock Connect, China A-, B- and H-Shares listed companies and trading of China A-, B- and H-Shares are subject to market rules and disclosure requirements of the China A-, B- and H-Shares market. Any changes in laws, regulations and policies of the China A-, B- and H-Shares market or rules in relation to Stock Connect may affect share prices. Foreign shareholding restrictions and disclosure obligations are applicable to China A-, B- and H-Shares.

The Portfolio Manager will be subject to restrictions on trading (including restriction on retention of proceeds) in China A-, B- and H-Shares as a result of its interest in the China A-, B- and H-Shares. The Portfolio Manager is solely responsible for compliance with all notifications, reports and relevant requirements in connection with its interests in China A- Shares.

Under the current Mainland China rules, once an investor holds up to 5% of the shares of a company listed on the relevant stock exchange, the investor is required to disclose his interest within three working days and during which he cannot trade the shares of that company. The investor is also required to disclose any change in his shareholding and comply with related trading restrictions in accordance with the Mainland China rules. According to existing Mainland China practices, the Fund as beneficial owners of China A-, B- and H-Shares traded via Stock Connect cannot appoint proxies to attend shareholders' meetings on its behalf.

### **Taxation risk**

On 14 November 2014, the Ministry of Finance, the State Administration of Taxation and the CSRC published the Circular on relevant Tax Treatment for the Pilot Programme of Shanghai-Hong Kong Stock Connect. Such circular provides that Hong Kong and overseas investors investing in A-Shares via the Stock Connect Service are temporarily exempt from income tax on capital gains derived from the transfer of A-, B- and H-Shares on or after 17 November 2014 (the "Stock Connect Exemption"). Dividends from A-Shares paid to Hong Kong and overseas investors will continue to be subject to 10% withholding tax which is to be withheld at source.

However, the Stock Connect Exemption may be amended, discontinued or revoked in future. If it occurs, prospective retrospective tax liability may arise. There is also a risk that the Mainland China tax authorities may seek to collect tax on a retrospective basis, without giving any prior warning. If such tax were to be collected, the tax liability would be payable by the Fund. However, this liability may be mitigated under the terms of an applicable tax treaty.

### **Inflation risk**

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

## **India**

### **Investments in India**

#### ***Direct Investments in India***

In addition to the restrictions set out in this Prospectus, direct investments made in India are subject to the relevant Sub-Fund obtaining a certificate of registration as "Foreign Portfolio Investor" ("FPI") (registration as Category I FPI) from a Designated Depository Participant ("DDP") on behalf of the Securities and Exchange Board of India ("SEBI"). In addition, the Sub-Fund shall obtain a Permanent Account Number ("PAN") card from the Income Tax Department of India. The FPI Regulations set various limits for investments by FPIs and impose various obligations on the FPIs. All investments made directly in India will be subject to FPI Regulations prevailing at the time of the investment. Investors should note that the registration of the relevant Sub-Fund as a FPI is a condition precedent to any direct investments by this Sub-Fund in the Indian market.

The FPI registration of the Sub-Fund can, in particular, be suspended or withdrawn by the SEBI in case of non-compliance with the SEBI's requirements, or in case of any acts or omissions in relation to compliance with any Indian regulations, including applicable laws and regulations relating to Anti-Money Laundering and Counter Terrorism Financing. No assurance can be given that the FPI registration will be maintained for the

whole duration of the relevant Sub-Fund. Consequently, investors should note that a suspension or a withdrawal of the FPI registration of the Sub-Fund may lead to a deterioration of the performance of the relevant Sub-Fund, which, as a consequence, could have a negative impact on the value of the investors' participation depending on the prevailing market conditions at that time.

Investors should also note that the Prevention of Money Laundering Act, 2002 ("PMLA") and the rules framed thereunder in relation to the prevention and control of activities concerning money laundering and confiscation of property derived or involved in money laundering in India require inter-alia certain entities such as banks, financial institutions and intermediaries dealing in securities (including FPIs) to conduct client identification procedures and to establish the beneficial owner of the assets ("Client ID") and to maintain a record of Client ID and certain kinds of transactions ("Transactions"), such as cash transactions exceeding certain thresholds, suspicious transactions (whether or not made in cash and including credits or debits into or from non-monetary accounts such as security accounts). Accordingly, the FPI regulations have the ability to seek information from the FPI holder on the identity of beneficial owners of the Sub-Fund, hence information regarding investors and beneficial owners of the Sub-Fund may be required for disclosure to local supervisory authorities.

As far as permitted under Luxembourg law, information and personal data regarding the investors and beneficial owners of the Sub-Fund investing in the Indian market (including but not limited to any documentation submitted as part of the identification procedure prescribed in relation to their investment in the Sub-Fund) may be disclosed to the DDP, respectively, to governmental or regulatory authorities in India upon their request. Investors shall note that, in order to enable the Sub-Fund to comply with the Indian laws and regulations, any natural person who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest above 10% of the Sub-Fund's assets is required to disclose its identity to the DDP.

### ***Indirect Investments in India***

In addition, certain Sub-Funds seek to get exposure to the Indian market by investing indirectly in Indian assets through derivative instruments or structured products. Accordingly, investors shall note that, in line with Indian laws and regulations on anti-money laundering, indirect investments made in India may require to disclose information pertaining to the Sub-Fund, to the investors and beneficial owners of the Sub-Fund to the relevant Indian supervisory authorities through the counterparty to the derivative instrument or structured product.

Therefore, as far as permitted under Luxembourg law, information and personal data regarding the investors and beneficial owners of the Sub-Fund investing indirectly in the Indian market (including but not limited to any documentation submitted as part of the identification procedure prescribed in relation to their investment in the Sub-Fund) may be disclosed to the counterparty to the derivative instrument or structured product and to governmental or regulatory authorities in India upon their request. In particular, investors shall note that, in order to enable the Sub-Fund to comply with the Indian laws and regulations, any natural person who, whether acting alone or together, or through one or more juridical persons, exercises control through ownership or who ultimately has a controlling ownership interest above 10% of the Sub-Fund's assets is required to disclose its identity to the relevant counterparty to the derivative instrument or structured product and to the local supervisory authorities.

## **Taiwan**

### ***Suspension risk in local markets***

In certain markets (including but not limited to Taiwan), trading on the local exchange may be conducted by a person or a small number of persons who are account holders in the local market. If such an account holder fails to deliver the securities or monies in respect of a transaction, there is a risk of suspension in respect of all Funds that settle their trading activity in the local market through that account holder. This risk may increase if a Fund participates in a securities lending programme. A suspension may in any case increase the costs of the Fund-

## **Saudi Arabia**

## **Risk of Investing in Saudi Arabia**

Saudi Arabia is an emerging market economy. Accordingly it differs from the economy of most developed countries and investing in Saudi Arabia may be subject to greater risk of loss than investments in developed markets due to, among other factors, political, and economic instability and greater limitations on foreign investment than found in a developed market. Also the Saudi Arabia legal system is based on Shariah law and, accordingly, issuers of the securities in which the relevant Sub-Funds invests may be held to different disclosure, corporate governance, accounting and reporting standards than those in developed markets with different legal systems.

The ability of foreign investors (such as the Sub-Fund) to invest in the securities of Saudi Arabian issuers is relatively new. Such ability could be restricted by the Saudi Arabian government at any time, and unforeseen risks could materialize with respect to foreign ownership in such securities. The economy of Saudi Arabia is dominated by petroleum exports. A sustained decrease in petroleum prices could have a negative impact on all aspects of the economy. Investments in the securities of Saudi Arabian issuers involve risks not typically associated with investments in securities of issuers in more developed countries that may negatively affect the value of the Fund's investments. Such heightened risks may include, among others, expropriation and/or nationalization of assets, restrictions on and government intervention in international trade, confiscatory taxation, political instability, including authoritarian and/ or military involvement in governmental decision making, armed conflict, crime and instability as a result of religious, ethnic and/or socioeconomic unrest.

### ***Security Risk***

The Middle East has experienced security concerns, such as war, terrorism and strained international relations. Incidents involving a country's or region's security may cause uncertainty in their markets and may adversely affect its economy and the Fund's investments

### ***Risks specific to Funds that directly invest into listed shares on the Saudi Stock Exchange Saudi Qualified Foreign Investor Regime General Risks***

The relevant Sub-Fund's investment in Saudi shares is dependent on the Portfolio Managers ability to buy and sell shares listed on the Saudi Stock Exchange. The Portfolio Manager must apply to qualify as a Qualified Foreign Investors ("QFI"/QFIs). The Portfolio Manager must meet certain eligibility criteria in order to qualify as a QFI. Any change in the QFI regime may adversely affect the relevant Sub-Fund's ability to invest in shares listed on the Saudi Stock Exchange (Tadawul) or lead to the loss of the QFI status.

### ***QFI Regime Foreign Ownership Limits***

QFIs are subject to certain foreign investment limitations. The Sub-Fund will not have an exclusive investment quota and will be subject to foreign investment limitations and other regulations imposed by the Capital Market Authority ("CMA") on QFIs, as well as on local market participants. In the event that a relevant foreign ownership limit is reached or exceeded, it could result in the Sub-Fund not being able to acquire additional Saudi Arabia listed shares.

### ***Electronic Trading Platform Risk – Tadawul***

Trading via electronic platforms creates risks such as connectivity speed risks, hacking and cyber security breach risks, malfunctions in software or hardware used, and loss of data, among others.

### ***Saudi Arabia based local bank***

Investments in Saudi Arabia may be subject to certain legislative risks. Currently, in accordance with Saudi law, any Saudi Riyal (SAR) (*i.e.* cash) must be held with a local bank (the "Bank") and the relevant Sub-Fund's client money account will be subject to the risk of default and insolvency on the part of the Bank; the applicable insolvency regulations in Saudi Arabia do not explicitly provide whether cash (including SAR) held in the account(s) at the Bank shall be regarded as bankruptcy assets of the Bank if it becomes insolvent. Thus, in the case the Bank becomes insolvent, the relevant Sub-Fund may not be able to recover any cash held with the Bank.

## **Compliance with data protection and privacy laws**

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

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

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

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

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

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

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

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

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

The respective sub-fund-specific classification according to the Disclosure Regulation can be found in the respective Sub-Fund annex of this Sales Prospectus.

## **Financial intermediaries risk**

Subscriptions, conversions and redemptions of Units in the Fund may be made through financial intermediaries (e.g. nominees). Those end investors may be unknown to the Fund and therefore it may be possible that the investor's right to indemnification in the event of NAV calculation errors, non-compliance with investment rules and other errors is impacted and exercisable only indirectly.

The Fund and the Management Company shall however provide the relevant financial intermediaries with all the information they need to enable to compensate their respective clients who are the Fund's end investors.

### **d) Potential conflicts of interest**

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

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

### **e) Risk management procedure**

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

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

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

*Commitment approach:*

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

*VaR Approach:*

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

*Relative VaR Approach:*

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

*Absolute VaR Approach:*

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

*Leverage:*

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

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

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

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

**f) Repayment of collected management fees to certain investors and commission sharing agreements**

At its sole discretion, the Management Company may agree with individual investors to repay to these investors part of the management fee which it has collected from them. This applies especially if institutional investors invest large amounts directly and on a long-term basis.

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

## **g) Issue, redemption, forced redemption and exchange of units**

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

Units are purchased, sold and exchanged on the basis of this Prospectus and the Management Regulations, each in the latest applicable version, as well as the Key Information Document and should be possible on each valuation day which are shown in the annex entitled "Overview of the Sub-Funds".

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

The Management Company may at any time and at its own discretion issue free of charge further units to the unitholder by the Depositary at the purpose of an units split. The units split will take place for all units with the same rate.

Without limitation, the Management Company may refuse an application for subscription where it determines that the Units would or might be held by, on behalf or for the account or benefit of a prohibited person. In such event, subscription proceeds received by the Depositary will be returned to the applicant as soon as practicable, at the risks and costs of the applicant, without interest or penalty. Applications for the purchase or the redemption of registered units may be submitted to Transfer Agent and Registrar, the Management Company and possible distributors.

Applications for the purchase or redemption of bearer units, generally issued as a global certificate ("bearer units"), are forwarded by the unitholder's depositary to the Transfer Agent and Registrar.

The subscription price is the net asset value per unit calculated in accordance with Article 5 of the Management Regulations on the corresponding valuation day plus, where applicable, a sales commission and/or a front-end load in accordance with the annex entitled "Overview of the Sub-Funds". The subscription price is due, in accordance with the annex entitled "Overview of the Sub-Funds" or the Sales Prospectus, within the stated number of bank working days following the corresponding valuation day. The issue price is settled in the Fund currency or, in the case of multiple unit classes, in the unit class currency. If the laws in a given country prescribe lower sales commission, the bank involved in that country shall sell units at a lower sales commission, which must not fall above the maximum sales commission permissible. If savings plans are offered, sales commission shall be charged only on payments actually made. The subscription price increases to include payments or other charges incurred in various countries in which units are sold. If distributions pursuant to Article 12 of the Management Regulations are immediately reinvested in units, a reinvestment discount set by the Management Company may be granted.

The units are issued by the Transfer Agent and Registrar on behalf of the Management Company immediately after receipt of the issue price by the Transfer Agent and Registrar. The Management Company may issue fractions of up to 0.001 of a unit. Unitholders are informed that units held by Clearstream or Euroclear are registered in the name of the respective Depositary (Clearstream or Euroclear).

There will be no right to the delivery of physical certificates.

The redemption price is the net asset value per unit calculated in accordance with Article 5 of the Management Regulations less, where applicable, a redemption fee charged in favour of the Fund in accordance with the annex entitled "Overview of the Sub-Funds". The redemption fee, if any, is applied uniformly to all unit redemptions. Payment of the redemption price is made in accordance with the annex entitled "Overview of the Sub-Funds" or the Sales Prospectus within the number of banking days following the corresponding valuation day. The redemption price is settled in the Fund currency or, in the case of multiple unit classes, in the relevant unit class currency. In the case of returning registered units, payment is made to the reference account specified by the unitholder.

An extension of the notice periods, which may be applied to manage temporary market restrictions, does not affect the fundamental right of unitholders to redeem their units at any time.

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

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

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

Furthermore, the Management Company or any delegate is responsible to register the ultimate beneficial owners of the Fund with the Luxembourg beneficial owner register in accordance with the provisions of the Luxembourg law of 13 January 2019 on the register of beneficial owners (*registre des bénéficiaires effectifs*) ("RBE Register Law"). As a consequence certain beneficial owners fulfilling the conditions of such RBE Register Law will appear in such register, which is also available to the public. The Management Company or its delegate respectively will contact concerned beneficial owners before their registration is carried out.

## **Forward Pricing**

Complete orders for, as the case may be, the subscription and for the redemption of Units received no later than the cut-off time further specified in the Sub-Fund Specific Information sections on a valuation day shall be settled at the Net Asset Value of the next following valuation day, less any subscription or redemption fees, in case applicable.

The Management Company shall in any event ensure that Units are issued or redeemed on the basis of a previously unknown Net Asset Value per Unit. Complete subscription or redemption orders received after cut-off time on a Valuation Day shall be settled at the Net Asset Value of the day after the next Valuation Day. Any applicable subscription or redemption fees shall be applied.

The issue price is payable at the Depositary in Luxembourg in the respective Sub-Fund currency or, if there are several Unit Classes, in the respective Unit Class currency, within the payment period after the corresponding Valuation Day further specified in the Sub-Fund Specific Information sections.

Without limitation, the Management Company may refuse an application for subscription where it determines that the Units would or might be held by, on behalf or for the account or benefit of a Prohibited Person. In such event, subscription proceeds received by the Depositary will be returned to the applicant as soon as practicable, at the risks and costs of the applicant, without interest or penalty.

The Management Company reserves the right to reject any subscription in whole or part at its absolute discretion, whether for, an initial or additional investment, in which event the amount paid on the subscription or the balance thereof (as the case may be) will be returned (without interest or penalty) as soon as practicable in the currency of subscription and at the risk and cost of the applicant.

If the Management Company determines that it would be detrimental to the existing Unitholders to accept a subscription application that exceeds a certain level determined by the Fund, the Management Company may postpone the acceptance of such subscription application and, in consultation with the incoming

Unitholder, may require such incoming Unitholder to stagger their proposed subscription over an agreed period of time. The Management Company can reject any subscription where all documents required to open an account are not provided, in which event paid in investment money will be returned without interest.

The circumstances under which the issue of Units may be suspended are specified in Chapter H "Temporary suspension of the calculation of the Net Asset Value of Units."

#### **h) Liquidity Management Tools of the Fund to manage temporarily constrained market liquidity**

The Management Company uses at least two of the following liquidity management tools ("LMTs"). The LMTs are selected by the Management Company, taking into account the investment strategy, liquidity profile, type of investors and redemption policy of the respective fund/sub-fund:

1. Redemption gate: a redemption gate (or "gating") means a temporary and partial restriction of the right of unit-holders to redeem their units, so that investors can only redeem a certain portion of their units.
2. Extension of notice periods: the extension of notice periods means extending the period of notice that unit-holders must give to fund managers, beyond a minimum period which is appropriate to the fund, when redeeming their units
3. Redemption fee: redemption fee means a fee, within a predetermined range that takes account of the cost of liquidity, that is paid to the fund by unit-holders when redeeming units, and that ensures that unitholders who remain in the fund are not unfairly disadvantaged.
4. Swing pricing: swing pricing means a pre-determined mechanism by which the net asset value of the units of an investment fund is adjusted by the application of a factor ("swing factor") that reflects the cost of liquidity.
5. Dual pricing: dual pricing means a pre-determined mechanism by which the subscription, repurchase and redemption prices of the units of an investment fund are set by adjusting the net asset value per unit by a factor that reflects the cost of liquidity.
6. Anti-dilution levy: anti-dilution levy means a fee that is paid to the fund by a unit-holder at the time of a subscription, repurchase or redemption of units, that compensates the fund for the cost of liquidity incurred because of the size of that transaction, and that ensures that other unit-holders are not unfairly disadvantaged.
7. Redemption in kind: redemption in kind means transferring assets held by the fund, instead of cash, to meet redemption requests of unit-holders.

