
Federated Unit Trust

A unit trust established as an umbrella fund

Euro-Kurzläufer

Euro-Renten

Inter-Renten

ProBasis

ProFutur

Europa-Aktien

Inter-Aktien

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This Document is Important

This document constitutes the prospectus for Federated Unit Trust (the “Trust”) together with the Supplemental Prospectuses. Any investor or prospective investor in the Trust should check that the Prospectus and Supplemental Prospectuses are the most current versions. This Prospectus should be read in its entirety before making an application for Units. Certain terms used in this Prospectus are defined starting on page 72 and throughout the document.

The manager of the Trust is Hermes Fund Managers Ireland Limited (the “Manager”). The Directors, whose names and background information appear on page 55 of this Prospectus, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The advisers are Federated Investment Counseling (“FIC”) and Federated Global Investment Management Corp. (“FGIMC”) (each an “Adviser” and together the “Advisers”).

The Trust

The Trust is an open-ended unit trust created pursuant to the UCITS Regulations by the Trust Deed. The Trust is structured as an umbrella unit trust and comprises a number of sub-funds (each a “Fund” and collective “the Funds”) as described below under “*How is the Trust Organised*”.

There can be no assurance that a Fund will achieve its investment objective. **The value of the Units may go down as well as up and therefore, it is possible to lose money by investing in the Funds.** An investment in the Funds should not constitute a high proportion of an investment portfolio and may not be appropriate for all investors. Details of the investment objective and investment policies of each Fund are set out under “*Investment Information*”, and a description of certain of the risks involved is set out under “*What are the Specific Risks of Investing in the Funds?*”.

The capital return and income of a Fund are based on portfolio management techniques, the capital appreciation and income of the investments the Fund holds, less expenses incurred; therefore, a Fund’s return may be expected to fluctuate in response to changes in such capital appreciation or income. Fluctuations in the rate of exchange between the currency in which the Units are denominated and the currency of investment may also have the effect of causing the value of an investment in the Units to diminish or increase. A Unitholder’s right to have Units redeemed may be suspended in certain circumstances.

In light of these risks and because investors may be required to pay an initial charge on an investment, investors should view an investment in the Funds as a medium-to-long-term investment.

The distribution of this Prospectus and the offering or purchase of the Units may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the application form in any such jurisdiction may treat this Prospectus or such application form as constituting an invitation to them to subscribe for Units, nor should they in any event use such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Units pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Units should inform themselves as to the legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence, or domicile.

Units are not registered under the U.S. Securities Act of 1933, as amended (the “1933 Act”), or the Investment Company Act of 1940, as amended (the “1940 Act”), and may not be directly or indirectly offered or sold in the U.S. or to or for the benefit of a U.S. Person, except in a transaction that is exempt from the application of U.S. federal and U.S. state securities laws. Investors applying to purchase Units will be required to certify to the Manager that they are not U.S. Persons, nor are they acquiring Units on behalf of, or for the benefit of, a U.S. Person, and whether they are Irish Residents.

Units are offered only on the basis of the information contained in the current Prospectus, key investor information documents, the relevant Supplemental Prospectus and country-specific supplements (if any) and, as appropriate, the latest audited annual report and any subsequent semi-annual report. Such reports will form part of this Prospectus. Investors should note that the auditor’s report on the Trust’s annual accounts is made only to Unitholders as a group at the date of the annual report, and the auditors do not accept liability to any other party for their report.

Any information or representation about the Units given or made by any Financial Intermediary that is not contained in this Prospectus should be disregarded and accordingly should not be relied upon.

This Prospectus may be translated into other languages provided that any such translation shall be a direct translation of the English text. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in translation, the English text shall prevail.

Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes. All disputes as to the terms thereof shall be governed by, and construed in accordance with, the law of Ireland.

This document contains important information about the Trust and the Funds and should be read carefully before investing. If you have any questions about the contents of this prospectus or are in any doubt about the suitability of investing in Units, you should consult your financial intermediary, stockbroker, bank manager, legal adviser, accountant, or other financial adviser. We do not provide, and this Prospectus does not contain, investment advice. Potential investors are encouraged to seek appropriate advice prior to investing in Units.

How is the Trust Organised?

The Trust is an open-ended unit trust created pursuant to the UCITS Regulations by the Trust Deed. The Trust is structured as an umbrella unit trust and comprises a number of sub-funds.

The Trust Deed provides that the Trust may offer separate classes of Units each representing interests in defined portfolios of securities. As of the date of this Prospectus, the Funds comprising the Trust are:

- Euro-Kurzläufer
- Euro-Renten
- Inter-Renten
- ProBasis
- ProFutur
- Europa-Aktien
- Inter-Aktien.

The Trust Deed also provides that Units of any one Fund may be offered in any one or more classes. Information relating to each class is set forth in a separate Supplemental Prospectus for each class. Other classes may have higher or lower fees, may be offered through different distribution channels, or may have different operational features.

With the prior approval of the Central Bank, the Manager from time to time may create an additional Fund or Funds and furthermore, subject to prior notification to the Central Bank, may issue additional classes of Units, including hedged and unhedged currency classes, effected in accordance with the requirements of the Central Bank.

The Trust is a UCITS within the meaning of the UCITS Regulations and has been approved by the Central Bank in accordance with the UCITS Regulations. The authorisation of the Trust is not an endorsement or guarantee of the Trust by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. Authorisation of the Trust by the Central Bank does not constitute a warranty by the Central Bank as to the performance of the Trust and the Central Bank shall not be liable for the performance or default of the Trust.

Sustainable Finance Disclosures Regulation

Federated Hermes is a signatory to the Principles for Responsible Investment (“PRI”). The PRI is an investor initiative in partnership with the United Nations Environment Programme Finance Initiative and the United Nations Global Compact. Commitments made as a signatory to the PRI are not legally binding, but are voluntary and aspirational. They include efforts, where consistent with an Adviser’s fiduciary responsibilities, to incorporate environmental, social and corporate governance (“ESG”) issues into investment analysis and investment decision making.

Accordingly, as part of its security selection process, among other factors, the Advisers evaluate whether ESG factors could have a negative or positive impact on the cash flows or risk profiles of many issuers or guarantors in the universe of securities in which the Funds may invest. Securities of issuers or guarantors that may be negatively impacted by such factors may be purchased and retained by the Funds while the Funds may divest or not invest in securities of issuers that may be positively impacted by such factors depending on the degree of impact and future expectations. This process does not automatically result in excluding or screening out sectors or specific issuers but are used by Federated Hermes to improve portfolio risk/reward characteristics and prospects for long-term out-performance.

The Disclosures Regulation defines “sustainability risks” as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investment. The Adviser of each Fund has integrated sustainability risks as part of its investment decision-making and risk monitoring process for the Funds as more fully described on the website FederatedHermes.com/us/ucits. The Manager or the Adviser may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment.

As of the date of the prospectus the portfolios of the Funds are comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment and country-by-country basis in accordance with the foregoing policy.

A Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the “*What are the Specific Risks of Investing in the Funds?*” section in the Prospectus. The relevant Adviser’s assessment is that integration of sustainability risks should help mitigate the potential material negative impact of such risks on the returns of the Fund, although there can be no assurance that all such risks will be reduced, in whole or in part, nor identified prior to the date of investment. The relevant Adviser generally measures any relevant environmental or social matters using third-party standards, guidelines and metrics, using data from Funds’ portfolios, company reports and publicly available information along with propriety analysis, as the Manager and Advisers deem relevant from time to time.

With regard to the Funds, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

No consideration of adverse sustainability impacts

The Manager and the Advisers do not consider the principal adverse impacts of their investment decisions on sustainability factors for the time being. This is because they could not gather and/or measure all of the data on which they would be obliged by the Disclosures Regulation to report, or could not do so systematically, consistently, and at a reasonable cost to investors. In addition, the information required to assess the adverse impacts of its investment decisions on sustainability factors may not yet be fully available and/or not up to date. The Advisers’ position on this matter will be reviewed at least annually by reference to market developments. Nevertheless, Federated Hermes is focused on creating long-term value for investors and they are actively investing in systems and procedures which will enable them over time to gather more and more granular data on adverse impacts of investment decisions particularly as that data becomes available in the market.

Investment Information

Listed below are the Funds’ investment objectives, investment policies, and permitted investment techniques and instruments. To achieve its investment objectives, a Fund may employ techniques and instruments relating to the investments subject to the conditions and within the limits from time to time laid down by the Central Bank. While there is no assurance that a Fund will achieve its investment objective, it endeavours to do so by following the strategies and policies described in this Prospectus.

Investments of the Funds are principally traded and/or listed on Regulated Markets. However, each Fund may also invest a portion of its NAV in securities which are not listed, quoted, or dealt in or on a Regulated Market subject to the limits from time to time laid down by the Central Bank.

DEFINITIONS USED IN THE INVESTMENT OBJECTIVES AND INVESTMENT POLICIES OF THE FUNDS

The following terms are used in the investment objectives and policies of the Funds:

“Total return” means: In relation to an investment, it refers to both the capital appreciation (i.e. the increase in the value of an investment) and the income earned on that investment (such as dividend distributions payable to holders of equity securities, and interest distributions payable to holders of fixed income securities). In relation to the portfolio of a Fund, a “total return” indicates that the Fund aims to deliver a combination of both capital growth and income return. However, there is no guarantee that capital growth or an income return will be achieved over any specific time period.

ADHERENCE TO INVESTMENT OBJECTIVES AND POLICIES

Any change to the investment objectives and/or material change in investment policies of the Funds may not be effected without the approval of Unitholders as evidenced by a majority of votes cast at a general meeting or the written consent of more than 50% of the Unitholders of that Fund. In the event of a change of investment objectives and/or any material change to the policies, reasonable notice shall be given in writing to the Unitholders to enable them to redeem their Units prior to implementation of the change. The notice shall specify the place, day, and time of the meeting, and the terms of any resolutions to be proposed at the meeting.

The Funds shall not invest in immovable property or tangible movable property.

EURO-KURZLÄUFER

Investment Objective

The investment objective of Euro-Kurzläufer is to provide total return.

Investment Policies

The Fund pursues its objective by investing in a portfolio of Investment-Grade debt securities. Although the Fund will invest primarily in euro-denominated securities, it may also invest in securities issued in the following currencies: U.S. dollar; Canadian dollar; Swedish krona; Danish krone; Norwegian krone; British pound sterling; and Swiss franc. Investments in securities denominated in a currency other than euro will be hedged to the euro. The Fund will maintain an average duration of one year or less. The government-issued debt securities in which the Fund will invest will be expected to have no more than a ten-year final stated maturity at the time of purchase. The non-government debt securities in which the Fund will invest will be expected to have no more than a five-year final stated maturity at the time of purchase. For purposes of determining the maturity of asset-backed

securities, the Adviser will use average life maturity instead of final stated maturity, at the time of purchase. While there is no assurance that the Fund will achieve its investment objective, it endeavours to do so by following the strategies and policies described in this Prospectus.

The Fund is actively managed. The securities in which the Fund may invest include, but shall not be limited to:

- government bonds;
- convertible and non-convertible corporate debt securities;
- fixed and floating rate bonds;
- zero coupon and discount bonds;
- debentures;
- certificates of deposit (“CDs”);
- banker’s acceptances;
- asset-backed securities;
- mortgage-backed securities;
- commercial paper;
- treasury bills; and
- financial derivative instruments.

See “*Securities in Which the Funds Invest*” for fuller descriptions of these securities.

The Fund invests its assets primarily in obligations issued or guaranteed by OECD governments, their agencies, authorities or instrumentalities and supranational agencies, corporations and asset-backed securities, including certain Investment-Grade collateralised mortgage obligations (“CMOs”). The Fund invests in debt securities that are at the time of purchase either rated Investment-Grade by one Recognised Statistical Rating Organisation, or, if unrated, determined by the Fund’s Adviser to be of comparable quality to securities having such ratings. If a security held by the Fund is downgraded below Investment-Grade, the Fund’s Adviser will determine whether the security should be sold. The Fund will limit its holdings in such downgraded securities to 5% of the Fund’s NAV. However, if a security is downgraded below B-, the security will be sold immediately, taking into consideration the interests of Unitholders. The Fund may invest up to 10% of its net assets in other Eligible Collective Investment Schemes with investment policies similar to the Fund. The Fund will invest principally in securities listed, quoted, or dealt in on a Regulated Market. However, the Fund may also invest up to 10% of its NAV in securities which are not listed, quoted, or dealt in on a Regulated Market.

The Fund promotes environmental and/or social characteristics, as more particularly described under the heading “Transparency of the Promotion of Environmental or Social Characteristics” below and is an Article 8 fund for the purposes of SFDR. The Fund does not have sustainable investment as its objective. The Fund does not invest in sustainable investments. The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities as defined under the Taxonomy Regulation (EU) 2020/852 and so the Fund will invest 0% in economic activities that are aligned with the Taxonomy Regulation. The “do not significant harm” principle does not apply to the investments underlying the Fund.

See “*Sustainable Finance Disclosures Regulation*” for description of ESG and sustainability activities of the Fund.

Transparency of the Promotion of Environmental or Social Characteristics

The environmental characteristics promoted by the Fund are to gain exposure to debt issuers with reduced ESG risks, showing a willingness to engage on material ESG issues and with limited to no revenue generated from excluded sectors. The Fund promotes environmental characteristics by applying the criteria set out below to the security selection and portfolio construction process outlined in the section titled “Investment Policies”. Please refer to the annex to this Prospectus for further information regarding the Fund’s environmental and/or social characteristics.

The Advisers undertake an assessment of the ESG characteristics of each debt issuer. This assessment is performed using the Advisers’ proprietary ESG scoring model which includes analysis of the country of issuance from a political and economic perspective, an analysis of the stewardship of the debt issuer, environmental characteristics (such as the impact on greenhouse emissions and natural resources), social characteristics (such as human rights) and governance characteristics (being the way in which the company is run).

The Advisers incorporate analysis that assesses the ESG characteristics of a government, government agency, quasi-governmental institution or a company by considering proprietary ESG research and scores from a wide variety of sources such as proprietary analysis from EOS at Federated Hermes, third party providers, where available, and a company’s own disclosures. The international fixed-income integration process uses proprietary ESG research with a focus on relevant and material risk. The majority of data collection comes from the Advisers’ diligent credit research, which cuts across country, industry and company.

The Advisers' approach to ESG integration in its investment analysis draws upon these internal and external sources to assign an ESG score to each country and company in the portfolio. To generate these ESG scores, the Advisers use Federated Hermes' proprietary scoring methodology to score a country's or a company's ESG behaviours, assigning the ESG score on a scale of 1 to 10 which is taken into account in assessing the overall credit of a government or company. This proprietary ESG score favours governments and companies with lower ESG risks and companies with good governance, who are actively improving their focus on ESG issues.

The Advisers believe that quantitative ESG data must be complemented by a fundamental bottom-up review of ESG issues and so leverages its knowledge of and direct contact and engagement with companies through the dedicated stewardship team, EOS at Federated Hermes. The ESG score is also used to identify where active engagement with companies by the Advisers and EOS at Federated Hermes would be useful, with the aim of reducing underperformance from poor ESG behaviours (which is demonstrated by having a ESG score of 10) while also encouraging companies to act responsibly and improve sustainability. For this reason, the Advisers may invest in companies with poor ESG scores where the government or company has shown a desire to improve their ESG behaviours and can demonstrate good governance practices and a willingness to engage in issues if they arise. The Advisers leverage quantitative and qualitative engagement insights generated by EOS at Federated Hermes through its range of active ownership services. Where a debt issuer is being engaged with, specific targets and timelines are set in relation to that engagement, these targets will differ at an individual company engagement level. The engagement activity of the Fund is measured by the percentage of companies that are being engaged with on material ESG issues and the percentage of engagement progress (e.g. the percentage of engagement objectives which have achieved engagement objective milestones). Engagement with a company on ESG issues may be subject to limitations, directly or indirectly, on such engagement whether pursuant to the laws and regulations or otherwise of the jurisdiction in which the company is domiciled or otherwise applicable to the Adviser or any of its delegates. The assessment of the actual or potential impact of any such limitations on the Adviser or its delegates shall be a matter solely for the discretion of the Adviser or its delegates.

In addition to the application of the ESG score, the Advisers will exclude investment in the following debt issuers (based on information available to the Advisers on these companies from the data sources referred to above):

- debt issuers that generate revenue from the production of controversial weapons;
- debt issuers that generate more than 10% of their revenue from the mining or energy generation of thermal coal; and
- debt issuers that are in contravention of the principles 4 and 5 of the UN Global Compact.

The Fund seeks to invest in companies with favourable ESG characteristics and as such, ESG is an active and documented consideration to the investment outcome. To achieve this, the Advisers carry out an ESG risk assessment to evaluate the quality of companies' underlying businesses using ESG data from third party providers, as further detailed below. The ESG risk assessment does not result in a score for each company, but rather uses the collectively ESG data to determine whether companies comprising the portfolio have favourable ESG characteristics. The Advisers then intend to benchmark the portfolio directly against relevant indices on a wide array of ESG data compiled by third party providers with the goal to outperform the relevant index on these ESG metrics. The ESG data used to determine favourable ESG characteristics and as part of the benchmarking exercise includes (but is not limited to) the management of environmental risks (such as impact on climate change and natural resource use) and social risks (such as human & labour rights and human capital management). The favourable ESG characteristics are either broad, or sector specific, focusing on the major risks to a company by its business activity or the region of operation—such as CO2 emissions and fleet consumption for the automobiles industry, or paper sourcing for media and energy efficiency for airlines.

Use of Benchmark

The Adviser monitors the Fund's performance relative to the ICE BofA 6-Month Constant Maturity LIBID (the "Benchmark") as a risk management metric to identify situations where there may be elevated risk in the Fund's portfolio. The Fund also uses the Benchmark for performance comparison purposes. Details of the Fund's performance relative to the Benchmark are available in the Fund's key investor information documents, the latest audited annual report and any subsequent semi-annual report. Reference to the Benchmark is for illustrative purposes only. There is no guarantee that the Fund will outperform the Benchmark. The Benchmark is not intended to be the Fund's reference benchmark for the purpose of SFDR and the Benchmark is not, nor is it intended to be, consistent with the Fund's promotion of environmental and/or social characteristics.

Profile of Typical Investor

The Fund is suitable for investors seeking total return and a short to medium term investment.

EURO-RENTEN

Investment Objective

The investment objective of Euro-Renten is to provide total return.

Investment Policies

The Fund pursues its objective by investing primarily in euro-denominated debt securities. It may also invest in securities issued in the following currencies: U.S. dollar; Canadian dollar; Swedish krona; Danish krone; Norwegian krone; British pound sterling; and Swiss franc. Investments in debt securities in a currency other than euro will be hedged to the euro. However, no more than 10%

of the debt securities in which the Fund invests will be denominated in a currency other than euro. While there is no assurance that the Fund will achieve its investment objective, it endeavours to do so by following the strategies and policies described in this Prospectus.

The Fund is actively managed. The securities in which the Fund may invest may include, but are not limited to:

- government bonds;
- convertible and non-convertible corporate debt securities;
- fixed and floating rate bonds;
- zero coupon and discount bonds;
- debentures;
- CDs;
- banker's acceptances;
- asset-backed securities;
- mortgage-backed securities;
- commercial paper;
- treasury bills; and
- financial derivative instruments.

See "*Securities in Which the Funds Invest*" for fuller descriptions of these securities.

The Fund invests in debt securities that are either rated at the time of purchase Investment-Grade by one or more Recognised Statistical Rating Organisations or, if unrated, determined by the Fund's Adviser to be of comparable quality to securities having such ratings. The portfolio of Investment-Grade debt securities held by the Fund will under normal market conditions have an average credit rating of A or higher based on the ratings assigned by one or more Recognised Statistical Rating Organisations or, for the unrated debt securities, based on the comparable rating assigned by the Fund's Adviser. If a security is downgraded below B-, the security will be sold immediately, taking into consideration the interests of Unitholders. Additionally, the Fund may invest up to 10% of its NAV in non-Investment-Grade debt securities. The Fund may invest up to 10% of its NAV in other Eligible Collective Investment Schemes with investment policies similar to the Fund. The Fund will invest principally in securities listed, quoted, or dealt in on a Regulated Market. However, the Fund may also invest up to 10% of its NAV in securities which are not listed, quoted, or dealt in on a Regulated Market.

The Fund promotes environmental and/or social characteristics, as more particularly described under the heading "Transparency of the Promotion of Environmental or Social Characteristics" below and is an Article 8 fund for the purposes of SFDR. The Fund does not have sustainable investment as its objective. The Fund does not invest in sustainable investments. The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities as defined under the Taxonomy Regulation (EU) 2020/852 and so the Fund will invest 0% in economic activities that are aligned with the Taxonomy Regulation. The "do not significant harm" principle does not apply to the investments underlying the Fund.

See "*Sustainable Finance Disclosures Regulation*" for description of ESG and sustainability activities of the Fund.

Transparency of the Promotion of Environmental or Social Characteristics

The environmental characteristics promoted by the Fund are to gain exposure to debt issuers with reduced ESG risks, showing a willingness to engage on material ESG issues and with limited to no revenue generated from excluded sectors. The Fund promotes environmental characteristics by applying the criteria set out below to the security selection and portfolio construction process outlined in the section titled "Investment Policies". Please refer to the annex to this Prospectus for further information regarding the Fund's environmental and/or social characteristics.

The Advisers undertake an assessment of the ESG characteristics of each debt issuer. This assessment is performed using the Advisers' proprietary ESG scoring model which includes analysis of the country of issuance from a political and economic perspective, an analysis of the stewardship of the debt issuer, environmental characteristics (such as the impact on greenhouse emissions and natural resources), social characteristics (such as human rights) and governance characteristics (being the way in which the company is run).

The Advisers incorporate analysis that assesses the ESG characteristics of a government, government agency, quasi-governmental institution or a company by considering proprietary ESG research and scores from a wide variety of sources such as proprietary analysis from EOS at Federated Hermes, third party providers, where available, and a company's own disclosures. The international fixed-income integration process uses proprietary ESG research with a focus on relevant and material risk. The majority of data collection comes from the Advisers' diligent credit research, which cuts across country, industry and company.

The Advisers' approach to ESG integration in its investment analysis draws upon these internal and external sources to assign an ESG score to each country and company in the portfolio. To generate these ESG scores, the Advisers use Federated Hermes' proprietary scoring methodology to score a country's or a company's ESG behaviours, assigning the ESG score on a scale of 1 to 10 which is taken into account in assessing the overall credit of a government or company. This proprietary ESG score favours governments and companies with lower ESG risks and companies with good governance, who are actively improving their focus on ESG issues.

The Advisers believe that quantitative ESG data must be complemented by a fundamental bottom-up review of ESG issues and so leverages its knowledge of and direct contact and engagement with companies through the dedicated stewardship team, EOS at Federated Hermes. The ESG score is also used to identify where active engagement with companies by the Advisers and EOS at Federated Hermes would be useful, with the aim of reducing underperformance from poor ESG behaviours (which is demonstrated by having a ESG score of 10) while also encouraging companies to act responsibly and improve sustainability. For this reason, the Advisers may invest in companies with poor ESG scores where the government or company has shown a desire to improve their ESG behaviours and can demonstrate good governance practices and a willingness to engage in issues if they arise. The Advisers leverage quantitative and qualitative engagement insights generated by EOS at Federated Hermes through its range of active ownership services. Where a debt issuer is being engaged with, specific targets and timelines are set in relation to that engagement, these targets will differ at an individual company engagement level. The engagement activity of the Fund is measured by the percentage of companies that are being engaged with on material ESG issues and the percentage of engagement progress (e.g. the percentage of engagement objectives which have achieved engagement objective milestones). Engagement with a company on ESG issues may be subject to limitations, directly or indirectly, on such engagement whether pursuant to the laws and regulations or otherwise of the jurisdiction in which the company is domiciled or otherwise applicable to the Adviser or any of its delegates. The assessment of the actual or potential impact of any such limitations on the Adviser or its delegates shall be a matter solely for the discretion of the Adviser or its delegates.

In addition to the application of the ESG score, the Advisers will exclude investment in the following debt issuers (based on information available to the Advisers on these companies from the data sources referred to above):

- debt issuers that generate revenue from the production of controversial weapons;
- debt issuers that generate more than 10% of their revenue from the mining or energy generation of thermal coal; and
- debt issuers that are in contravention of the principles 4 and 5 of the UN Global Compact.