**The Management Company has decided to apply the LMTs "Redemption Gate" and "Extension of notice periods" to the UCITS it manages. In addition the liquidity management tool "swing pricing" is offered as well.**

**Details of the applicable liquidity management instruments can be found in the respective "Overview of the Sub-Funds".**

#### **I. Redemption Gate**

If the total value of requests for redemption of units minus the total value of requests for subscription of units exceeds ten percent (10%) of the net sub-fund assets/net fund assets on the valuation date, the Management Company shall reduce the volume of requests for redemption of units to the aforementioned upper limit, unless the Management Company decides otherwise at its absolute and sole discretion in order to allow a higher percentage, taking into account the investments of the company/fund and the interests of the remaining unitholders. The reduction shall be applied to all unitholders who have requested redemption of units in proportion to the number of units or the total amount of money for which they have requested redemption. The portion of redemption requests that has not been accepted will automatically be carried forward to the next possible valuation date. It will be treated on an equal footing with other redemption requests for that valuation date. The same rules apply on this valuation date as on any other valuation date. The redemption price will be paid pro rata to the relevant unitholders.

#### **II. Swing Pricing**

The actual price obtained by a Sub-Fund when purchasing or selling assets may be higher or lower than the market price or other probable realisation value used in calculating the Net Asset Value of the Sub-Fund. Where subscriptions, redemptions, and/or conversions in a Sub-Fund cause the Sub-Fund to buy and/or sell underlying investments, the value of these investments may be affected by bid/offer spreads, trading costs and related expenses including transaction charges, brokerage fees, and taxes. As a result, the Net Asset Value per Unit of a Sub-Fund may be diluted as a result of subscriptions for or redemptions or conversion of Unit in the Sub-Fund at a price that does not reflect the actual price obtained in the underlying asset transactions undertaken on behalf of the Sub-Fund to accommodate the resulting inflows or outflows.

This investment and divestment activity may have a negative impact on the Net Asset Value per Unit called "dilution." In order to protect existing or remaining investors from the potential effect of dilution, the Fund may apply a "swing pricing" methodology as further explained below.

By applying the "swing pricing" methodology the Net Asset Value per Unit is adjusted to account for the aggregate costs of buying and/or selling underlying investments. The pricing adjustment is applied to the capital activity at the level of a Sub-Fund and does therefore not address the specific circumstances of each individual investor transaction.

The Net Asset Value per Unit may be adjusted by a certain percentage set by the Management Company from time to time for each Sub-Fund called the "Swing Factor." The Swing Factor represents the estimated bid-offer spread of the assets in which the Sub-Fund invests and estimated tax, trading costs, and related expenses that may be incurred by the Sub-Fund as a result of buying and/or selling underlying investments. As certain markets and jurisdictions may have different charging structures on the buy and sell sides, the Swing Factor may be different for net subscriptions and net redemptions in a Sub-Fund. Generally, the Swing Factor will not exceed two percent (2%) of the Net Asset Value per Unit unless otherwise set out for each Sub-Fund in its supplement. In exceptional market conditions such as for example stressed or dislocated markets resulting in increased trading costs resulting in a higher volatility, this maximum level may be increased up to five percent (5%) to protect the interests of Unitholders. A periodic review will be undertaken in order to verify the appropriateness of the Swing Factor in view of market conditions.

If a full swing methodology is employed, the Swing Factor will be applied to all investor transactions.

If a partial swing methodology is adopted, the Net Asset Value per Unit will be adjusted upwards or downwards if net subscriptions or redemptions in a Sub-Fund exceed a certain threshold set by the Management Company from time to time for each Sub-Fund (the "Swing Threshold"). Until the Swing Threshold is triggered, no pricing adjustment is applied and the transaction costs will be borne by the Sub-Fund. This will result in a dilution (reduction in the Net Asset Value per Unit ) to existing Unitholders.

If swing pricing is adopted for a certain Sub-fund, this will be indicated in the relevant Overview of the "Sub-Funds".

The Swing Factor will have the following effect on subscriptions or redemptions:

- on a Sub-Fund experiencing levels of net subscriptions with respect to a Valuation Day (i.e., subscriptions are greater in value than redemptions) (in excess of the Swing Threshold, where applicable) the Net Asset Value per Unit will be adjusted upwards by the Swing Factor; and
- on a Sub-Fund experiencing levels of net redemptions with respect to a Valuation Day (i.e., redemptions are greater in value than subscriptions) (in excess of the Swing Threshold, where applicable) the Net Asset Value per Unit will be adjusted downwards by the Swing Factor. The volatility of the Net Asset Value of the Sub-Fund might not reflect the true portfolio performance (and therefore might deviate from the Sub-Fund's benchmark, where applicable) as a consequence of the application of swing pricing. The performance fee, where applicable, will be charged on the basis of the unswung Net Asset Value of the Sub-Fund.

Note that the Management Company can decide not to apply swing pricing when it is trying to attract assets so that a Sub-Fund can reach a certain size.

The Management Company has setup an Anti-Dilution Committee which is responsible for implementing and

maintaining an oversight process of the swing pricing mechanism on a periodic basis. This committee is responsible for decisions relating to Swing Pricing and the ongoing review and approval of swing factors proposed by the investment managers of the relevant sub-funds or submitted by the fund's board of directors, if applicable.

#### i) Side Pockets

The Management Company reserves the right to separate certain assets of the fund or sub-fund whose economic or legal characteristics have changed significantly or have become uncertain due to exceptional circumstances from the other assets of this Fund or Sub-Fund ("side pocket").

In this case, and subject to the approval of the CSSF, the Management Company may decide to create a special unit class within the fund/sub-fund (accounting separation) ("side pocket unit class").

This side pocket unit class is closed to subscriptions, redemptions and conversions and is created with the intention of being liquidated.

Investors receive units in the side pocket unit class in proportion to their previous units in the Fund/Sub-Fund.

Issues and redemptions of units are based on the Net Asset Value of the Fund/Sub-Fund, from which the assets of the side pocket unit class are excluded.

The investment policy/investment restrictions do not apply to investments allocated to a side pocket unit class.

Details can be found in the relevant Overview of the Sub-Funds.

#### **h) Temporary suspension of the calculation of the Net Asset Value of Units**

This section provides useful information on possible cases that may trigger a suspension, restrictions to subscribe and redeem and convert, the duration of such suspensions and how investors are informed.

The Management Company of the Fund is authorised to temporarily suspend the calculation of the NAV of Units of any Sub-Fund or any Unit Class as well as the issue, redemption and conversion of Unit Classes of any Sub-Fund or any Unit Class, in the following circumstances:

- a) during any period (other than ordinary holidays or customary weekend closings) when any market or stock exchange is closed or when trading on any market or stock exchange is restricted or suspended, if that market or stock exchange is the main market or stock exchange for a significant part of Sub-Fund's investments; or
- b) during any period when an emergency exists as a result of which it is impossible to dispose of investments which constitute a substantial portion of the assets of a Sub-Fund; or it is impossible to transfer monies involved in the acquisition or disposition of investments at normal rates of exchange; or it is impossible to fairly determine the value of any asset in a Sub-Fund; or
- c) during any breakdown in the means of communication normally employed in determining the price of any of a Sub-Fund's investments or of current prices on any stock exchange; or
- d) if for any reason the prices of any investment owned by a Sub-Fund cannot be reasonably, promptly or accurately determined; or
- e) during any period when remittance of monies which will or may be involved in the purchase or sale of any of the Sub-Fund's investments cannot, in the opinion of the Management Company, be carried out at normal rates of exchange; or

- f) following a decision to liquidate or dissolve the Fund/a Sub-Fund; or
- g) in the case of a merger of the Fund/a Sub-Fund or a Unit Class, if the Management Company deems this to be justified for the protection of the Unitholders; or
- h) in the event that a Sub-Fund is a feeder fund, following a suspension of the calculation of the NAV of the master fund or any other suspension or deferral of the issue, redemption and/or conversion of Units in the master fund; or
- i)

The Management Company of the Fund shall decide on the suspension of the calculation of the NAV and/or of the issue, redemption and conversion of the Units of any Sub-Fund or any Unit Class only if such decision is taken considering the best interest of the Unitholders.

The suspension of the calculation of the NAV and of the issue, redemption and conversion of the Units will be notified immediately to Unitholders who have made an application for subscription, redemption or conversion of Units for which the calculation of the NAV and of the issue, redemption and conversion of Units has been suspended. Such Unitholders will also be notified immediately once the calculation of the NAV per Share is resumed.

During the time of suspension, any unprocessed and incoming subscription, redemption and conversion requests will be suspended, unless they are withdrawn by the Unitholders. Requests that have not been withdrawn will, in principle, be processed on the first Valuation Day after termination of the suspension period.

The suspension of the calculation of the NAV as well as the issue, redemption and conversion of a Unit Class has no effect on the NAV calculation and dealing of other Unit Classes or other Sub-Funds.

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

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

#### **j) Use of income**

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

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

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

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

No tax shall be payable by the Fund with the exception of the subscription tax (taxe d'abonnement) referred to in Articles 174 to 176 of the 2010 Law. Though the Fund is exempt from income tax and from trade tax in

Luxembourg, income and gains received by the Fund may be subject to a non-recoverable withholding tax or other tax in the respective state of source. Neither the Management Company nor the Depositary will obtain individual or collective receipts for such taxes.

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

The amounts distributed by the Fund shall not be subject to a Luxembourg withholding tax. They are not taxable in Luxembourg if received by non-residents.

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

### **l) Data protection / privacy notice**

Data protection

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

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

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

### **m) Anti-money laundering**

In accordance with the Luxembourg Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended, the Luxembourg Law of 13 February 2018 for the (partial) implementation of the European Directive 2015/849 of 20 May 2015 on the prevention of money laundering, the Grand-Ducal Regulation of 1 February 2010, CSSF Regulation 12-02 of 14 December 2012 on the fight against money laundering and terrorist financing, and the relevant CSSF circulars and regulations, professionals of the financial sector, as defined under Art. 2 of the Law of 2004, are subject to certain anti-money laundering and counter-terrorist financing obligations in order to prevent the use of undertakings for collective investment for money laundering purposes. This includes, *inter alia*, the obligation to identify and legitimise investors and investment funds. The depository institutions of the investors are obliged to identify and legitimize themselves.

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

Investors must attach their identification documents as required by law to the subscription documents. These documents vary depending on the type or corporate form of the investor. The depository institutions of the investors are obliged to identify and legitimize themselves.

The Management Company and the Registrar and Transfer Agent reserve the right to request (additional) relevant information which is required to verify the identity of an applicant. If there is a delay or if the applicant fails to deliver the information required for verification purposes, the Management Company and the Registrar

and Transfer Agent may refuse the application and will not be liable for any interest, costs or compensation.

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

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

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

#### **n) Governing law**

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

#### **o) Investor information**

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

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

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

In addition, the Best Execution Principles of the Management Company may also be found on the website [www.universal-investment.com](http://www.universal-investment.com) and of the Portfolio Manager on the website [www.majinvest.com](http://www.majinvest.com).

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

The Management Company shall inform investors of the fact that an investor may only assert investor rights in their entirety directly against the UCITS if the investor has been entered into the register of unitholders of the UCITS in its own name. In cases where an investor invested in the a UCI(TS) via an intermediary agent, which makes the investment in its own name but under assignment from the investor, all investor rights cannot necessarily be asserted by the investor directly against the UCI(TS). Investors are advised to be aware of their rights.

## Annex – Overview of the Sub-Funds

### Maj Invest Funds – Maj Invest Global Value Equities

<b>Sub-Fund name</b>	Maj Invest Global Value Equities (the “ <b>Sub-Fund I</b> ”)
<b>Full Sub-Fund name</b>	Maj Invest Funds – Maj Invest Global Value Equities
<b>Currency of the Sub-Fund</b>	USD
<b>Investment objectives</b>	<p>The Sub-Fund I’s investment objective is to seek to outperform the benchmark (MSCI World Index (Bloomberg ticker: NDDUWI)) including net dividend over a long term period.</p> <p>The benchmark index used for the Sub-Fund I is 100% MSCI World Price Index (EUR). The benchmark index is determined for the Sub-Fund I by the Management Company and may be changed if necessary. The Sub-Fund I is not an index-tracking fund. The Portfolio Manager may, at its discretion, invest in securities or sectors not included in the benchmark index in order to take advantage of specific investment opportunities.</p> <p><b>No assurance can be given that the objectives of the investment policy will be achieved.</b></p>
<b>Investment strategy</b>	<p>The Sub-Fund I is actively managed.</p> <p>The Sub-Fund I follows a value based approach, taking into consideration the market position and long-term fundamentals of a potential company prior to investment, based on the strategy of selecting companies that analysis indicates the market has undervalued.</p> <p>The portfolio of the Sub-Fund I shall consist of equities in minimum 25 companies and will typically invest across multiple sectors and countries at time.</p> <p>This Sub-Fund I promotes environmental and/or social features within the meaning of Article 8 of the Disclosure Regulation. However, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities, nor are sustainable investments within the meaning of Article 2 No. 17 of the Disclosure Regulation sought.</p> <p>The principal adverse impacts on sustainability factors (“PAI”) are not considered in the investment process at Management Company level, because the Management Company does not pursue a general strategy across funds for the consideration of PAI. Even though the PAIs are not considered at Management Company level, the adverse impacts on sustainability factors are part of the investment strategy of the Sub-Fund and are therefore considered in a binding way.</p> <p><b>Information on the environmental and/or social characteristics and about the consideration of PAI is available in the Annex “Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852”.</b></p>
<b>Investment principles</b>	<p><b>Equities</b></p> <p>The Sub-Fund I invests at least 51% of the net Sub-Fund I assets in equities and securities with equity character, such equities being listed or traded on an eligible market.</p> <p>The Sub-Fund I may further invest in American Depository Receipts (ADR) and Global Depository Receipts (GDR).</p> <p><b>Fixed-Income Securities</b></p> <p>The Sub-Fund I invests a maximum of 10% of the net Sub-Fund I assets in bonds and securities of a bond nature. Investments in high-yield securities with ratings below investment grade will not be made.</p> <p><b>Certificates</b></p> <p>A maximum of 10% of the net Sub-Fund I assets may be invested in 1:1 certificates on shares, indices or currencies. 1:1 certificates are investment instruments listed on the stock exchange which are considered securities within the meaning of Article 41 (1) a) - d) of the Law of 2010 and do not contain embedded derivatives.</p> <p><b>Investment Funds</b></p>

	<p>The Sub-Fund I does not invest in shares or units of other UCITS or UCIs as mentioned in article 41 (1) e) of the UCI law.</p> <p><b>Derivatives Financial Instruments</b></p> <p>The Sub-Fund I may use financial derivative instruments (FDI) for hedging purposes only. These include in particular Options, Futures and FX-Forwards.</p> <p><b>Miscellaneous</b></p> <p>Furthermore, the Sub-Fund I may hold up to 20% bank deposits at sight. The above mentioned 20% limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the investors.</p> <p>In addition, the Sub-Fund I may also invest in money market instruments such as longer-term time deposits in general for financial purposes or in the event of unfavorable market conditions. These are limited to a maximum of 49% including bank deposits at sight.</p> <p>The above investment opportunities extend equally to issuers from developed and emerging countries. No direct and indirect investments are made in asset backed securities (ABS) and mortgage backed securities (MBS).</p> <p><b>Note:</b> Among possible techniques for efficient portfolio management, the Sub-Fund I currently only uses derivative transactions, which can be entered into only for hedging purposes. Securities financing transactions and total return swaps in accordance with Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and re-use and amending Regulation (EU) No 648/2012 are not currently used for the Sub-Fund I. If the Management Company intends to use other techniques for efficient portfolio management or securities financing transactions for the Sub-Fund I, this Prospectus shall be amended accordingly.</p> <p>Additionally for tax purposes:</p> <p>The Sub-Fund I continuously invests more than 50% of its “total assets” (Aktivvermögen) directly or indirectly via other investment funds within the meaning of section 1(2) of the German Investment Tax Act (GITA) in equity participations (Equity fund – equity participation ratio). Equity participations (Kapitalbeteiligungen) in this meaning are:</p> <ul style="list-style-type: none"> <li>- Units in corporations which are admitted to official trading on a stock exchange or admitted to or included in another organised market and which are not shares in investment funds. For these purposes, an organised market is a market which is recognised, open to the public and operating regularly and which therefore meets the requirements of Article 50 of the UCITS Directive (Directive 2009/65/EC).;</li> <li>- Units in other investment funds which according to their investment conditions provide for a continuous minimum investment of 25% or a higher percentage in equity participations within the meaning of section 2(8) of the InvStG, in the amount of the percentage specified for this minimum investment.</li> </ul> <p>The “total assets” (Aktivvermögen) as defined in section 2(9a) GITA is determined by the value of the assets of the investment fund within the meaning of section 1(2) GITA without taking into account its liabilities. In the case of indirect investment in equity participations via other investment funds, the Sub-Fund I shall base its compliance with its equity fund – equity participation quota on the actual equity participation quotas published by these investment funds on each valuation date. An indirect investment in equity participations via other investment funds requires that these investment funds carry out a valuation at least once a week.</p>
<p><b>Benchmark</b></p>	<p>MSCI World Index (Bloomberg ticker: NDDUWI)</p> <p>The Sub-Fund I tracks its performance by reference to a benchmark and therefore falls within the scope of the Benchmark Regulation (Regulation (EU) 2016/1011). The benchmark, MSCI World Index, is administered by MSCI Limited, (“the Administrator”). The Administrator is registered with the European Securities and Markets Authority (ESMA) in a public register of administrators and benchmarks. The Management Company has established robust written plans setting out the actions it would take in the event that the benchmark materially changes or ceases to be provided. A copy of the contingency plan is available free of charge at the registered office of Universal-Investment-Luxembourg S.A.</p>
<p><b>Investor profile</b></p>	<p>The Sub-Fund I is designed for investors who are able to assess the risks and the value of the investment. The investor must be prepared and able to deal with significant value fluctuations to the units and if necessary a considerable capital loss. This Sub-Fund I is potentially not</p>

	suitable for investors who want to withdraw their money from the Sub-Fund I again within a period of less than 5 years.
<b>Issue of the units</b>	The units are only issued as registered Units.
<b>Management Company</b>	Universal-Investment-Luxembourg S.A., Luxembourg
<b>Depository</b>	Brown Brothers Harriman (Luxembourg) S.C.A.
<b>Transfer and Registrar</b>	Brown Brothers Harriman (Luxembourg) S.C.A.
<b>Paying Agent in Luxembourg</b>	Brown Brothers Harriman (Luxembourg) S.C.A.
<b>Portfolio Manager</b>	Fondsmæglerselskabet Maj Invest A/S
<b>Valuation day pursuant to Article 5 of the Management Regulations</b>	Whole banking days which are trading days in Luxembourg, Frankfurt am Main and Denmark, with the exception of 24 and 31 December of each year.
<b>Cut-off time for subscriptions, redemptions and conversion of units</b>	1:30 p.m. CET
<b>Payment of the issue and redemption price</b>	Two (2) banking days after the relevant valuation day.
<b>Accounting year</b>	1 January to 31 December
<b>Sub-Fund I term</b>	Indefinite

The unit classes with the prefix A and AD are available for any investor, including retail investors.

Units classes with the prefix C are reserved to Institutional Investors who cannot meet the minimum investment amount in the Classes of Units with the prefix I. Those Classes of Units are available via financial intermediaries including distributors and platforms having separate agreements with their clients to offer investment services related to the Sub-Fund I and cannot, under the current legislation, receive from the Management Company any remuneration in the context of these financial services.

Unit classes with the prefix I and ID are reserved to Institutional Investors.

Unit classes of designated Y and Z are only available to Institutional Investors and are subject to a prior agreement between the investor, the Management Company and/or other agents involved.

<b>Unit classes</b>	<b>A USD</b>	<b>I USD</b>	<b>Z USD</b>	<b>A EUR</b>
<b>WKN</b>	A12FMS	A12FEN	A12FEP	A2H6RB
<b>ISIN code</b>	LU0976026038	LU0976026111	LU0976026202	LU1321539493
<b>Initial issue price</b>	USD 100	USD 100	USD 100	EUR 100
<b>Unit Class Hedging</b>	n/a	n/a	n/a	none
<b>Minimum initial investment</b>	none	USD 10,000,000	USD 15,000,000	none
<b>Minimum subsequent investment</b>	none	USD 10,000	USD 500,000	none

<b>Subscription fee</b>	none	none	none	none	none
<b>Subscription price</b>	The "subscription price" means during the Initial Offering Period*, the initial issue price, and after the initial issuing period, the Net Asset Value per Unit of the relevant unit class calculated on the concurrent valuation day in accordance with the Management Regulations and the Sales Prospectus				
<b>Redemption fee</b>	none	none	none	none	none
<b>Redemption price</b>	Subject to the Mangement Regulations, the "redemption price" will be denominated in the applicable reference currency and will be equal to the net asset value per unit of the relevant unit class at the relevant valuation day, after adjustment for any accrual of management fees due (if not already included in the net asset value)				
<b>taxe d'abonnement</b>	0.05%	0.01%	0.01%	0.01%	0.05%
<b>Use of earnings</b>	accumulating	accumulating	accumulating	accumulating	accumulating
<b>Portfolio Manager fee</b>	up to 1.50%	up to 0.60%	up to 0.60%	up to 0.60%	up to 1.50%
<b>Unit classes</b>	<b>C EUR</b>	<b>I EUR</b>	<b>A GBP*</b>	<b>C GBP*</b>	<b>I GBP</b>
<b>WKN</b>	A2JNT3	A2H6RA	-	-	A2PKTE
<b>ISIN code</b>	LU1650063990	LU1321539576	LU1321539907	LU1650064022	LU1321540079
<b>Initial issue price (excluding front-end load)</b>	EUR 100	EUR 100	GBP 100	GBP 100	GBP 100
<b>Unit Class Hedging</b>	none	none	none	none	none
<b>Minimum initial investment</b>	none	EUR 10,000,000	none	none	GBP 10,000,000
<b>Minimum subsequent investment</b>	none	EUR 10,000	none	none	GBP 10,000
<b>Subscription fee</b>	none	none	none	none	none
<b>Subscription price</b>	The "subscription price" means during the Initial Offering Period*, the initial issue price, and after the initial issuing period, the Net Asset Value per Unit of the relevant unit class calculated on the concurrent valuation day in accordance with the Management Regulations and the Sales Prospectus				
<b>Redemption fee</b>	none	none	none	none	none
<b>Redemption price</b>	Subject to the Mangement Regulations, the "redemption price" will be denominated in the applicable reference currency and will be equal to the net asset value per unit of the relevant unit class at the relevant valuation day, after adjustment for any accrual of management fees due (if not already included in the net asset value)				
<b>taxe d'abonnement</b>	0.01%	0.01%	0.05%	0.01%	0.01%
<b>Use of earnings</b>	accumulating				
<b>Portfolio Manager fee</b>	up to 0.80%	up to 0.60%	up to 1.50%	up to 0.80%	up to 0.60%

Unit classes	AD GBP*	AD EUR*	Y EUR	Y USD	Y GBP
WKN	-	A2JEJ6	A2PYJK	A2PYJL	A2PYJM
ISIN code	LU1321540236	LU1321539733	LU2107334349	LU2107333457	LU2107333531
Initial issue price	GBP 100	EUR 100	EUR 100	USD 100	GBP 100
Unit Classe Hedging	none	none	none	none	none
Minimum initial investment	none	none	EUR 500,000.-	USD 500,000.-	GBP 500,000.-
Minimum subsequent investment	none	none	none	none	none
Subscription fee	none	none	none	none	none
Subscription price	The "subscription price" means during the Initial Offering Period*, the initial issue price, and after the initial issuing period, the Net Asset Value per Unit of the relevant unit class calculated on the concurrent valuation day in accordance with the Management Regulations and the Sales Prospectus				
Redemption fee	none	none	none	none	none
Redemption price	Subject to the Management Regulations, the "redemption price" will be denominated in the applicable reference currency and will be equal to the net asset value per unit of the relevant unit class at the relevant valuation day, after adjustment for any accrual of management fees due (if not already included in the net asset value)				
taxe d'abonnement	0.05%	0.05%	0.01%	0.01%	0.01%
Use of earnings	distributing	distributing	accumulating	accumulating	accumulating
Portfolio Manager fee	up to 1.50%	up to 1.50% p.a.	up to 0.60%	up to 0.60%	up to 0.60%
Unit classes	YD EUR		YD USD		YD GBP
WKN	TBD		TBD		TBD
ISIN code	TBD		TBD		TBD
Initial issue price	EUR 100		USD 100		GBP 100
Unit Class Hedging	none		n/a		none
Minimum initial-investment	EUR 500,000		USD 500,000		GBP 500,000
Minimum subsequent-investment	none		none		none
Subscription fee	none		none		none
Subscription price	The "subscription price" means during the Initial Offering Period*, the initial issue price, and after the initial issuing period, the Net Asset Value per Unit of the relevant unit class calculated on the concurrent valuation day in accordance with the Management Regulations and the Sales Prospectus				

<b>Redemption-fee</b>	none	none	none
<b>Redemption price</b>	Subject to the Mangement Regulations, the "redemption price" will be denominated in the applicable reference currency and will be equal to the net asset value per unit of the relevant unit class at the relevant valuation day, after adjustment for any accrual of management fees due (if not already included in the net asset value)		
<b>taxe d'abonnement</b>	0.01%	0.01%	0.01%
<b>Use of earning</b>	distributing		
<b>Portfolio Manager fee</b>	up to 0.60%		
<b>Unit classes</b>	<b>ID EUR</b>	<b>ID USD</b>	<b>ID GBP</b>
<b>WKN</b>	A2QHAM	TBD	TBD
<b>ISIN code</b>	LU2259197122	TBD	TBD
<b>Initial issue price</b>	EUR 100	USD 100	GBP 100
<b>Unit Class Hedging</b>	none	n/a	none
<b>Minimum initial-investment</b>	EUR 10,000,000.-	USD 10,000,000.-	GBP 10,000,000.-
<b>Minimum subsequent-investment</b>	EUR 10,000.-	USD 10,000.-	GBP 10,000.-
<b>Subscription fee</b>	none		
<b>Subscription price</b>	The "subscription price" means during the Initial Offering Period*, the initial issue price, and after the initial issuing period, the Net Asset Value per Unit of the relevant unit class calculated on the concurrent valuation day in accordance with the Management Regulations and the Sales Prospectus		
<b>Redemption-fee</b>	none		
<b>Redemption price</b>	Subject to the Mangement Regulations, the "redemption price" will be denominated in the applicable reference currency and will be equal to the net asset value per unit of the relevant unit class at the relevant valuation day, after adjustment for any accrual of management fees due (if not already included in the net asset value)		
<b>taxe d'abonnement</b>	0.01%	0.01 %	0.01%
<b>Use of earning</b>	distributing		
<b>Portfolio Manager fee</b>	Up to 0.60%		
<b>Management fee</b>	Up to 0.12% p.a., minimum EUR 45,000 p.a. per Sub-Fund with one Unit class. For each additional unit class the minimum fee is increased by EUR 7,500.- p.a.		
<b>Depositary Bank Fees</b>	<p>Global Custody Charges: up to 0.07% p.a., minimum USD 2,000 monthly</p> <p>Depositary Oversight Fee: up to 0.02% p.a., minimum USD 550 monthly plus TVA</p> <p>Excluding any other ancillary cost applicable as per the prevailing Depositary Bank Fees.</p> <p>The above fees are indicative and investors may be charged additional amounts in connecton with the duties and services of the service providers in accordance with the customary bank practice.</p>		

<b>Registrar and Transfer Agent fees</b>	Annual registrar fee USD 5,000 p.a. including two active unit classes plus USD 2,500 p.a. per active unit class plus account opening fee, maintenance fee and transaction fees – minimum USD 3.000 per month. Plus additional costs in relation with Global Automatic Exchange of Taxpayer Information Services (Foreign Account Tax Compliance Act (FATCA & Common reporting Standard (CRS)).  The Sub-Fund I pays further professional fees and reasonable out of pocket expenses to the service providers on a commercial basis.
<b>Launch date/activation date and place of launch</b>	28 November 2014 in the Grand Duchy of Luxembourg
<b>Risk management procedure</b>	Commitment Approach
<b>Countries in which units are offered for sale</b>	Luxembourg, Germany, Austria, Sweden, Norway, United Kingdom, Spain, Finland, Netherlands
<b>FATCA classification</b>	According to the current national Luxembourg FATCA legislation, the Sub-Fund I qualifies as a "Restricted Fund" in accordance with Annex II, Section IV (E) (5) of the IGA Luxembourg-USA. As per definition of the Annex II, Section IV (E) (5) of the IGA Luxembourg-USA, a Restricted Fund is a Non-Reporting Luxembourg Financial Institution and shall be treated as a deemed-compliant Foreign Financial Institution for purposes of section 1471 of the US Internal Revenue Code. Therefore, units of the Sub-Fund I must not be offered, sold, transferred or delivered to: <ul style="list-style-type: none"> <li>- Specified U.S. Persons within the meaning of Article 1, Section 1 (ff) of the IGA Luxembourg-USA,</li> <li>- Nonparticipating Financial Institutions within the meaning of Article 1, Section 1 (r) of the IGA Luxembourg-USA, and</li> </ul> Passive Non-Financial Foreign Entities (passive NFFEs) with one or more substantial US Owners as defined in the relevant US Treasury Regulations.
<b>CRS classification</b>	Luxembourg Financial Institution (Investment Entity).
<b>Classification of the Sub-Fund I under the SFDR</b>	The Sub-Fund I is classified as article 8 SFDR.
<b>Redemption Gate</b>	Unitholders are entitled to request the redemption of their units under the conditions described in the section "Special information" g) "Issue, redemption, forced redemption and exchange of units" and h) "Liquidity Management Tools of the Fund to manage temporarily constrained market liquidity."  If the total value of requests for redemption of units minus the total value of requests for subscription of units exceeds ten percent (10%) of the net sub-fund assets/ net fund assets on the valuation date, the Management Company shall reduce the volume of applications for redemption of units to the aforementioned upper limit, unless the Management Company decides otherwise at its absolute and sole discretion to allow a higher percentage, taking into account the fund's investments and the interests of the remaining unitholders. The reduction shall be applied to all unitholders who have requested redemption of units in proportion to the number of units or the total amount of money for which they have requested redemption. The portion of redemption requests that has not been accepted shall be automatically carried forward to the next possible valuation date. It will be treated on an equal footing with other redemption requests for this valuation date. The same rules apply on this valuation date as on any other valuation date. The redemption price will be paid pro rata to the relevant unitholders.
<b>Extension of notice period</b>	The Management Company may decide to temporarily extend the usual notice period that investors must observe when submitting redemption requests to the Management Company in order to give the Management Company more time to process redemption requests, e.g. in the event of exceptionally deteriorated market conditions.
<b>Swing Pricing</b>	In accordance with the provisions of the general section of the Fund's Prospectus, the Sub-Fund uses partial swing pricing

\* The Initial Offering Period will be determined by the Board of Directors of the Management Company.

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

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

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

<b>Product name: Maj Invest Funds - Maj Invest Global Value Equities</b>		<b>Legal entity identifier (LEI-Code): 5299006XINKIRZM4WN76</b>	
<b>Environmental and/or social characteristics</b>			
<b>Does this financial product have a sustainable investment objective?</b>			
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>		<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>	
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ___%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>		<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>	
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ___%</b>		<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>	



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

This Sub-Fund I promotes environmental characteristics within the meaning of Article 8 of the Disclosure Regulation.

The Sub-Fund I promotes environmental and social characteristics by quarterly screening (using the data from a service provider) the portfolio in regard to the UN Global Compact’s ten principles in the areas of human rights, labour, the environment and anti-corruption and the OECD Guidelines for Multinational Enterprises. Companies are excluded from the portfolio if the investigation (Screening) exposes violations of UN Global Impact where engagement has not been effective or exposure to controversial weapons.

Furthermore, the Sub-Fund I does not invest in companies directly involved in production of tobacco, production/direct involvement in adult entertainment and operations/ownership of gambling establishments, e.g. casinos, online gambling each with a 10% revenue threshold.

**Sustainability**

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

**Principal adverse**

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

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

The Sub-Fund I applies activity-based exclusions. Companies with the following activities are excluded:

- Pornography/Adult Entertainment(Production) > 10%Revenue
- Gambling (Production, Downstream) > 10% Revenue
- Nuclear Weapons (Production, Downstream) > 0% Revenue
- Tobacco (Production, Downstream) > 10% Revenue
- Unconventional Weapons (Production, Downstream) > 0% Revenue

The Sub-Fund I applies norm-based screening in connection with "UN Global Compact"/ "OECD Guidelines" and "ILO" (International Labour Organization).

Engagement is also used as a sustainability indicator to measure the attainment of each of the environmental and social characteristics promoted by the Sub-Fund I. The Sub-Fund initiates engagement (using a service provider) with companies violating or is at risk of violating UN Global Compact. If the engagement process does not result in changed behaviour from the company, the company will as a result be included on Sustainalytics' disengage list and Maj Invest may consequently divest from the investment.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

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

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



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

Yes

The following PAI are considered:

- Exposure to companies active in the fossil fuel sector (Share of investments in companies active in the fossil fuel sector)
- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises)
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) (Share of investments in investee companies involved in the manufacture or selling of controversial weapons)
- Breakdown of energy consumption by type of non-renewable sources of energy (Share of energy from oil)
- Breakdown of energy consumption by type of non-renewable sources of energy (Share of energy from gas)
- Breakdown of energy consumption by type of non-renewable sources of energy (Share of energy from coal)
- Lack of a human rights policy (Share of investments in entities without a human rights policy)

Maj Invest considers principal adverse impacts on sustainability factors in its investment advisory services and investment decisions. Global Value Equities will monitor selected PAI indicators, Consideration of the selected PAI will be implemented via a quarterly portfolio screening, both norms-based and exclusionary. In addition, an engagement process is carried out with portfolio companies via the external service provider Sustainalytics. The engagement process is initiated if a company is at risk of violating or has a confirmed violation of the UN Global Compact and the OECD Guidelines, incl. underlying guidelines and conventions.

Maj Invest has published a Principal adverse sustainability impact statement, a Sustainability Risk Policy, and a Responsible Investment Policy on its website.

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

No



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

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

After a thorough research and scoring process by the investment team, the best investment opportunities are to be found among approximately 100 companies. An important step when analyzing a new investment idea, is to check for possible ESG issues, test for manipulative accounting and finally go through the capital allocation discipline.

The Sub-Fund I seeks to promote both social and environmental characteristics. This is done via both engagement with portfolio companies and a norms-based and product involvement-based exclusionary screening. The fund excludes companies which produces selected products that can be considered controversial with health in general, including tobacco, gambling, and adult entertainment. Companies in which the revenue from these areas constitute more than 10% are excluded from the portfolio. In addition, the fund excludes companies involved in controversial weapons, incl. anti-personnel mines, nuclear weapons, cluster weapons, biological and chemical weapons, depleted uranium, and white phosphorus. In relation to environmental characteristics the fund will not invest in companies that breach international environmental (ESG) guidelines and principles and in which engagement has not proved effective.