The Fund seeks to invest in companies with favourable ESG characteristics and as such, ESG is an active and documented consideration to the investment outcome. To achieve this, the Advisers carry out an ESG risk assessment to evaluate the quality of companies' underlying businesses using ESG data from third party providers, as further detailed below. The ESG risk assessment does not result in a score for each company, but rather uses the collectively ESG data to determine whether companies comprising the portfolio have favourable ESG characteristics. The Advisers then intend to benchmark the portfolio directly against relevant indices on a wide array of ESG data compiled by third party providers with the goal to outperform the relevant index on these ESG metrics. The ESG data used to determine favourable ESG characteristics and as part of the benchmarking exercise includes (but is not limited to) the management of environmental risks (such as impact on climate change and natural resource use) and social risks (such as human & labour rights and human capital management). The favourable ESG characteristics are either broad, or sector specific, focusing on the major risks to a company by its business activity or the region of operation—such as CO2 emissions and fleet consumption for the automobiles industry, or paper sourcing for media and energy efficiency for airlines.

Use of Benchmark

The Adviser monitors the Fund's performance relative to the ICE BofA EMU Government Index (the "Benchmark") as a risk management metric to identify situations where there may be elevated risk in the Fund's portfolio. The Fund also uses the Benchmark for performance comparison purposes. Details of the Fund's performance relative to the Benchmark are available in the Fund's key investor information documents, the latest audited annual report and any subsequent semi-annual report. Reference to the Benchmark is for illustrative purposes only. There is no guarantee that the Fund will outperform the Benchmark. The Benchmark is not intended to be the Fund's reference benchmark for the purpose of SFDR and the Benchmark is not, nor is it intended to be, consistent with the Fund's promotion of environmental and/or social characteristics.

Profile of Typical Investor

The Fund is suitable for investors seeking total return and a medium to long term investment.

INTER-RENTEN

Investment Objective

The investment objective of Inter-Renten is to provide total return.

Investment Policies

The Fund pursues its investment objective by investing primarily in non-euro denominated debt securities, although the Fund may invest to a lesser extent in euro-denominated debt securities. While there is no assurance that the Fund will achieve its investment objective, it endeavours to do so by following the strategies and policies described in this Prospectus.

The Fund is actively managed. The securities in which the Fund may invest may include, but shall not be limited to:

- government bonds;
- convertible and non-convertible corporate debt securities;
- fixed and floating rate bonds;
- zero coupon and discount bonds;
- debentures;
- CDs;
- banker's acceptances;
- asset-backed securities;
- mortgage-backed securities;
- commercial paper;
- treasury bills; and
- financial derivative instruments.

See "*Securities in Which the Funds Invest*" for fuller descriptions of these securities.

The Fund invests in debt securities that are either rated at the time of purchase Investment-Grade by one or more Recognised Statistical Rating Organisations or, if unrated, determined by the Fund's Adviser to be of comparable quality to securities having such ratings. The portfolio of Investment-Grade debt securities held by the Fund will generally have an average credit rating of A or higher based on the ratings assigned by one or more Recognised Statistical Rating Organisations or, for the unrated debt securities, based on the comparable rating assigned by the Fund's Adviser. Additionally, the Fund may invest up to 10% of its NAV in non-Investment-Grade debt securities. The Fund may invest up to 10% of its NAV in other Eligible Collective Investment Schemes with investment policies similar to the Fund. The Fund will invest principally in securities listed, quoted, or dealt in on a Regulated Market. However, the Fund may also invest up to 10% of its NAV in securities which are not listed, quoted, or dealt in or on a Regulated Market.

The Fund promotes environmental and/or social characteristics, as more particularly described under the heading "Transparency of the Promotion of Environmental or Social Characteristics" below and is an Article 8 fund for the purposes of SFDR. The Fund does not have sustainable investment as its objective. The Fund does not invest in sustainable investments. The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities as defined under the Taxonomy Regulation (EU) 2020/852 and so the Fund will invest 0% in economic activities that are aligned with the Taxonomy Regulation. The "do not significant harm" principle does not apply to the investments underlying the Fund.

See "*Sustainable Finance Disclosures Regulation*" for description of ESG and sustainability activities of the Fund.

Transparency of the Promotion of Environmental or Social Characteristics

The environmental characteristics promoted by the Fund are to gain exposure to debt issuers with reduced ESG risks, showing a willingness to engage on material ESG issues and with limited to no revenue generated from excluded sectors. The Fund promotes environmental characteristics by applying the criteria set out below to the security selection and portfolio construction process outlined in the section titled "Investment Policies". Please refer to the annex to this Prospectus for further information regarding the Fund's environmental and/or social characteristics.

The Advisers undertake an assessment of the ESG characteristics of each debt issuer. This assessment is performed using the Advisers' proprietary ESG scoring model which includes analysis of the country of issuance from a political and economic perspective, an analysis of the stewardship of the debt issuer, environmental characteristics (such as the impact on greenhouse emissions and natural resources), social characteristics (such as human rights) and governance characteristics (being the way in which the company is run).

The Advisers incorporate analysis that assesses the ESG characteristics of a government, government agency, quasi-governmental institution or a company by considering proprietary ESG research and scores from a wide variety of sources such as proprietary analysis from EOS at Federated Hermes, third party providers, where available, and a company's own disclosures. The international fixed-income integration process uses proprietary ESG research with a focus on relevant and material risk. The majority of data collection comes from the Advisers' diligent credit research, which cuts across country, industry and company.

The Advisers' approach to ESG integration in its investment analysis draws upon these internal and external sources to assign an ESG score to each country and company in the portfolio. To generate these ESG scores, the Advisers use Federated Hermes' proprietary scoring methodology to score a country's or a company's ESG behaviours, assigning the ESG score on a scale of 1 to 10 which is taken into account in assessing the overall credit of a government or company. This proprietary ESG score favours governments and companies with lower ESG risks and companies with good governance, who are actively improving their focus on ESG issues.

The Advisers believe that quantitative ESG data must be complemented by a fundamental bottom-up review of ESG issues and so leverages its knowledge of and direct contact and engagement with companies through the dedicated stewardship team, EOS at Federated Hermes. The ESG score is also used to identify where active engagement with companies by the Advisers and EOS at Federated Hermes would be useful, with the aim of reducing underperformance from poor ESG behaviours (which is demonstrated by having a ESG score of 10) while also encouraging companies to act responsibly and improve sustainability. For this reason, the Advisers may invest in companies with poor ESG scores where the government or company has shown a desire to improve their ESG behaviours and can demonstrate good governance practices and a willingness to engage in issues if they arise. The Advisers leverage quantitative and qualitative engagement insights generated by EOS at Federated Hermes through its range of active ownership services. Where a debt issuer is being engaged with, specific targets and timelines are set in relation to that engagement, these targets will differ at an individual company engagement level. The engagement activity of the Fund is measured by the percentage of companies that are being engaged with on material ESG issues and the percentage of engagement progress (e.g. the percentage of engagement objectives which have achieved engagement objective milestones).

In addition to the application of the ESG score, the Advisers will exclude investment in the following debt issuers (based on information available to the Advisers on these companies from the data sources referred to above):

- debt issuers that generate revenue from the production of controversial weapons;
- debt issuers that generate more than 10% of their revenue from the mining or energy generation of thermal coal; and
- debt issuers that are in contravention of the principles 4 and 5 of the UN Global Compact.

The Fund seeks to invest in companies with favourable ESG characteristics and as such, ESG is an active and documented consideration to the investment outcome. To achieve this, the Advisers carry out an ESG risk assessment to evaluate the quality of companies' underlying businesses using ESG data from third party providers, as further detailed below. The ESG risk assessment does not result in a score for each company, but rather uses the collectively ESG data to determine whether companies comprising the portfolio have favourable ESG characteristics. The Advisers then intend to benchmark the portfolio directly against relevant indices on a wide array of ESG data compiled by third party providers with the goal to outperform the relevant index on these ESG metrics. The ESG data used to determine favourable ESG characteristics and as part of the benchmarking exercise includes (but is not limited to) the management of environmental risks (such as impact on climate change and natural resource use) and social risks (such as human & labour rights and human capital management). The favourable ESG characteristics are either broad, or sector specific, focusing on the major risks to a company by its business activity or the region of operation—such as CO2 emissions and fleet consumption for the automobiles industry, or paper sourcing for media and energy efficiency for airlines.

Use of Benchmark

The Adviser monitors the Fund's performance relative to a composite benchmark comprising 80% ICE BofA Country Blend/20% Bloomberg US Aggregate Bond (EURO) (the "Benchmark") as a risk management metric to identify situations where there may be elevated risk in the Fund's portfolio. The Fund also uses the Benchmark for performance comparison purposes. Details of the Fund's performance relative to the Benchmark are available in the Fund's key investor information documents, the latest audited annual report and any subsequent semi-annual report. Reference to the Benchmark is for illustrative purposes only. There is no guarantee that the Fund will outperform the Benchmark. The Benchmark is not intended to be the Fund's reference benchmark for the purpose of SFDR and the Benchmark is not, nor is it intended to be, consistent with the Fund's promotion of environmental and/or social characteristics.

Profile of Typical Investor

The Fund is suitable for investors seeking total return and a medium to long term investment.

PROBASIS

Investment Objective

The investment objective of ProBasis is to provide total return.

Investment Policies

The Fund pursues its investment objective by investing primarily in euro-denominated debt securities and equity securities of European companies. While there is no assurance that the Fund will achieve its investment objective, it endeavours to do so by following the strategies and policies described in this Prospectus.

The Fund shall invest not more than 30% and not less than 10% of its NAV in equity securities of European companies (the "Equity Portion") with the balance invested in debt securities (the "Debt Portion"). The debt securities in which the Fund may invest will be denominated in euro, but it may also invest in debt securities in the following currencies: U.S. dollar; Canadian dollar; Swedish krona; Danish krone; Norwegian krone; British pound sterling; and Swiss franc. However, no more than 10% of the debt securities in which the Fund invests will be denominated in a currency other than euro. Investments in debt securities in a currency other than euro will be hedged to the euro.

The Fund considers a company to be a European company if:

- the company is organised under the laws of, or has a principal office located in, a European country; or

- the principal trading market for its securities is in a European country; or
- the company (or its subsidiaries) derived, in its most current fiscal year, at least 50% of its total assets, capitalisation, gross revenue or profit from goods produced, services performed or sales made in Europe.

European companies shall include companies located in both OECD member and non-OECD member countries. However, for purposes of the above restriction, not more than 20% of the Fund's NAV will be invested in companies located in non-OECD member countries.

The Fund is actively managed. The debt securities in which the Fund may invest may include, but shall not be limited to:

- government bonds;
- convertible and non-convertible corporate debt securities;
- fixed and floating rate bonds;
- zero coupon and discount bonds;
- debentures;
- CDs;
- banker's acceptances;
- asset-backed securities;
- mortgage-backed securities;
- commercial paper;
- treasury bills; and
- financial derivative instruments.

See "*Securities in Which the Funds Invest*" for fuller descriptions of these securities.

The debt securities in which the Fund invests will be either rated at the time of purchase Investment-Grade by one or more Recognised Statistical Rating Organisations or, if unrated, determined by the Fund's Adviser to be of comparable quality to securities having such ratings. The portfolio of Investment-Grade debt securities held by the Fund will generally have an average credit rating of A or higher based on the ratings assigned by one or more Recognised Statistical Rating Organisations or, for the unrated debt securities, based on the comparable rating assigned by the Fund's Adviser. If the security is downgraded below B-, the security will be sold immediately, taking into consideration the interests of Unitholders. Additionally, up to 10% of the debt portion of the Fund may be invested in non-Investment-Grade debt securities. The Fund may invest up to 10% of its net assets in other Eligible Collective Investment Schemes with investment policies similar to the Fund. The Fund will invest principally in securities listed, quoted, or dealt in on a Regulated Market. However, the Fund may also invest up to 10% of its NAV in securities which are not listed, quoted, or dealt in on a Regulated Market.

The Fund promotes environmental and/or social characteristics, as more particularly described under the heading "Transparency of the Promotion of Environmental or Social Characteristics" below and is an Article 8 fund for the purposes of SFDR. The Fund does not have sustainable investment as its objective. The Fund does not invest in sustainable investments. The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities as defined under the Taxonomy Regulation (EU) 2020/852 and so the Fund will invest 0% in economic activities that are aligned with the Taxonomy Regulation. The "do not significant harm" principle does not apply to the investments underlying the Fund.

See "*Sustainable Finance Disclosures Regulation*" for description of ESG and sustainability activities of the Fund.

Transparency of the Promotion of Environmental or Social Characteristics

The environmental characteristics promoted by the Fund are to gain exposure to debt issuers with reduced ESG risks, showing a willingness to engage on material ESG issues and, in respect of the Debt Portion only, with limited to no revenue generated from excluded sectors. The Fund promotes environmental characteristics by applying the criteria set out below to the security selection and portfolio construction process outlined in the section titled "Investment Policies". Please refer to the annex to this Prospectus for further information regarding the Fund's environmental and/or social characteristics.

Equity Portion

The Advisers undertake an assessment of the ESG characteristics of each company. ESG characteristics include environmental characteristics (such as the impact on natural resources), social characteristics (such as human rights) and governance characteristics (being the way in which the company is managed and operated). The Advisers assess the ESG characteristics of a company by considering ESG research and scores from a wide variety of sources such as proprietary analysis from EOS at Federated Hermes, third party providers, where available, and a company's own disclosures. The Advisers' assessment of the ESG characteristics of a company results in an ESG score being assigned to each company considered for investment. The ESG assessment and subsequently determined score is the combination of a company's performance on a discrete set of material

ESG topics, informed by both quantified metrics and the Advisers' subjective but informed judgement. The ESG topics include, but are not limited to, specific environmental—such as a company's carbon intensity (tonnes of scope 1 and 2 GHGe per \$m sales)—and social characteristics—such as employee satisfaction and turnover—and are typically considered on both a relative and absolute basis with a view to the major risks to that company as a result of its business model and geographic footprint. The Fund will invest at least 51% of the Equity Portion in shares of companies with favourable ESG characteristics and/or, as further outlined below, are actively engaged by the EOS engagement team.

The Advisers believe that quantitative ESG data must be complemented by a fundamental bottom-up review of ESG issues and so the Advisers leverage the knowledge of and direct contact and engagement with companies through the dedicated stewardship team, EOS at Federated Hermes. The ESG assessment outlined above is used to identify where active engagement with companies would be useful, with the aim of reducing underperformance from poor ESG behaviours while also encouraging companies to act responsibly and improve sustainability. For this reason, the Advisers may invest in companies with material ESG issues which would otherwise be excluded from investment by the Fund where the company has shown a desire to improve their ESG behaviours and can demonstrate good corporate governance practices and a willingness to engage in issues if they arise. The Advisers leverage quantitative and qualitative engagement insights generated by EOS at Federated Hermes through its range of active ownership services. Where a company is being engaged with, specific targets and timelines are set in relation to that engagement, these targets will differ at an individual company engagement level. The engagement activity of the Fund is measured by the percentage of companies that are being engaged with on material ESG issues and the percentage of engagement progress (e.g. the percentage of engagement objectives which have achieved engagement objective milestones). The Advisers may decide to dispose of an investment where a company is not receptive to engagement on its material ESG issues or it makes insufficient progress in addressing those issues over time. Engagement with a company on ESG issues may be subject to limitations, directly or indirectly, on such engagement whether pursuant to the laws and regulations or otherwise of the jurisdiction in which the company is domiciled or otherwise applicable to the Adviser or any of its delegates. The assessment of the actual or potential impact of any such limitations on the Adviser or its delegates shall be a matter solely for the discretion of the Adviser or its delegates.

Debt Portion

The Advisers undertake an assessment of the ESG characteristics of each debt issuer. This assessment is performed using the Advisers' proprietary scoring model which includes analysis of the country of issuance from a political and economic perspective, an analysis of the stewardship of the debt issuer, environmental characteristics (such as the impact on greenhouse emissions and natural resources), social characteristics (such as human rights) and governance characteristics (being the way in which the company is run).

The Advisers incorporate analysis that assesses the ESG characteristics of a government, government agency, quasi-governmental institution or a company by considering proprietary ESG research and scores from a wide variety of sources such as proprietary analysis from EOS at Federated Hermes, third party providers, where available, and a company's own disclosures. The international fixed-income integration process uses proprietary ESG research with a focus on relevant and material risk. The majority of data collection comes from the Advisers' diligent credit research, which cuts across country, industry and company.

The Advisers' approach to ESG integration in its investment analysis draws upon these internal and external sources to assign an ESG score to each country and company in the portfolio. To generate these ESG scores, the Advisers use Federated Hermes' proprietary scoring methodology to score a country's or a company's ESG behaviours, assigning the ESG score on a scale of 1 to 10 which is taken into account in assessing the overall credit of a government or company. This proprietary ESG score favours governments and companies with lower ESG risks and companies with good governance, who are actively improving their focus on ESG issues.

The Advisers believe that quantitative ESG data must be complemented by a fundamental bottom-up review of ESG issues and so leverages its knowledge of and direct contact and engagement with companies through the dedicated stewardship team, EOS at Federated Hermes. The ESG score is also used to identify where active engagement with companies by the Advisers and EOS at Federated Hermes would be useful, with the aim of reducing underperformance from poor ESG behaviours (which is demonstrated by having a ESG score of 10) while also encouraging companies to act responsibly and improve sustainability. For this reason, the Advisers may invest in companies with poor ESG scores where the government or company has shown a desire to improve their ESG behaviours and can demonstrate good governance practices and a willingness to engage in issues if they arise. The Advisers leverage quantitative and qualitative engagement insights generated by EOS at Federated Hermes through its range of active ownership services. Where a debt issuer is being engaged with, specific targets and timelines are set in relation to that engagement, these targets will differ at an individual company engagement level. The engagement activity of the Fund is measured by the percentage of companies that are being engaged with on material ESG issues and the percentage of engagement progress (e.g. the percentage of engagement objectives which have achieved engagement objective milestones). Engagement with a company on ESG issues may be subject to limitations, directly or indirectly, on such engagement whether pursuant to the laws and regulations or otherwise of the jurisdiction in which the company is domiciled or otherwise applicable to the Adviser or any of its delegates. The assessment of the actual or potential impact of any such limitations on the Adviser or its delegates shall be a matter solely for the discretion of the Adviser or its delegates.

In addition to the application of the ESG score, the Advisers will exclude investment in the following debt issuers (based on information available to the Advisers on these companies from the data sources referred to above):

- debt issuers that generate revenue from the production of controversial weapons;
- debt issuers that generate more than 10% of their revenue from the mining or energy generation of thermal coal; and
- debt issuers that are in contravention of the principles 4 and 5 of the UN Global Compact.

Both Equity Portion and Debt Portion

The Fund seeks to invest in companies with favourable ESG characteristics and as such, ESG is an active and documented consideration to the investment outcome. To achieve this, the Advisers carry out an ESG risk assessment to evaluate the quality of companies' underlying businesses using ESG data from third party providers, as further detailed below. The ESG risk assessment does not result in a score for each company, but rather uses the collectively ESG data to determine whether companies comprising the portfolio have favourable ESG characteristics. The Advisers then intend to benchmark the portfolio directly against relevant indices on a wide array of ESG data compiled by third party providers with the goal to outperform the relevant index on these ESG metrics. The ESG data used to determine favourable ESG characteristics and as part of the benchmarking exercise includes (but is not limited to) the management of environmental risks (such as impact on climate change and natural resource use) and social risks (such as human & labour rights and human capital management). The favourable ESG characteristics are either broad, or sector specific, focusing on the major risks to a company by its business activity or the region of operation—such as CO2 emissions and fleet consumption for the automobiles industry, or paper sourcing for media and energy efficiency for airlines.

Use of Benchmark

The Adviser monitors the Fund's performance relative to a composite benchmark comprising 20% MSCI Europe/80% ICE BofA EMU Direct Government AAA-AA (the "Benchmark") as a risk management metric to identify situations where there may be elevated risk in the Fund's portfolio. The Fund also uses the Benchmark for performance comparison purposes. Details of the Fund's performance relative to the Benchmark are available in the Fund's key investor information documents, the latest audited annual report and any subsequent semi-annual report. Reference to the Benchmark is for illustrative purposes only. There is no guarantee that the Fund will outperform the Benchmark. The Benchmark is not intended to be the Fund's reference benchmark for the purpose of SFDR and the Benchmark is not, nor is it intended to be, consistent with the Fund's promotion of environmental and/or social characteristics.

Profile of Typical Investor

The Fund is suitable for investors seeking total return and a medium to long term investment.

PROFUTUR

Investment Objective

The investment objective of ProFutur is to provide total return.

Investment Policies

The Fund pursues its investment objective by investing primarily in euro-denominated debt securities and equity securities of European companies. While there is no assurance that the Fund will achieve its investment objective, it endeavours to do so by following the strategies and policies described in this Prospectus.

The Fund shall invest not more than 75% and not less than 51% of its NAV in equity securities of European companies (the "Equity Portion") with the balance invested in debt securities (the "Debt Portion"). The debt securities in which the Fund may invest will be denominated in euro, but it may also invest in debt securities in the following currencies: U.S. dollar; Canadian dollar; Swedish krona; Danish krone; Norwegian krone; British pound sterling; and Swiss franc. However, no more than 10% of the debt securities in which the Fund invests will be denominated in a currency other than euro. Investments in debt securities in a currency other than euro will be hedged to the euro.

The Fund considers a company to be a European company if:

- the company is organised under the laws of, or has a principal office located in, a European country; or
- the principal trading market for its securities is in a European country; or
- the company (or its subsidiaries) derived, in its most current fiscal year, at least 50% of its total assets, capitalisation, gross revenue or profit from goods produced, services performed, or sales made in Europe.

European companies shall include companies located in both OECD member and non-OECD member countries. However, for purposes of the above restriction, not more than 20% of the Fund's NAV will be invested in companies located in non-OECD member countries.

The Fund is actively managed. The debt securities in which the Fund may invest may include, but shall not be limited to:

- government bonds;

- convertible and non-convertible corporate debt securities;
- fixed and floating rate bonds;
- zero coupon and discount bonds;
- debentures;
- CDs;
- banker's acceptances;
- asset-backed securities;
- mortgage-backed securities;
- commercial paper;
- treasury bills; and
- financial derivative instruments.

See "*Securities in Which the Funds Invest*" for fuller descriptions of these securities.

The debt securities in which the Fund invests will be either rated at the time of purchase Investment-Grade by one or more Recognised Statistical Rating Organisations or, if unrated, determined by the Fund's Adviser to be of comparable quality to securities having such ratings. The portfolio of Investment-Grade debt securities held by the Fund will generally have an average credit rating of A or higher based on the ratings assigned by one or more Recognised Statistical Rating Organisations or, for the unrated debt securities, based on the comparable rating assigned by the Fund's Adviser. If the security is downgraded below B-, the security will be sold immediately, taking into consideration the interests of Unitholders. Additionally, up to 10% of the debt portion of the Fund may be invested in non-Investment-Grade debt securities. The Fund may invest up to 10% of its net assets in other Eligible Collective Investment Schemes with investment policies similar to the Fund. The Fund will invest principally in securities listed, quoted, or dealt in on a Regulated Market. However, the Fund may also invest up to 10% of its NAV in securities which are not listed, quoted, or dealt in or on a Regulated Market.

The Fund promotes environmental and/or social characteristics, as more particularly described under the heading "Transparency of the Promotion of Environmental or Social Characteristics" below and is an Article 8 fund for the purposes of SFDR. The Fund does not have sustainable investment as its objective. The Fund does not invest in sustainable investments. The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities as defined under the Taxonomy Regulation (EU) 2020/852 and so the Fund will invest 0% in economic activities that are aligned with the Taxonomy Regulation. The "do not significant harm" principle does not apply to the investments underlying the Fund.

See "*Sustainable Finance Disclosures Regulation*" for description of ESG and sustainability activities of the Fund.

Transparency of the Promotion of Environmental or Social Characteristics

The environmental characteristics promoted by the Fund are to gain exposure to debt issuers with reduced ESG risks, showing a willingness to engage on material ESG issues and, in respect of the Debt Portion only, with limited to no revenue generated from excluded sectors. The Fund promotes environmental characteristics by applying the criteria set out below to the security selection and portfolio construction process outlined in the section titled "Investment Policies". Please refer to the annex to this Prospectus for further information regarding the Fund's environmental and/or social characteristics.

Equity Portion

The Advisers undertake an assessment of the ESG characteristics of each company. ESG characteristics includes environmental characteristics (such as the impact on natural resources), social characteristics (such as human rights) and governance characteristics (being the way in which the company is managed and operated). The Advisers assess the ESG characteristics of a company by considering ESG research and scores from a wide variety of sources such as proprietary analysis from EOS at Federated Hermes, third party providers, where available, and a company's own disclosures. The Advisers' assessment of the ESG characteristics of a company results in an ESG score being assigned to each company considered for investment. The ESG assessment and subsequently determined score is the combination of a company's performance on a discrete set of material ESG topics, informed by both quantified metrics and the Advisers' subjective but informed judgement. The ESG topics include, but are not limited to, specific environmental – such as a company's carbon intensity (tonnes of scope 1 and 2 GHGe per \$m sales) – and social characteristics – such as employee satisfaction and turnover – and are typically considered on both a relative and absolute basis with a view to the major risks to that company as a result of its business model and geographic footprint. The Fund will invest at least 51% of the Equity Portion in shares of companies with favourable ESG characteristics and/or, as further outlined below, are actively engaged by the EOS engagement team.