Maj Invest has partnered with Sustainalytics on screening and engagement. The fund is screened on a quarterly basis both in relation to product involvement and for breaches of the UN Global Compact (norms-based screening). If a long-term engagement process, typically 24 months, does not result in an improvement in the issue(s) identified or the company's approach, then Sustainalytics will include the company on a disengage list, and the company will then be excluded from the sub fund portfolio.

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

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

The sustainability indicators, as described above, for measuring the attainment of the sustainable investment objective of the Sub-Fund I are the binding elements of the investment strategy of the Sub-Fund

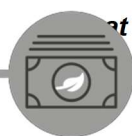
### ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable.

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

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

The assessment of the portfolio companies governance is taking place in connection with selection of portfolio companies.



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

The asset allocation of the (Sub)Fund and the extent to which the (Sub)Fund has direct or indirect exposures in investee entities can be found in the investment restrictions of the Prospectus. The minimum proportion of the (Sub)Fund's investments that are made to fulfil the promoted environmental and/or social characteristics amounts to 51% of the value of the (Sub)Fund's assets.

## Asset allocation

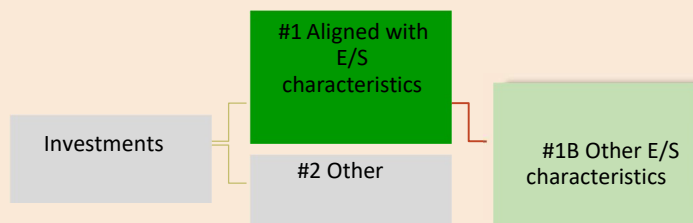
describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

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



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

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

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

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

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

**Enabling activities**

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

**Transitional activities are**

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

**What minimum extent are sustainable investments with an environmental objective aligned with EU Taxonomy?**

In accordance with the UN Global Compact the Sub-Fund primarily promotes pollution prevention and control.

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

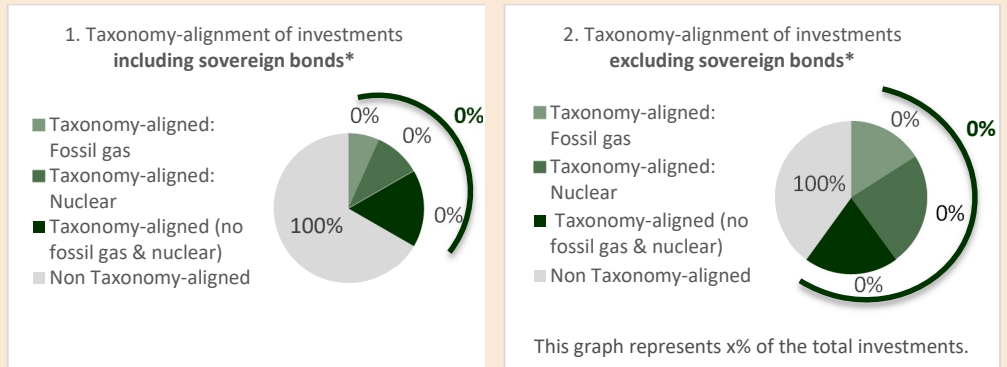
**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

Yes:

In fossil gas  In nuclear energy

No

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



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

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

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

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



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

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



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

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



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

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



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

There are currently no “other” investments.

For "Not sustainable investment" that are not part of the Sub-Fund's sustainability strategy, there are no binding criteria to consider minimum environmental and/or social safeguards. This is also due to the nature of the assets, where at the time of the preparation of the Sub-Fund's documents there are no legal requirements or standard market procedures on how to consider minimum environmental and/or social safeguards for such assets.



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

Not applicable.



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

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

**product specific information online?**

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

<https://fondsfinder.universal-investment.com/api/v1/LU/LU0976026038/document/SRD/en>

## Maj Invest Funds – Emerging Markets Value

<b>Sub-Fund name</b>	Emerging Markets Value (the “Sub-Fund II”)
<b>Full Sub-Fund name</b>	Maj Invest Funds – Emerging Markets Value
<b>Currency of the Sub-Fund II</b>	USD
<b>Investment objectives</b>	<p>The Sub-Fund II's investment objective is to seek to outperform the benchmark (MSCI Global Emerging Markets Net return (USD) (Bloomberg ticker: NDUUEGF)) including net dividend over a long term period by investing in transferable securities and other eligible assets, mainly in equities (minimum 51 %), such equities being listed or traded on an eligible market, with focus on global emerging market equities.</p> <p><b>No assurance can be given that the objectives of the investment policy will be achieved.</b></p>
<b>Investment strategy</b>	<p>The Sub-Fund II is actively managed.</p> <p>The Sub-Fund II follows a value based approach, taking into consideration the market position and long-term fundamentals of a potential company prior to investment, based on the strategy of selecting companies that analysis indicates the market has undervalued. The Sub-Fund II may further invest in American Depository Receipts (ADR), Global Depository Receipts (GDR) and other similar instruments having equities described above as underlying. The Sub-Fund II will typically invest across multiple sectors and countries at any time.</p> <p>The portfolio of the Sub-Fund II shall consist of equities in minimum 50 companies. The Portfolio Manager intends to arrange semi- annual screening of the portfolio in regards to the UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption and the OECD Guidelines for Multinational Enterprises. The Portfolio Manager will regularly compare the portfolio positions with relevant observation lists provided by third party.</p> <p>The benchmark for the Sub-Fund II is: 100% MSCI Global Emerging Market Net Return (USD). This benchmark is determined for the fund by the investment management company and may be changed. Most the Fund's portfolio holdings are an integral part of the benchmark. The investment strategy will restrict the extent to which the portfolio holdings may deviate from the benchmark.</p> <p>The above-mentioned investment universe extends to issuers from developed and emerging markets. The proportion of emerging markets is not limited.</p> <p>The investment universe may also include China A shares that may be invested in through Stock Connect (Shanghai and Shenzhen) as well as all publicly listed Chinese companies listed outside mainland China such as but not limited to in Hong Kong, Singapore, Taiwan, US or Europe.</p> <p>Within this scope, the choice of the individual assets is performed by the Portfolio Manager of the Sub-Fund II. Income shall remain in the Sub-Fund II (or: in this unit class) and shall increase the value of the Units.</p> <p>This Sub-Fund II promotes environmental and/or social features within the meaning of Article 8 of the Disclosure Regulation. However, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities, nor are sustainable investments within the meaning of Article 2 No. 17 of the Disclosure Regulation sought.</p> <p><b>The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</b></p> <p>The principal adverse impacts on sustainability factors ("PAI") are not considered in the investment process at Management Company level because the Management Company does not pursue a general strategy across funds for the consideration of PAI. Adverse impacts on sustainability factors are not part of the investment strategy of the Sub-Fund and are therefore not considered in a binding way.</p>
<b>Investment principles</b>	<p><b>Equities</b></p> <p>The Sub-Fund II invests at least 60% of the net Sub-Fund assets in emerging markets equities and securities with equity character.</p>

	<p>The Sub-Fund II may further invest in American Depository Receipts (ADR) and Global Depository Receipts (GDR). .</p> <p><b>Fixed-Income Securities</b></p> <p>The Sub-Fund II will not invest Fixed-Income Securities</p> <p><b>Investment Funds</b></p> <p>The Sub-Fund II may not invest more than 10% of its net assets in shares or units of other collective investment schemes especially not in UCITS or UCI as mentioned in Article 41 (1) e) of the UCI law.</p> <p><b>Certificates</b></p> <p>Investments in certificates are not undertaken.</p> <p><b>Derivatives Financial Instruments</b></p> <p>Derivative Financial Instruments, which are traded on a regulated market or over the counter (OTC) will not be used.</p> <p><b>Miscellaneous</b></p> <p>Furthermore, the Sub-Fund II may hold up to 20% bank deposits at sight. The above mentioned 20% limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the investors.</p> <p>In addition, the Sub-Fund II may also invest in money market instruments such as longer-term time deposits in general for financial purposes or in the event of unfavorable market conditions. These are limited to a maximum of 49% including bank deposits at sight.</p> <p>Note: The Sub-Fund II does not currently use any of the possible efficient portfolio management techniques. Securities financing transactions and total return swaps in accordance with Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and re-use and amending Regulation (EU) No 648/2012 are not currently used for the Sub-Fund II. If the Management Company intends to use other techniques for efficient portfolio management or securities financing transactions for the Sub-Fund II, this Prospectus shall be amended accordingly.</p> <p>Additionally for tax purposes:</p> <p>The Sub-Fund II continuously invests more than 50% of its "total assets" (Aktivvermögen) directly or indirectly via other investment funds within the meaning of section 1(2) of the German Investment Tax Act (GITA) in equity participations (Equity fund – equity participation ratio). Equity participations (Kapitalbeteiligungen) in this meaning are:</p> <ul style="list-style-type: none"> <li>- Units in corporations which are admitted to official trading on a stock exchange or admitted to or included in another organised market and which are not shares in investment funds. For these purposes, an organised market is a market which is recognised, open to the public and operating regularly and which therefore meets the requirements of Article 50 of the UCITS Directive (Directive 2009/65/EC).;</li> <li>- Units in other investment funds which according to their investment conditions provide for a continuous minimum investment of 25% or a higher percentage in equity participations within the meaning of section 2(8) of the InvStG, in the amount of the percentage specified for this minimum investment.</li> </ul> <p>The "total assets" (Aktivvermögen) as defined in section 2(9a) GITA is determined by the value of the assets of the investment fund within the meaning of section 1(2) GITA without taking into account its liabilities. In the case of indirect investment in equity participations via other investment funds, the Sub-Fund II shall base its compliance with its equity fund – equity participation quota on the actual equity participation quotas published by these investment funds on each valuation date. An indirect investment in equity participations via other investment funds requires that these investment funds carry out a valuation at least once a week.</p>
<b>Benchmark</b>	<p>100% MSCI Global Emerging Market Net Return (USD).</p> <p>This benchmark is determined for the fund by the investment management company and may be changed. Most the Fund's portfolio holdings are an integral part of the benchmark. The investment strategy will restrict the extent to which the portfolio holdings may deviate from the benchmark.</p>

	<p>The benchmark, MSCI Global Emerging Market Net Return (USD), is administered by MSCI Limited ("the Administrator").</p> <p>The Administrator is registered with the European Securities and Markets Authority (ESMA) in a public register of administrators and benchmarks. The Management Company has established robust written plans setting out the actions it would take in the event that the benchmark materially changes or ceases to be provided. A copy of the contingency plan is available free of charge at the registered office of Universal-Investment-Luxembourg S.A.</p>		
<b>Investor profile</b>	<p>The Sub-Fund II is designed for investors who are able to assess the risks and the value of the investment. The investor must be prepared and able to deal with significant value fluctuations to the units and if necessary a considerable capital loss.</p> <p>This Sub-Fund II is suitable for investors who want to hold the investment in the Fund over a long-term investment horizon and who want to seek capital appreciation with a minimum investment horizon of 7 years and are prepared to accept a medium to high level of volatility.</p>		
<b>Issue of the units</b>	The units are only issued as registered Units.		
<b>Management Company</b>	Universal-Investment-Luxembourg S.A., Luxembourg		
<b>Depository</b>	Brown Brothers Harriman (Luxembourg) S.C.A.		
<b>Transfer and Registrar</b>	Brown Brothers Harriman (Luxembourg) S.C.A.		
<b>Paying Agent in Luxembourg</b>	Brown Brothers Harriman (Luxembourg) S.C.A.		
<b>Portfolio Manager</b>	Fondsmæglerselskabet Maj Invest A/S		
<b>Valuation day pursuant to Article 5 of the Management Regulations</b>	Whole banking days which are trading days in Luxembourg, Frankfurt am Main and Denmark, with the exception of 24 and 31 December of each year.		
<b>Cut-off time for subscriptions, redemptions and conversion of units</b>	1:30 p.m. CET		
<b>Forward Pricing</b>	The Sub-Fund applies forward pricing in accordance with the provisions of the general part of the Fund's Prospectus.		
<b>Payment of the issue and redemption price</b>	Two (2) banking days after the relevant valuation day.		
<b>Accounting year</b>	1 January to 31 December		
<b>Sub-Fund II term</b>	Indefinite		
<p>The unit classes with the prefix A are available for any investor, including retail investors.</p> <p>Units classes with the prefix I are reserved to Institutional Investors.</p> <p>Unit classes with prefix Y and Z are only available to Institutional Investors and are subject to a prior agreement between the investor, the Management Company and/or other agents involved.</p>			
<b>Unit classes</b>	<b>Y USD</b>	<b>Y EUR</b>	<b>Y GBP</b>
<b>WKN</b>	TBD	TBD	TBD
<b>ISIN code</b>	TBD	TBD	TBD
<b>Initial issue price</b>	USD 100	EUR 100	GBP 100

<b>Unit Class Hedging</b>	none	none	none
<b>Minimum initial investment</b>	USD 500,000	EUR 500,000	GBP 500,000
<b>Minimum subsequent investment</b>	none	none	none
<b>Subscription fee</b>	none	none	none
<b>Subscription price</b>	The "subscription price" means during the Initial Offering Period*, the initial issue price, and after the initial issuing period, the Net Asset Value per Unit of the relevant unit class calculated on the concurrent valuation day in accordance with the Management Regulations and the Sales Prospectus.		
<b>Redemption fee</b>	none	none	none
<b>Redemption price</b>	Subject to the Mangement Regulations, the "redemption price" will be denominated in the applicable reference currency and will be equal to the net asset value per unit of the relevant unit class at the relevant valuation day, after adjustment for any accrual of management fees due (if not already included in the net asset value) as well as any other redemption fee, if applicable.		
<b>taxe d'abonnement</b>	0.01 %	0.01 %	0.01 %
<b>Use of earnings</b>	accumulating		
<b>Portfolio Manager fee</b>	Up to 0.65 %	Up to 0.65 %	Up to 0.65 %
<b>Unit classes</b>	<b>A EUR</b>	<b>A USD</b>	<b>A GBP</b>
<b>WKN</b>	TBD	TBD	TBD
<b>ISIN code</b>	TBD	TBD	TBD
<b>Initial issue price</b>	EUR 100	USD 100	GBP 100
<b>Unit Class Hedging</b>	none	none	none
<b>Minimum initial-investment</b>	N/A	N/A	N/A
<b>Minimum subsequent-investment</b>	N/A	N/A	N/A
<b>Subscription fee</b>	none		
<b>Subscription price</b>	The "subscription price" means during the Initial Offering Period*, the initial issue price, and after the initial issuing period, the Net Asset Value per Unit of the relevant unit class calculated on the concurrent valuation day in accordance with the Management Regulations and the Sales Prospectus		
<b>Redemption-fee</b>	none		
<b>Redemption price</b>	Subject to the Mangement Regulations, the "redemption price" will be denominated in the applicable reference currency and will be equal to the net asset value per unit of the relevant unit class at the relevant valuation day, after adjustment for any accrual of management fees due (if not already included in the net asset value) as well as any other redemption fee, if applicable.		
<b>taxe d'abonnement</b>	0.05 %	0.05 %	0.05 %
<b>Use of earning</b>	accumulating		
<b>Portfolio Manager fee</b>	Up to 1.65 %	Up to 1.65 %	Up to 1.65 %

Unit classes	I EUR	I USD	I GBP
WKN	TBD	TBD	TBD
ISIN code	TBD	TBD	TBD
Initial issue price	EUR 100	USD 100	GBP 100
Unit Class Hedging	none	none	none
Minimum initial-investment	EUR 10,000,000	USD 10,000,000	GBP 10,000,000
Minimum subsequent-investment	N/A	N/A	N/A
Subscription fee	none		
Subscription price	The "subscription price" means during the Initial Offering Period*, the initial issue price, and after the initial issuing period, the Net Asset Value per Unit of the relevant unit class calculated on the concurrent valuation day in accordance with the Management Regulations and the Sales Prospectus..		
Redemption-fee	none		
Redemption price	Subject to the Mangement Regulations, the "redemption price" will be denominated in the applicable reference currency and will be equal to the net asset value per unit of the relevant unit class at the relevant valuation day, after adjustment for any accrual of management fees due (if not already included in the net asset value) as well as any other redemption fee, if applicable.		
taxe d'abonnement	0.01 %	0.01 %	0.01 %
Use of earning	accumulating		
Portfolio Manager fee	Up to 0.75 %	Up to 0.75 %	Up to 0.75 %
Unit class	Z USD	Z EUR	Z GBP
WKN	A3D6KT	A3D6KU	TBD
ISIN Code	LU2583215293	LU2583215376	TBD
Initial issue price	USD 100	EUR 100	GBP 100
Unit Class Hedging	none	none	none
Minimum initial investment	USD 1,000,000	EUR 1,000,000	GBP 1,000,000
Minimum subsequent investment	none	nnone	none
Subscription fee	none	none	none
Subscription price	The "subscription price" means during the Initial Offering Period*, the initial issue price, and after the initial issuing period, the Net Asset Value per Unit of the relevant unit class calculated on the concurrent valuation day in accordance with the Management Regulations and the Sales Prospectus.		
Redemption fee	none	none	none
Redemption price	Subject to the Mangement Regulations, the "redemption price" will be denominated in the applicable reference currency and will be equal to the net asset value per unit of the relevant unit class at the relevant valuation day, after adjustment for any accrual of management fees due (if not already included in the net asset value) as well as any other redemption fee, if applicable.		
Taxe d'abonnement	0.01 %	0.01 %	0.01 %