The Advisers believe that quantitative ESG data must be complemented by a fundamental bottom-up review of ESG issues and so the Advisers leverage the knowledge of and direct contact and engagement with companies through the dedicated stewardship team, EOS at Federated Hermes. The ESG assessment outlined above is used to identify where active engagement with companies would be useful, with the aim of reducing underperformance from poor ESG behaviours while also encouraging companies to act

responsibly and improve sustainability. For this reason, the Advisers may invest in companies with material ESG issues which would otherwise be excluded from investment by the Fund where the company has shown a desire to improve their ESG behaviours and can demonstrate good corporate governance practices and a willingness to engage in issues if they arise. The Advisers leverage quantitative and qualitative engagement insights generated by EOS at Federated Hermes through its range of active ownership services. Where a company is being engaged with, specific targets and timelines are set in relation to that engagement, these targets will differ at an individual company engagement level. The engagement activity of the Fund is measured by the percentage of companies that are being engaged with on material ESG issues and the percentage of engagement progress (e.g. the percentage of engagement objectives which have achieved engagement objective milestones). The Advisers may decide to dispose of an investment where a company is not receptive to engagement on its material ESG issues or it makes insufficient progress in addressing those issues over time. Engagement with a company on ESG issues may be subject to limitations, directly or indirectly, on such engagement whether pursuant to the laws and regulations or otherwise of the jurisdiction in which the company is domiciled or otherwise applicable to the Adviser or any of its delegates. The assessment of the actual or potential impact of any such limitations on the Adviser or its delegates shall be a matter solely for the discretion of the Adviser or its delegates.

Debt Portion

The Advisers undertake an assessment of the ESG characteristics of each debt issuer. This assessment is performed using the Advisers' proprietary ESG scoring model which includes analysis of the country of issuance from a political and economic perspective, an analysis of the stewardship of the debt issuer, environmental characteristics (such as the impact on greenhouse emissions and natural resources), social characteristics (such as human rights) and governance characteristics (being the way in which the company is run).

The Advisers incorporate analysis that assesses the ESG characteristics of a government, government agency, quasi-governmental institution or a company by considering ESG research and scores from a wide variety of sources such as proprietary analysis from EOS at Federated Hermes, third party providers, where available, and a company's own disclosures. The international fixed-income integration process uses proprietary ESG research with a focus on relevant and material risk. The majority of data collection comes from the Advisers' diligent credit research, which cuts across country, industry and company.

The Advisers' approach to ESG integration in its investment analysis draws upon these internal and external sources to assign a ESG score to each country and company in the portfolio. To generate these ESG scores, the Advisers use Federated Hermes' proprietary scoring methodology to score a country's or a company's ESG behaviours, assigning the ESG score on a scale of 1 to 10 which is taken into account in assessing the overall credit of a government or company. This proprietary ESG score favours governments and companies with lower ESG risks and companies with good governance, who are actively improving their focus on ESG issues.

The Advisers believe that quantitative ESG data must be complemented by a fundamental bottom-up review of ESG issues and so leverages its knowledge of and direct contact and engagement with companies through the dedicated stewardship team, EOS at Federated Hermes. The ESG score is also used to identify where active engagement with companies by the Advisers and EOS at Federated Hermes would be useful, with the aim of reducing underperformance from poor ESG behaviours (which is demonstrated by having a ESG score of 10) while also encouraging companies to act responsibly and improve sustainability. For this reason, the Advisers may invest in companies with poor ESG scores where the government or company has shown a desire to improve their ESG behaviours and can demonstrate good governance practices and a willingness to engage in issues if they arise. The Advisers leverage quantitative and qualitative engagement insights generated by EOS at Federated Hermes through its range of active ownership services. Where a debt issuer is being engaged with, specific targets and timelines are set in relation to that engagement, these targets will differ at an individual company engagement level. The engagement activity of the Fund is measured by the percentage of companies that are being engaged with on material ESG issues and the percentage of engagement progress (e.g. the percentage of engagement objectives which have achieved engagement objective milestones). Engagement with a company on ESG issues may be subject to limitations, directly or indirectly, on such engagement whether pursuant to the laws and regulations or otherwise of the jurisdiction in which the company is domiciled or otherwise applicable to the Adviser or any of its delegates. The assessment of the actual or potential impact of any such limitations on the Adviser or its delegates shall be a matter solely for the discretion of the Adviser or its delegates.

In addition to the application of the ESG score, the Advisers will exclude investment in the following debt issuers (based on information available to the Advisers on these companies from the data sources referred to above):

- debt issuers that generate revenue from the production of controversial weapons;
- debt issuers that generate more than 10% of their revenue from the mining or energy generation of thermal coal; and
- debt issuers that are in contravention of the principles 4 and 5 of the UN Global Compact.

Both Equity Portion and Debt Portion

The Fund seeks to invest in companies with favourable ESG characteristics and as such, ESG is an active and documented consideration to the investment outcome. To achieve this, the Advisers carry out an ESG risk assessment to evaluate the quality of companies' underlying businesses using ESG data from third party providers, as further detailed below. The ESG risk assessment does not result in a score for each company, but rather uses the collectively ESG data to determine whether companies comprising

the portfolio have favourable ESG characteristics. The Advisers then intend to benchmark the portfolio directly against relevant indices on a wide array of ESG data compiled by third party providers with the goal to outperform the relevant index on these ESG metrics. The ESG data used to determine favourable ESG characteristics and as part of the benchmarking exercise includes (but is not limited to) the management of environmental risks (such as impact on climate change and natural resource use) and social risks (such as human & labour rights and human capital management). The favourable ESG characteristics are either broad, or sector specific, focusing on the major risks to a company by its business activity or the region of operation—such as CO₂ emissions and fleet consumption for the automobiles industry, or paper sourcing for media and energy efficiency for airlines.

Use of Benchmark

The Adviser monitors the Fund's performance relative to a composite benchmark comprising 60% MSCI Europe/40% ICE BofA EMU Direct Government AAA-AA (the "Benchmark") as a risk management metric to identify situations where there may be elevated risk in the Fund's portfolio. The Fund also uses the Benchmark for performance comparison purposes. Details of the Fund's performance relative to the Benchmark are available in the Fund's key investor information documents, the latest audited annual report and any subsequent semi-annual report. Reference to the Benchmark is for illustrative purposes only. There is no guarantee that the Fund will outperform the Benchmark. The Benchmark is not intended to be the Fund's reference benchmark for the purpose of SFDR and the Benchmark is not, nor is it intended to be, consistent with the Fund's promotion of environmental and/or social characteristics.

Profile of Typical Investor

The Fund is suitable for investors seeking total return and a medium to long term investment.

EUROPA-AKTIE

Investment Objective

The investment objective of Europa-Aktien is to provide long-term growth of capital.

Investment Policies

The Fund pursues its objective by investing primarily in equity and equity-related securities of European companies. While there is no assurance that the Fund will achieve its investment objective, it endeavours to do so by following the strategies and policies described in this Prospectus.

The Fund is actively managed. The securities include, but are not limited to:

- common stocks;
- preferred stocks;
- depositary receipts;
- rights and warrants; and
- convertible securities.

The Fund considers a company to be a European company if:

- the company is organised under the laws of, or has a principal office located in, a European country; or
- the principal trading market for its securities is in a European country; or
- the company (or its subsidiaries) derived, in its most current fiscal year, at least 50% of its total assets, capitalisation, gross revenue or profit from goods produced, services performed, or sales made in Europe.

European companies shall include companies located in both OECD member and non-OECD member countries. However, for purposes of the above restriction, not more than 20% of the Fund's NAV will be invested in companies located in non-OECD member countries.

See "*Securities in Which the Funds Invest*" for fuller descriptions of these securities.

This Fund is permitted to invest up to 10% of its NAV in other Eligible Collective Investment Schemes with investment policies similar to the Fund. The Fund will invest principally in securities listed, quoted, or dealt in on a Regulated Market. However, the Fund may also invest up to 10% of its NAV in securities which are not listed, quoted, or dealt in or on a Regulated Market.

The Fund promotes environmental and/or social characteristics, as more particularly described under the heading "Transparency of the Promotion of Environmental or Social Characteristics" below and is an Article 8 fund for the purposes of SFDR. The Fund does not have sustainable investment as its objective. The Fund does not invest in sustainable investments. The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities as defined under the Taxonomy Regulation (EU) 2020/852 and so the Fund will invest 0% in economic activities that are aligned with the Taxonomy Regulation. The "do not significant harm" principle does not apply to the investments underlying the Fund.

See "*Sustainable Finance Disclosures Regulation*" for description of ESG and sustainability activities of the Fund.

Transparency of the Promotion of Environmental or Social Characteristics

The environmental characteristics promoted by the Fund are to gain exposure to companies with reduced ESG risks and showing a willingness to engage on material ESG issues. The Fund promotes environmental characteristics by applying the criteria set out below to the security selection and portfolio construction process outlined in the section titled “Investment Policies”. Please refer to the annex to this Prospectus for further information regarding the Fund’s environmental and/or social characteristics.

The Advisers undertake an assessment of the ESG characteristics of each company. ESG characteristics include environmental characteristics (such as the impact on natural resources), social characteristics (such as human rights) and governance characteristics (being the way in which the company is managed and operated). The Advisers assess the ESG characteristics of a company by considering ESG research and scores from a wide variety of sources such as proprietary analysis from EOS at Federated Hermes, third party providers, where available, and a company’s own disclosures. The Advisers’ assessment of the ESG characteristics of a company results in an ESG score being assigned to each company considered for investment. The ESG assessment and subsequently determined score is the combination of a company’s performance on a discrete set of material ESG topics, informed by both quantified metrics and the Advisers’ subjective but informed judgement. The ESG topics include, but are not limited to, specific environmental – such as a company’s carbon intensity (tonnes of scope 1 and 2 GHGe per \$m sales) – and social characteristics – such as employee satisfaction and turnover – and are typically considered on both a relative and absolute basis with a view to the major risks to that company as a result of its business model and geographic footprint. The Fund will invest at least 51% of its net assets in shares of companies with favourable ESG characteristics and/or, as further outlined below, are actively engaged by the EOS engagement team.

The Advisers believe that quantitative ESG data must be complemented by a fundamental bottom-up review of ESG issues and so the Advisers leverage the knowledge of and direct contact and engagement with companies through the dedicated stewardship team, EOS at Federated Hermes. The ESG assessment outlined above is used to identify where active engagement with companies would be useful, with the aim of reducing underperformance from poor ESG behaviours while also encouraging companies to act responsibly and improve sustainability. For this reason, the Advisers may invest in companies with material ESG issues which would otherwise be excluded from investment by the Fund where the company has shown a desire to improve their ESG behaviours and can demonstrate good corporate governance practices and a willingness to engage in issues if they arise. The Advisers leverage quantitative and qualitative engagement insights generated by EOS at Federated Hermes through its range of active ownership services. Where a company is being engaged with, specific targets and timelines are set in relation to that engagement, these targets will differ at an individual company engagement level. The engagement activity of the Fund is measured by the percentage of companies that are being engaged with on material ESG issues and the percentage of engagement progress (e.g. the percentage of engagement objectives which have achieved engagement objective milestones). The Advisers may decide to dispose of an investment where a company is not receptive to engagement on its material ESG issues or it makes insufficient progress in addressing those issues over time. Engagement with a company on ESG issues may be subject to limitations, directly or indirectly, on such engagement whether pursuant to the laws and regulations or otherwise of the jurisdiction in which the company is domiciled or otherwise applicable to the Adviser or any of its delegates. The assessment of the actual or potential impact of any such limitations on the Adviser or its delegates shall be a matter solely for the discretion of the Adviser or its delegates.

ESG is an active consideration to the investment outcome. The Advisers then intend to benchmark the portfolio directly against relevant indices on a wide array of ESG data compiled by third party providers with the goal to outperform the relevant index on these ESG metrics. The ESG data used includes (but is not limited to) the management of environmental risks (such as impact on climate change and natural resource use) and social risks (such as human & labour rights and human capital management). The ESG characteristics are either broad, or sector specific, focusing on the major risks to a company by its business activity or the region of operation—such as CO2 emissions and fleet consumption for the automobiles industry, or paper sourcing for media and energy efficiency for airlines.

Use of Benchmark

The Adviser monitors the Fund’s performance relative to the MSCI Europe Index (the “Benchmark”) as a risk management metric to identify situations where there may be elevated risk in the Fund’s portfolio. The Fund also uses the Benchmark for performance comparison purposes. Details of the Fund’s performance relative to the Benchmark are available in the Fund’s key investor information documents, the latest audited annual report and any subsequent semi-annual report. Reference to the Benchmark is for illustrative purposes only. There is no guarantee that the Fund will outperform the Benchmark. The Benchmark is not intended to be the Fund’s reference benchmark for the purpose of SFDR and the Benchmark is not, nor is it intended to be, consistent with the Fund’s promotion of environmental and/or social characteristics.

Profile of Typical Investor

The Fund is suitable for investors seeking long-term growth of capital and a long term investment.

INTER-AKTIE

Investment Objective

The investment objective of Inter-Aktien is to provide long-term growth of capital.

Investment Policies

The Fund pursues its objective by investing in equity and equity-related securities of companies located anywhere in the world, but will invest primarily in companies in markets outside of Europe. While there is no assurance that the Fund will achieve its investment objective, it endeavours to do so by following the strategies and policies described in this Prospectus.

The Fund is actively managed. These securities include, but are not limited to:

- common stocks;
- preferred stocks;
- depositary receipts;
- rights and warrants; and
- convertible securities.

See “*Securities in Which the Funds Invest*” for fuller descriptions of these securities.

The Fund may invest up to 25% of its NAV in securities issued by companies located in emerging markets. The Fund considers all non-OECD countries to be emerging markets. This Fund is permitted to invest up to 10% of its NAV in other Eligible Collective Investment Schemes with investment policies similar to the Fund. The Fund will invest principally in securities listed, quoted, or dealt in on a Regulated Market. However, the Fund may also invest up to 10% of its NAV in securities which are not listed, quoted, or dealt in on a Regulated Market.

The Fund promotes environmental and/or social characteristics, as more particularly described under the heading “Transparency of the Promotion of Environmental or Social Characteristics” below and is an Article 8 fund for the purposes of SFDR. The Fund does not have sustainable investment as its objective. The Fund does not invest in sustainable investments. The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities as defined under the Taxonomy Regulation (EU) 2020/852 and so the Fund will invest 0% in economic activities that are aligned with the Taxonomy Regulation. The “do not significant harm” principle does not apply to the investments underlying the Fund.

See “*Sustainable Finance Disclosures Regulation*” for description of ESG and sustainability activities of the Fund.

Transparency of the Promotion of Environmental or Social Characteristics

The environmental characteristics promoted by the Fund are to gain exposure to companies with reduced ESG risks and showing a willingness to engage on material ESG issues. The Fund promotes environmental characteristics by applying the criteria set out below to the security selection and portfolio construction process outlined in the section titled “Investment Policies”. Please refer to the annex to this Prospectus for further information regarding the Fund’s environmental and/or social characteristics.

The Advisers undertake an assessment of the ESG characteristics of each company. ESG characteristics include environmental characteristics (such as the impact on natural resources), social characteristics (such as human rights) and governance characteristics (being the way in which the company is managed and operated). The Advisers assess the ESG characteristics of a company by considering ESG research and scores from a wide variety of sources such as proprietary analysis from EOS at Federated Hermes, third party providers, where available, and a company’s own disclosures. The Advisers’ assessment of the ESG characteristics of a company results in an ESG score being assigned to each company considered for investment. The ESG assessment and subsequently determined score is the combination of a company’s performance on a discrete set of material ESG topics, informed by both quantified metrics and the Advisers’ subjective but informed judgement. The ESG topics include, but are not limited to, specific environmental – such as a company’s carbon intensity (tonnes of scope 1 and 2 GHGe per \$m sales) – and social characteristics – such as employee satisfaction and turnover – and are typically considered on both a relative and absolute basis with a view to the major risks to that company as a result of its business model and geographic footprint. The Fund will invest at least 51% of its net assets in shares of companies with favourable ESG characteristics and/or, as further outlined below, are actively engaged by the EOS engagement team.

The Advisers believe that quantitative ESG data must be complemented by a fundamental bottom-up review of ESG issues and so the Advisers leverage the knowledge of and direct contact and engagement with companies through the dedicated stewardship team, EOS at Federated Hermes. The ESG assessment outlined above is used to identify where active engagement with companies would be useful, with the aim of reducing underperformance from poor ESG behaviours while also encouraging companies to act responsibly and improve sustainability. For this reason, the Advisers may invest in companies with material ESG issues which would otherwise be excluded from investment by the Fund where the company has shown a desire to improve their ESG behaviours and can demonstrate good corporate governance practices and a willingness to engage in issues if they arise. The Advisers leverage quantitative and qualitative engagement insights generated by EOS at Federated Hermes through its range of active ownership services. Where a company is being engaged with, specific targets and timelines are set in relation to that engagement, these targets will differ at an individual company engagement level. The engagement activity of the Fund is measured by the percentage of companies that are being engaged with on material ESG issues and the percentage of engagement progress (e.g. the percentage of engagement objectives which have achieved engagement objective milestones). The Advisers may decide to dispose of an investment where a company is not receptive to engagement on its material ESG issues or it makes insufficient progress in addressing those issues over time. Engagement with a company on ESG issues may be subject to limitations, directly

or indirectly, on such engagement whether pursuant to the laws and regulations or otherwise of the jurisdiction in which the company is domiciled or otherwise applicable to the Adviser or any of its delegates. The assessment of the actual or potential impact of any such limitations on the Adviser or its delegates shall be a matter solely for the discretion of the Adviser or its delegates.

ESG is an active consideration to the investment outcome. The Advisers then intend to benchmark the portfolio directly against relevant indices on a wide array of ESG data compiled by third party providers with the goal to outperform the relevant index on these ESG metrics. The ESG data used includes (but is not limited to) the management of environmental risks (such as impact on climate change and natural resource use) and social risks (such as human & labour rights and human capital management). The ESG characteristics are either broad, or sector specific, focusing on the major risks to a company by its business activity or the region of operation—such as CO2 emissions and fleet consumption for the automobiles industry, or paper sourcing for media and energy efficiency for airlines.

Use of Benchmark

The Adviser monitors the Fund's performance relative to the MSCI World Index (the "Benchmark") as a risk management metric to identify situations where there may be elevated risk in the Fund's portfolio. The Fund also uses the Benchmark for performance comparison purposes. Details of the Fund's performance relative to the Benchmark are available in the Fund's key investor information documents, the latest audited annual report and any subsequent semi-annual report. Reference to the Benchmark is for illustrative purposes only. There is no guarantee that the Fund will outperform the Benchmark. The Benchmark is not intended to be the Fund's reference benchmark for the purpose of SFDR and the Benchmark is not, nor is it intended to be, consistent with the Fund's promotion of environmental and/or social characteristics.

Profile of Typical Investor

The Fund is suitable for investors seeking long-term growth of capital and a long term investment.

Due to the Fund's investment in the securities of emerging market countries, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

AS TO ANY FUND – USE OF TEMPORARY DEFENSIVE MEASURES

With respect to each Fund, in certain circumstances, on a temporary and exceptional basis, when the Adviser deems it to be in the best interests of Unitholders, a Fund may not adhere to its investment policies as disclosed above. Such circumstances include, but are not limited to:

1. when the Fund has high levels of cash as a result of subscriptions or earnings;
2. when the Fund has a high level of redemptions; or
3. when the Adviser takes temporary action to try to preserve the value of the Fund or limit losses in emergency market conditions or in the event of movements in interest rates.

In such circumstances, the Fund may hold cash or invest in money market instruments, short-term debt securities issued or guaranteed by national governments located globally; short-term corporate debt securities including freely transferable promissory notes, debentures, bonds (including zero coupon bonds), convertible and non-convertible notes, commercial paper, CDs, and bankers' acceptances issued by industrial, utility, finance, commercial banking or bank holding company organisations. The Fund will only invest in debt securities that are rated at least Investment-Grade by Recognised Statistical Rating Organisations. During such circumstances, the Fund may not be pursuing its principal investment strategies and may not achieve its investment objective. The foregoing does not relieve the Fund of the obligation to comply with the investment limits set forth under the section entitled "*Permitted Investments Under Irish Regulations*".

Securities in which the Funds Invest

To achieve their investment objectives, the Funds may employ techniques and instruments relating to the investments subject to the conditions and within the limits from time to time laid down by the Central Bank. Below are fuller descriptions of the types of instruments in which the Funds may invest as listed under "*Investment Policies*" for each Fund. The following transferable securities are listed or traded on Regulated Markets (except Eligible Collective Investment Schemes):

CORPORATE DEBT SECURITIES

Corporate debt securities are debt securities issued by businesses. Notes, bonds, debentures and commercial paper are the most prevalent types of corporate debt securities. The Funds may also purchase interests in bank loans to companies. The credit risks of corporate debt securities vary widely among issuers.

In addition, the credit risk of an issuer's debt security may vary based on its priority for repayment. For example, higher ranking ("senior") debt securities have a higher priority than lower ranking ("subordinated") securities. This means that the issuer might not make payments on subordinated securities while continuing to make payments on senior securities. In addition, in the event of bankruptcy, holders of senior securities may receive amounts otherwise payable to the holders of subordinated securities. Some subordinated securities, such as trust preferred and capital securities notes, also permit the issuer to defer payments under certain

circumstances. For example, insurance companies issue securities known as surplus notes that permit the insurance company to defer any payment that would reduce its capital below regulatory requirements.

Certain of the securities in which the Funds may invest may be subject to restrictions on resale under U.S. federal securities law (for example, securities sold under Rule 144A of the 1933 Act). The Manager believes that these securities will meet the following criteria for liquidity of certain securities, as established by the Directors of the Manager:

- the frequency of trades and quotes for the securities;
- the number of dealers willing to purchase or sell the security and the number of other potential buyers;
- dealer undertakings to make a market in the security; and
- the nature of the security and the nature of the marketplace trades.

All issues must be rated Investment-Grade at the time of purchase. If a security is downgraded below B-, the security will be sold immediately taking into consideration the interests of Unitholders. Euro-Renten, Inter-Renten, ProBasis and ProFutur may invest up to 10% of their NAV in non-Investment-Grade debt securities.

Convertible Securities

The Funds may invest in convertible securities, including bonds, debentures, corporate notes, and preferred stocks that are convertible at a stated exchange rate into common stock. Prior to their conversion, convertible securities have the same general characteristics as non-convertible debt securities, which provide a stable stream of income with generally higher yields than those of equity securities of the same or similar issuers.

Convertible securities generally offer lower interest yields than non-convertible debt securities of similar quality but they do enable the investor to benefit from increases in the market price of the underlying common stock. When the market price of the common stock underlying a convertible security increases, the price of the convertible security increasingly reflects the value of the underlying common stock and may rise accordingly. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis, and thus may not depreciate to the same extent as the underlying common stock. Convertible securities rank senior to common stocks in an issuer's capital structure. Convertible securities are consequently of higher quality and entail less risk than the issuer's common stock, although the extent to which such risk is reduced depends in large measure upon the degree to which the convertible security sells above its value as a debt security.

Convertible securities are debt securities or preferred stocks that a Fund has the option to exchange for equity securities at a specified conversion price. The option allows a Fund to realise additional returns if the market price of the equity securities exceeds the conversion price. For example, a Fund may hold debt securities that are convertible into shares of common stock at a conversion price of U.S.\$10 per share. If the market value of the shares of common stock reached U.S.\$12, the Fund could realise an additional U.S.\$2 per share by converting its debt securities.

Convertible securities have lower yields than comparable debt securities. In addition, at the time a convertible security is issued the conversion price exceeds the market value of the underlying equity securities. Thus, convertible securities may provide lower returns than non-convertible debt securities or equity securities depending upon changes in the price of the underlying equity securities. However, convertible securities permit a Fund to realise some of the potential appreciation of the underlying equity securities with less risk of losing its initial investment.

A Fund treats convertible securities as both debt and equity securities for purposes of its investment policies and limitations, because of their unique characteristics.

COMMERCIAL PAPER

Commercial paper is an issuer's obligation with a maturity of less than nine months. Companies typically issue commercial paper to pay for current expenditures. Most issuers constantly reissue their commercial paper and use the proceeds (or "bank loans") to repay maturing paper. If the issuer cannot continue to obtain liquidity in this fashion, its commercial paper may default. The short maturity of commercial paper generally reduces both the market and credit risks as compared to other debt securities of the same issuer. The Funds may invest in commercial paper issued by banks, corporations, and other borrowers. Such instruments are unsecured and usually discounted, although some are interest-bearing.

Medium Term Notes

Medium term notes are new issue debt instruments issued by banks, corporations and other borrowers which are offered continuously over an extended period of time. Medium term notes' maturities normally range from nine months to fifteen years, although some may be as short as six months.

Variable Rate Instruments

Variable rate notes are securities issued typically by corporations or financial institutions. Variable rate CDs are bank deposits. Both instruments have an interest rate which resets periodically according to a specific instrument or statistic such as a defined index. The reset period is typically daily, weekly, monthly, or quarterly and the index may be based on the U.S. federal funds rate, commercial paper rates, the Sterling Overnight Interbank Average Rate ("SONIA"), Euribor, Eurolibor or other rates. A variable

rate note may have a demand feature allowing the holder to demand payment of principal and interest from the issuer after a notice period of, for example, seven days or one month, or such notes may allow the holder to demand payment of principal and interest on specifically identified dates. Due to the frequency of the interest rate reset and the market nature of the index, variable rate CDs are regarded as having limited market (interest rate) risk but they do have the credit risk of the issuer. While the variable rate instruments in which a Fund invests may have longer stated maturities, their actual maturity date may be deemed to be the last day of the current reset period for purposes of average maturity calculation if it is determined by the Adviser that this would accurately predict the instrument's interest rate volatility. Variable rate instruments are subject to credit risks.

Loan Participations

A Fund may invest in fixed and floating rate loans arranged through private negotiations between a corporation or other type of entity and one or more financial institutions ("Lender"). Such investment is expected to be in the form of securitised participations in loans which are transferable securities ("Participations"). Participations typically will result in a Fund having a contractual relationship only with the Lender, not with the borrower. A Fund will have the right to receive payments of principal, interest and any fees to which it is entitled only from the Lender selling the Participation and only upon receipt by the Lender of the payments from the borrower. In connection with purchasing Participations, a Fund generally will have no right to enforce compliance by the borrower with the terms of the loan agreement relating to the loan nor any rights of set-off against the borrower and a Fund may not directly benefit from any collateral supporting the loan in which it has purchased the Participation. As a result, a Fund will assume the credit risk of both the borrower and the Lender that is selling the Participation. A Fund will acquire Participations only if the Lender interpositioned between a Fund and the borrower is determined by the Advisers to be creditworthy.

The investment of a Fund shall be in Participations that are securitised transferable securities which are not leveraged and are dealt in on a Regulated Market, and will be purchased through recognised, regulated dealers. No more than 5% of a Fund's NAV will be invested in Participations of the same borrower.

PREFERRED STOCKS

Preferred stocks have the right to receive specified dividends or distributions before the issuer makes payments on its common stock. Some preferred stocks also participate in dividends and distributions paid on common stock. Preferred stocks may also permit the issuer to redeem the stock. A Fund will treat such redeemable preferred stock as a debt security.

RIGHTS AND WARRANTS [PROBASIS, PROFUTUR, EUROPA-AKTIEN, AND INTER-AKTIEN]

The Funds may invest in rights and warrants, which entitle the holder to buy equity securities at a specific price (the "Strike Price") for a specific period of time, but will do so only if the underlying equity securities are deemed appropriate by the Fund's Advisers for inclusion in the Fund. Rights and warrants may be considered more speculative than certain other types of investments because there is no assurance that the value of the underlying securities will exceed the Strike Price before the warrant or right expires. Also, the value of a right or warrant does not necessarily change with the value of the underlying securities.

Rights and warrants also do not entitle a holder to dividends or voting rights with respect to the securities that may be purchased nor do they represent any rights in the assets of the issuing company. Warrants typically entitle a holder to buy an amount of common stock at a specified price, usually higher than the market price at the time of issuance. In contrast, rights, which also represent the right to buy common shares, normally have a subscription price lower than the current market value of the common stock and generally have a life of only two to four weeks. No more than 5% of the NAV of a Fund will be invested in rights and warrants.

Warrants give the Fund the option to buy the issuer's equity securities at a specified price (the "Exercise Price") at a specified future date (the "Expiration Date").

The Fund may buy the designated securities by paying the Exercise Price before the Expiration Date. Warrants may become worthless if the price of the stock does not rise above the Exercise Price by the Expiration Date. This increases the market risks of warrants as compared to the underlying security. Rights are the same as warrants, except companies typically issue rights to existing stockholders.

U.S. Government Obligations

The types of U.S. government obligations in which a Fund may invest include, but are not limited to, direct obligations of the U.S. Treasury (such as U.S. Treasury bills, notes and bonds) and obligations issued or guaranteed by U.S. government agencies or instrumentalities.

The Funds may invest in general obligations of any state, territory, or possession of the United States, or their political subdivisions.

U.S. Treasury Securities

U.S. Treasury securities (such as U.S. Treasury bills, notes and bonds) are direct obligations of the federal government of the United States. U.S. Treasury securities are generally regarded as having the lowest credit risks.

U.S. Government Agency Securities

U.S. government agency securities are those which are issued or guaranteed by a U.S. federal agency or instrumentality acting under federal authority. Certain U.S. government agency securities are supported by the full faith and credit of the United States. These include the Government National Mortgage Association (“Ginnie Mae”), Small Business Administration, Federal Financing Bank, Department of Housing and Urban Development, Export-Import Bank of the United States, Overseas Private Investment Corporation, and Federal Deposit Insurance Corporation.

Other U.S. government agency securities receive support through U.S. federal subsidies, loans or other benefits. For example, the U.S. Treasury is authorised to purchase specified amounts of securities issued by (or otherwise make funds available to) the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (“Freddie Mac”), Federal National Mortgage Association (“Fannie Mae”) and Tennessee Valley Authority in support of such obligations.

Further, certain of such U.S. government agency securities have no explicit financial support, but are regarded as having implied support because the U.S. federal government sponsors their activities. These include Farm Credit System and Financing Corporation securities.

In terms of credit risk, a Fund treats mortgage-backed securities guaranteed by a U.S. federal agency or instrumentality as U.S. Treasury securities. Although such a guarantee helps protect against credit risk, it does not eliminate it entirely or reduce other risks. U.S. government agency securities are traded and/or listed on Regulated Markets.

(See “What are the Specific Risks of Investing in the Funds” and “Events Related to Freddie Mac and Fannie Mae”.)

ASSET-BACKED SECURITIES

Asset-backed securities are payable from pools of obligations other than mortgages. Most asset-backed securities involve consumer or commercial debts with maturities of less than 10 years. However, almost any type of fixed-income assets (including other fixed-income securities) may be used to create an asset-backed security. Asset-backed securities may take the form of commercial notes, notes or pass-through certificates. Asset-backed securities have prepayment risks. Like CMOs, asset-backed securities may be structured like Floaters, Inverse Floaters, Interest Only bonds (“IOs”) and Principal Only bonds (“POs”).

Non-Mortgage Related Asset-Backed Securities

The Funds may invest in non-mortgage related asset-backed securities including, but not limited to, interests in pools of receivables, such as credit card and accounts receivable and motor vehicle and other installment purchase obligations and leases. However, almost any type of debt assets (including other debt securities, such as corporate debt securities) may be used to create an asset-backed security. Asset-backed securities may take the form of notes, pass-through certificates or asset-backed obligations. The securities, all of which are issued by non-governmental entities and carry no direct or indirect government guarantee, are structurally similar to CMOs and mortgage pass-through securities, which are described below.

Mortgage-Related Asset-Backed Securities

A Fund may also invest in various mortgage-related asset-backed securities. These types of investments may include adjustable rate mortgage securities, CMOs, real estate mortgage investment conduits, or other securities collateralised by or representing an interest in real estate mortgages (collectively, “Mortgage Securities”). Many Mortgage Securities are issued or guaranteed by government agencies.

MORTGAGE-BACKED SECURITIES

Mortgage-backed securities represent interests in pools of mortgages. The mortgages that comprise a pool normally have similar interest rates, maturities, and other terms. Mortgages may have fixed or adjustable interest rates. Interests in pools of adjustable-rate mortgages are known as adjustable rate mortgage securities (“ARMs”).

Mortgage-backed securities come in a variety of forms. The simplest forms of mortgage-backed securities are pass-through certificates. Holders of pass-through certificates receive a *pro rata* share of all net interest and principal payments and prepayments from the underlying mortgages. As a result, the holders assume all interest rate and prepayment risks of the underlying mortgages. Other mortgage-backed securities may have more complicated financial structures.

The Funds may invest in both agency mortgage-backed securities and in mortgage-backed securities that are issued by private entities. Securities issued by private entities must be rated Investment-Grade by one or more Recognised Statistical Rating Organisations at the time of purchase. Securities issued by a private entity are subject to additional credit risk. Such securities are traded and/or listed on Regulated Markets.

Commercial Mortgage-Backed Securities

CMBS represent interests in mortgage loans on commercial real estate, such as loans for hotels, shopping centers, office buildings and apartment buildings. Generally, the interest and principal payments on these loans are passed on to investors in CMBS according to a schedule of payments. A Fund may invest in individual CMBS issues or, alternately, may gain exposure to the overall CMBS market by investing in a derivative contract, the performance of which is related to changes in the value of a domestic CMBS index. The risks associated with CMBS reflect the risks of investing in the commercial real estate securing the

underlying mortgage loans and are therefore different from the risks of other types of MBS. Additionally, CMBS may expose a Fund to interest rate, liquidity and credit risks.

Adjustable Rate Mortgage Securities

ARMS are pass-through mortgage securities representing interests in adjustable rather than fixed interest rate mortgages. The ARMS in which the Fund invests are issued by Ginnie Mae, Fannie Mae and Freddie Mac, and are actively traded. The underlying mortgages which collateralise ARMS issued by Ginnie Mae are fully guaranteed by the Federal Housing Administration or Veterans Administration, while those collateralising ARMS issued by Fannie Mae or Freddie Mac are typically conventional residential mortgages conforming to strict underwriting size and maturity constraints.

Collateralised Mortgage Obligations ("CMOs")

CMOs, including interests in real estate mortgage investment conduits (REMICs), allocate payments and prepayments from an underlying pass-through certificate among holders of different classes of mortgage backed securities. This creates different prepayment and interest rate risks for each CMO class.

CMOs are bonds issued by single-purpose, stand-alone finance subsidiaries or trusts of financial institutions, government agencies, investment banks, or companies related to the construction industry. CMOs purchased by the Fund may be:

- collateralised by pools of mortgages in which each mortgage is guaranteed as to payment of principal and interest by an agency or instrumentality of the U.S. government;
- collateralised by pools of mortgages in which payment of principal and interest is guaranteed by the issuer and such guarantee is collateralised by U.S. government securities; or
- securities in which the proceeds of the issuance are invested in Mortgage Securities and payment of the principal and interest is supported by the credit of an agency or instrumentality of the U.S. government.

All CMOs purchased by the Funds are Investment-Grade, as rated by a Recognised Statistical Rating Organisation at the time of purchase. CMOs are subject to interest rate and prepayment risks.

Real Estate Mortgage Investment Conduits

REMICs are offerings of multiple class real estate mortgage-backed securities which qualify and elect treatment as such under provisions of the U.S. Internal Revenue Code. Issuers of REMICs may take several forms, such as trusts, partnerships, corporations, associations or segregated pools of mortgages. Once REMIC status is elected and obtained, the entity is not subject to U.S. federal income taxation. Instead, income is passed through the entity and is taxed to the person or persons who hold interests in the REMIC. A REMIC interest must consist of one or more classes of "regular interests," some of which may offer adjustable rates of interest, and a single class of "residual interests." To qualify as a REMIC, substantially all the assets of the entity must be in assets directly or indirectly secured principally by real property.

Bank Instruments

Bank instruments are unsecured interest bearing deposits with banks. Bank instruments include bank accounts, time deposits, CDs and banker's acceptances. Yankee instruments are denominated in U.S. dollars and issued by U.S. branches of foreign banks. Eurodollar instruments are denominated in U.S. dollars and issued by non-U.S. branches of U.S. or foreign banks.

The Funds may invest in the following:

- CDs in commercial or savings banks whose deposits are insured by the Bank Insurance Fund ("BIF") or the Savings Association Insurance Fund, including CDs issued by foreign branches of BIF-insured banks; and
- bankers' acceptances issued by a BIF-insured bank, or issued by the bank's Edge Act subsidiary and guaranteed by the bank, with remaining maturities of nine months or less. The total acceptances of any bank held by the Trust on behalf of the Fund cannot exceed 0.25 of 1% of such bank's total deposits according to the bank's last published statement of condition preceding the date of acceptance.

Zero Coupon Securities

Zero coupon securities do not pay interest or principal until final maturity unlike debt securities that provide periodic payments of interest (referred to as a coupon payment). Investors buy zero coupon securities at a price below the amount payable at maturity. The difference between the purchase price and the amount paid at maturity represents interest on the zero coupon security. Investors must wait until maturity to receive interest and principal, which increases the interest rate and credit risks of a zero coupon security.

There are many forms of zero coupon securities. Some are issued at a discount and are referred to as zero coupon or capital appreciation bonds. Others are created from interest bearing bonds by separating the right to receive the bond's coupon payments from the right to receive the bond's principal due at maturity, a process known as coupon stripping. U.S. Treasury STRIPs, IOs and POs are the most common forms of stripped zero coupon securities. In addition, some securities give the issuer the option to deliver additional securities in place of cash interest payments, thereby increasing the amount payable at maturity. These are referred to as pay-in-kind or PIK securities.

OECD Government Securities

The Funds may invest in debt securities issued or guaranteed by any OECD member state or by its authorities, agencies or instrumentalities or by any supranational or public international bodies of which one or more European Union (“EU”) Member States are members.

Resets of Interest

The interest rates paid on the ARMS, CMOs, and REMICs in which the Funds invest generally are readjusted at intervals of one year or less to an increment over some predetermined interest rate index. There are two main categories of indices: those based on U.S. Treasury securities and those derived from a calculated measure, such as a cost of funds index or a moving average of mortgage rates. Commonly utilised indices include the one-year and five-year constant maturity U.S. Treasury note rates, the three-month U.S. Treasury bill rate, the 180-day U.S. Treasury bill rate, rates on longer-term U.S. Treasury securities, the National Median Cost of Funds, the one-month or three-month SONIA, the prime rate of a specific bank, or commercial paper rates. Some indices, such as the one-year constant maturity U.S. Treasury note rate, closely mirror changes in market interest rate levels. Others tend to lag changes in market rate levels and tend to be somewhat less volatile.

To the extent that the adjusted interest rate on the mortgage security reflects current market rates, the market value of an adjustable rate mortgage security will tend to be less sensitive to interest rate changes than a fixed rate debt security of the same stated maturity. Hence, adjustable rate mortgage securities which use indices that lag changes in market rates should experience greater price volatility than adjustable rate mortgage securities that closely mirror the market. Certain residual interest tranches of CMOs may have adjustable interest rates that deviate significantly from prevailing market rates, even after the interest rate is reset, and are subject to correspondingly increased price volatility. In the event the Fund purchases such residual interest mortgage securities, it will factor in the increased interest and price volatility of such securities when determining its dollar-weighted average duration.

Caps and Floors

Caps and Floors are contracts in which one party agrees to make payments only if an interest rate or index goes above (“Cap”) or below (“Floor”) a certain level in return for a fee from the other party.

The underlying mortgages which collateralise the ARMS, CMOs, and REMICs in which the Funds invest will frequently have Caps and Floors which limit the maximum amount by which the loan rate to the residential borrower may change up or down:

1. per reset or adjustment interval, and
2. over the life of the loan.

Some residential mortgage loans restrict periodic adjustments by limiting changes in the borrower’s monthly principal and interest payments rather than limiting interest rate changes. These payment caps may result in negative amortisation.

The value of mortgage securities in which the Funds invest may be affected if market interest rates rise or fall faster and farther than the allowable caps or floors on the underlying residential mortgage loans. Additionally, even though the interest rates on the underlying residential mortgages are adjustable, amortisation and prepayments may occur, thereby causing the effective maturities of the mortgage securities in which the Funds invest to be shorter than the maturities stated in the underlying mortgages.

Depository Receipts [ProBasis, ProFutur, Europa-Aktien, Inter-Aktien]

Depository receipts represent interests in underlying securities issued by a foreign company. Depository receipts are not traded in the same market as the underlying security. The securities underlying American Depositary Receipts (“ADRs”) are traded outside the U.S. ADRs provide a way to buy shares of non-U.S.-based companies in the U.S. rather than in non-U.S. markets. ADRs are also traded in U.S. dollars. The securities underlying European Depositary Receipts (“EDRs”), Global Depositary Receipts (“GDRs”), and International Depositary Receipts (“IDRs”), are traded globally or outside the U.S. EDRs, GDRs and IDRs are similar to ADRs, except that they are primarily aimed at non-U.S. resident investors and are intended to trade mainly in markets outside of the United States. Depository receipts involve many of the same risks of investing directly in non-U.S. securities, including currency risks.

ELIGIBLE COLLECTIVE INVESTMENT SCHEMES

The Funds may invest up to 10% of their NAV in other Eligible Collective Investment Schemes (including other Funds of the Trust as described herein) whose objective is to invest in securities, instruments, or obligations of the type in which the Fund is permitted to invest, provided that the Advisers determine that an investment in another Eligible Collective Investment Scheme presents minimal credit risks. The Funds will not invest in another Eligible Collective Investment Scheme unless their investment objectives, policies, and restrictions are substantially similar to those of a Fund with substantially similar risks. The Funds may not invest in an Eligible Collective Investment Scheme which itself can invest more than 10% of its net assets in other collective investment schemes.

A Fund may invest in an Eligible Collective Investment Scheme (“underlying scheme”) managed by the same management company or any other company with which the management company is linked by common management or control or by a substantial direct or indirect holding, provided that the management company or such other company may not charge subscription or redemption fees on account of the investment of the Fund in the underlying scheme.

A Fund may invest in another Fund of the Trust provided that the Fund may not invest in another Fund of the Trust which itself holds Units in other Funds of the Trust. Where a Fund invests in another Fund of the Trust, an annual management fee may not be charged in respect of that portion of assets invested in the other Fund of the Trust.

SPECIAL TRANSACTIONS

Borrowings

A Fund may not borrow money, grant loans or act as guarantor on behalf of third parties, except as follows:

- foreign currency may be acquired by means of a back-to-back loan. Foreign currency obtained in this manner is not classified as borrowing for the purpose of Regulation 103(1) of the UCITS Regulations, except to the extent that such foreign currency exceeds the value of a “back to back” deposit; and
- borrowings not exceeding 10% of the NAV of a Fund may be made on a temporary basis and the assets of a Fund may be charged or pledged as security for such borrowings.

Investment Ratings for Investment-Grade Securities

The Adviser will determine whether a security is Investment-Grade based upon the credit ratings given by one or more Recognised Statistical Rating Organisations. For example, at the date of this Prospectus, S&P, a rating service, assigns ratings to Investment-Grade securities based on their assessment of the likelihood of the issuer’s inability to pay interest or principal (default) when due on each security. Lower credit ratings correspond to higher credit risk. If a security has not received a rating, the Fund must rely entirely upon the Adviser’s credit assessment that the security is comparable to Investment-Grade.

If a security is downgraded below Investment-Grade, the Adviser will re-evaluate the security, but will not be required to sell it.

CENTRAL BANK AUTHORISATION

The Trust has been authorised by the Central Bank to invest up to 100% of the assets of any Fund in transferable securities issued or guaranteed by:

- (a) the U.S. government, its agencies or instrumentalities;
- (b) a Member State of the EU;
- (c) the government or local authorities of any Member State of the EU;
- (d) the government of Switzerland, Norway, Canada, Japan, Australia or New Zealand;
- (e) the World Bank, the European Investment Bank, Euratom, the Asian Development Bank, the Inter-American Development Bank, the International Bank for Reconstruction and Development or the European Bank for Reconstruction and Development; and
- (f) the full faith and credit of the U.S. government; provided that a Fund must hold securities from at least six different issues and securities from any one issue may not account for more than 30% of the total assets of such Fund.

AUTHORISED INVESTMENT TECHNIQUES AND INSTRUMENTS

The Advisers may employ investment techniques and instruments, such as financial derivative instruments (“FDIs”), for investment purposes and for purposes of efficient portfolio management (i.e., hedging, reducing risks or costs, or for increasing capital or income returns), subject to the conditions and within the limits from time to time laid down by the Central Bank and as described below. These techniques and instruments include trading in options and other derivative instruments. In addition, the Fund will utilise the investment techniques such as repurchase agreements, reverse repurchase agreements and securities lending to enhance the return on securities. The Trust shall supply to an Unitholder on request supplementary information in relation to the quantitative risk management limits applied by it, the risk management methods used by it and any recent developments in the risks and yields characteristics for the main categories of investment. A list of the Regulated Markets on which the FDIs may be quoted or traded is provided later in this Prospectus under the heading “*Terms*.”

The Advisers’ ability to use these techniques and instruments may be limited by market conditions, regulatory limits and tax considerations and these techniques and instruments may be used only in accordance with the investment objectives of a Fund. Any such technique or instrument must be one which (alone or in combination with one or more other techniques or instruments) is reasonably believed by the Advisers to be economically appropriate to the investment management of a Fund.

New techniques and FDIs may be developed which may be suitable for use by a Fund in the future and a Fund may employ such techniques and FDIs subject to any restrictions imposed by the UCITS Regulations.

The investment in FDIs involves risks which are outlined in this Prospectus (see “*What Are the Specific Risks of Investing in the Funds?*”).

At present, Euro-Kurzläufer, Euro-Renten, Inter-Renten, ProBasis and ProFutur will avail of the use of FDIs for investment purposes; accordingly, the Trust has submitted a risk management process to the Central Bank in relation to such Funds.

Europa-Aktien and Inter-Aktien will only use FDIs for the purposes of efficient portfolio management (i.e., hedging, reducing risks or costs, or for increasing capital or income returns). For the Advisers to utilise FDIs at any future time for Europa-Aktien or Inter-Aktien, the formal risk management process will be amended and submitted to the Central Bank in accordance with the UCITS Rules.

FINANCIAL DERIVATIVE INSTRUMENTS

FDIs are financial instruments that require payments based upon changes in the values of designated securities, commodities, currencies, indices, or other assets or instruments including other derivative contracts (each a “Reference Instrument” and collectively, “Reference Instruments”). Each party to a derivative contract is referred to as a counterparty. Some derivative contracts require payments relating to an actual, future trade involving the Reference Instrument. These types of derivatives are frequently referred to as “physically settled” derivatives. Other derivative contracts require payments relating to the income or returns from, or changes in the market value of, a Reference Instrument. These types of derivatives are known as “cash settled” derivatives, since they require cash payments in lieu of delivery of the Reference Instrument.

Many derivative contracts are traded on securities or commodities exchanges. In this case, the exchange sets all the terms of the contract except for the price. Investors make payments due under their contracts through the exchange. Most exchanges require investors to maintain margin accounts through their brokers to cover their potential obligations to the exchange. Parties to the contract make (or collect) daily payments to the margin accounts to reflect losses (or gains) in the value of their contracts. This protects investors against potential defaults by the counterparty. Trading contracts on an exchange also allows investors to close out their contracts by entering into offsetting contracts.

For example, a Fund could close out an open contract to buy an asset at a future date by entering into an offsetting contract to sell the same asset on the same date. If the offsetting sale price is more than the original purchase price, the Fund realises a gain; if it is less, a Fund realises a loss. Exchanges may limit the amount of open contracts permitted at any one time. Such limits may prevent a Fund from closing out a position. If this happens, a Fund will be required to keep the contract open (even if it is losing money on the contract), and to make any payments required under the contract (even if it has to sell portfolio securities at unfavourable prices to do so). Inability to close out a contract could also harm a Fund by preventing it from disposing of or trading any assets it has been using to secure its obligations under the contract.

A Fund may also trade FDIs over-the-counter (“OTC”) in transactions negotiated directly between the Fund and the counterparty (“OTC derivative contracts”). OTC derivative contracts do not necessarily have standard terms, so they cannot be directly offset with other OTC derivative contracts. In addition, OTC derivative contracts with more specialised terms may be more difficult to price than exchange traded contracts.

Depending upon how the Fund uses FDIs and the relationships between the market value of an FDI and the underlying asset, FDIs may increase or decrease the Fund’s exposure to interest rate, stock market, currency and credit risks, and may also expose the Fund to liquidity and leverage risks. OTC derivative contracts also expose the Fund to credit risks in the event that a counterparty defaults on the contract.