<b>Use of earning</b>	Accumulating		
<b>Portfolio Manager fee</b>	Up to 0.65 %	Up to 0.65 %	Up to 0.65 %
<b>Management fee</b>	Up to 0.12% p.a., minimum EUR 45,000 p.a. per Sub-Fund with one unitclass. For each additional unit class the minimum fee is increased by EUR 7,500.- p.a.		
<b>Depository Bank Fees</b>	<p>Global Custody Charges: up to 0.07% p.a., minimum USD 2,000 monthly</p> <p>Depository Oversight Fee: up to 0.02% p.a. minimum USD 550 monthly plus TVA</p> <p>Excluding any other ancillary cost applicable as per the prevailing Depository Bank Fees.</p> <p>The above fees are indicative and investors may be charged additional amounts in connecton with the duties and services of the service providers in accordance with the customary bank practice.</p>		
<b>Registrar and Transfer Agent fees</b>	<p>Annual registrar fee USD 5,000 p.a. including two active unit classes plus USD 2,500 p.a. per active unit class plus account opening fee, maintenance fee and transaction fees – minimum USD 3.000 per month. Plus additional costs in relation with Global Automatic Exchange of Taxpayer Information Services (Foreign Account Tax Compliance Act (FATCA &amp; Common reporting Standard (CRS)).</p> <p>The Sub-Fund II pays further professional fees and reasonable out of pocket expenses to the service providers on a commercial basis.</p>		
<b>Launch date/activation date and place of launch</b>	1 April 2023 in the Grand Duchy of Luxembourg		
<b>Risk management procedure</b>	Commitment Approach		
<b>Countries in which units are offered for sale</b>	Germany, United Kingdom, Austria		
<b>FATCA classification</b>	<p>According to the current national Luxembourg FATCA legislation, the Sub-Fund II qualifies as a "Restricted Fund" in accordance with Annex II, Section IV (E) (5) of the IGA Luxembourg-USA. As per definition of the Annex II, Section IV (E) (5) of the IGA Luxembourg-USA, a Restricted Fund is a Non-Reporting Luxembourg Financial Institution and shall be treated as a deemed-compliant Foreign Financial Institution for purposes of section 1471 of the US Internal Revenue Code. Therefore, units of the Sub-Fund II must not be offered, sold, transferred or delivered to:</p> <ul style="list-style-type: none"> <li>- Specified U.S. Persons within the meaning of Article 1, Section 1 (ff) of the IGA Luxembourg-USA,</li> <li>- Nonparticipating Financial Institutions within the meaning of Article 1, Section 1 (r) of the IGA Luxembourg-USA, and</li> <li>- Passive Non-Financial Foreign Entities (passive NFFEs) with one or more substantial US Owners as defined in the relevant US Treasury Regulations.</li> </ul>		
<b>CRS classification</b>	Luxembourg Financial Institution (Investment Entity).		
<b>Classification of the Sub-Fund II under the SFDR</b>	The Sub-Fund II is classified as article 8 SFDR.		
<b>Redemption Gate</b>	<p>Unitholders are entitled to request the redemption of their units under the conditions described in the section "Special information" g) "Issue, redemption, forced redemption and exchange of units" and h) "Liquidity Management Tools of the Fund to manage temporarily constrained market liquidity."</p> <p>If the total value of requests for redemption of units minus the total value of requests for subscription of units exceeds ten percent (10%) of the net sub-fund assets/ net fund assets on the valuation date, the Management Company shall reduce the volume of applications for redemption of units to the aforementioned upper limit, unless the Management Company decides otherwise at its absolute and sole discretion to allow a higher percentage, taking into account the fund's investments and the interests of the remaining unitholders. The reduction shall be applied to all unitholders who have requested redemption of units in proportion to the number of units or the total amount of money for</p>		

	which they have requested redemption. The portion of redemption requests that has not been accepted shall be automatically carried forward to the next possible valuation date. It will be treated on an equal footing with other redemption requests for this valuation date. The same rules apply on this valuation date as on any other valuation date. The redemption price will be paid pro rata to the relevant unitholders.
<b>Extension of notice period</b>	The Management Company may decide to temporarily extend the usual notice period that investors must observe when submitting redemption requests to the Management Company in order to give the Management Company more time to process redemption requests, e.g. in the event of exceptionally deteriorated market conditions.
<b>Swing Pricing</b>	In accordance with the provisions of the general section of the Fund's Prospectus, the Sub-Fund uses partial swing pricing.

\* The Initial Offering Period will be determined by the Board of Directors of the Management Company.

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

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

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

Product name: <b>Maj Invest Funds - Emerging Markets Value</b>		Legal entity identifier (Lei-Code): <b>5299006XAWI1LMQ07R14</b>	
<b>Environmental and/or social characteristics</b>			
<b>Does this financial product have a sustainable investment objective?</b>			
<input checked="" type="radio"/> <input type="radio"/> <b>Yes</b>		<input checked="" type="radio"/> <input type="radio"/> <b>No</b>	
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: _____%</b> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: _%</b>		<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective  <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments.</b>	



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

This (Sub)Fund promotes environmental and social characteristics within the meaning of Article 8 of the Disclosure Regulation. This Emerging Markets Value Fund promotes social and environmental characteristics by considering ethical standards and guidelines for Human Rights, Labour practices, Environmental awareness and Business Practices.

These characteristics are focused on ensuring ethical practices in emerging markets, and ensuring responsible growth.

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

The (Sub)Fund applies activity-based exclusions. Companies with the following

**Sustainability indicators** measure how the environmental or social characteristics

activities are excluded:

- Unconventional Weapons (Production, Downstream) > 0% Revenue
- Oil sands (Production) > 10%
- Tar sands (Production) > 10%

The (sub-)fund also applies norms-based screening in relation to international frameworks, such as the “UN Global Compact Principles”, “OECD-Guidelines for Multinational Enterprises” and “International Labour Organisation (ILO) Standards”

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

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

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

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



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

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

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

- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises)
- Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises)
- Unadjusted gender pay gap (Average unadjusted gender pay gap of investee companies)
- Board gender diversity (Average ratio of female to male board members in investee companies, expressed as a percentage of all board members)

PAI are considered indirectly through exclusions.

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

No



## What investment strategy does this financial product follow?

The fund invests in stocks traded on markets in emerging markets countries and/or in stocks of companies domiciled in or primarily operating in emerging markets countries. The fund follows a value-oriented approach, typically investing in 50-100 companies out of over 2,000 investable companies in the emerging markets category. The fund seeks companies with low prices and good quality, with an emphasis on evaluating quality relative to price. Additionally, there is a focus on the potential for companies' performance to lead to a new and higher valuation.

In this investment process, sustainability are evaluated, focusing on materiality. Within emerging markets, particular attention is given to governance practices, including anti-corruption and bribery measures. To complement this analysis, a quarterly norms-based screening is conducted with additional exclusion criteria and norm based screenings for supporting human rights awareness and ethical standards.

Furthermore, our investment team incorporates PAI indicators into the investment process. By integrating the assessment of sustainability risks and PAI indicators, we have determined that the impact of such risks on the portfolio's return is assessed to be low. This approach ensures that sustainability considerations are part of our investment strategy.

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

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

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

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

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

Not applicable.

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

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

Good Governance is assessed through UN Global Compact compliance. Therefore all portfolio companies must comply with each of the ten principles of the UN Global Compact. The assessment of the portfolio companies governance is taking place in connection with the selection of portfolio companies.



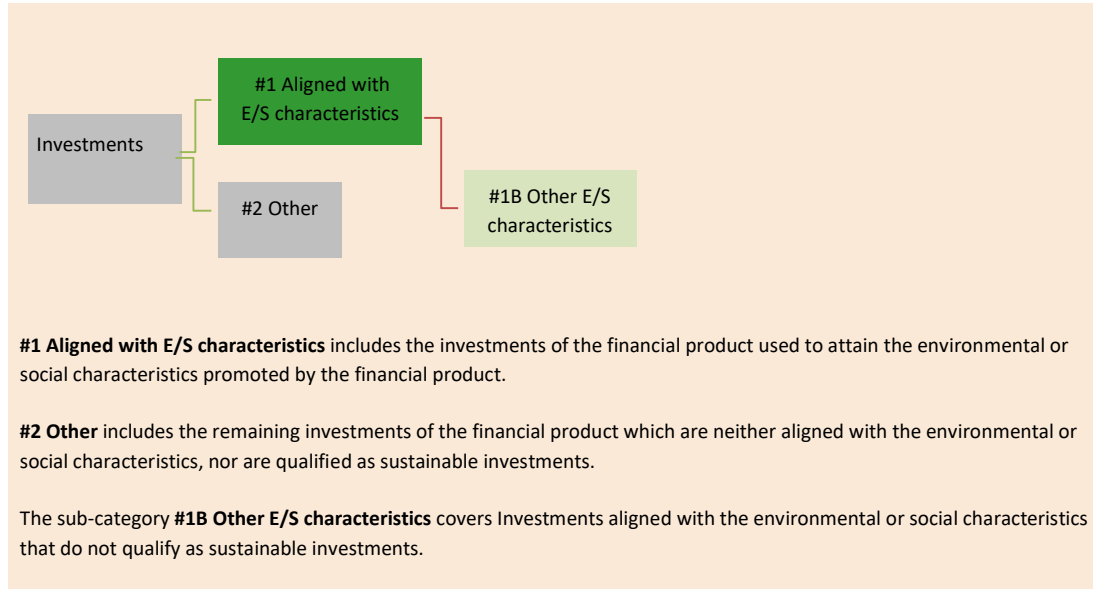
## What is the asset allocation planned for this financial product?

The asset allocation of the (Sub)Fund and the extent to which the (Sub)Fund has direct or indirect exposures in investee entities can be found in the investment restrictions of the Prospectus. The minimum proportion of the (Sub)Fund's investments that are made to fulfil the promoted environmental and/or social characteristics amounts to 51% of the value of the (Sub)Fund's assets.

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

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



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

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



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

In accordance with the UN Global Compact and exclusions the Sub-Fund primarily contributes pollution prevention and control.

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

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

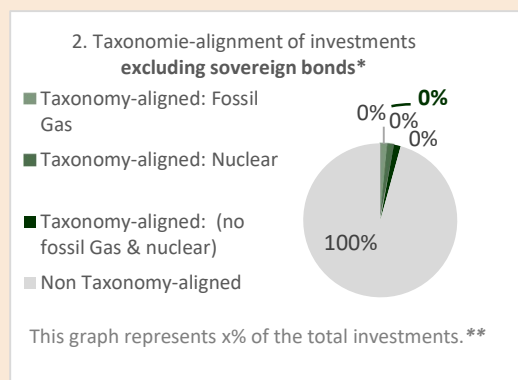
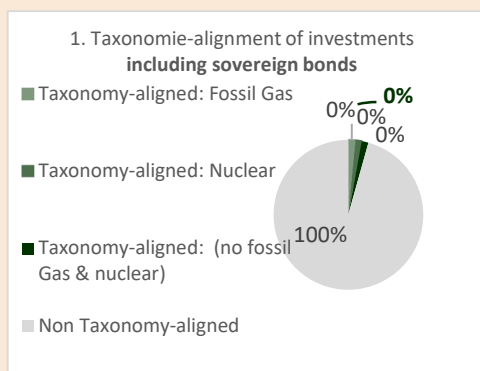
**Enabling activities** directly enable other activities to make substantial contribution to an environmental objective.

**Transitional**

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

- Yes:
  - In fossil gas
  - In nuclear energy
- No

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



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

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

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

<sup>2</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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



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



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

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



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

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



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

For other investments account derivatives and cash for liquidity management and ETFs for diversification.

For other investments that do not fall under the (Sub)Fund’s sustainability strategy, it is ensured that these are not used contrary to the overall sustainability strategy. Insofar as derivatives may be acquired, it is ensured that the underlying references of the derivatives are compliant with the sustainability strategy. If the derivative references an index, it is ensured that the index has sustainability characteristics. Due to the financial instruments available on the market, there may be deviations in the sustainability characteristics of the underlying reference index from the (Sub)Fund characteristics. Any derivatives whose underlying references could be classified as not being aligned to the sustainability strategy, as well as currency holdings that do not match the (Sub)Fund currency or that are not denominated in EUR, USD, GBP, CHF, JPY, AUD, NZD, CAD, NOK or SEK, may not be included as a significant component in the (Sub)Fund. The use of derivatives to offset negative market fluctuations is not included. In addition, investments may be specifically excluded from the sustainability strategy that are not subject to an explicit review of minimum environmental and/or social safeguards.



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

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable



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

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

<https://fondsfinder.universal-investment.com/api/v1/LU/LU2583215376/document/SRD/en>

## Management Regulations

### Article 1 - The Fund

The Fund **Maj Invest Funds** is an undertaking for collective investment in securities ("UCITS") in the form of a common contractual fund (*fonds commun de placement*, FCP) in accordance with part I of the Luxembourg Law of 17 December 2010 on the undertakings for collective investment in line with the European Directives (Law of 2010) and in relation 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.

The Fund offers investors one or more Sub-Funds within one and the same investment fund (umbrella structure).

Each Sub-Fund is deemed to be an independent investment fund as regards the relationship among the unitholders (the "Unitholder(s)"). The rights and obligations of the Unitholders of a Sub-Fund are separate from those of the unitholders of the other Sub-Funds. The assets of each Sub-Fund are solely liable for the Sub-Fund's own liabilities.

The Fund is made up of all the Sub-Funds. Each investor holds a stake in the Fund through investing in a Sub-Fund.

The calculation of unit value is made in accordance with the rules set in Article 5 of the Management Regulations.

The investment restrictions set out in the Management Regulations are applicable to each Sub-Fund separately.

Certificates are not generally issued for fund units and the holding is evidenced by written confirmation of the units at the time they are issued, once the issue price has been remitted to the Depositary. In this case, the units are allocated down to a thousandth of a unit and are entered in a registration account/unit register ("registered units") held by the Transfer Agent and Registrar. There is no right to receive physical certificates. The units can also be securitised by way of global notes.

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

The Management Company may at any time combine two or more unit classes and close one or more unit classes, although a unit class destined for investment by retail customers may not be merged with a unit class intended for institutional customers.

The assets of the Fund held in safekeeping by a depositary are to be held separately from the assets of the Management Company.

The contractual rights and obligations of the Unitholders, the Management Company and the Depositary are set out in these Management Regulations, whose current version and any amendments are published in RESA, *Recueil électronique des sociétés et associations*, the official

gazette of the Grand Duchy of Luxembourg (hereinafter referred to as "**RESA**") and are deposited with the commercial register of Luxembourg from which they may be obtained.

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

## **Article 2 - The Management Company**

Subject to the investment restrictions in Article 4 of the Management Regulations, the assets of the Fund are managed by the Management Company in its own name, but exclusively in the interests and for the collective account of the Fund's Unitholders. The authority of the Management Company extends in particular, but not exclusively, to the purchase, sale, subscription, conversion and acceptance of securities and other legally permissible assets and to the exercise of any and all rights associated directly or indirectly with the assets of the Fund. The Management Company sets the investment policy of sub/funds taking account of the legal and contractual investment restrictions in Article 4 of the Management Regulations and in the annex section entitled "Overview of the Sub-Funds".

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

The Management Company is entitled to use the remuneration charged to the fund assets as determined in the Management Regulations and in the annex section entitled "Overview of the Sub-Funds" and Prospectus.

## **Article 3 - The Depositary**

Brown Brothers Harriman (Luxembourg) S.C.A. has been appointed as the depositary of the Fund (the "Depositary") pursuant to the terms of a depositary agreement, as amended from time to time (the "Depositary Agreement"). Brown Brothers Harriman (Luxembourg) S.C.A. is registered with the Luxembourg Company Register (RCS) under number B 29923 and has been incorporated under the laws of Luxembourg on 9 February 1989. It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector. Brown Brothers Harriman (Luxembourg) S.C.A. is a bank organised as a société en commandite par actions in and under the laws of the Grand Duchy of Luxembourg and maintains its registered office at 80 Route d'Esch, L-1470 Luxembourg.

The Depositary shall assume its functions and responsibilities as a fund depositary in accordance with the provisions of Depositary Agreement and the law of 17 December 2010 concerning undertakings for collective investment which has been amended by the Law of 10 May 2016 transposing the UCITS V Directive (Directive 2014/91/EU), the Commission delegated regulation 2016/438 of 17 December 2015 and applicable Luxembourg law, rules and regulations (the "**Law**") regarding (i) the safekeeping of financial instruments of the Fund to be held in custody and the supervision of other assets of the Fund that are not held or capable of being held in custody, (ii) the monitoring of the Fund's cash flow and the following oversight duties:

- a) ensuring that the sale, issue, repurchase, redemption and cancellation of the units of the Fund are carried out in accordance with the Management Regulations and applicable Luxembourg law, rules and regulations;

- b) ensuring that the value of the units is calculated in accordance with the Management Regulations and the Law;
- c) ensuring that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits;
- d) ensuring that the Fund's income is applied in accordance with the Management Regulations and the Law; and
- e) ensuring that instructions from the Management Company of the Fund did not conflict with the Management Regulations and the Law.

The Depositary maintains comprehensive and detailed corporate policies and procedures requiring the Depositary to comply with applicable laws and regulations.

The Depositary has policies and procedures governing the management of Conflict of Interests ("Cols"). These policies and procedures address Cols that may arise through the provision of services to UCITS.

The Depositary's policies require that all material Cols involving internal or external parties are promptly disclosed, escalated to senior management, registered, mitigated and/or prevented, as appropriate. In the event a conflict of interest may not be avoided, the Depositary shall maintain and operate effective organizational and administrative arrangements in order to take all reasonable steps to properly (i) disclosing conflicts of interest to the UCITS and to, Unitholders (ii) managing and monitoring such conflicts.

The Depositary ensures that employees are informed, trained and advised of Col policies and procedures and that duties and responsibilities are segregated appropriately to prevent Col issues.

Compliance with Col policies and procedures is supervised and monitored by the Board of Managers as general partner of the Depositary and by the Depositary's Authorized Management, as well as the Depositary's compliance, internal audit and risk management functions.

The Depositary shall take all reasonable steps to identify and mitigate potential Cols. This includes implementing its Col policies that are appropriate for the scale, complexity and nature of its business. This policy identifies the circumstances that give rise or may give rise to a Col and includes the procedures to be followed and measures to be adopted in order to manage Cols. A Col register is maintained and monitored by the Depositary.

The Depositary does also act as registrar and transfer agent pursuant to the terms of the Administration Agreement. The Depositary has implemented appropriate segregation of activities between the Depositary and the administration/ registrar and transfer agency services, including escalation processes and governance. In addition, the depositary function is hierarchically and functionally segregated from the administration and registrar and transfer agency services business unit.

The Depositary may delegate to third parties the safe-keeping of the Fund's assets to correspondents (the "Correspondents") subject to the conditions laid down in the applicable laws and regulations and the provisions of the Depositary Agreement. In relation to the Correspondents, the Depositary has a process in place designed to select the highest quality third-party provider(s) in each market. The Depositary shall exercise due care and diligence in choosing and appointing each Correspondent so as to ensure that each Correspondent has and maintains the required expertise and competence. The Depositary shall also periodically assess whether Correspondents fulfil applicable legal and regulatory requirements and shall exercise ongoing supervision over each Correspondent to ensure that the obligations of the Correspondents continue to be appropriately

discharged. The list of Correspondents relevant to the UCITS is available on <https://www.bbh.com/en-us/investor-services/custody-and-fund-services/depositary-and-trustee/lux-subcustodian-list>.

This list may be updated from time to time and is available from the Depositary upon written request.

A potential risk of conflicts of interest may occur in situations where the Correspondents may enter into or have a separate commercial and/or business relationship with the Depositary in parallel to the safekeeping delegation relationship. In the conduct of its business, conflicts of interest may arise between the Depositary and the Correspondent. Where a Correspondent shall have a group link with the Depositary, the Depositary undertakes to identify potential conflicts of interests arising from that link, if any, and to take all reasonable steps to mitigate those conflicts of interest.

The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to any Correspondent. The Depositary will notify the Board of the UCITS and/or the Board of the Management Company of the relevant UCITS of any such conflict should it so arise.

To the extent that any other potential conflicts of interest exist pertaining to the Depositary, they have been identified, mitigated and addressed in accordance with the Depositary's policies and procedures.

Updated information on the Depositary's custody duties and conflicts of interest that may arise may be obtained, free of charge and upon request, from the Depositary.

The Law provide for a strict liability of the Depositary in case of loss of financial instruments held in custody. In case of loss of these financial instruments, the Depositary shall return financial instruments of identical type of the corresponding amount to the Management Company of the Fund unless it can prove that the loss is the result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. Unitholders are informed that in certain circumstances financial instruments held by the Fund will not qualify as financial instruments to be held in custody (*i.e.* financial instruments that can be registered in a financial instrument account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary). The Depositary will be liable to the Management Company of the Fund or the Unitholders for the loss suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfill its obligations pursuant to the Law.

The Depositary or the Management Company may, at any time, and subject to a written prior notice of at least three (3) months from either party to the other, terminate the appointment of the Depositary, provided however that the termination of the Depositary's appointment by the Management Company is subject to the condition that another depositary bank assumes the functions and responsibilities of a depositary bank. Upon termination of the Depositary Agreement, the Management Company shall be obliged to appoint a new depositary bank which shall assume the functions and responsibilities of a depositary bank in accordance with the Management Regulations and the Law, provided that, as from the expiry date of the notice until the date of the appointment of a new depositary bank by the Management Company, the Depositary's only duties shall be to take such steps as are necessary to protect the interests of Unitholders.

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

**A)** The Management Company may make certain types of investment in accordance with the investment policy set out in the annex entitled "Overview of the Sub-Funds".

These investments of the fund assets may consist solely of:

1. Securities and money market instruments:
  - which are traded on a regulated market (as defined in Directive 2004/39/EU of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments);
  - which are traded on another regulated market of a Member State of the EU which operates regularly and is recognised and open to the public;
  - which are officially listed on a stock exchange of a non-EU country or on another regulated market of a non-EU country which operates regularly, and is recognised and open to the public (non-EU countries are countries in North or South America, Australia including Oceania, Africa, Asia and/or Europe that are not EU member states);
  - new issues if the terms of issue include the obligation that admission to official listing on a stock exchange or another regulated market which operates regularly and is recognised and open to the public is applied for and the listing is obtained at the latest by one year after issue.
2. Sight deposits or other callable deposits with a maturity period of 12 months at most at qualifying credit institutions, provided the credit institution in question has its registered office in a Member State of the European Union or, if the registered office is in an OECD and GAFI Member State, that it is subject to supervisory provisions which are, in the opinion of the CSSF, equivalent to those under EU law.
3. Derivative financial instruments ("derivatives") including equivalent instruments settled in cash which are traded on a regulated market referred to in the first, second and third indent of A(1), and/or derivatives which are not traded on a stock exchange ("OTC derivatives"), provided:
  - the underlying securities are instruments as defined in section A or are financial indices, interest rates, exchange rates or currencies in which the Sub-Fund is permitted to invest according to its investment objectives;
  - the counterparties in transactions with OTC derivatives are first-rate institutions of the categories permitted by the CSSF and subject to supervisory oversight; and
  - the OTC derivatives are subject to a reliable and verifiable assessment on a daily basis and can, at any time, be sold, liquidated or closed out through a counter transaction at a reasonable current value.
4. Money market instruments which are not traded on a regulated market and which do not fall under the definition of Article 1 of the Law of 17 December 2010, if the issue or the issuer of those instruments is already subject to provisions concerning the protection of deposits and investors, and provided that they are:
  - issued or guaranteed by a central, regional or local corporation or the central bank of a Member State, the European Union or the European Investment Bank, an OECD Member State or, in the case of a Federal state, a constituent state of the Federation, or by an international body under public law to which at least one Member State belongs;
  - issued by an undertaking whose securities are traded on the regulated markets referred to in A(1);
  - issued or guaranteed by an institution which is, in accordance with the criteria set out in EU law, subordinated to a supervisory authority, or an institute which is subject to supervisory provisions which are at least as rigorous, according to the CSSF, as those of EU law, and which complies with them;
  - issued by other issuers which belong to a category that has been admitted by the CSSF, insofar as investments in those instruments are subject to regulations for investor protection which are equivalent to those of the first, second or third indents and, insofar as this involves an issuer which is either a company with equity of at least ten million euros (EUR 10 million), which provides and publishes its annual financial statements in keeping with Directive 78/660/EEC, or a legal entity which is responsible, within a group encompassing one or more

companies quoted on the stock exchange, for financing that group, or else a legal entity whose task is to finance the securitisation of liabilities by making use of a credit line granted by a bank.

5. Units in target funds complying with the following definition ("target funds"): UCITS pursuant to EU Directive 2009/65 or UCIs as defined in Article 1(2)(a) and 1(2)(b) of EU Directive 2009/65, whose registered office is located in a Member State or a non-EC state, provided:
  - these UCIs were admitted in accordance with legal provisions which subordinate them to a supervisory authority which in the view of the CSSF is equivalent and there is sufficient guarantee of collaboration between the authorities; the degree of protection for the investors in the UCIs is equivalent to that of the investors in a UCITS, and particularly the provisions concerning the separate custody of fund assets, borrowing, granting credit and short sales of securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
  - the business activities of the other UCIs are the subject of semi-annual and annual reports which allow an assessment to be made of the assets and liabilities, income and transactions in the reporting period; and
  - the UCITS or UCI whose units are to be acquired may, in accordance with its terms of contract or articles of association, invest a maximum of 10% of its net assets in units of other UCITS or UCIs.
6. However, the Sub-Funds may invest a maximum of 10% of their net assets in other securities and money market instruments than those mentioned in A(1) to A(4).
7. The Sub-Funds may hold ancillary liquid assets. Such ancillary liquid assets are bank deposits at sight, such as cash held in current accounts with a bank accessible at any time.

Following the principle of risk diversification, the assets of the Fund shall be invested in accordance with the investment policy described below and comply with the investment restrictions pursuant to this Article of the Management Regulations.

**B)** The following investment restrictions are applied to the respective Sub-Fund assets:

1. The Sub-Funds are permitted to invest up to 10% of their net assets in securities or money market instruments from a single issuer. This limit does not affect the holding of liquid assets. The Sub-Fund may invest up to 20% of their net assets in deposits with one and the same institution. The default risk in the case of transactions of the Sub-Funds in OTC derivatives is not permitted to exceed the following rates:
  - if the counterparty is a qualifying credit institution in accordance with the definition in A 2, 10%;
  - and otherwise 5% of net Sub-Fund assets.
2. The total value of the securities and money market instruments of issuers with which the Sub-Funds invest more than 5% of their net assets must not exceed 40% of the value of the net Sub-Fund assets. This restriction shall not apply to deposits and transactions in OTC derivatives with financial institutions which are subject to official oversight.
3. Irrespective of the single upper limits under B(1), the Sub-Funds are not permitted to invest more than 20% of their net assets in a combination consisting of:
  - transferable securities or money market instruments issued by that body and/or
  - deposits made with that body and/or
  - OTC derivatives acquired by this institution.
4. The upper limit set out in the first sentence of B(1) shall be raised to 35% if the securities or money market instruments are issued or guaranteed by a Member State or one of its non-central

public sector entities, by an OECD Member State or by international bodies under public law to which at least one Member State belongs.

5. The upper limit in the first sentence of B 1 is raised to 25% if the debt instruments are issued by a credit institution in a Member State which is subject to particular public supervision based on legal provisions for the protection of the investors in these debt instruments. In particular, the income from the issue of these bonds must be invested in compliance with the legal provisions in assets that provide adequate cover for the resulting liabilities over the entire term of the bonds and are intended predominantly for the repayment of capital and interest should the issuer default. If the Sub-Fund in question invests over 5% of its net assets in bonds within the meaning of B(5) above, which are issued by a single issuer, then the total value of these investments cannot exceed 80% of the value of the net assets of the Sub-Fund.
6. The securities and money market instruments mentioned in B 4 and 5 shall not be taken into consideration in the application of the investment limit of 40% provided for in B 2. The limits stated in B(1) to B(5) are not cumulative and therefore investments as per B(1) to B(5) in securities or money market instruments from a single issuer or in deposits with said issuer or in derivatives of the same are not permitted ever to exceed 35% of the net assets of the Sub-Fund.  
Companies belonging to the same company group for the purposes of drawing up the consolidated accounts as defined in Directive 83/349/EEC or according to recognised international principles of accounting shall be regarded as a single issuer in the calculation of the investment limits provided for in B(1) to B(6). Investments of the Sub-Fund in securities and money market instruments of a single group of companies together are not permitted to comprise 20% of its net assets.

**Without prejudice to the provisions under B1–6, the Fund may, in accordance with the principle of risk distribution, invest up to 100% of its assets of the relevant Sub-Fund in different transferable securities and money market instruments issued or guaranteed by an OECD country or by public international bodies to which one or more Member States belong, provided that (i) such transferable securities belong to at least six different issues and (ii) no more than 30% of the Fund's net assets are invested in transferable securities of a single issue.**

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

The investment limits given in the second, third and fourth item in the list need not be applied

when making a purchase if the gross amount of the bonds or money market instruments or the net amount of the issued units cannot be calculated at the time of purchase.

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

- to securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- to the securities and money market instruments issued or guaranteed by an OECD Member State;
- to securities and money market instruments issued by an international organisation under public law to which one or more Member States belong;
- to equities held by the Fund in the capital of a company in a non-EC country which invests its assets chiefly in securities of issuers domiciled in this country if such participation for the Fund constitutes the only possibility on grounds of the legal provisions of this country to make investments in securities of issuers of this country. However, this exempting provision only applies on condition that in its investment policy the company in the non-EC state does not exceed the limits prescribed in B(1) to B(6) and B(8) to B(10)(a) and B(10)(b). In the event that the limits envisaged in B(1) to B(6) and B(8) to B(9) are exceeded, B(12) shall be applied in analogy.

10. (a) While observing the investment limits stated in B(10)(a) and (b), the upper limits stated in B(1) to (6) for investments in equities or bonds of a single issuer are permitted to be raised to a maximum of 20% if according to the documentation of the UCITS the objective of investment policy is to replicate an equity or bond index which is recognised by the Luxembourg supervisory authority. The index must meet the following requirements:

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

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

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

(b) If the limits set out in B(12)(a) are exceeded by the Sub-Funds either inadvertently or due to the exercise of subscription rights, then the main goal of the Sub-Funds in their subsequent sales is to achieve the normalisation of the situation in accordance with the best interests of the Unitholders.

(c) If the issuer is a legal entity with several Sub-Funds in which the assets of a Sub-Fund are exclusively liable for the claims of investors in this Sub-Fund and to creditors whose claims arose due to the establishment, term or liquidation of the Sub-Fund, each Sub-Fund shall be treated as an independent issuer for the purposes of applying the provisions concerning risk diversification, point B(1) to (6), (8) to (9) and (11).

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

(b) In derogation of paragraph a), the Sub-Funds may take up loans of up to 10% of their net assets, provided these are temporary loans.

13. The Management Company or Depositary is not permitted to grant loans or stand surety for third parties for the account of the fund, regardless of the application of section A. This does not impede the purchase by the Fund of not yet fully paid up securities, money market instruments or not yet fully paid up financial instruments mentioned in A(3) to A(5).
14. The Management Company or Depositary is not permitted to enter into short sales of securities or money market instruments for the account of the Sub-Funds.
15. Further investment restrictions can be found under the overview of the relevant Sub-Fund.

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

1. The Sub-Funds shall not invest in securities which feature unlimited liability.
2. The Sub-Fund assets must not be invested in real estate, precious metals, certificates or merchandise.
3. Subject to agreement from the Depositary, the Management Company may apply further investment restrictions in order to comply with the conditions in countries in which units are to be offered for sale.
4. Securities lending transactions, repurchase agreements and securities transactions with repurchase rights are not permitted.
5. Any portfolio commission (commission on target fund portfolios held in the portfolio by the Sub-Funds) from target funds accrues to the respective Sub-Fund assets.

### **Efficient portfolio management techniques**

In accordance with CSSF Circular 13/559, supplemented by CSSF Circular 14/592, techniques may be used for the Fund in order to efficiently manage the portfolio. Securities financing transactions are currently not used.

### **Use of derivatives**

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

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

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

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

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

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

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

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

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

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

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

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

The discounts applied to collateral are influenced either by:

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

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

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

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

**(a) Permitted collateral**

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

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

**(b) Non-permitted collateral**

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

**(c) Quality requirements**

The issue rating (lowest of S&P, Moody's or Fitch) for bonds or the issuer rating for units has to be in the range of the investment grade. (stricter requirements often apply here, e.g. Rating AA, potential exceptions for existing funds:

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

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

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

The aforementioned indicators must be shown on the Bloomberg websites available to use free of charge.

The issuers have to be legally independent from the counterparty.

**(d) Quantity requirements**

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

- the proportion for each sector and country (outside the EURO zone) of the Fund must be at most 30% of total collateral for each counterparty;

- the nominal amount for bonds must not exceed 10% of the emission volume for each Fund and for all counterparties;
- the volume of units must not exceed 50% of the average daily volume (measured against the last 30 days on the main stock exchange) and 1% of market capitalisation.

AAA government bonds are not subject to the aforementioned limits.

## (2) Haircut

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

The currently defined haircuts are as follows:

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

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

- Corporate bonds 15%.

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

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

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

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

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

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

A risk management procedure is used to allow the Management Company to monitor and measure the risk which is associated with the investment positions of the Fund and the Sub-Funds as well as their respective units in the overall risk profile of the net fund assets or net fund assets or net

Sub-Fund assets in accordance with the CSSF Circular 11/512 (or a circular to replace this or add to it). With regard to derivatives, a procedure shall be applied here enabling a precise and independent valuation of the risk associated with derivatives.

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

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

### **Article 5 - Calculation of net asset value per unit**

The value of a unit is denominated in the currency defined in the annex section entitled "Overview of the Sub-Funds" (hereinafter the "fund currency"). It is calculated by the Management Company each valuation day under the supervision of the Depositary. The valuation days are defined differently for each Sub-Fund and can be seen in the annex entitled "Overview of the Sub-Funds".

The calculation is done by dividing the net fund assets of the fund by the number of units of the fund circulating on the valuation day. To counteract the practices of late trading and market timing, the calculation is made after the end of this time limit for the acceptance of subscription and/or conversion applications, as defined in the annex entitled "Overview of the Sub-Funds" or in the Sales Prospectus.

In certain circumstances, subscriptions, redemptions and conversions in a Fund/Sub-Fund may have a negative impact on the net asset value (hereafter the "NAV") of the Sub-Fund as a result of transaction costs, commissions or taxes incurred through the purchase or sale of the underlying investments as well as foreign exchange costs and the spread between the buying and selling prices of such investments called "dilution". In order to protect the existing or remaining investors from the potential effect of dilution, the Fund/Sub-Fund may apply a "swing pricing" methodology.

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

- (a) Securities and money market instruments listed on a stock exchange shall be valued at the latest prices paid at the time of calculating the net asset value.
- (b) Securities and money market instruments not listed on an exchange but traded on another regulated market which operates regularly and is recognised and open to the public shall be valued at a price that cannot be less than the bid price or more than the offer price at the time of valuation and which the Management Company deems to be the best possible price at which the securities and/or money market instruments can be sold.
- (c) Securities and money market instruments which are neither listed on the stock market nor traded on another regulated market shall be valued at the market value at the time of calculating the net asset value fixed by the Management Company in good faith abiding by generally recognised valuation rules that are verifiable by auditors.
- (d) Units in UCITS and/or UCIs shall be valued at their net asset value last determined and available at the time of the calculation of the net asset value, applying a redemption fee, if

necessary.

- (e) The liquid funds shall be valued at their nominal value (plus interest) at the time of calculating the net asset value. Fixed-term deposits with an original maturity of more than 30 days may be valued at the relevant yield value.
- (f) All assets not denominated in the currency of the fund shall be converted to the currency of the fund at the most recent rate of exchange available at the time of the valuation.
- g) Derivatives (e.g. options) shall be, in principle, valued at their most recent market or brokerage prices available at the time of valuation. If a valuation day coincides with the settlement day for a position, the valuation of the corresponding position shall be made at its settlement price. Options on indices without an average calculation shall be valued using the Black & Scholes model, and options with an average calculation (Asian style options) shall be valued with the Levy approximation. The valuation of swaps including credit default swaps shall take place in a regular and reproducible form. It should be noted that swap contracts are entered into under normal market conditions exclusively in the interests of the Fund.
- h) The pro rata interest applicable to securities and/or money market instruments shall be included, if not expressed in the market value.