A Fund may invest in FDIs, including equivalent cash-settled instruments, dealt in on a Regulated Market and may invest in over-the-counter derivatives subject to the conditions and limitations outlined in the UCITS Regulations and laid down by the Central Bank from time to time as described below.

Where a Fund invests in FDIs the recourse of the relevant counterparty will be limited to the assets of that Fund and the counterparty will not be entitled to have recourse to the assets of any other Fund of the Trust.

The policy that will be applied to collateral arising from OTC derivative transactions or efficient portfolio management techniques relating to the Funds is to adhere to the requirements set out below. This sets out the permitted types of collateral, level of collateral required and haircut policy and, in the case of cash collateral, the re-investment policy prescribed by the Central Bank pursuant to the UCITS Regulations. The categories of collateral which may be received by the Funds include cash and non-cash assets such as equities, debt securities and money market instruments. From time to time and subject to the requirements set out below, the policy on levels of collateral required and haircuts may be adjusted, at the discretion of the Advisers, where this is determined to be appropriate in the context of the specific counterparty, the characteristics of the asset received as collateral, market conditions or other circumstances. The haircuts applied (if any) by the Advisers are adapted for each class of assets received as collateral, taking into account the characteristics of the assets such as the credit standing and/or the price volatility, as well as the outcome of any stress tests performed in accordance with the requirements set out below. Each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets should be justified on the basis of this policy.

If cash collateral received by a Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Fund. For further details see the “What are the Specific Risks of Investing in the Funds” section herein.

Direct and indirect operational costs and fees arising from the efficient portfolio management techniques of securities lending, repurchase and reverse repurchase arrangements may be deducted from the revenue delivered to the Funds (e.g., as a result of revenue sharing arrangements). All the revenues arising from such efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the relevant Fund. The entities to which direct and indirect costs and fees may be paid

include banks, investment firms, broker-dealers, securities lending agents or other financial institutions or intermediaries and may be parties related to the Trustee. The revenues arising from such efficient portfolio management techniques for the relevant reporting period, together with the direct and indirect operational costs and fees incurred and the identity of the counterparty(ies) to these efficient portfolio management techniques, will be disclosed in the annual and semi-annual reports of the Funds.

A Fund may trade in, but is not limited to trading in, the following FDIs, including combinations thereof (prior to the Fund engaging in any additional FDIs an updated risk management process will be submitted to the Central Bank):

Futures Contracts

Futures contracts provide for the future sale by one party and purchase by another party of a specified amount of a Reference Instrument at a specified price, date and time. Entering into a contract to buy a Reference Instrument is commonly referred to as buying a contract or holding a long position in the asset. Entering into a contract to sell a Reference Instrument is commonly referred to as selling a contract or holding a short position in the Reference Instrument. The Manager on behalf of the Funds is exempt from registration with the U.S. Commodity Futures Trading Commission (“CFTC”) as a commodity pool operator and therefore, unlike a registered commodity pool operator, is not subject to requirements of the U.S. Commodity Exchange Act to deliver a commodity pool disclosure document or certified annual report to Unitholders. The Funds qualify for such exemption from CFTC registration on the basis that (i) interests in the Funds are exempt from registration under the 1933 Act, and (ii) such interests are offered and sold without marketing to the public in the United States. Futures contracts traded OTC are frequently referred to as forward contracts. A Fund can buy or sell financial futures (such as index futures and security futures), as well as, currency futures and currency forward contracts.

Options

Options are rights to buy or sell an underlying asset or instrument for a specified price (the exercise price) during, or at the end of, a specified period. The seller (or writer) of the option receives a payment, or premium, from the buyer, which the writer keeps regardless of whether the buyer uses (or exercises) the option. A call option gives the holder (buyer) the right to buy the underlying asset from the seller (writer) of the option. A put option gives the holder the right to sell the underlying asset to the writer of the option. Options can trade on exchanges or in the OTC market and may be bought or sold on a wide variety of underlying assets or instruments, including financial indices, individual securities, and other derivative instruments, such as futures contracts. Options that are written on futures contracts will be subject to margin requirements similar to those applied to futures contracts.

A Fund may buy/sell the following types of options:

CALL OPTIONS

A call option gives the holder (buyer) the right to buy the underlying asset from the seller (writer) of the option. A Fund may use call options in the following ways:

- buy call options on a Reference Instrument in anticipation of an increase in the value of the Reference Instrument; and
- write call options on a Reference Instrument to generate income from premiums, and in anticipation of a decrease or only limited increase in the value of the Reference Instrument. If the Fund writes a call option on a Reference Instrument that it owns and that call option is exercised, the Fund foregoes any possible profit from an increase in the market price of the Reference Instrument over the exercise price plus the premium received.

PUT OPTIONS

A put option gives the holder the right to sell the underlying asset to the writer of the option. A Fund may use put options in the following ways:

- buy put options on a Reference Instrument in anticipation of a decrease in the value of the Reference Instrument; and
- write put options on a Reference Instrument to generate income from premiums, and in anticipation of an increase or only limited decrease in the value of the Reference Instrument. In writing puts, there is a risk that the Fund may be required to take delivery of the Reference Instrument when its current market price is lower than the exercise price.

A Fund may also buy or write options, as needed, to close out existing option positions.

Swaps

A swap contract (also known as a “swap”) is a type of derivative contract in which two parties agree to pay each other (swap) the returns derived from Reference Instruments. Most swaps do not involve the delivery of the underlying assets by either party, and the parties might not own the Reference Instruments. The payments are usually made on a net basis so that, on any given day, the Fund would receive (or pay) only the amount by which its payment under the contract is less than (or exceeds) the amount of the

other party's payment. Swap agreements are sophisticated instruments that can take many different forms and are known by a variety of names. Common swap agreements that the Funds may use include:

INTEREST RATE SWAPS

Interest rate swaps are contracts in which one party agrees to make regular payments equal to a fixed or floating interest rate times a stated principal amount (commonly referred to as a "notional principal amount") in return for payments equal to a different fixed or floating rate times the same principal amount, for a specific period. For example, a U.S.\$10 million SONIA swap would require one party to pay the equivalent of SONIA (which fluctuates) on U.S.\$10 million principal amount in exchange for the right to receive the equivalent of a stated fixed rate of interest on U.S.\$10 million principal amount.

TOTAL RETURN SWAPS

A total return swap is an agreement between two parties whereby one party agrees to make payments of the total return from a Reference Instrument (or a basket of such instruments) during the specified period, in return for payments equal to a fixed or floating rate of interest or the total return from another Reference Instrument. A total return swap can also be structured so that one party will make payments to the other party if the value of a Reference Instrument increases, but receive payments from the other party if the value of that instrument decreases. Through the swap the Fund may take a long or short position in the underlying asset(s), which may constitute a single security or a basket of securities. Exposure through the swap closely replicates the economics of physical shorting (in the case of short positions) or physical ownership (in the case of long positions), but in the latter case without the voting or beneficial ownership rights of direct physical ownership. If a Fund invests in total return swaps or other FDI with the same characteristics, the underlying asset or index may be comprised of equity or debt securities, money market instruments or other eligible investments which are consistent with the investment objective and policies of the Fund. The counterparties to such transactions are typically banks, investment firms, broker-dealers, collective investment schemes or other financial institutions or intermediaries. The risk of the counterparty defaulting on its obligations under the total return swap and its effect on investor returns are described in the section entitled "What are the Specific Risks of Investing in the Funds?". It is not intended that the counterparties to total return swaps entered into by a Fund assume any discretion over the composition or management of the Fund's investment portfolio or over the underlying of the FDIs, or that the approval of the counterparty is required in relation to any portfolio transactions by the Fund.

CREDIT DEFAULT SWAPS ("CDS")

A credit default swap ("CDS") is an agreement between two parties whereby one party (the "Protection Buyer") agrees to make payments over the term of the CDS to the other party (the "Protection Seller"), provided that no designated event of default, restructuring or other credit related event (each a "Credit Event") occurs with respect to the Reference Instrument that is usually a particular bond, a portfolio of bonds or the unsecured credit of an issuer, in general (the "Reference Obligation"). Many CDS are physically settled, which means that if a Credit Event occurs, the Protection Seller must pay the Protection Buyer the full notional value, or "par value," of the Reference Obligation in exchange for delivery by the Protection Buyer of the Reference Obligation or another similar obligation issued by the issuer of the Reference Obligation (the "Deliverable Obligation"). The Counterparties agree to the characteristics of the Deliverable Obligation at the time that they enter into the CDS. Alternately, a CDS can be "cash settled," which means that upon the occurrence of a Credit Event, the Protection Buyer will receive a payment from the Protection Seller equal to the difference between the par amount of the Reference Obligation and its market value at the time of the Credit Event. A Fund may be either the Protection Buyer or the Protection Seller in a CDS. If the Fund is a Protection Buyer and no Credit Event occurs, the Fund will lose its entire investment in the CDS (i.e., an amount equal to the payments made to the Protection Seller over the term of the CDS). However, if a Credit Event occurs, the Fund (as Protection Buyer) will deliver the Deliverable Obligation and receive a payment equal to the full notional value of the Reference Obligation, even though the Reference Obligation may have little or no value. If the Fund is the Protection Seller and no Credit Event occurs, the Fund will receive a fixed rate of income throughout the term of the CDS. However, if a Credit Event occurs, the Fund (as Protection Seller) will pay the Protection Buyer the full notional value of the Reference Obligation and receive the Deliverable Obligation from the Protection Buyer. A CDS may involve greater risks than if the Fund invested directly in the Reference Obligation. For example, a CDS may increase credit risk since the Fund has exposure to both the issuer of the Reference Obligation and the Counterparty to the CDS.

CURRENCY SWAPS

A currency swap is a type of derivative contract in which the parties agree to make periodic interest payments to one another in different currencies. The parties might agree to exchange the notional principal amounts of the currencies as well (commonly called a "foreign exchange swap").

CAPS AND FLOORS

Caps and Floors are contracts in which one party agrees to make payments only if an interest rate or index goes above (Cap) or below (Floor) a certain level in return for a fee from the other party.

HYBRID INSTRUMENTS

Hybrid instruments combine elements of two different kinds of securities or financial instruments (such as a derivative contract). Frequently, the value of a hybrid instrument is determined by reference to changes in the value of a Reference Instrument (that is a designated security, commodity, currency, index, or other asset or instrument including a derivative contract). Hybrid instruments

can take on many forms including, but not limited to, the following forms. First, a common form of a hybrid instrument combines elements of a derivative contract with those of another security (typically a debt security). In this case all or a portion of the interest or principal payable on a hybrid security is determined by reference to changes in the price of a Reference Instrument. Second, a hybrid instrument may also combine elements of a debt security and an equity security. Third, hybrid instruments may include convertible securities with conversion terms related to a Reference Instrument.

Depending on the type and terms of the hybrid instrument, its risks may reflect a combination of the risks of investing in the Reference Instrument with the risks of investing in other securities, currencies and derivative contracts. Thus, an investment in a hybrid instrument may entail significant risks in addition to those associated with traditional securities or the Reference Instrument. Hybrid instruments are also potentially more volatile than traditional securities or the Reference Instrument. Moreover, depending on the structure of the particular hybrid, it may expose the Fund to leverage risks or carry liquidity risks.

Credit Linked Notes

A credit linked note (“CLN”) is a type of hybrid instrument in which a special purpose entity issues a structured note (the “Note Issuer”) with respect to which the Reference Instrument is a single bond, a portfolio of bonds, or the unsecured credit of an issuer, in general (each a “Reference Credit”). The purchaser of the CLN (the “Note Purchaser”) invests a par amount and receives a payment during the term of the CLN that equals a fixed or floating rate of interest equivalent to a high rated funded asset (such as a bank certificate of deposit) plus an additional premium that relates to taking on the credit risk of the Reference Credit. Upon maturity of the CLN, the Note Purchaser will receive a payment equal to (i) the original par amount paid to the Note Issuer, if there is no occurrence of a designated event of default, restructuring or other credit event (each, a “Credit Event”) with respect to the issuer of the Reference Credit or (ii) the market value of the Reference Credit, if a Credit Event has occurred. Depending upon the terms of the CLN, it is also possible that the Note Purchaser may be required to take physical delivery of the Reference Credit in the event of a Credit Event. Most credit linked notes use a corporate bond (or a portfolio of corporate bonds) as the Reference Credit. However, almost any type of debt security (including foreign government securities), index, or derivative contract (such as a credit default swap) can be used as the Reference Credit.

HEDGING TECHNIQUES RELATING TO CURRENCIES

In order to manage the currency exposure risk to investors, the Advisers may attempt to hedge or reallocate the currency exposures of the portfolio against fluctuations in the exchange rate between various currencies by utilising derivative instruments, including, but not limited to futures, forwards, and options. Such hedging or reallocation techniques will be used in accordance with the requirements of the Central Bank.

A Fund may enter into foreign exchange transactions which alter the currency characteristics of transferable securities held by a Fund provided that such transactions are not speculative in nature and may not constitute an investment in their own right. Such transactions must be fully covered by cash flows arising from the transferable securities held by the Fund and the Fund may not be leveraged or geared in any way through the use of such transaction. Details of any such transactions for the Funds will be set out under the section headed “*Securities in Which the Funds Invest.*” The Funds do not intend to be leveraged or geared in any way through the use of foreign exchange transactions.

Foreign exchange transactions which alter the currency exposure characteristics of transferable securities held by a Fund may only be undertaken for the purposes of one or more of the following:

1. a reduction of risk;
2. a reduction in costs; and
3. an increase in capital or income returns to the Fund.

The general conditions laid down in the Central Bank’s Notices also apply. In particular, such transactions must:

1. be used in accordance with the investment objectives of the Fund, and the currencies to which the Fund is exposed must be currencies in which the Fund may invest indirectly; and
2. be economically appropriate.

Expenses, gains and losses relating to these hedging techniques will be allocated to the class. The strategy may substantially limit holders of the Units from benefiting if the class currency falls against the base currency and/or the currency in which the assets of the Fund are denominated.

SECURITIES FINANCING TRANSACTIONS REGULATION

To the extent permitted in the Prospectus, each Fund may enter into one or more of the following transactions:

- (i) total return swaps;
- (ii) repurchase agreements;
- (iii) reverse repurchase agreements; and
- (iv) securities lending arrangements.

Certain Funds may enter into total return swaps for investment purposes and for efficient portfolio management purposes, and enter into other types of Securities Financing Transactions for efficient portfolio management purposes only. In this context, efficient portfolio management purposes include the reduction of risk, the reduction of cost and the generation of additional capital or income for the Fund with a level of risk that is consistent with the risk profile of the Fund.

If a Fund invests in total return swaps or Securities Financing Transactions, the relevant asset or index may be comprised of equity or debt securities, money market instruments or other eligible investments which are consistent with the investment objective and policies of the Fund. Subject to the investment restrictions laid down by the Central Bank as set out in “*Authorised Investment Techniques and Instruments*” section, in particular “*Permitted Financial Derivative Instruments*” section, and also any investment restrictions set out in the section entitled “*Investment Information*”, certain Funds can invest a maximum of 100% of their Net Asset Value in total return swaps and Securities Financing Transactions. It is expected that each of the Money Market Funds will generally invest in the range of 50-85% of its Net Asset Value in Securities Financing Transactions. It is expected that each of the Fixed Income Fund and the Equity Funds will generally invest in the range of 5-10% of its Net Asset Value in total return swaps and Securities Financing Transactions.

A Fund shall only enter into total return swaps and Securities Financing Transactions with counterparties that satisfy the criteria (including those relating to legal status, country of origin and minimum credit rating) as set out in the “*Permitted Financial Derivative Instruments*” section and adopted by the Adviser.

The categories of collateral which may be received by a Fund is set out in “*Authorised Investment Techniques and Instruments*” section, in particular “*Permitted Financial Derivative Instruments*” section and includes cash and non-cash assets such as equities, debt securities and money market instruments. Collateral received by the Fund will be valued in accordance with the valuation methodology set out under the section entitled “*Determination of Net Asset Value*”. Collateral received by the Fund will be marked-to-market daily and daily variation margins will be used.

Where a Fund receives collateral as a result of entering into total return swaps or Securities Financing Transactions, there is a risk that the collateral held by the Fund may decline in value or become illiquid. In addition, there can also be no assurance that the liquidation of any collateral provided to the Fund to secure a counterparty’s obligations under a total return swap or Securities Financing Transaction would satisfy the counterparty’s obligations in the event of a default by the counterparty. Where the Fund provides collateral as a result of entering into total return swaps or Securities Financing Transactions, it is exposed to the risk that the counterparty will be unable or unwilling to honour its obligations to return the collateral provided.

For a summary of certain other risks applicable to total return swaps and Securities Financing Transactions, see the section entitled “*What are the Specific Risks of Investing in the Funds?*”, in particular the sub-sections entitled “*Risks of Investing in Derivative Contracts and Hybrid Instruments*” and “*Risk Of Utilising Swaps*”. There are certain risks associated with security collateral arrangements such as operational, liquidity, counterparty, custody and legal risks. The risks linked to collateral management are managed in the same way as the risks set forth above and as further described under the section entitled, “*What are the Specific Risks of Investing in the Funds?*”.

A Fund may provide certain of its assets as collateral to counterparties in connection with total return swaps and Securities Financing Transactions. If the Fund has over-collateralised (i.e., provided excess collateral to the counterparty) in respect of such transactions, it may be an unsecured creditor in respect of such excess collateral in the event of the counterparty’s insolvency. If the Trustee or its sub-custodian or a third party holds collateral on behalf of the Fund, the Fund may be an unsecured creditor in the event of the insolvency of such entity.

There are legal risks involved in entering into total return swaps or Securities Financing Transactions which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

Subject to the restrictions laid down by the Central Bank as set out in the “*Permitted Financial Derivative Instruments*” section, the Fund may re-invest cash collateral that it receives. If cash collateral received by the Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Fund.

Direct and indirect operational costs and fees arising from total return swaps or Securities Financing Transactions may be deducted from the revenue delivered to the Fund (e.g., as a result of revenue sharing arrangements). These costs and fees do not and should not include hidden revenue. All the revenues arising from such efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the Fund. The entities to which direct and indirect costs and fees may be paid include banks, investment firms, broker-dealers, securities lending agents or other financial institutions or intermediaries and may be related parties to the Adviser or the Trustee.

PERMITTED FINANCIAL DERIVATIVE INSTRUMENTS

The current conditions and limits laid down by the Central Bank in relation to FDIs are as follows:

1. A Fund may invest in FDI provided that:
 - (i) the relevant reference items or indices consist of one or more of the following: instruments referred to in Regulation 68(1)(a) – (f) and (h) of the UCITS Regulations including financial instruments having one or several characteristics of those assets, financial indices, interest rates, foreign exchange rates, currencies;
 - (ii) the FDI do not expose the Fund to risks which it could not otherwise assume (e.g., gain exposure to an instrument/issuer/currency to which the Fund cannot have a direct exposure);
 - (iii) the FDI do not cause the Fund to diverge from its investment objectives; and
 - (iv) the reference in (i) above to financial indices shall be understood as a reference to indices which fulfil the following criteria and the provisions of the UCITS Rules:
 - (a) they are sufficiently diversified, in that the following criteria are fulfilled:
 - (i) the index is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
 - (ii) where the index is composed of assets referred to in Regulation 68(1) of the UCITS Regulations, its composition is at least diversified in accordance with Regulation 71 of the UCITS Regulations;
 - (iii) where the index is composed of assets other than those referred to in Regulation 68(1) of the UCITS Regulations, it is diversified in a way which is equivalent to that provided for in Regulation 71 of the UCITS Regulations;
 - (b) they represent an adequate benchmark for the market to which they refer, in that the following criteria are fulfilled:
 - (i) the index measures the performance of a representative group of underlyings in a relevant and appropriate way;
 - (ii) the index is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers following criteria which are publicly available;
 - (iii) the underlyings are sufficiently liquid, which allows users to replicate the index, if necessary;
 - (c) they are published in an appropriate manner, in that the following criteria are fulfilled:
 - (i) their publication process relies on sound procedures to collect prices and to calculate and to subsequently publish the index value, including pricing procedures for components where a market price is not available;
 - (ii) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis;
 - (v) where a Fund enters into a total return swap or invests in other financial derivative instruments with similar characteristics, the assets held by the Fund must comply with Regulations 70, 71, 72, 73 and 74 of the UCITS Regulations.

Where the composition of assets which are used as underlyings by FDI does not fulfil the criteria set out in (a), (b) or (c) above, those FDI shall, where they comply with the criteria set out in Regulation 68(1)(g) of the UCITS Regulations, be regarded as financial derivatives on a combination of the assets referred to in Regulation 68(1)(g)(i) of the UCITS Regulations, excluding financial indices.

2. Credit derivatives are permitted where:
 - (i) they allow the transfer of the credit risk of an asset as referred to in paragraph 1(i) above, independently from the other risks associated with that asset;
 - (ii) they do not result in the delivery or in the transfer, including in the form of cash, of assets other than those referred to in Regulations 68(1) and (2) of the UCITS Regulations;
 - (iii) they comply with the criteria for OTC Derivatives (defined below) set out in paragraph 4 below; and
 - (iv) their risks are adequately captured by the risk management process of the Fund, and by its internal control mechanisms in the case of risks of asymmetry of information between the Fund and the counterparty to the credit derivative resulting from potential access of the counterparty to non-public information on firms the assets of which are used as underlyings by credit derivatives. The Fund must undertake the risk assessment with the highest care when the counterparty to the FDI is a related party of the Fund or the credit risk issuer.

3. FDI must be dealt in on a market that is regulated, operates regularly, is recognised and is open to the public in a Member State or a non-Member State.
4. Notwithstanding paragraph 3, a Fund may invest in FDI dealt in over-the-counter (“OTC Derivatives”) provided that:
 - (i) the counterparty is: (a) a credit institution listed in Regulation 7(a) – (c) of the Central Bank Regulations; (b) an investment firm authorised in accordance with the Markets in Financial Instruments Directive; (c) a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by the Federal Reserve; or (d) such other categories of counterparties as are permitted by the Central Bank;
 - (ii) where a counterparty within sub-paragraphs (b) or (c) of paragraph 4(i)(a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Responsible Person in the credit assessment process; and (b) is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) of this paragraph 4(ii) this shall result in a new credit assessment being conducted of the counterparty by the Responsible Person without delay;
 - (iii) risk exposure to the counterparty does not exceed the limits set out in Regulation 70(1)(c) of the UCITS Regulations. In this regard the Fund shall calculate the exposure using the positive mark-to-market value of the OTC derivative contract with that counterparty. The Fund may net the derivative positions with the same counterparty, provided that the Fund is able to legally enforce netting arrangements with the counterparty. Netting is only permissible with respect to OTC derivative instruments with the same counterparty and not in relation to any other exposures the Fund may have with the same counterparty. The Fund may take account of collateral received by the Fund in order to reduce the exposure to the counterparty, provided that the collateral meets with the requirements specified in paragraphs (3), (4), (5), (6), (7), (8), (9) and (10) of Regulation 24 of the Central Bank Regulations;
 - (iv) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund’s initiative.
5. Collateral received must, at all times, meet with the requirements set out in the UCITS Rules.

Collateral passed to an OTC derivative counterparty by or on behalf of a Fund must be taken into account in calculating exposure of the Fund to counterparty risk as referred to in Regulation 70(1)(c) of the UCITS Regulations. Collateral passed may be taken into account on a net basis only if the Fund is able to legally enforce netting arrangements with this counterparty.

6. Calculation of issuer concentration risk and counterparty exposure risk

Each Fund must calculate issuer concentration limits as referred to in Regulation 70 of the UCITS Regulations on the basis of the underlying exposure created through the use of FDI pursuant to the commitment approach. The risk exposures to a counterparty arising from OTC FDI transactions and efficient portfolio management techniques must be combined when calculating the OTC counterparty limit as referred to in Regulation 70(1)(c) of the UCITS Regulations. A Fund must calculate exposure arising from initial margin posted to and variation margin receivable from a broker relating to exchange-traded or OTC derivatives, which is not protected by client money rules or other similar arrangements to protect the Fund against the insolvency of the broker, and that exposure cannot exceed the OTC counterparty limit referred to in Regulation 70(1)(c) of the UCITS Regulations.

The calculation of issuer concentration limits as referred to in Regulation 70 of the UCITS Regulations must take account of any net exposure to a counterparty generated through a stocklending or repurchase agreement. Net exposure refers to the amount receivable by a Fund less any collateral provided by the Fund. Exposures created through the reinvestment of collateral must also be taken into account in the issuer concentration calculations. When calculating exposures for the purposes of Regulation 70 of the UCITS Regulations, a Fund must establish whether its exposure is to an OTC counterparty, a broker or a clearing house.

7. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities, money market instruments or collective investment schemes, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in Regulations 70 and 73 of the UCITS Regulations. When calculating issuer-concentration risk, the financial derivative instrument (including embedded financial derivative instruments) must be looked through in determining the resultant position exposure. This position exposure must be taken into account in the issuer concentration calculations. Issuer concentration must be calculated using the commitment approach when appropriate or the maximum potential loss as a result of default by the issuer if more conservative. It must also be calculated by all Funds, regardless of whether they use VaR for global exposure purposes. This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Regulation 71(1) of the UCITS Regulations.

8. A transferable security or money market instrument embedding a FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or money market instruments set out in the UCITS Regulations and which contain a component which fulfils the following criteria:
 - (a) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, and therefore vary in a way similar to a stand-alone derivative;
 - (b) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;
 - (c) it has a significant impact on the risk profile and pricing of the transferable security or money market instrument.
9. A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed to be a separate financial instrument.

Cover Requirements

10. For each Fund using FDI (other than Euro-Kurzläufer), the Adviser employs the relative value-at-risk (“VaR”) method in measuring global exposure. Relative VaR is the one day VaR of a Fund divided by the one day VaR of a reference portfolio (i.e., a benchmark index) with no derivatives. The risk profile of the reference portfolio will be consistent with investment objectives, policies and limits of the applicable Fund’s portfolio. Under the Central Bank’s requirements, the VaR of a Fund using the relative VaR approach is required to be no greater than twice the VaR of a reference portfolio. In the case of each of the Funds (other than Euro-Kurzläufer), the relevant reference portfolio is as follows:

Fund	Reference Portfolio
Europa-Aktien	MSCI Europe Index
Inter-Aktien	MSCI World Index
Euro-Renten	ICE BofA Euro Government Index
Inter-Renten	ICE BofA Country Blend/Bloomberg US Aggregate Bond Index
ProBasis	ICE BofA Euro Government Index/MSCI Europe Index
ProFutur	MSCI Europe Index/ICE BofA Euro Government Index

In the case of Euro-Kurzläufer, the Adviser employs the absolute VaR method in measuring global exposure. The one day absolute VaR for Euro- Kurzläufer shall not exceed 4.47% of its Net Asset Value.

In summary, the following calculation standards currently apply to the VaR model employed in respect of a Fund. However, these calculation standards are dealt with in more detail in the risk management process of the Fund and may change from time to time at the discretion of the Advisers and in accordance with the requirements of the Central Bank:

- (i) one day VaR (99%) shows the maximum potential daily loss of the portfolio or benchmark (in 000s) given a 99% confidence interval;
- (ii) effective observation period (history) of risk factors is at least one year (250 business days)
- (iii) at least daily calculation.

Each Fund’s leverage is not expected to exceed 100%. The term “leverage” in this context is defined by the Central Bank as the total notional amount of derivatives positions as a percentage of NAV (the “Notionals Approach”). Each Fund’s leverage calculated under the commitment approach will not exceed 100% of the Fund’s Net Asset Value. (Where a Fund’s leverage is calculated under the commitment approach, this is supplementary to the Notionals Approach).

11. A transaction in FDI which gives rise, or may give rise, to a future commitment on behalf of a Fund must be covered as follows:
 - (i) in the case of FDI which automatically, or at the discretion of the Fund, are cash settled, a Fund must hold, at all times, liquid assets which are sufficient to cover the exposure.
 - (ii) in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by a Fund.
 Alternatively a Fund may cover the exposure with sufficient liquid assets where:
 - the underlying assets consists of highly liquid fixed income securities; and/or
 - the Fund considers that the exposure can be adequately covered without the need to hold the underlying assets, the specific FDI are addressed in the risk management process, which is described in paragraph 12 below, and details are provided in the Prospectus.

Risk Management

12. (i) A Fund must employ a risk management process to monitor, measure and manage the risks attached to FDI positions.
 - (ii) A Fund must provide the Central Bank with details of its proposed risk management process vis-à-vis its FDI activity. The initial filing is required to include information in relation to:
 - permitted types of FDI, including embedded derivatives in transferable securities and money market instruments;
 - details of the underlying risks;
 - relevant quantitative limits and how these will be monitored and enforced; and
 - methods for estimating risks.
 - (iii) Material amendments to the initial filing must be notified to the Central Bank in advance. The Central Bank may object to the amendments notified to it and amendments and/or associated activities objected to by the Central Bank may not be made.
13. A Fund must submit a report to the Central Bank on its FDI positions on an annual basis. The report, which must contain information which reflects a true and fair view of the types of FDI used by the Fund, the underlying risks, the quantitative limits and the methods used to estimate those risks, must be submitted with the annual report of the Trust. A Trust must, at the request of the Central Bank, provide this report at any time.

REPURCHASE AGREEMENTS, REVERSE REPURCHASE AGREEMENTS AND STOCKLENDING AGREEMENTS

Repurchase agreements are transactions in which a Fund purchases securities from a bank or recognised securities dealer and simultaneously commits to resell the securities to the bank or dealer at an agreed-upon date and price reflecting a market rate of interest unrelated to the coupon rate of maturity of the purchased securities. A reverse repurchase agreement involves the sale of securities with an agreement to repurchase the securities at an agreed upon price, date and interest payment. A Fund may also lend securities to a counterparty approved by the Adviser.

Reverse repurchase agreements are repurchase agreements in which a Fund is the seller (rather than the buyer) of the securities, and agrees to repurchase them at an agreed upon time and price. A reverse repurchase agreement may be viewed as a type of borrowing by the Fund. Reverse repurchase agreements are subject to credit risks. In addition, reverse repurchase agreements create leverage risks because the Funds must repurchase the underlying security at a higher price, regardless of the market value of the security at the time of repurchase.

In return, the Fund receives cash or liquid securities from the borrower as collateral. The borrower must furnish additional collateral if the market value of the loaned securities increases. Also, the borrower must pay the Fund the equivalent of any dividends or interest received on the loaned securities.

The Fund will reinvest cash collateral in accordance with the requirements of the Central Bank. However, the Fund must pay interest to the borrower for the use of cash collateral.

Loans are subject to termination at the option of the Trust or the borrower. The Trust will not have the right to vote on securities while they are on loan, but it will terminate a loan in anticipation of any important vote. The Trust may pay administrative and custodial fees in connection with a loan and may pay a negotiated portion of the interest earned on the cash collateral to a stocklending agent or broker.

Stocklending activities are subject to interest rate risks and credit risks. These transactions may create leverage risks.

A Fund may invest in repurchase agreements, reverse repurchase agreements and stocklending agreements, subject to the following conditions and limitations outlined by the Central Bank from time to time:

- (i) Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:
 - (a) they are economically appropriate in that they are realised in a cost-effective way;
 - (b) they are entered into for one or more of the following specific aims:
 - (i) reduction of risk;
 - (ii) reduction of cost; and/or
 - (iii) generation of additional capital or income for the UCITS with a level of risk which is consistent with the risk profile of the UCITS and the risk diversification rules set out in Regulation 71 of the UCITS Regulations;
 - (c) their risks are adequately captured by the risk management process of the UCITS; and
 - (d) they cannot result in a change to the UCITS' declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

Financial derivative instruments used for efficient portfolio management, in accordance with the paragraph below, must also comply with the provisions of the UCITS Rules.

Repurchase/reverse repurchase agreements (“Repo Contracts”) and stocklending may only be effected in accordance with normal market practice.

All assets received by a Fund in the context of efficient portfolio management techniques should be considered as collateral and should comply with the criteria set down below.

Collateral must, at all times, meet with the following criteria:

- (i) **Liquidity:** Collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the UCITS Regulations.
- (ii) **Valuation:** Collateral that is received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- (iii) **Issuer credit quality:** Collateral received should be of high quality. The Fund shall ensure that:
 - (a) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Responsible Person in the credit assessment process; and
 - (b) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in sub-paragraph (a) this shall result in a new credit assessment being conducted of the issuer by the Fund without delay
- (iv) **Correlation:** Collateral received should be issued by an entity that is independent from the counterparty. There should be a reasonable ground for the Fund to expect that it would not display a high correlation with the performance of the counterparty.
- (v) **Diversification (asset concentration):**
 - (a) Subject to sub-paragraph (b) below, collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Fund’s Net Asset Value. When Funds are exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.
 - (b) It is intended that a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. The Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Fund’s Net Asset Value. The Member States, local authorities, third countries, or public international bodies issuing or guaranteeing securities which the Fund is able to accept as collateral for more than 20% of its Net Asset Value shall be drawn from the following list:

OECD countries (provided the relevant issues are investment grade); Government of Brazil (provided the issues are of investment-grade); Government of India (provided the issues are of investment grade); Government of Singapore; European Investment Bank; European Bank for Reconstruction and Development; International Finance Corporation; International Monetary Fund; Euratom; The Asian Development Bank; European Central Bank; Council of Europe; Eurofima; African Development Bank; International Bank for Reconstruction and Development (The World Bank); The Inter American Development Bank; European Union; Federal National Mortgage Association (Fannie Mae); Federal Home Loan Mortgage Corporation (Freddie Mac); Government National Mortgage Association (Ginnie Mae); Federal Home Loan Bank System; Federal Farm Credit System; Tennessee Valley Authority; and Export-Import Bank of the United States whose issues are backed by the full faith and credit of the U.S. government.
- (vi) **Immediately available:** Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.

Collateral received on a title transfer basis should be held by the Trustee. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated and unconnected to the provider of the collateral.

Non-cash collateral cannot be sold, pledged or re-invested.

Cash collateral may not be invested other than in the following:

- (i) deposits with a credit institution referred to in Regulation 7 of the Central Bank Regulations;
- (ii) high-quality government bonds;

- (iii) reverse repurchase agreements provided the transactions are with a credit institution referred to Regulation 7 of the Central Bank Regulations and the Fund is able to recall at any time the full amount of cash on an accrued basis;
- (iv) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049). Invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral.

Invested cash collateral may not be placed on deposit with the counterparty or connected to the counterparty.

A Fund receiving collateral for at least 30% of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:

- (a) design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- (b) empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- (c) reporting frequency and limit/loss tolerance threshold/s; and
- (d) mitigation actions to reduce loss including haircut policy and gap risk protection.

A Fund should have in place a clear haircut policy adapted for each class of assets received as collateral. When devising the haircut policy, a Fund should take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with requirements of the Central Bank. This policy should be documented and should justify each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets.

Where a counterparty to a repurchase or a securities lending agreement which has been entered into by a Fund: (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Responsible Person in the credit assessment process; and (b) downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in sub-paragraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Fund without delay.

A Fund should ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

A Fund that enters into a reverse repo contract should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repo contract on either an accrued basis or a mark-to-market basis. When the cash is callable at any time on a mark-to-market basis, the mark-to-market value of the reverse repo contract should be used for the calculation of the net asset value of the Fund.

A Fund that enters into a repo contract should ensure that it is able at any time to recall any securities subject to the repo contract or to terminate the repo contract into which it has entered.

Repo contracts, mortgage dollar roll, stock borrowing and securities lending agreements do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 respectively of the UCITS Regulations.

WHEN-ISSUED, DELAYED DELIVERY AND FORWARD COMMITMENT SECURITIES

It is intended that the Funds may also purchase “when issued”, “delayed delivery”, and “forward commitment” securities. These securities are taken into account when calculating the limits set out in the investment restrictions applicable to a Fund.

When the Funds undertake a purchase obligation, it immediately assumes the risks of ownership, including the risk of price fluctuation. Failure by the issuer to deliver a security purchased on a when-issued, delayed delivery or forward commitment basis may result in a loss or missed opportunity to make an alternative investment.

AUTHORISED INVESTMENT TECHNIQUES AND INSTRUMENTS FOR PROTECTION AGAINST CURRENCY RISKS

The Funds may employ techniques and instruments intended to provide protection against currency risks in the context of the management of its assets and liabilities. In this regard, the Funds may:

- (i) utilise currency options;
- (ii) hedge exposure to one currency by entering into forward currency transactions in a related currency because of the institutional and expected future correlation between the two currencies; and/or
- (iii) utilise option, interest rate swap and exchange rate swap contracts transacted OTC derivative contracts subject to additional requirements.

PERMITTED INVESTMENTS UNDER IRISH REGULATIONS

Investments of a UCITS are confined to:

- 1.1 Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.

- 1.2 Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3 Money market instruments other than those dealt on a regulated market.
- 1.4 Units of UCITS.
- 1.5 Units of Alternative Investment Funds.
- 1.6 Deposits with credit institutions.
- 1.7 Financial derivative instruments.

Please refer to the section below for a description of the specific instruments in which the Funds may invest.

INVESTMENT LIMITATIONS

Each Fund may hold short-term transferable securities (such as treasury bills, commercial paper, certificates of deposit and bankers' acceptances) that have a credit rating of Investment-Grade by one or more Recognised Statistical Rating Organisations, or, if unrated, determined to be of equivalent rating by the Advisers.

The Funds' investments will be limited to investments permitted by the UCITS Regulations. If the investment limits referred to below are exceeded for reasons beyond the control of the Trust or as result of the exercise of subscription rights, the Trust shall adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of the Unitholders.

The Trust and each of the Funds may only invest in those countries where the Trustee provides custodial services and only to the extent that the Trustee has agreed to provide custodial services whether itself, through sub-custodians or safe-keeping agents.

Each Fund is also subject to the relevant investment policies as stated in the Prospectus and, in the case of a conflict between such policies and the UCITS Regulations, the more restrictive limitation shall apply.

If the UCITS Regulations are altered during the life of the Trust, the investment restrictions may be changed to take account of any such alterations and Unitholders will be advised of such changes in the next succeeding annual or semi-annual report of the relevant Fund.

The Funds' investments will be limited to the following:

1.1 A UCITS may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1 of the section entitled "Permitted Investments under Irish Regulations."

1.2 Recently Issued Transferable Securities

(i) Subject to sub-paragraph (ii) a responsible person shall not invest any more than 10% of assets of the UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations apply.

(ii) Sub-paragraph (i) does not apply to an investment by a responsible person in US Securities known as "Rule 144 A securities" provided that;

- (a) the relevant securities are issued with an undertaking to register the securities with the SEC within one year of issue; and
- (b) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, at which they are valued by the UCITS.

1.3 A UCITS may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same body, provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%. This limitation does not apply to deposits and over the counter derivative transactions made with financial institutions.

1.4 The limit of 10% (in 1.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the NAV of the UCITS. **Prior approval of the Central Bank is required before this provision can be availed of.**

1.5 The limit of 10% (in 1.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.

1.6 The transferable securities and money market instruments referred to in 1.4. and 1.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 1.3.

1.7 A UCITS may not invest more than 20% of its Net Asset Value in deposits made with the same credit institution.

Deposits with any one credit institution, other than credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 and credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand, held as ancillary liquidity, must not exceed 10% of net assets.

This limit may be raised to 20% in the case of deposits made with the Trustee.

1.8 The risk exposure of a UCITS to a counterparty to an OTC Derivative may not exceed 5% of its Net Asset Value.

This limit is raised to 10% in the case of credit institutions authorised in the EEA; credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; and credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

1.9 Notwithstanding paragraphs 1.3, 1.7 and 1.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of its Net Asset Value:

- investments in transferable securities or money market instruments;
- deposits; and/or
- risk exposures arising from OTC Derivatives transactions.

1.10 The limits referred to in 1.3, 1.4, 1.5, 1.7, 1.8 and 1.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.

1.11 Group companies are regarded as a single issuer for the purposes of 1.3, 1.4, 1.5, 1.7, 1.8 and 1.9. However, a limit of 20% of its Net Asset Value may be applied to investment in transferable securities and money market instruments within the same group.

1.12 A UCITS may invest up to 100% of its Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.

The individual issuers must be listed in the prospectus and may be drawn from the following list: OECD Governments (provided the relevant issues are Investment-Grade), European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Federal Home Loan Bank System, Federal Farm Credit System, Tennessee Valley Authority, Export-Import Bank of the United States whose issues are backed by the full faith and credit of the U.S. government.

The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

2 Investment in Collective Investment Schemes ("CIS")

2.1 A UCITS may invest in CIS of the open-ended type if the CIS are within the meaning of Regulation 3(2) of the UCITS Regulations and are prohibited from investing more than 10 % of its Net Asset Value in other CIS. A UCITS may not invest more than 20% of net assets in any one CIS.

2.2 Investment in non-UCITS may not, in aggregate, exceed 30% of Net Asset Value.

2.3 When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS' management company or by any other company with which the UCITS' management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS' investment in the units of such other CIS.

2.4 Where by virtue of investment in the units of another investment fund, a Responsible Person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the Responsible Person shall ensure that the relevant commission is paid into the property of the UCITS.

3 General Provisions

3.1 An investment company, Irish collective asset-management vehicle ("ICAV") or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

3.2 A UCITS may acquire no more than:

- (i) 10% of the non-voting shares of any single issuing body;
- (ii) 10% of the debt securities of any single issuing body;
- (iii) 25% of the units of any single CIS; or

(iv) 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

3.3 3.1 and 3.2 shall not be applicable to:

- (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;
- (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
- (iv) shares held by a UCITS in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 1.3 to 1.11, 2.1, 2.2, 3.1, 3.2, 3.4, 3.5 and 3.6, and provided that where these limits are exceeded, paragraphs 3.5 and 3.6 below are observed; and
- (v) shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.

3.4 UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

3.5 The Central Bank may allow recently authorised UCITS to derogate from the provisions of 1.3 to 1.12, 2.1 and 2.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.

3.6 If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.

3.7 Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:

- transferable securities;
- money market instruments;
- units of investment funds; or
- financial derivative instruments.

3.8 A UCITS may hold ancillary liquid assets.

4 Financial Derivative Instruments

4.1 The UCITS global exposure relating to FDI must not exceed its total NAV.

4.2 Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank Regulations/UCITS Rules. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the UCITS Rules.)

4.3 UCITS may invest in FDIs dealt in OTC, provided that:

- The counterparties to OTCs are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

4.4 Investments in FDIs are subject to the conditions and limits laid down by the Central Bank.

What are the Specific Risks of Investing in the Funds?

There can be no assurance that the investment objectives of any Fund will be achieved and investment results may vary substantially over time. Investment in any Fund is not intended to be a complete investment programme for any investor. Prospective investors should carefully consider whether an investment in Units is suitable for them in the light of their circumstances and financial resources.

RISKS OF INVESTING IN NONINVESTMENT-GRADE SECURITIES

The corporate debt obligations in which the Funds invest are at the time of purchase usually not in the three highest rating categories of a Recognised Statistical Rating Organisation (AAA, AA, or A for Standard & Poor's and Aaa, Aa or A for Moody's Investors Service) but are in the lower rating categories or are unrated but are of comparable quality and have speculative characteristics or are speculative. There is no minimum acceptable rating for a security to be purchased or held in the portfolio, and the Funds may, from time to time, purchase or hold securities rated in the lowest rating category.

Lower-rated securities (BBB or lower for Standard & Poor's and Baa or lower for Moody's Investors Service) will usually offer higher yields than higher-rated securities. However, there is more risk associated with these investments. This is because of reduced creditworthiness and increased risk of default. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which react primarily to fluctuations in the general level of interest rates. Short-term corporate and market developments affecting the price or liquidity of lower-rated securities could include adverse news affecting major issuers, underwriters, or dealers of lower-rated corporate debt obligations. In addition, since there are fewer investors in lower-rated securities, it may be harder to sell the securities at an optimum time.

As a result of these factors, lower-rated securities tend to have more price volatility and carry more risk to principal and income than higher-rated securities.

An economic downturn may adversely affect the value of some lower-rated bonds. Such a downturn may especially affect highly leveraged companies or companies in cyclically sensitive industries, where deterioration in a company's cash flow may impair its ability to meet its obligation to pay principal and interest to bondholders in a timely fashion. From time to time, as a result of changing conditions, issuers of lower-rated bonds may seek or may be required to restructure the terms and conditions of the securities they have issued. As a result of these restructurings, holders of lower-rated securities may receive less principal and interest than they had bargained for at the time such bonds were purchased. In the event of a restructuring, a Fund may bear additional legal or administrative expenses in order to maximise recovery from an issuer.

The secondary trading market for lower-rated bonds is generally less liquid than the secondary trading market for higher-rated bonds. Adverse publicity and the perception of investors relating to issuers, underwriters, dealers or underlying business conditions, whether or not warranted by fundamental analysis, may also affect the price or liquidity of lower-rated bonds. On occasion, therefore, it may become difficult to price or dispose of a particular security in the portfolio.

Many corporate debt obligations, including many lower-rated bonds, permit the issuers to call the security and thereby redeem their obligations earlier than the stated maturity dates. Issuers are more likely to call bonds during periods of declining interest rates. In these cases, if a Fund owns a bond which is called, the Fund will receive its return of principal earlier than expected and would likely be required to reinvest the proceeds at lower interest rates, thus reducing income to the Fund.

Such risk applies to Euro-Kurzläufer, Euro-Renten, Inter-Renten, ProBasis and ProFutur.

A description of the rating categories is contained in the Appendix entitled "Investment Ratings."

RISK OF INVESTMENT IN WARRANTS

ProBasis, ProFutur, Europa-Aktien, and Inter-Aktien are each permitted to invest in warrants. Because of this, an investment in these Funds should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors.

HEDGING AND CURRENCY RISKS

The Funds may make significant investments in securities denominated in currencies other than the euro. Therefore, the exchange rate between the euro and such other currencies will have a significant impact on the value of the Funds' investments.

The Funds may seek to minimise the exposure to currency fluctuation risks by the use of hedging and other techniques and instruments but it may not be possible or practicable to hedge against the consequent currency risk exposure. Up to 100% of the NAV of a class may be hedged.

Performance may be strongly influenced by the movement in foreign exchange rates because currency positions held by the Funds may not correspond with the securities positions held.

EUROPEAN UNION AND EUROZONE RELATED RISKS

A number of countries in the European Union ("EU"), including certain countries within the EU that have adopted the euro (Eurozone) have experienced, and may continue to experience, severe economic and financial difficulties. Additional countries within the EU may also fall subject to such difficulties. These events could negatively affect the value and liquidity of a Fund's investments in euro-denominated securities and derivatives contracts, securities of issuers located in the EU or with significant exposure to EU issuers or countries. If the euro is dissolved entirely, the legal and contractual consequences for holders of euro-denominated obligations and derivative contracts would be determined by laws in effect at such time. Such investments may continue to be held, or purchased, to the extent consistent with a Fund's investment objective and permitted under applicable law. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Units.

Certain countries in the EU have had to accept assistance from supra-governmental agencies such as the International Monetary Fund and the recently-created European Financial Service Facility. The European Central Bank has also been intervening to purchase Eurozone debt in an attempt to stabilise markets and reduce borrowing costs. There can be no assurance that these agencies will continue to intervene or provide further assistance and markets may react adversely to any expected reduction in the financial support provided by these agencies. Responses to the financial problems by European governments, central banks and others including austerity measures and reforms, may not work, may result in social unrest and may limit future growth and economic recovery or have other unintended consequences.

In addition, one or more countries may withdraw from the EU, and one or more countries within the Eurozone may abandon the euro. The impact of these actions, especially if they occur in a disorderly fashion, could be significant and far-reaching. On 31 January 2020, the United Kingdom (“UK”) left the EU, commonly referred to as “Brexit,” and there commenced a transition period during which the EU and UK negotiated and agreed on the nature of their future relationship, with such transition period expiring on 31 December 2020. On December 2020, the UK and the EU signed an EU-UK Trade and Cooperation Agreement, which applies from 1 January 2021 and sets out the foundation of the economic and legal framework for trade between the UK and the EU. There is significant market uncertainty regarding Brexit’s ramifications, and the range and potential implications of possible political, regulatory, economic, and market outcomes are difficult to predict. This long-term uncertainty may affect other countries in the EU and elsewhere, and may cause volatility within the EU, triggering prolonged economic downturns in certain countries within the EU. In addition, Brexit may create additional and substantial economic stresses for the UK, including a contraction of the UK economy and price volatility in UK stocks, decreased trade, capital outflows, devaluation of the British pound, wider corporate bond spreads due to uncertainty, and declines in business and consumer spending as well as foreign direct investment. Brexit may also adversely affect UK-based financial firms, including certain subadvisers to the Federated Hermes Funds, that have counterparties in the EU or participate in market infrastructure (trading venues, clearing houses, settlement facilities) based in the EU. These events and the resulting market volatility may have an adverse effect on the performance of the Fund.

LEVERAGE RISKS

Leverage risk is created when an investment exposes a Fund to a level of risk that exceeds the amount invested. Changes in the value of such an investment magnify a Fund’s risk of loss and potential for gain.

Investments can have these same results if their returns are based on a multiple of a specified index, security, or other benchmark.

POLITICAL RISKS

The performance of a Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital, and changes in legal, regulatory and tax requirements.

GEOPOLITICAL RISK

Global economic, political and financial conditions, war or other military action or political or economic sanctions, may, from time to time, and for varying periods of time, cause volatility, illiquidity, shareholder redemptions, loss of value, or other potentially adverse effects in the financial markets, including the fixed-income market. In particular, as a result of continued political tensions and armed conflicts, including the Russian invasion of Ukraine commencing in February of 2022, the extent and ultimate result of which are unknown at this time, the United States and the European Union, along with the regulatory bodies of a number of countries, have imposed economic sanctions on certain Russian corporate entities and individuals, and certain sectors of Russia’s economy, which may result in, among other things, the continued devaluation of Russian currency, a downgrade in the country’s credit rating, and/or a decline in the value and liquidity of Russian securities, property or interests. These sanctions could also result in the immediate freeze of Russian securities and/or funds invested in prohibited assets, impairing the ability of a fund to buy, sell, receive or deliver those securities and/or assets. These sanctions or the threat of additional sanctions could also result in Russia taking counter measures or retaliatory actions, which may further impair the value and liquidity of Russian securities. The United States and other nations or international organisations may also impose additional economic sanctions or take other actions that may adversely affect Russia-exposed issuers and companies in various sectors of the Russian economy. Any or all of these potential results could lead Russia’s economy into a recession. Economic sanctions and other actions against Russian institutions, companies, and individuals resulting from the ongoing conflict may also have a substantial negative impact on other economies and securities markets both regionally and globally, as well as on companies with operations in the conflict region, the extent to which is unknown at this time.

CREDIT RISKS

Credit risk is the possibility that an issuer will default on a security by failing to pay interest or principal when due. Non-Investment-Grade securities generally have a higher default risk than Investment-Grade securities. If an issuer defaults, the Funds will lose money.

Many debt securities receive credit ratings from services such as Standard & Poor’s and Moody’s Investor Services, Inc. These services assign ratings to securities by assessing the likelihood of an issuer and/or guarantor default. Higher credit ratings correspond to lower perceived credit risk and lower credit ratings correspond to higher perceived credit risk. Credit ratings may be upgraded or downgraded from time to time as a Recognised Statistical Rating Organisation’s assessment of the financial condition

of a party obligated to make payments with respect to such securities and credit risk changes. The impact of any credit rating downgrade can be uncertain. Credit rating downgrades may lead to increased interest rates and volatility in financial markets, which in turn could negatively affect the value of a Fund's portfolio holdings, its share price and its investment performance. Credit ratings are not a guarantee of quality. Credit ratings may lag behind the current financial conditions of the issuer and/or guarantor and do not provide assurance against default or other loss of money. Credit ratings do not protect against a decline in the value of a security. If a security has not received a rating, a Fund must rely entirely upon the Advisers' credit assessment.

Debt securities generally compensate for greater credit risk by paying interest at a higher rate. The difference between the yield of a security and the yield of a U.S. Treasury security with a comparable maturity (the spread) measures the additional interest paid for risk. Spreads may increase generally in response to adverse economic or market conditions. A security's spread may also increase if the security's rating is lowered, or the security is perceived to have an increased credit risk. An increase in the spread will cause the price of the security to decline if interest rates remain unchanged.

Credit risk includes the possibility that a party to a transaction involving a Fund will fail to meet its obligations. This could cause the Fund to lose the benefit of the transaction or prevent the Fund from selling or buying other securities to implement its investment strategy.

INTEREST RATE RISKS

Prices of debt securities rise and fall in response to changes in the interest rate paid by similar securities. Generally, when interest rates rise, prices of debt securities fall. However, market factors, such as the demand for particular debt securities, may cause the price of certain debt securities to fall while the prices of other securities rise or remain unchanged.

The longer the duration or maturity of a fixed-income security, the more susceptible it is to interest rate risk. Recent and potential future changes in monetary policy made by central banks and/or their governments are likely to affect the level of interest rates.

It is difficult to predict the pace at which central banks or monetary authorities may increase interest rates or the timing, frequency, or magnitude of such increases. Any such changes could be sudden and could expose the fixed-income market to heightened volatility and could cause the value of a Fund's investments and a Fund's net asset value, to decline, potentially suddenly and significantly, which may negatively impact a Fund's performance.

Duration measures the price sensitivity of a fixed-income security to changes in interest rates.

The impact of interest rate changes on the value of floating rate investments is typically reduced by periodic interest rate resets. Variable and floating rate loans and securities generally are less sensitive to interest rate changes, but may decline in value if their interest rates do not rise as much or as quickly as interest rates in general. Conversely, variable and floating rate loans and securities generally will not increase in value as much as fixed rate debt instruments if interest rates decline.

Certain Fund investments may also be valued, in part, by reference to the relative relationship between interest rates on tax-exempt securities and taxable securities, respectively. When the market for tax-exempt securities underperforms (or outperforms) the market for taxable securities, the value of these investments may be negatively affected (or positively affected).

MORTGAGE-BACKED SECURITIES RISK

Mortgage-backed securities have unique risks. A rise in interest rates may cause the value of mortgage-backed securities held by a Fund to decline. The mortgage loans underlying mortgage-backed securities generally are subject to a greater rate of principal prepayments in a declining interest rate environment and to a lesser rate of principal prepayments in an increasing interest rate environment. If the underlying mortgages are paid off sooner than expected, a Fund may have to reinvest this money in mortgage-backed or other securities that have lower yields. Hybrid ARMs also involve special risks. Like ARMs, hybrid ARMs have periodic and lifetime limitations on the increases that can be made to the interest rates that mortgagors pay. Therefore, if during a floating rate period, interest rates rise above the interest rate limits of the hybrid ARM, a Fund will not benefit from further increases in interest rates. See "Prepayment and Call Risks" and "Interest Rate Risks." CMOs with complex or highly variable prepayment terms generally entail greater market, prepayment and liquidity risks than other mortgage-backed securities. For example, their prices are more volatile and their trading market may be more limited.

Mortgage-backed securities are subject to the risk that payments made on a security will not be made when due. Payments on mortgage-backed securities are primarily derived from the interest and principal payments of the underlying mortgages. Some mortgage-backed securities also have guarantees or other structural features that provide additional support for interest and principal payments on the mortgage-backed securities if payments on the underlying mortgages are not made. Mortgage-backed securities are subject to the risk that the underlying mortgage borrowers fail to make timely payments of interest and principal and that any guarantee or other structural feature, if present, is insufficient to enable the timely payment of interest and principal on the mortgage-backed securities. Some mortgage-backed securities may also require the repayment of more senior mortgage-backed securities secured by the same underlying mortgages. Mortgage-backed securities are most commonly issued or guaranteed by U.S. government-sponsored enterprises ("GSEs"), but also may be issued or guaranteed by private entities, which generally entail greater risk. Certain mortgage-backed securities issued by GSEs are not backed by the full faith and credit of the U.S. government, but are, however, supported through U.S. federal subsidies, loans or other benefits. A Fund also may invest in certain mortgage-backed securities issued by GSEs that have no explicit financial support, but that are regarded as having implied support because the U.S. federal government sponsors their activities. See "Credit Risks."

PREPAYMENT AND CALL RISKS

Unlike traditional debt securities, which pay a fixed rate of interest until maturity (when the entire principal amount is due) payments on mortgage backed securities include both interest and a partial payment of principal. Partial payment of principal may be comprised of scheduled principal payments as well as unscheduled payments from the voluntary prepayment, refinancing, or foreclosure of the underlying loans. These unscheduled prepayments of principal create risks that can adversely affect a Fund holding mortgage-backed or asset-backed securities.

For example, when interest rates decline, the values of mortgage backed securities generally rise. However, when interest rates decline, unscheduled prepayments can be expected to accelerate, and the Funds would be required to reinvest the proceeds of the prepayments at the lower interest rates then available. Unscheduled prepayments would also limit the potential for capital appreciation on mortgage-backed securities.

Conversely, when interest rates rise, the values of mortgage backed securities generally fall. Since rising interest rates typically result in decreased prepayments, this could lengthen the average lives of mortgage backed securities, and cause their value to decline more than traditional debt securities.

Generally, mortgage backed securities compensate for the increased risk associated with prepayments by paying a higher yield. The additional interest paid for risk is measured by the difference between the yield of a mortgage backed security and the yield of a U.S. Treasury security with a comparable maturity (the spread). An increase in the spread will cause the price of the mortgage backed security to decline. Spreads generally increase in response to adverse economic or market conditions. Spreads may also increase if the security is perceived to have an increased prepayment risk or is perceived to have less market demand.

Call risk is the possibility that an issuer may redeem a debt security before maturity (a call) at a price below its current market price. An increase in the likelihood of a call may reduce the security's price.

If a debt security is called, the Funds may have to reinvest the proceeds in other debt securities with lower interest rates, higher credit risks, or other less favourable characteristics.

LIQUIDITY RISKS

Pursuant to the UCITS Regulations, "liquidity risk", in relation to a UCITS, means the risk that positions in the UCITS portfolio cannot be sold, liquidated or closed at limited cost in an adequately short time frame and that the ability of the UCITS to comply at any time with Regulation 104(1) of the UCITS Regulations, i.e., the ability for a shareholder to redeem his/her shares on request, is thereby compromised.

Trading opportunities are more limited for debt securities that have not received any credit ratings, have received ratings below Investment-Grade or are not widely held.

Trading opportunities are more limited for CMOs that have complex terms or that are not widely held. These features may make it more difficult to sell or buy a security at a favourable price or time. Consequently, a Fund may have to accept a lower price to sell a security, sell other securities to raise cash or give up an investment opportunity, any of which could have a negative effect on the Fund's performance. Infrequent trading of securities may also lead to an increase in their price volatility. Non-Investment-Grade securities generally have less liquidity than Investment-Grade securities.

Liquidity risk also refers to the possibility that a Fund may not be able to sell a security or close out an FDI when it wants to. If this happens, the Funds will be required to continue to hold the security or keep the position open, and the Fund could incur losses.

OTC derivative contracts generally carry greater liquidity risk than exchange-traded contracts. This risk may be increased in times of financial stress, if the trading market for OTC derivative contracts becomes restricted.

Investors should note that there is a risk that the tools available to mitigate the impact of liquidity constraints on a Fund may be ineffective to manage liquidity risk.

RISKS ASSOCIATED WITH COMPLEX CMOs

CMOs with complex or highly variable prepayment terms, such as companion classes, IOs, POs, Inverse Floaters and residuals, generally entail greater market, prepayment and liquidity risks than other mortgage-backed securities. For example, their prices are more volatile and their trading market may be more limited.

TAXATION AND WITHHOLDING

Investors' attention is drawn to the taxation risks associated with investing in the Trust. See section headed "Taxation." The income and gains of each Fund from its portfolio securities, investments and assets may suffer withholding tax, which may not be reclaimable in the countries where such income and gain arise.

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING STANDARDS RISKS

Investors' attention is drawn to the fact that accounting and financial reporting standards, practices, and disclosure requirements applicable to some of the countries in the markets of which each Fund may invest do not necessarily provide for the same degree of unitholder protection and information to investors as would generally apply in more developed markets.

RISKS OF INVESTING IN ADRS AND U.S.-TRADED SECURITIES OF NON-U.S. ISSUERS

Because certain Funds may invest in ADRs and other U.S.-traded securities of non-U.S. companies, a Fund's Unit price may be more affected by non-U.S. economic and political conditions, taxation policies and accounting and auditing standards than would otherwise be the case. Non-U.S. companies may not provide information as frequently or to as great an extent as companies in the United States. Non-U.S. companies may also receive less coverage than U.S. companies by market analysts and the financial press. In addition, non-U.S. companies may lack uniform accounting, auditing and financial reporting standards or regulatory requirements comparable to those applicable to U.S. companies. These factors may prevent a Funds and its Adviser from obtaining information concerning non-U.S. companies that is as frequent, extensive and reliable as the information concerning companies in the United States.

VALUATION RISKS

The Manager may consult the Advisers with respect to the valuation of unlisted investments. There is an inherent conflict of interest between the involvement of the Manager and the Advisers in determining the valuation price of the Funds' investments and the Advisers' other responsibilities.

RISKS OF INVESTING IN THE SECURITIES OF EMERGING MARKET COUNTRIES

The Funds may invest in securities of companies domiciled in or conducting their principal business activities in emerging market countries. The Funds may invest a portion of their assets in securities of issuers located in Russia. Investing in the equity and debt markets of emerging market countries involves exposure to economic structures that are generally less diverse and mature, and to political systems that can be expected to have less stability than those of developed countries. Historical experience indicates that the markets of emerging market countries have been more volatile than the markets of the more mature economies of developed countries; however, such markets often have provided higher rates of return to investors. Investing in emerging markets poses certain risks, some of which are set out below.

Economic and Political Factors

Investments in securities of issuers located in emerging market countries involve special considerations and risks, including the risks associated with high rates of inflation and interest with respect to the various economies, the limited liquidity and relatively small market capitalisation of the securities markets in emerging market countries, relatively higher price volatility, large amounts of external debt and political, economic and social uncertainties, including the possible imposition of exchange controls or other foreign governmental laws or restrictions which may affect investment opportunities. In addition, with respect to certain emerging market countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments that could affect investments in those countries. Moreover, individual emerging market countries economies may differ favourably or unfavourably from the economies of developed nations in such respects as growth of gross national product, rates of inflation, capital investment, resources, self-sufficiency and the balance of payments position. Certain emerging market countries investments may also be subject to foreign withholding taxes. These and other factors may affect the value of a Fund's Units.

The economies of some emerging market countries have experienced considerable difficulties in the past. Although in certain cases there have been significant improvements in recent years, many such economies continue to experience significant problems, including high inflation and interest rates. Inflation and rapid fluctuations in interest rates have had and may continue to have very negative effects on the economies and securities markets of certain emerging market countries. The development of certain emerging market countries economies and securities markets will require continued economic and fiscal discipline, which has been lacking at times in the past, as well as stable political and social conditions. Recovery may also be influenced by international economic conditions, particularly those in the U.S. and by world prices for oil and other commodities. There is no assurance that economic initiatives will be successful. Certain of the risks associated with international investments and investing in smaller capital markets are heightened for investments in emerging market countries. For example, some of the currencies of emerging market countries have experienced steady devaluations relative to the U.S. dollar, and major adjustments have been made in certain of such currencies periodically. In addition, governments of certain emerging market countries have exercised and continue to exercise substantial influence over many aspects of the private sector. In certain cases, the government owns or controls many companies, including the largest in the country. Accordingly, government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the value of securities in a Fund's portfolio.

Market Liquidity and Volatility

The securities markets in emerging market countries are substantially smaller, less liquid and more volatile than the major securities markets in the United States and Europe. A limited number of issuers in most, if not all, securities markets in emerging market countries may represent a disproportionately large percentage of market capitalisation and trading volume. Such markets may, in certain cases, be characterised by relatively few market makers, participants in the market being mostly institutional investors including insurance companies, banks, other financial institutions and investment companies. The combination of price volatility and the less liquid nature of securities markets in emerging market countries may, in certain cases, affect a Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund.

Information Standards

In addition to their smaller size, lesser liquidity and greater volatility, securities markets in emerging market countries are less developed than the securities markets in the U.S. and Europe with respect to disclosure, reporting and regulatory standards. There is less publicly available information about the issuers of securities in these markets than is regularly published by issuers in the United States and in Europe. Further, corporate laws regarding fiduciary responsibility and protection of stockholders may be considerably less developed than those in the United States and Europe. Emerging market issuers may not be subject to the same accounting, auditing and financial reporting standards as U.S. and European companies. Inflation accounting rules in some emerging market countries require, for companies that keep accounting records in the local currency for both tax and accounting purposes, that certain assets and liabilities be restated on the company's balance sheet in order to reflect the high rates of inflation to which those companies are subject. Inflation accounting may indirectly generate losses or profits for certain companies in emerging market countries. Thus, statements and reported earnings may differ from those of companies in other countries, including the United States.

Custody and Settlement Risk

As a Fund may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Funds which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risks in circumstances whereby the Trustee will have no liability. Such risks include:

- (i) a non-true delivery versus payment settlement;
- (ii) a physical market, and as a consequence the circulation of forged securities;
- (iii) poor information with regard to corporate actions;
- (iv) a registration process that affects the availability of the securities;
- (v) lack of appropriate legal/fiscal infrastructure advices; and
- (vi) lack of compensation/risk fund with the relevant central depository. Furthermore, even when a Fund settles trades with counterparties on a delivery-versus-payment basis, it may still be exposed to credit risk to parties with whom it trades.

RISKS ASSOCIATED WITH SETTLEMENT REGIME CHANGES

In May 2024, the US, Canada and Mexico transitioned to a T+1 settlement cycle, meaning that the period of time between the trade date for US, Canadian and Mexican securities (the "impacted securities") in which a Fund invests and the settlement date was reduced to one business day, while in Europe and most of Asia settlement regimes will continue to operate on a T+2 basis.

While the Company, the Manager and the Adviser are tailoring their processes to the new settlement cycle for Funds with exposure to impacted securities, Funds often comprise securities of issuers that are listed and traded in various jurisdictions and that operate in time zone differences with different market holidays. These complexities of cross-border settlement of trades in securities may require adjustments to the settlement of the securities.

The transition to a T+1 settlement regime may contribute to an increase in failed trades, may increase regulatory and settlement risk.

As of the date of this Prospectus, both the European Securities and Markets Authority and the UK's Accelerated Settlement Taskforce (the "AST") have proposed that the EU and the UK, respectively, move to a T+1 settlement model and in February 2025, the UK Government announced that it accepted the AST's recommendation to change the current T+2 settlement regime to a T+1 settlement regime, with effect from 11 October 2027. If and when these proposals are implemented, they may mitigate elements of the settlement regime mismatch between those countries that transitioned to a T+1 settlement model in May 2024 and Europe.

RISK RELATED TO THE ECONOMY

The value of a Fund's portfolio may decline in tandem with a drop in the overall value of the markets in which a Fund invests and/or other markets based on negative developments in the U.S. and global economies. Economic, political and financial conditions, industry or economic trends and developments or public health risks, such as epidemics or pandemics, may, from time to time, and for varying periods of time, cause volatility, illiquidity or other potentially adverse effects in the financial markets, including the fixed-income market. The commencement, continuation or ending of government policies and economic stimulus programs, changes in monetary policy, increases or decreases in interest rates, or other factors or events that affect the financial markets, including the fixed-income markets, may contribute to the development of or increase in volatility, illiquidity, shareholder redemptions and other adverse effects which could negatively impact a Fund's performance. For example, the value of certain portfolio securities may rise or fall in response to changes in interest rates, which could result from a change in government policies, and has the potential to cause investors to move out of certain portfolio securities, including fixed-income securities, on a large scale. This may increase redemptions from funds that hold large amounts of certain securities and may result in decreased liquidity and increased volatility in the financial markets. Market factors, such as the demand for particular portfolio securities, may cause the price of certain portfolio securities to fall while the prices of other securities rise or remain unchanged.

RISKS ASSOCIATED WITH DELAYS IN PROVIDING COMPLETE CUSTOMER DUE DILIGENCE

Investors should note that there is a risk that any delay in providing a signed copy of the application form and all documents required in connection with the obligations to prevent money laundering and terrorist financing to the Administrator may result in Units not being issued at the Net Asset Value on a particular Dealing Day.

POSSIBLE INDEMNIFICATION OBLIGATIONS

Under the terms of the Trust Deed, the assets of the Trust may be used to indemnify the Manager, Trustee, Advisers, Administrator and banks, brokers, dealers, counterparties and others, under various agreements entered into with such persons, against certain liabilities they or their respective directors, officers, affiliates or agents may incur in connection with their relationships with the Trust or the Funds.

RISKS OF INVESTING IN DERIVATIVE CONTRACTS AND HYBRID INSTRUMENTS

A Fund's exposure to derivative contracts and hybrid instruments (either directly or through its investment in another investment company) involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. First, changes in the value of the derivative contracts and hybrid instruments in which a Fund invests may not be correlated with changes in the value of the underlying Reference Instruments or, if they are correlated, may move in the opposite direction than originally anticipated. Second, while some strategies involving derivatives may reduce the risk of loss, they may also reduce potential gains or, in some cases, result in losses by offsetting favourable price movements in portfolio holdings. Third, there is a risk that derivative contracts and hybrid instruments may be erroneously priced or improperly valued and, as a result, the Fund may need to make increased cash payments to the counterparty. Fourth, exposure to derivative contracts and hybrid instruments may have tax consequences to the Fund and its Unitholders. For example, derivative contracts and hybrid instruments may cause the Fund to realise increased ordinary income or short-term capital gains (which are treated as ordinary income for U.S. federal income tax purposes) and, as a result, may increase taxable distributions to Unitholders. In addition, under certain circumstances certain derivative contracts and hybrid instruments may cause the Fund to: (a) incur an excise tax on a portion of the income related to those contracts and instruments; and/or (b) reclassify, as a return of capital, some or all of the distributions previously made to Unitholders during the fiscal year as dividend income. Fifth, a common provision in OTC derivative contracts permits the counterparty to terminate any such contract between it and the Fund, if the value of the Fund's total net assets declines below a specified level over a given time period. Factors that may contribute to such a decline (which usually must be substantial) include significant unitholder redemptions and/or a marked decrease in the market value of the Fund's investments. Any such termination of the Fund's OTC derivative contracts may adversely affect the Fund (for example, by increasing losses and/or costs, and/or preventing the Fund from fully implementing its investment strategies). Finally, derivative contracts and hybrid instruments may also involve other risks described in this Prospectus, such as stock market, interest rate, credit, currency, liquidity and leverage risks.

The NAV of a Fund that invests in FDIs may have a higher volatility due to its investment policy or portfolio management techniques.

Risks of Utilising Options

Because option premiums paid or received by a Fund will be small in relation to the market value of the investment underlying the options, trading in options could cause a Fund's NAV to be subject to more frequent and wider fluctuations than would be the case if the Fund did not invest in options.

Upon the exercise of a put option written by a Fund, the Fund may suffer a loss equal to the difference between the price at which a Fund is required to purchase the underlying asset and its market value at the time of the option exercise, less the premium received for writing the option. Upon the exercise of a call option written by the Funds, the Funds may suffer a loss equal to the excess of the market value of the asset at the time of the option's exercise over the price at which a Fund is obliged to sell the asset, less the premium received for writing the option.

No assurance can be given that a Fund will be able to effect closing transactions at a time when it wishes to do so. If the Fund cannot enter into a closing transaction, it may be required to hold assets that it might otherwise have sold, in which case it would continue to be at market risk on such assets and could have higher transaction costs, including brokerage commissions. In addition, options that are not exchange traded will subject the Funds to risks relating to its counterparty, such as the counterparty's bankruptcy, insolvency or refusal to honor its contractual obligations.

Risks of Utilising Swaps

Payments under a swap contract may be made at the conclusion of the contract or periodically during its term. If there is a default by the counterparty to a swap contract, the Funds will be limited to contractual remedies pursuant to the agreements related to the transaction. There is no assurance that swap contract counterparties will be able to meet their obligations pursuant to swap contracts or that, in the event of default, the Fund will succeed in pursuing contractual remedies. A Fund thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to swap contracts.

In addition, because swap contracts are individually negotiated and ordinarily transferable, there also may be circumstances in which it would be impossible for the Fund to close out its obligations under the swap contract. Under such circumstances, the Funds might be able to negotiate another swap contract with a different counterparty to offset the risk associated with the first swap

contract. Unless a Fund is able to negotiate such an offsetting swap contract, however, it could be subject to continued adverse developments, even after the Adviser has determined that it would be prudent to close out or offset the first swap contract.

The use of swaps involves investment techniques and risks different from and potentially greater than those associated with ordinary portfolio securities transactions. If the Adviser is incorrect in its expectations of market values or interest rates, the investment performance of the Funds would be less favourable than it would have been if this investment technique were not used.

RISKS OF INVESTING IN ELIGIBLE COLLECTIVE INVESTMENT SCHEMES

A Fund may invest in other Eligible Collective Investment Schemes. As a unitholder or shareholder of another collective investment scheme, a Fund will bear, along with other unitholders or shareholders, its portion of the costs and expenses of the other collective investment schemes, including management and/or other fees. These fees will be in addition to the management fees and other expenses which a Fund bears directly in connection with its own operations. Investments in an Eligible Collective Investment Scheme, which itself can invest more than 10% of its NAV in other Eligible Collective Investment Schemes is not permitted.