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

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

In the event of a distribution, the unit value of units in a corresponding unit class that carry entitlement to a dividend reduces by the amount of the distribution. At the same time the percentage share made up of the unit class carrying entitlement to a distribution in the total net assets of the Sub-Fund is reduced, whilst the percentage share of the unit class which does not carry entitlement to a distribution in the total net assets of the Sub-Fund is increased.

An income equalisation procedure is calculated on the Fund's income. This means that the income accruing during the financial year which the purchaser of units has to pay as part of the issue price and which the seller of unit certificates will receive as part of the redemption price is continuously netted. The expenses incurred are taken into account correspondingly. When calculating the income equalisation, the method is used which corresponds to the applicable rules given in the German Investment Act.

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

## **Article 6 - Issue of units**

All the units may be issued on each valuation day settled at the issue prices in accordance with the annex entitled "Overview of the Sub-Funds" or in the Sales Prospectus.

In principle, all units in the Sub-Funds have the same rights, unless the Management Company

decides to issue different unit classes pursuant to this Article.

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

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

Applications for the purchase of registered units may be submitted to Transfer Agent and Registrar, the Management Company and possible distributors.

Applications for the purchase of bearer units, generally issued as a global certificate ("bearer units"), are forwarded by the Unitholder's depositary to the Transfer Agent and Registrar.

Applications which are received by 1:30 p.m. (CET) on a valuation day shall be settled on the basis of the issue price for the next valuation day. Orders received after 1:30 p.m. (CET) shall be settled on the basis of the issue price for the day after the next following valuation day.

The subscription price is the net asset value per unit calculated in accordance with Article 5 of the Management Regulations on the corresponding valuation day plus, where applicable, a sales commission and/or a front-end load in accordance with the annex entitled "Overview of the Sub-Funds". The subscription price is due, in accordance with the annex entitled "Overview of the Sub-Funds" or the Sales Prospectus, within the stated number of bank working days following the corresponding valuation day. The issue price is settled in the sub-fund currency or, in the case of multiple unit classes, in the unit class currency. If the laws in a given country prescribe lower sales commission, the bank involved in that country shall sell units at a lower sales commission, which must not fall below the maximum sales commission permissible. If savings plans are offered, sales commission shall be charged only on payments actually made. The subscription price increases to include payments or other charges incurred in various countries in which units are sold. If distributions pursuant to Article 12 of the Management Regulations are immediately reinvested in units, a reinvestment discount set by the Management Company may be granted.

Investors who have suffered losses as a result of the incorrect valuation of the net asset value and non-compliance with the investment regulations applicable to the Fund will generally be compensated if the tolerance thresholds for revaluation set out in Circular 24/856 have been exceeded.

The units are issued by the Transfer Agent and Registrar on behalf of the Management Company immediately after receipt of the issue price by the Depositary. The Management Company may issue fractions of up to 0.001 of a unit. Unitholders are informed that units held by Clearstream or Euroclear are registered in the name of the respective Depositary (Clearstream or Euroclear). Please note that Clearstream offers the option of issuing fractions of units, whereas Euroclear does not.

There will be no right to the delivery of physical certificates.

The Management Company is empowered to issue new Sub-Fund units on a continuous basis. It does, however, reserve the right to stop issuing Sub-Fund units, either on a temporary or permanent

basis. Payments that have already been made shall be refunded immediately in such event. If the Management Company resumes issuing units, the Management Company shall notify Unitholders by means of publication on their website [www.universal-investment.com](http://www.universal-investment.com).

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

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

### **Article 7 - Restrictions on issue of units**

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

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

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

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

### **Article 8 - Redemption of units**

Unitholders are entitled to request the redemption of their units at any time. Redemption shall only take place on a valuation day pursuant to the annex entitled "Overview of the Sub-Funds" in return for the units.

Applications for the redemption of registered units may be submitted to the Management Company and possible distributors. The receiving entity will forward the applications to the Transfer Agent and Registrar.

Applications for the redemption of bearer units, generally issued as a global certificate ("bearer units"), are forwarded by the Unitholder's depositary to the Transfer Agent and Registrar.

Applications for the redemption which are received by 1:30 p.m. (CET) on a valuation day shall be settled on the basis of the redemption price for the next valuation day. Orders received after 1:30 p.m. (CET) shall be settled on the basis of the redemption price for the day after the next following valuation day.

The redemption price is the net asset value per unit calculated in accordance with Article 5 of the Management Regulations on the corresponding valuation day less, where applicable, a redemption fee in accordance with the annex entitled "Overview of the Sub-Funds". The redemption fee, if any, should be applied uniformly for all redemptions. The redemption price is settled in the sub-fund

currency or, in the case of multiple unit classes, in the unit class currency.

Payment of the redemption price is made in accordance with the annex entitled “Overview of the Sub-Funds” or the Sales Prospectus within the number of banking days following the corresponding valuation day.

Subject to prior approval from the Depositary, the Management Company is entitled to effect considerable redemptions only after corresponding assets in the Sub-Fund have been sold without delay. In this case, redemption takes place in accordance with the provisions of Article 5, last section of the Management Regulations, at the net asset value per unit then applicable.

The Management Company ensures that the assets of a Sub-Fund include sufficient cash to allow unit redemptions requested by Unitholders to take place immediately in normal circumstances.

In addition, the Management Company is required to select at least two liquidity management tools from the harmonised list in Annex IIA, points 2 to 8, of Directive 2009/65/EU.

These liquidity management tools should be appropriate for the investment strategy, liquidity profile and redemption policy of the Fund and its Sub-Funds. The Management Company should be able to activate such liquidity management tools when necessary to protect the interests of investors. Furthermore, the Management Company should always have the option, in exceptional circumstances and where justified in the interests of investors/shareholders, to temporarily suspend subscriptions, redemptions and repurchases or to activate the side pocket mechanism for illiquid assets.

Further specifications regarding the relevant liquidity management instruments may be provided in the respective Overview of the Sub-Funds.

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

The Depositary is obligated to make a payment only insofar as no legal impediments, *e.g.* exchange control restrictions, or other circumstances beyond the control of the Depositary, prevent or restrict the transfer of the redemption price to the country of the applicant.

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

In exceptional circumstances the Management Company may offer to a Unitholder a ‘redemption in kind’, *i.e.* the Unitholder receives a portfolio of stock of equivalent value to the appropriate cash redemption payment. In such circumstances the Unitholder may always refuse the redemption in kind and request a cash redemption payment in the reference currency of the Class. Where the Unitholder agrees to accept redemption in kind it will, as far as possible, receive a representative selection of the Class’ holdings pro-rata to the number of Units redeemed and the Management Company will make sure that the remaining Unitholders do not suffer, as a result, any loss. The value of the redemption in kind will be certified by a report drawn up by the auditors of the Fund in accordance with the requirements of Luxembourg law. However, where the redemption in kind exactly reflects the Unitholder’s pro-rata share of investments, no auditor’s report will be required. The redeeming Unitholder shall normally bear the costs resulting from the redemption in kind (*i.e.* mainly costs relating to the drawing up of an auditor’s report, if any) unless the Management

Company considers that the redemption in kind is in the interest of the Fund or made to protect the interest of the Fund.

### **Article 9 - Cessation of the issue, redemption and conversion of units and the calculation of net asset value**

The Management Company of the Fund is authorised to temporarily suspend the calculation of the NAV of Units of any Sub-Fund or any Unit Class as well as the issue, redemption and conversion of Unit Classes of any Sub-Fund or any Unit Class, in the following circumstances:

- a) during any period (other than ordinary holidays or customary weekend closings) when any market or stock exchange is closed or when trading on any market or stock exchange is restricted or suspended, if that market or stock exchange is the main market or stock exchange for a significant part of Sub-Fund's investments; or
- b) during any period when an emergency exists as a result of which it is impossible to dispose of investments which constitute a substantial portion of the assets of a Sub-Fund; or it is impossible to transfer monies involved in the acquisition or disposition of investments at normal rates of exchange; or it is impossible to fairly determine the value of any asset in a Sub-Fund; or
- c) during any breakdown in the means of communication normally employed in determining the price of any of a Sub-Fund's investments or of current prices on any stock exchange; or
- d) if for any reason the prices of any investment owned by a Sub-Fund cannot be reasonably, promptly or accurately determined; or
- e) during any period when remittance of monies which will or may be involved in the purchase or sale of any of the Sub-Fund's investments cannot, in the opinion of the Management Company, be carried out at normal rates of exchange; or
- f) following a decision to liquidate or dissolve the Fund/a Sub-Fund; or
- g) in the case of a merger of the Fund/a Sub-Fund or a Unit Class, if the Management Company deems this to be justified for the protection of the Unitholders; or
- h) in the event that a Sub-Fund is a feeder fund, following a suspension of the calculation of the NAV of the master fund or any other suspension or deferral of the issue, redemption and/or conversion of Units in the master fund; or

The Management Company of the Fund shall decide on the suspension of the calculation of the NAV and/or of the issue, redemption and conversion of the Units of any Sub-Fund or any Unit Class only if such decision is taken considering the best interest of the Unitholders.

The suspension of the calculation of the NAV and of the issue, redemption and conversion of the Units will be notified immediately to Unitholders who have made an application for subscription, redemption or conversion of Units for which the calculation of the NAV and of the issue, redemption and conversion of Units has been suspended. Such Unitholders will also be notified immediately once the calculation of the NAV per Share is resumed.

During the time of suspension, any unprocessed and incoming subscription, redemption and conversion requests will be suspended, unless they are withdrawn by the Unitholders. Requests

that have not been withdrawn will, in principle, be processed on the first Valuation Day after termination of the suspension period.

The suspension of the calculation of the NAV as well as the issue, redemption and conversion of a Unit Class has no effect on the NAV calculation and dealing of other Unit Classes or other Sub-Funds.

## **Article 10 - Costs and expenses of the Fund**

The Sub-Funds bear the following expenses incurred in connection with the management and distribution of the Fund:

- a) the payment for the Management Company plus statutory value added tax if applicable, which is to be charged on the daily calculated net asset value and is payable at the end of each month, in accordance with the annex section entitled "Overview of the Sub-Funds";
- b) the payment for the Depositary fee plus statutory value added tax if applicable, which is to be charged on the daily calculated net asset value and is payable at the end of each month, as well as its handling charges and the normal bank charges in accordance with the annex section entitled "Overview of the Sub-Funds";
- c) the payment for the Portfolio Manager plus statutory value added tax if applicable, which is to be charged on the daily calculated net asset value and is payable at the end of each month, in accordance with the annex section entitled "Overview of the Sub-Funds";
- d) a normal market fee for the Transfer Agent and Registrar plus statutory value added tax if applicable;
- e) a normal market fee for distributors and paying and information agents;
- f) taxes and duties levied on the assets of the Fund, its earnings and expenses and charged to the Fund;
- g) taxes in connection with the management;
- h) costs and expenses in connection with the management and distribution of Sub-Funds;
- i) a normal market payment for the provision of services which generate additional income for the investment fund;
- j) costs incurred for legal advice by the Management Company or the Depositary when acting in the interests of the Unitholders of a Sub-Fund;
- k) auditor fees;
- l) expenses of an investment committee, where applicable;
- m) costs for the preparation of performance analyses and other special reports;
- n) the Management Company may make use of the services of third parties for and in the management of derivative transactions and collateral for derivative transactions. The Management Company has the right to charge the Sub-Fund assets (or one or more unit classes) a fee; these fees shall not be covered by the management fee and shall, as such, be charged to the Sub-Fund by the Management Company additionally;
- o) costs for the appointment of a proxy for the handling of general meetings amounting to EUR 130 per general meeting. If the settlement is carried out for several investment funds, a pro rata calculation is made for the relevant Sub-Fund. The number of general meetings that the voting proxy handles for the relevant Sub-Fund depends on the current portfolio composition. There is therefore no maximum amount that can be determined or estimated in advance;
- p) all other costs associated with implementing new regulatory requirements.

As the assets of a Sub-Fund can be invested in target funds, there may be a double cost incurred against the performance, particularly as both the target fund and the Sub-Fund assets are encumbered with costs and expenses. When a Sub-Fund acquires units in a target fund which is managed directly or indirectly by the same management company or by a company affiliated to the

management company via shared management or control or by a considerable direct or indirect participation, then the Management Company or other company may not charge any fees for subscription or repurchase of units in this target fund by the Sub-Fund. If a Sub-Fund purchases units in another Sub-Fund of this fund as target fund, the Management Company is not entitled to charge fees for subscription or repurchase of units in the target fund by the Sub-Fund nor may it charge a management fee at the level of the acquiring Sub-Fund or of the target fund. In the case of the management fee this can be achieved by the Management Company if it reduces its management fee for the portion representing the units in such affiliated target funds – up to their full amount – by the amount of the management fee charged by the acquired target fund. These restrictions also apply to units in investment companies which are affiliated to the Management Company or the Fund in the aforementioned way.

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

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

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

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

The costs and handling charges associated with the purchase or sale of assets are included in the cost price and/or subtracted from the sales proceeds.

### **Article 11 - Audit**

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

### **Article 12 - Use of income**

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

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

The associated income equalisation is taken into account.

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

### **Article 13 - Changes to the Management Regulations**

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

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

### **Article 14 - Publications**

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

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

The Prospectus together with the Management Regulations, the Key Information Document, the latest annual report and, should this report be older than eight months, the latest semi-annual report of the Fund are available to Unitholders free of charge from the registered office of the Management Company, Depositary and each Paying Agent and is also published on the website of the Management Company ([www.universal-investment.com](http://www.universal-investment.com)).

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

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

Notwithstanding any other provision in the annex section entitled "Overview of the Sub-Funds", the Fund was established for an indefinite period of time.

A) The Fund/Sub-Fund or relevant unit class may be liquidated, wound up and/or closed at any time by resolution of the Management Company, particularly if the net assets of a Fund/Sub-Fund or a unit class falls below an amount for which efficient and rational management no longer seems possible. This is particularly the case in situations of changed economic and/or political framework conditions affecting the Fund/Sub-Fund or Unit class, if the products offered are rationalised or in all other cases to protect the interests of the Unitholders.

Liquidation or winding up is mandatory in the following cases:

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

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

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

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

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

If the Management Company reaches a resolution to merge the Fund or Sub-Funds with another UCITS or to absorb another UCITS in accordance with the above paragraph, this must be announced in RESA subject to notice period of at least thirty (30) days, followed by an additional five (5) working days period before the merger comes into effect, and in accordance with the statutory provisions of the countries in which the Fund is approved for public sale.

Unitholders of the merging fund and of the absorbing fund have the right to return their units free of charge after publication of the notice to the Unitholders about the merger until five (5) working days before the effective date of the merger.

## **Article 16 - Statute of limitations and period allowed for presentation**

Claims by Unitholders against the Management Company or Depositary may no longer be asserted

under the law once five years have expired since the claim arose; the arrangements contained in Article 15 of the Management Regulations are exempted from this.

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

### **Article 17 - Governing law and jurisdiction**

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

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

### **Article 18 - Entry into force**

The amended version of these Management Regulations enters into force on 16.04.2026.

## **Annex – Additional information for investors in the Federal Republic of Germany**

### **INFORMATION AGENT**

in the Federal Republic of Germany

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

### **DISTRIBUTOR**

in the Federal Republic of Germany

Fondsmæglerselskabet Maj Invest A/S  
Gammeltorv 18  
DK-1457 Copenhagen

**Since there are no units issued as printed individual certificates, a Paying Agent has not been appointed in the Federal Republic of Germany.**

Redemption and conversion applications by unitholders in the Federal Republic of Germany may be submitted through their respective main bank, which will transmit the application via the usual settlement and clearing process to the Depositary / Registrar and Transfer Agent of the Fund in the Grand Duchy of Luxembourg. All payments to unitholders in the Federal Republic in Germany (redemption proceeds as well as possible dividends and other payments) will also be cleared through the usual settlement process with their respective main bank, so that German unitholders will receive payments from it.

The current Prospectus and Management Regulations, Key Information Document, annual and semi-annual reports are available free of charge to unitholders in English language, from the Management Company, Depositary, Transfer Agent and Registrar, and Paying and Information Agent in the Federal Republic of Germany.

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

The offering and redemption prices and any notices for unitholders are published in the Federal Republic of Germany on the website [www.universal-investment.com](http://www.universal-investment.com). In those cases where such publication is required by German law (*i.e.* German Kapitalanlagegesetzbuch ("KAGB")), an additional publication of notices for unitholders is published in the electronic version of the German Federal Gazette ("Bundesanzeiger").

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

If investment units are purchased via verbal negotiations outside the permanent business premises of the party who is selling the units or has arranged the sale, the buyer may revoke, in writing, his

declaration of intent to make a purchase via the foreign Management Company within two weeks (right of revocation). This shall also apply if the party selling the units or arranging the sale has no permanent business premises. In case of distance contracts within the meaning of § 312b of the German Civil Code (Bürgerliches Gesetzbuch – hereinafter: BGB), the right of withdrawal shall not apply for financial services whose price is subject to fluctuations on the financial market (§ 312g(2)(1)(8) BGB).

Sending the notice of revocation within the allotted time period is deemed sufficient for compliance with the deadline. The revocation must be notified in writing to Universal-Investment-Luxembourg S.A., 15, rue de Flaxweiler, L-6776 Grevenmacher, Grand Duchy of Luxembourg, stating the name of the individual making the declaration and including their signature, but there is no requirement to give reasons.

The revocation period shall not begin until the buyer has been given a copy of the application to conclude the contract, or has been sent a statement of purchase, advising the buyer of the right of revocation.

If the beginning of the period is disputed, the seller shall bear the burden of proof.

The right of revocation shall not apply if the seller can prove either that the buyer purchased the units as part of his business activities or that the seller contacted the buyer for the negotiations leading up to the sale of the units on the basis of previous orders in accordance with § 55(1) of the German Trade, Crafts and Industry Act (*Gewerbeordnung*).

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

The right of revocation cannot be waived.

### **Investor rights**

Universal-Investment-Luxembourg S.A. has established a complaints office. Complaints can be addressed to Universal-Investment-Luxembourg S.A. both electronically and in writing.

Electronic complaints should be sent to the email address: [Beschwerdemanagement-ui-lux@universal-investment.com](mailto:Beschwerdemanagement-ui-lux@universal-investment.com). Written complaints should be sent to:

Universal-Investment-Luxembourg S.A.  
Complaints Department  
15, rue de Flaxweiler  
L-6776 Grevenmacher

Complaints may be written in German or English. The processing of complaints is free of charge for investors. The reply letter will be sent within one month after receipt of the complaint.

If the matter has not been resolved within one month of sending the complaint to Universal-Investment-Luxembourg S.A. or if no interim reply has been sent, it is possible to use the procedure for the out-of-court settlement of complaints with the Luxembourg financial supervisory authority

Commission de Surveillance du Secteur Financier ("CSSF"). The legal basis for this is CSSF Regulation 16-07. Contact should be made by post to:

Commission de Surveillance du Secteur Financier  
Department Juridique CC  
283, route d'Arlon  
L-2991 Luxembourg,  
by fax (+35226251601), or by email ([reclamation@cssf.lu](mailto:reclamation@cssf.lu)).

A request for out-of-court settlement of a complaint with the CSSF is no longer admissible if more than one year has elapsed between the date of filing of the complaint with the CSSF and the original filing with Universal-Investment-Luxembourg S.A.

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

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

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

## **Information concerning the taxation of income from foreign investment funds for investors from the Federal Republic of Germany**

Investment fund under Luxembourg law

**The following information on taxation is not intended to provide or substitute legally binding tax advice and does not assert the claim to cover all relevant tax-related aspects which may be of importance in connection with the purchase, possession or sale of units in the Fund. The items listed are neither exhaustive nor do they take into account any individual circumstances of particular investors or investor groups.**

### General remarks

The statements concerning tax regulations rules apply only to investors who have unlimited tax liability within Germany. We recommend that foreign investors contact their own tax advisers prior to purchasing units in the Investment Fund described in this Sales Prospectus and obtain individual clarification regarding the possible tax-related consequences in their home country arising from the purchase of units.

The Investment Fund itself is only partially subject in Germany to corporation tax of 15% plus solidarity surcharge for specific domestic income. This income taxable in Germany includes domestic revenue from investments and other domestic income in line with the limited obligation to pay tax with the exception of gains from the sale of units in capital companies. Corporation tax is, however, discharged insofar as the income is subject in Germany to tax deduction; in this case, the 15% tax deduction already includes the solidarity surcharge. The Investment Fund is not, in principle, subject to trade tax in Germany.

The taxable income of the Investment Fund (investment income), *i.e.* Fund distributions, advance lump-sum amounts and gains from the disposal of units are subject to income tax for private investors as revenue from capital assets where this, combined with the investors' other capital gains, exceeds their flat-rate allowance. Income from capital assets is generally subject to a 25% withholding tax (plus solidarity surcharge and, where applicable, church tax).

The tax for the private investor has, in principle, the effect of a tax at source (known as "flat-rate withholding tax"), so that the income from capital assets usually does not have to be included on the income tax return. In principle, when deducting the tax, the custodian will have already offset losses and foreign withholding taxes from direct investments. The withholding tax does not have the effect of a final payment, however, if the investor's personal tax rate is lower than the final withholding tax of 25%. In this case, the income from capital assets can be included on the income tax return. The tax authority then applies the lower personal tax rate and offsets the tax deduction against the tax liability (known as the "reduced-rate test").

Where income from capital assets has not been subject to taxation in Germany (for example, in the case of a foreign custody account), this must be included on the tax return. Within the tax assessment, any income from capital assets is then also subject to the final withholding tax of 25%, or else to the lower personal tax rate.

Despite taxation and the higher personal tax rate, information about the income from capital assets may be required if extraordinary expenses or itemised deductions (e.g. charitable donations) are claimed as part of the income tax return.

If the units are held in the operating assets, the investment income is treated as business revenue for tax purposes. In this case, the tax will not have the effect of a final payment; there is no offsetting of losses through the domestic custodian. The tax legislation requires a sophisticated review of the

income components in order to determine the income which is taxable and/or liable for capital gains tax.

## **Units held as personal assets (residents for tax purposes)**

### **Distributions**

Fund distributions are in principle taxable. However, distributions can remain partially tax-exempt (partial exemption) if the Fund meets the requirements of the German Investment Tax Act for an equity fund or mixed fund. These requirements must arise from the investment conditions.

Taxable distributions are generally subject to a tax deduction of 25% (plus the solidarity surcharge and church tax, if relevant).

If an investor keeps units in a domestic custody account, the custodian (as the paying agent) will not deduct tax if, before the date set for distribution, it receives an exemption order for a sufficient amount that has been issued in accordance with the official template or a non-assessment certificate issued by the tax authorities for a maximum period of three years. In this case, the full distribution is credited to the investor.

### **Advance lump-sum amounts**

The advance lump-sum amount is the amount by which Fund distributions in a calendar year fall below the basic income for that calendar year. Basic income is calculated by multiplying the redemption price of the unit at the beginning of a calendar year by 70% of the basic interest rate derived from the long-term returns achievable from public bonds. Basic income is limited to the surplus arising between the first and last redemption price determined plus distributions during the calendar year. In the year the units are acquired, the advance lump-sum amount is reduced by a twelfth for each full month preceding the month of acquisition. The advance lump-sum amount is deemed accrued on the first working day of the following calendar year.

As a rule, advance lump-sum amounts are taxable. However, advance lump-sum amounts can remain partially tax-exempt (partial exemption) if the Fund meets the requirements of the German Investment Tax Act for an equity fund or mixed fund. These requirements must arise from the investment conditions.

Taxable advance lump-sum amounts are generally subject to a tax deduction of 25% (plus the solidarity surcharge and church tax, if relevant).

If an investor keeps units in a domestic custody account, the custodian (as the paying agent) will not deduct tax if, before the date of accrual, it receives an exemption order for a sufficient amount that has been issued in accordance with the official template or a non-assessment certificate issued by the tax authorities for a maximum period of three years. In this case, no tax will be paid. Otherwise, investors must make the amount of the tax to be paid available to the domestic institution maintaining their custody account. To this end, the custodian may withdraw the amount of the tax to be paid from an account held with it in the name of the investor without the investor's consent. Unless otherwise stipulated by the investor before the advance lump-sum amount accrues, the custodian may withdraw the amount of the tax to be paid from one of the accounts in the name of the investor, insofar as an overdraft agreed with the investor for this account has not been utilised. If the investor has not complied with his obligation to make the amount of the tax to be paid available to the domestic custodian, the institution must report them to the competent tax authorities. In this case, the investor must include the advance lump-sum amount in his income tax return.

### **Capital gains at investor level**

If units are sold to the Fund, the capital gains are in principle taxable and are generally subject to a tax deduction of 25% (plus solidarity surcharge and church tax where applicable). When determining

the capital gains, the gains shall be reduced by the advance lump-sum amount set during the holding period.

However, capital gains can remain partially tax-exempt (partial exemption) if the Fund meets the requirements of the German Investment Tax Act for an equity fund or mixed fund. These requirements must arise from the investment conditions. Conversely, in the event of loss on disposal, the loss is not deductible from the amount of the partial exemption to be applied at investor level.

If the units are held in a domestic custody account, the custodian will apply the tax deduction, taking account of any partial exemptions. The withholding tax of 25% (plus the solidarity surcharge and, where applicable, church tax) may be waived following presentation of a sufficient exemption request or non-assessment certificate. If such units are sold by a private investor at a loss, the loss may be offset against other positive income from capital assets. If the units are held in a domestic custody account and positive income was generated from capital assets with the same custodian in the same calendar year, said institution will offset the losses.

The taxation of capital gains also applies where the units sold are old units (*i.e.* units acquired before 1 January 2018). In addition, these old units are regarded as sold as at 31 December 2017 and repurchased as at 1 January 2018. The gains from this notional disposal as at 31 December 2017 are also, however, only subject to taxation as at the date of actual disposal. For old units, therefore, the gains to be taxed on the date of actual disposal will be determined in two parts. Value changes in old units occurring between the time of purchase and 31 December 2017 are taken into consideration when determining the notional capital gains as at 31 December 2017. In contrast, value changes in old units occurring from 1 January 2018 are taken into consideration when determining the gains from the actual disposal.

Old units acquired before the introduction of the flat-rate withholding tax, *i.e.* before 1 January 2009 are grandfathered units. For these grandfathered units, value changes occurring up to 31 December 2017 are tax-exempt. Value changes in old units occurring from 1 January 2018 are only taxable if the gains exceed EUR 100,000. This allowance can only be used if the gains are declared to the tax authorities with competence for the investor.

### **Change to applicable partial exemption**

If the applicable partial exemption changes or the requirements for partial exemption no longer apply, the investment unit is regarded as sold and repurchased on the following day. Gains from the notional sale are regarded as accrued on the date on which the investment unit is actually sold.

## **Units held as operating assets (residents for tax purposes)**

### **Distributions**

Fund distributions are in principle subject to income tax, corporation tax and trade tax. However, distributions can remain partially tax-exempt (partial exemption) if the Fund meets the requirements of the German Investment Tax Act for an equity fund or mixed fund. These requirements must arise from the investment conditions. For the purposes of trade tax, the tax-free amounts are halved.

Distributions are generally subject to a tax deduction of 25% (plus the solidarity surcharge and church tax).

### **Advance lump-sum amounts**

The advance lump-sum amount is the amount by which Fund distributions in a calendar year fall below the basic income for that calendar year. Basic income is calculated by multiplying the redemption price of the unit at the beginning of a calendar year by 70% of the basic interest rate derived from the long-term returns achievable from public bonds. Basic income is limited to the

surplus arising between the first and last redemption price determined plus distributions during the calendar year. In the year the units are acquired, the advance lump-sum amount is reduced by a twelfth for each full month preceding the month of acquisition. The advance lump-sum amount is deemed accrued on the first working day of the following calendar year.

Advance lump-sum amounts are in principle subject to income tax, corporation tax and trade tax. However, advance lump-sum amounts can remain partially tax-exempt (partial exemption) if the Fund meets the requirements of the German Investment Tax Act for an equity fund or mixed fund. These requirements must arise from the investment conditions. For the purposes of trade tax, the tax-free amounts are halved.

Advance lump-sum amounts are generally subject to a tax deduction of 25% (plus the solidarity surcharge and church tax).

### **Capital gains at investor level**

Gains from the disposal of units are in principle subject to income tax, corporation tax and trade tax. When determining the capital gains, the gains shall be reduced by the advance lump-sum amount set during the holding period. However, capital gains can remain partially tax-exempt (partial exemption) if the Fund meets the requirements of the German Investment Tax Act for an equity fund or mixed fund. These requirements must arise from the investment conditions. For the purposes of trade tax, the tax-free amounts are halved.

Gains from the disposal of units are not generally subject to the deduction of capital gains tax.

In the event of loss on disposal, the loss is not deductible from the amount of the partial exemption to be applied at investor level.

### **Change to applicable partial exemption**

If the applicable partial exemption changes or the requirements for partial exemption no longer apply, the investment unit is regarded as sold and repurchased on the following day. Gains from the notional sale are regarded as accrued on the date on which the investment unit is actually sold.

### **Reimbursement of corporation tax levied by capital gains tax deduction for the Fund**

Capital gains tax (corporation tax) accruing at Fund level may be reimbursed to an investor if the investor is a domestic corporation, association of individuals or corporate fund which, according to its articles of association, act of formation or other by-laws and according to its effective management exclusively and directly serves charitable, non-profitable or religious purposes or is a foundation under public law that exclusively and directly serves charitable, non-profitable or religious purposes or is a legal entity under public law that exclusively and directly serves religious purposes; this does not apply if the units are held in a commercial business. The same applies to comparable foreign investors with registered offices and central management in a foreign state providing mutual assistance for the recovery of taxes.

The prerequisite for this is that such an investor makes a corresponding application and that the capital gains tax accruing is attributable pro rata to his holding period. In addition, the investor must be the owner under civil and commercial law for at least three months before the taxable income of the Fund accrues and there is no obligation to transfer the units to another person. Furthermore, reimbursement in respect of capital gains tax on German dividends and income from German near-equity participation rights accruing at Fund level essentially presupposes that German equities and German near-equity participation rights are held by the Fund as the beneficial owner for an uninterrupted period of 45 days before and after the maturity date of the capital gains and that over these 45 days the risks of a change in the minimum value remains at a constant 70%.

Evidence of tax exemption and a statement on the investment units held issued by the custodian must be enclosed with the application. The statement on the investment units held is an official certificate drawn up on the extent of the units held continuously by the investor over the calendar year and the date and extent of unit acquisition and disposal over the calendar year.

Capital gains tax accruing at Fund level may be reimbursed by the Fund to an investor provided the units in the Fund are held on the basis of retirement or basic pension plans certified under the Pension Provision Agreements Certification Act. This presupposes that the provider of the retirement or pension plan advises the Fund within one month after its financial year-end of the dates and extent to which units were acquired or sold.

The Fund or the Management Company is not obliged to reimburse the relevant capital gains tax to the investor.

Due to the high level of complexity of the regulations, it may be advisable to consult a tax adviser.

### **Liquidation tax**

While the Fund is being liquidated, distributions only qualify as income to the extent that they include capital growth for a calendar year.

### **Solidarity surcharge**

A 5.5% solidarity surcharge is levied on the tax withheld upon distribution, advance lump-sum amounts and gains from the sale of units. The solidarity surcharge may be offset against the income and corporation tax.

### **Church tax**

If income tax is already levied by a domestic custodian (entity deducting the tax), the applicable church tax – in accordance with the rate of the church tax for that religious community to which the individual liable for church tax belongs – is levied as a surcharge to the tax deduction. The deductibility of the church tax as an itemised deduction is already treated as reducing the tax payment.

### **Foreign withholding tax**

Withholding tax on the Fund's foreign income is, in some cases, levied in the country of origin. This withholding tax cannot be used by investors to reduce the tax amount.

### **Consequences of merging investment funds**

The merger of a domestic investment fund with another domestic investment fund in accordance with one of the provisions of the German Investment Tax Act does not result in the disclosure of hidden reserves, either at investor level or at the level of the investment funds involved; in other words, this process is tax-neutral. The investment funds must be subject to the same law of a foreign state providing mutual assistance for the recovery of taxes. If the investors in the absorbed investment fund receive a cash payment, this shall be treated in the same manner as a distribution.

### **Automatic exchange of information on tax matters**

The significance of the automatic exchange of information to combat cross-border tax fraud and cross-border tax evasion has increased considerably in recent years. On behalf of the G20, the OECD published a global standard in 2014 on the automatic exchange of information on financial accounts in tax matters (Common Reporting Standard, hereinafter referred to as "CRS"). More than 90 states have signed up to the CRS (participating states) by means of a multilateral convention. Furthermore, in late 2014, it was incorporated into Directive 2011/16/EU by Council Directive 2014/107/EU of 9 December 2014 as regards mandatory automatic exchange of information in the field of taxation. Participating states (all EU Member States and a number of third states) have in

principle applied the CRS from 2016 with reporting obligations from 2017. Luxembourg incorporated the CRS into Luxembourg law through the Act of 18 December 2015 and has applied it since 2016. The CRS requires reporting financial institutions (mainly credit institutions) to obtain specific information regarding their customers. Where the customers (natural persons or legal entities) are subject to reporting requirements and are resident in other participating states, their accounts and securities accounts are classified as reportable accounts. The reporting financial institutions transmit specific information for each reportable account to their domestic tax authorities. These in turn transmit the information to the customer's domestic tax authorities.

The information transmitted chiefly relates to personal data of reportable customers (name; address; tax identification number; date and place of birth (for natural persons); state of residence) and information on the customers and securities accounts (e.g. account number; account balance or account value; total gross income such as interest, dividends or distributions from investment funds; total gross proceeds from the disposal or redemption of financial assets (including fund units)). In concrete terms, those affected are reportable investors with an account and/or securities account at a credit institution established in a participating state. Therefore, Luxembourg credit institutions report information concerning investors resident in other participating states to the local tax authorities (Administration des Contributions Directes), which in turn forward the information to the relevant tax authorities of the investors' states of residence. Conversely, credit institutions in other participating states forward information concerning investors resident in Luxembourg to their respective domestic tax authorities.

**Note:**

The tax information is based on the legal position at present. It is intended for persons in Germany who are fully liable for income tax or corporation tax. However, no guarantee can be given that the tax assessment will not alter as a result of legislation, court decisions or orders issued by the tax authorities.

## Annex – Additional information for investors in United Kingdom

### 1. INTRODUCTION

The Fund has been granted the status of recognised scheme under the Temporary Marketing Permissions Regime (the “**TMPR**”).

### 2. FACILITIES FOR UK UNITHOLDERS

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

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

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

In addition, unitholders may at these facilities:

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

### **3. COMPLAINTS**

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

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

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

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

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

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

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

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

## **Annex – Additional information for Austrian Investors**

### **Facility in Austria**

Facility in Austria according to EU directive 2019/1160 article 92:

Erste Bank der oesterreichischen Sparkassen AG  
Am Belvedere 1,  
A-1100 Vienna/Austria  
E-Mail: [foreignfunds0540@erstebank.at](mailto:foreignfunds0540@erstebank.at)