RISKS OF GOVERNMENT INTERVENTION IN FINANCIAL MARKETS

The recent instability in the financial markets has led the U.S. and other governments to take a number of unprecedented actions designed to support certain financial institutions and segments of the financial markets that have experienced extreme volatility, and in some cases a lack of liquidity. U.S. federal and state, and other governments and their regulatory agencies or self regulatory organisations may take additional actions that affect the regulation of the securities in which the Funds invest, or the issuers of such securities, in ways that are unforeseeable. Legislation or regulation may also change the way in which the Funds themselves are regulated. Such legislation or regulation could limit or preclude a Fund's ability to achieve its investment objectives. The Adviser will monitor developments and seek to manage each Fund's portfolio in a manner consistent with achieving that Fund's investment objectives, but there can be no assurance that it will be successful in doing so.

EVENTS RELATED TO FREDDIE MAC AND FANNIE MAE

The extreme and unprecedented volatility and disruption that affected the capital and credit markets beginning in 2008 led to market concerns regarding the ability of Freddie Mac and Fannie Mae to withstand future credit losses associated with securities held in their investment portfolios, and on which they provide support, without the direct support of the U.S. federal government. On 7 September 2008, both Freddie Mac and Fannie Mae were placed under the conservatorship of the Federal Housing Finance Agency ("FHFA"), a newly created independent regulator. Under the plan of conservatorship, the FHFA assumed control of, and generally has the power to direct, the operations of Freddie Mac and Fannie Mae, and is empowered to exercise all powers collectively held by their respective unitholders, directors and officers, including the power to:

1. take over the assets of and operate Freddie Mac and Fannie Mae with all the powers of the unitholders, the directors, and the officers of Freddie Mac and Fannie Mae and conduct all business of Freddie Mac and Fannie Mae;
2. collect all obligations and money due to Freddie Mac and Fannie Mae;
3. perform all functions of Freddie Mac and Fannie Mae which are consistent with the conservator's appointment;
4. preserve and conserve the assets and property of Freddie Mac and Fannie Mae; and
5. contract for assistance in fulfilling any function, activity, action or duty of the conservator.

In connection with the actions taken by the FHFA, the U.S. Treasury has entered into certain preferred stock purchase agreements ("SPAs") with each of Freddie Mac and Fannie Mae which establishes the U.S. Treasury as the holder of a new class of senior preferred stock in each of Freddie Mac and Fannie Mae. The senior preferred stock was issued in connection with financial contributions from the U.S. Treasury to Freddie Mac and Fannie Mae; the Treasury is obligated to provide such financial contributions under the SPAs through 2012. The SPAs impose significant restrictions on the activities of Freddie Mac and Fannie Mae.

The future status and role of Freddie Mac and Fannie Mae could be impacted by (among other things) the actions taken and restrictions placed on Freddie Mac and Fannie Mae by the FHFA in its role as conservator, the restrictions placed on Freddie Mac's and Fannie Mae's operations and activities under the SPAs, downgrades or upgrades in the credit ratings assigned to Freddie Mac and Fannie Mae by Recognised Statistical Rating Organisations or ratings services, and future legislative and regulatory action that alters the operations, ownership, structure and/or mission of these institutions, each of which may, in turn, impact the value of, and cash flows on, any securities supported by Freddie Mac and Fannie Mae.

TECHNOLOGY RISK

Proprietary and third-party data and systems are utilised to support decision making for a Fund. Data imprecision, software or other technology malfunctions, programming inaccuracies and similar circumstances may impair the performance of these systems, which may affect a Fund's performance.

CYBERSECURITY AND OPERATIONAL RISK

Like other funds and business enterprises, Federated Hermes' business relies on the security and reliability of information and communications technology, systems and networks. Federated Hermes uses digital technology, including, for example, networked systems, email and the Internet, as well as mobile devices and "cloud"-based service offerings, to conduct business operations and engage clients, customers, employees, products, accounts, unitholders, and relevant service providers, among others. Federated Hermes, as well as its funds and certain service providers, also generate, compile and process information for purposes of preparing and making filings or reports to governmental agencies, or providing reports or statements to customers, and a cybersecurity attack or incident that impacts that information, or the generation and filing processes, can prevent required regulatory filings and reports from being made, or reports or statements from being delivered, or cause the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). The use of the Internet and other electronic media and technology exposes the Trust and each of its Funds, its Unitholders, and the Trust's service providers, and their respective operations, to potential risks from cybersecurity attacks or incidents (collectively, "cyber-events"). The work-from-home environment necessitated by the novel coronavirus ("COVID-19") pandemic has increased the risk of cyber incidents given the increase in cyber attack surface stemming from the use of personal devices and non-office or personal technology.

Cyber-events can result from intentional (or deliberate) attacks or unintentional events by insiders (e.g., employees) or third parties, including cybercriminals, competitors, nation-states and "hacktivists," among others. Cyber-events can include, for example, phishing, credential harvesting or use of stolen access credentials, unauthorised access to systems, networks or devices (such as, for example, through "hacking" activity), structured query language attacks, infection from or spread of malware, ransomware, computer viruses or other malicious software code, corruption of data, exfiltration of data to malicious sites, the dark web or other locations or threat actors, and attacks (including, but not limited to, denial of service attacks on websites), which shut down, disable, slow, impair or otherwise disrupt operations, business processes, technology, connectivity or website or internet access, functionality or performance. Like other funds and business enterprises, the Trust and each of its Funds, its Unitholders, and the Trust's service providers have experienced, and will continue to experience, cyber-events on a daily basis. In addition to intentional cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information. Cyber-events can also be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on the service providers' systems or websites rendering them unavailable to intended users or via "ransomware" that renders the systems inoperable until appropriate actions are taken. To date, cyber-events have not had a material adverse effect on the Trust's business operations or performance.

Cyber-events can affect, potentially in a material way, Federated Hermes' relationships with its customers, employees, products, accounts, unitholders and relevant service providers. Any cyber-event could adversely impact the Trust, its Funds and its Unitholders and cause the Funds to incur financial loss and expense, as well as face exposure to regulatory penalties, reputational damage, damage to employee perceptions of the company, and additional compliance costs associated with corrective measures and credit monitoring for impacted individuals. A cyber-event can cause the Trust, a Fund, or the Trust's service providers, to lose proprietary information, suffer data corruption, lose operational capacity (such as, for example, the loss of the ability to process transactions, generate or make filings or deliver reports or statements, calculate a Fund's NAV, or allow unitholders to transact business or other disruptions to operations), and/or fail to comply with applicable privacy and other laws. Among other potentially harmful effects, cyber-events also can result in theft, unauthorised monitoring and failures in the physical infrastructure or operating systems that support the Trust, a Fund and the Trust's service providers. In addition, cyber-events affecting issuers in which a Fund invests could cause the Fund's investments to lose value.

The Advisers and their relevant affiliates have established risk management systems reasonably designed to seek to reduce the risks associated with cyber-events. The Advisers employ various measures aimed at mitigating cybersecurity risk, including, among others, use of firewalls, system segmentation, system monitoring, virus scanning, periodic penetration testing, employee phishing training and an employee cybersecurity awareness campaign. Among other service provider management efforts, Federated Hermes also conducts due diligence on key service providers relating to cybersecurity. Federated Hermes has established a committee to oversee Federated Hermes' information security and data governance efforts, and updates on cyber-events and risks are reviewed with relevant committees, as well as Federated Hermes' and Board of Directors (or a committee thereof), on a periodic (generally quarterly) basis (and more frequently when circumstances warrant) as part of risk management oversight responsibilities. However, there is no guarantee that the efforts of Federated Hermes, the Advisers or their affiliates, or other service providers, will succeed, either entirely or partially as there are limits on Federated Hermes' and the Trust's ability to prevent, detect or mitigate cyber-events. Among other reasons, the cybersecurity landscape is constantly evolving, the nature of malicious cyber-events is becoming increasingly sophisticated and the Advisers, and their relevant affiliates, cannot control the cyber systems and cybersecurity systems of issuers or third-party service providers.

The Trust and its Funds can be exposed to operational risk arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of the Trust's service providers, counterparties, or other third parties, failed or inadequate processes and technology or system failures. In addition, other disruptive events, including (but not limited to) natural disasters and public health crises (such as COVID-19), can adversely affect a Fund's ability to conduct business, in particular if the Trust's employees or the employees of its service providers are unable or unwilling to perform their responsibilities as a result of any such event. Even if the Trust's employees and the employees of its service providers are able to work remotely, those remote work arrangements could result in the Trust's business operations being less efficient than under normal circumstances, could lead to delays in its processing of transactions, and could increase the risk of cyber-events.

NATURAL DISASTERS AND ADVERSE WEATHER CONDITIONS

Certain areas of the world may be exposed to adverse weather conditions, such as major natural disasters and other extreme weather events, including hurricanes, earthquakes, typhoons, floods, tidal waves, tsunamis, volcanic eruptions, wildfires, droughts, windstorms, coastal storm surges, heat waves, and rising sea levels, among others. Some countries and regions may not have the infrastructure or resources to respond to natural disasters, making them more economically sensitive to environmental events. Such disasters, and the resulting damage, could have a severe and negative impact on a Fund's investment portfolio and, in the longer term, could impair the ability of issuers in which the Fund invests to conduct their businesses in the manner normally conducted. Adverse weather conditions also may have a particularly significant negative effect on issuers in the agricultural sector and on insurance companies that insure against the impact of natural disasters.

Climate change, which is the result of a change in global or regional climate patterns, may increase the frequency and intensity of such adverse weather conditions, resulting in increased economic impact, and may pose long-term risks to a Fund's investments. The future impact of climate change is difficult to predict but may include changes in demand for certain goods and services, supply chain disruption, changes in production costs, increased legislation, regulation and international accords, changes in property and security values, availability of natural resources and displacement of peoples.

RISKS ASSOCIATED WITH UMBRELLA CASH ACCOUNTS

The operation of the Umbrella Cash Account is described below under "*Umbrella Cash Accounts*". The Umbrella Cash Account operates in respect of the Trust rather than each Fund. Monies attributable to other Funds within the Trust will also be held in the Umbrella Cash Accounts.

The segregation of Investor Monies from the liabilities of Funds other than the relevant Fund to which the Investor Monies relate is dependent upon, among other things, the correct recording of the assets and liabilities attributable to individual Funds by or on behalf of the Trust.

In the event of the insolvency of a Fund (an "Insolvent Fund"), there is no guarantee that the Insolvent Fund will have sufficient monies to pay unsecured creditors (including the investors entitled to Investor Monies) in full. In particular, the recovery of any amounts to which another Fund (the "Beneficiary Fund") is entitled, but which may have been transferred in error to the Insolvent Fund as a result of the operation of the Umbrella Cash Account, will be subject to applicable law and the operational procedures for the Umbrella Cash Account. There may be delays in effecting, and/or disputes as to the recovery of, such amounts, and the Insolvent Fund may have insufficient funds to repay amounts due to the Beneficiary Fund.

In the event that an investor fails to provide the subscription monies within the timeframe stipulated in the Prospectus, the Trust may seek to recover any losses, interest and other expenses incurred by the relevant Fund. For further information see the section entitled, "*Failure to Pay Subscription Monies*". In the event that the Trust is unable to recoup such amounts from the defaulting investor, the relevant Fund may incur losses or expenses in anticipation of receiving such amounts, for which the relevant Fund, and consequently its Unitholders, may be liable.

The Central Bank's guidance on umbrella cash accounts is new and may be subject to change and further clarification.

SUSTAINABILITY RISKS

The likely impacts of sustainability risks on the returns of each Fund will depend on each Fund's exposure to investments that are vulnerable to sustainability risks and the materiality of the sustainability risks. The negative impacts of sustainability risks on each Fund should be mitigated by each Adviser's approach to integrating sustainability risks in its investment decision-making as described in the section titled "*Sustainable Finance Disclosures Regulation*" on page 2 of this Prospectus. However, there is no guarantee that these measures will mitigate or prevent sustainability risks from materialising in respect of a Fund.

The likely impact on the returns of a Fund from an actual or potential material decline in the value of an investment due to an ESG event or condition will vary and depend on several factors including, but not limited to, the type, extent, complexity and duration of the event or condition, prevailing market conditions and the existence of any mitigating factors.

The ESG information used to determine whether companies are managed and behave responsibly may be provided by third-party sources and is based on backward-looking analysis. The subjective nature of non-financial ESG criteria means a wide variety of outcomes are possible. The data may not adequately address material sustainability factors. The analysis is also dependent on companies and countries disclosing relevant data and the availability of this data can be limited. These limitations are reduced through the use of a variety of data sources and the Advisers' own in-house research.

EMIR

A Fund may enter into OTC derivative contracts. Regulation (EU) No 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 ("EMIR") establishes certain requirements for OTC derivatives contracts, including mandatory clearing obligations, bilateral risk-management requirements and reporting requirements. Although not all the regulatory technical standards specifying the risk-management procedures, including the levels and type of collateral and segregation arrangements, required to give effect to EMIR have been phased in and it is therefore not possible to be definitive as to what the implications will actually be, investors should be aware that certain provisions of EMIR impose obligations on the Fund in relation to its transaction of OTC derivative contracts.

The potential implications of EMIR for a Fund include, without limitation, the following:

- clearing obligation: certain standardised OTC derivative transactions will be subject to mandatory clearing through a central counterparty (a “CCP”). Clearing derivatives through a CCP may result in additional costs and may be on less favourable terms than would be the case if such derivative was not required to be centrally cleared;
- risk mitigation techniques: for those of its OTC derivatives which are not subject to central clearing, the Fund will be required to put in place risk mitigation requirements, which include the collateralisation of all OTC derivatives. These risk mitigation requirements may increase the cost to the Fund of pursuing its investment strategy (or hedging risks arising from its investment strategy);
- reporting obligations: each of the Fund’s derivative transactions must be reported to a trade repository or, where such a trade repository is not available, the European Securities and Markets Authority. This reporting obligation may increase the costs to the Fund of utilising derivatives; and
- risk of sanction by the Central Bank in the event of non-compliance with the EMIR obligations.

SECURITISATION REGULATION

On 17 January 2018 the new Securitisation Regulation (Regulation EU 2017/2402) (the “Securitisation Regulation”) came into force and applies across the EU from 1 January 2019. The Securitisation Regulation replaces the existing sector-specific approach to securitisation regulation with a new set of rules that apply to all European securitisations. UCITS such as the Trust are within scope of the Securitisation Regulation. Investors should be aware that there are material differences between the previous EU risk retention requirements and the requirements which apply under the Securitisation Regulation.

The definition of “securitisation” is intended to capture any transaction or scheme where the credit risk associated with an exposure or a pool of exposures is tranching. Essentially, the definition includes any investment with tranches or classes where payments in the transaction or scheme are dependent on the performance of the exposure or of the pool of exposures and the participation in losses differs between the tranches during the life of the transaction or scheme.

Institutional investors such as a Fund must ensure that the originator, sponsor or original lender of a securitisation retains at least a 5% net economic interest in the securitisation. These rules mean that the Adviser or the sub-adviser, if applicable, of the relevant Fund will need to conduct due diligence before an investment is made in a securitisation position and continue to perform due diligence during the period the investment continues in a securitisation. This new direct approach is intended to complement the existing due diligence requirements on institutional investors to verify before investing whether or not the securitising entity has retained risk. As a consequence the new direct approach requires securitising entities established in the EU to retain risk even if the investors are located outside of the EU and are not institutional investors. The UCITS Directive has been amended to include a new provision stating that where UCITS are exposed to securitisation positions which do not meet the requirements of the Securitisation Regulation, the UCITS shall “in the best interests of the investors in the relevant UCITS, act and take corrective action”.

The Securitisation Regulation applies to securitisations the securities of which are issued on or after 1 January 2019 or which create new securitisation positions on or after that date. Pre-existing securitisations will be required to continue to apply the rules in place immediately prior to the effective date of the Securitisation Regulation unless new securities are issued or new positions created. Though the Securitisation Regulation applies to securitisations the securities of which are issued on or after 1 January 2019, there can be no assurance as to whether the investments described herein made by a Fund will be affected by the Securitisation Regulation or any change thereto or review thereof.

LARGE UNITHOLDER RISK

A significant percentage of a Fund’s shares may be owned or controlled by a large Unitholder, such as other funds or accounts, including those of which the Advisers or an affiliate of the Advisers may have investment discretion. Accordingly, a Fund can be subject to the potential for large scale inflows and outflows as a result of purchases and redemptions made by significant Unitholders. These inflows and outflows could be significant and, if frequently occurring, could cause a Fund or an underlying fund to sell securities at inopportune times in order to meet redemption requests. In addition, there is a risk that the level of redemptions may become such that the remaining assets in the relevant Fund are not at a level that makes proper management of the Fund viable.

Determination of Net Asset Value

The NAV of the Units is expressed in the currency of the Fund as a per Unit figure. Units are priced on a single pricing basis in accordance with the Trust Deed. The Unit price is expressed as a NAV per Unit figure in the currency of the Unit Class. The NAV and Unit price is calculated each Dealing Day, and such information for Federated Hermes Shares of Euro-Kurzläufer is published at federatedhermes.com/us/ucits/products/ucits-funds/euro-kurzlauffer/fed.do. Such information relating to the Funds offering Units of LVM Anteile is published at lvm.de. The NAV generally changes each Dealing Day and is computed by dividing the sum of the market value of all securities and all other assets of a Fund, less the liabilities of the Fund, by the number of Units of a Fund outstanding. Any liabilities of the Trust not attributable to any Fund shall be allocated *pro rata* among all Funds. The NAV of the Units is determined as of the close of business or such other time as the Manager with the consent of the Administrator may

determine on the relevant Dealing Day but in no event earlier than the Dealing Deadline. Where a Fund is made up of more than one class, the NAV of each class shall be determined by calculating the amount of the NAV of the Fund attributable *pro rata* to each class. The NAV per Unit of this class shall be calculated by dividing the NAV of the class by the number of Units in issue in that class. The NAV of any class may be adjusted to take account of class expenses. Class expenses include the expenses of registering a class in any jurisdiction or with any stock exchange, regulated market or settlements system and such other expenses arising from such registration and such further expenses howsoever arising as may be disclosed in the Prospectus or in the Supplemental Prospectus relating to the class. In the event that an unhedged currency class of Units is issued which is priced in a currency other than the base currency of that Fund, currency conversion costs on subscription and redemption will be borne by that class. In the event that a hedged class of Units is issued which is priced in a currency other than the base currency of that Fund, the costs and gains/losses of any hedging transactions will be borne by that class.

Market values of each Fund's portfolio securities are determined as follows:

- Equity securities listed or traded on a Regulated Market are valued at the last traded price available as of the close of business in the relevant Regulated Market.
- Debt securities which are listed or traded on a Regulated Market are valued using closing mid-market price valuations provided by a pricing service approved by the Manager.
- Money market instruments may be valued on an amortised cost basis provided the money market instruments have a residual maturity not exceeding three months and have no specific sensitivity to market parameters, including credit risk.
- If for specific securities, the above described prices do not, in the opinion of the Manager, reflect their fair value or if prices are unavailable, or they are not listed or traded on any Regulated Market such securities shall be valued at the probable realisation value determined by the Manager in consultation with the Funds' Advisers (approved for such purpose by the Trustee) with care and in good faith in consultation with the Funds' Advisers as at the close of business in the relevant Regulated Market on the relevant Dealing Day.
- If the assets are listed or traded on several Regulated Markets, the relevant market shall be the one which constitutes the main market for such assets as determined by the Manager.
- Cash and other liquid assets will be valued at their face value with interest accrued, where applicable, as at the close of business in the relevant Regulated Market on the relevant Dealing Day. Interest on bonds, cash and other liquid assets shall be accrued on each Dealing Deadline.
- Units or shares in a collective investment scheme will be valued at the latest available NAV as calculated by such scheme, or if listed, quoted or traded on a Regulated Market at the latest quoted trade price or, if unavailable, the latest available bid quotation (or, if unavailable, a mid quotation) or, if unavailable or unrepresentative, the latest available NAV as deemed relevant to the collective investment scheme.
- Any value expressed other than in euro (whether of an investment or cash) and any non-euro borrowing shall be converted into euro at the closing rate supplied by WM Reuters on the relevant day (whether official or otherwise) which the Manager deems appropriate in the circumstances.
- Exchange traded derivative instruments shall be valued at the relevant settlement price on the applicable exchange. If the settlement price is not available, the value shall be the probable realisation value estimated with care and in good faith by the Manager or a competent person appointed by the Manager in consultation with the Fund's Adviser and approved by the Trustee. The counterparty to derivative instruments not traded on an exchange must be prepared to value the contract and to close out the transaction at the request of the Trust at fair value. The Trust may choose to value OTC Derivatives using either the counterparty valuation or an alternative valuation, such as a valuation calculated by the Manager or by an independent pricing vendor. The Trust must value OTC Derivatives on a daily basis. Where the Trust values OTC Derivatives using an alternative valuation the Trust must follow international best practice and will adhere to the principles on the valuation of OTC Derivatives established by bodies such as International Organisation of Securities Commissions and Alternative Investment Management Association. The alternative valuation is that provided by a competent person appointed by the Manager and approved for the purpose by the Trustee or a valuation by any other means provided that the value is approved by the Trustee. The alternative valuation will be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained. Where the Trust values OTC Derivatives using the counterparty valuation, the valuation must be approved or verified by a party who is approved for the purpose by the Trustee and who is independent of the counterparty. The independent verification must be carried out at least weekly. Forward foreign exchange contracts and interest rate swaps shall be valued by reference to the price at which a new forward contract/interest rate swap of the same size and maturity could be undertaken as of the close of business on the Dealing Day.
- In the event of it being impossible or incorrect to carry out a valuation of a specific investment in accordance with the valuation rules set out above, or if such valuation is not representative of the fair market value, the Manager is entitled to use other generally recognised valuation methods in order to reach a proper valuation of that specific investment, provided that such method of valuation has been approved by the Trustee.

Prior to valuing a security or investment on the basis of its probable realisation value, the Manager may seek to value the security or investment on the basis of its fair value as described below. There can be no assurance that the Fund could purchase or sell an investment at the price used to calculate the Fund's NAV.

Shares of other mutual funds are valued based upon their reported NAVs. The prospectuses for these mutual funds explain the circumstances under which they will use fair value pricing and the effects of using fair value pricing.

FAIR VALUATION

In the event that market quotations and price evaluations are not available for an investment, the Valuation Committee (as defined below) determines the fair value of the investment in accordance with procedures adopted by the Manager and approved by the Trustee. The Manager may refer a valuation to the Advisers' valuation committee ("Valuation Committee") comprised of officers of the Advisers and other Federated Hermes-affiliated entities to assist in this responsibility and in overseeing the calculation of the NAV. The Manager has also authorised the use of pricing services recommended by the Valuation Committee to provide fair value evaluations of the current value of certain investments for purposes of calculating the NAV. The Manager periodically reviews the fair valuations made by the Valuation Committee and any changes made to the procedures adopted by the Manager to determine the fair value of an investment by the Valuation Committee.

Using fair value to price investments may result in a value that is different from an investment's most recent closing price and from the prices used by other mutual funds to calculate their NAVs. The Valuation Committee generally will not change an investment's fair value in the absence of new information relating to the investment or its issuer such as changes in the issuer's business or financial results, or relating to external market factors, such as trends in the market values of comparable securities. This may result in less frequent, and larger, changes in fair values as compared to prices based on market quotations or price evaluations from pricing services or dealers.

The Manager has also adopted procedures requiring an investment to be priced at its fair value whenever the Adviser determines that a significant event affecting the value of the investment has occurred between the time as of which the price of the investment would otherwise be determined and the time as of which the NAV is computed. An event is considered significant if there is both an affirmative expectation that the investment's value will change in response to the event and a reasonable basis for quantifying the resulting change in value. Examples of significant events that may occur after the close of the principal market on which a security is traded, or after the time of a price evaluation provided by a pricing service or a dealer, include:

- with respect to securities traded principally in non-U.S. markets, significant trends in relevant equity markets or in the trading of foreign securities index futures or options contracts;
- with respect to price evaluations of debt securities determined before the close of regular trading on an exchange and other significant trends in fixed-income markets;
- political or other developments affecting the economy or markets in which an issuer conducts its operations or its securities are traded; and
- announcements concerning matters such as acquisitions, recapitalisations, or litigation developments, or a natural disaster affecting the issuer's operations or regulatory changes or market developments affecting the issuer's industry.

The Valuation Committee uses a pricing service to determine the fair value of equity securities traded principally in non-U.S. markets when the Adviser determines that there has been a significant trend in the relevant equity markets or in index futures trading. For other significant events, the Fund may seek to obtain more current quotations or price evaluations from alternative pricing sources. If a reliable alternative pricing source is not available, the Valuation Committee will determine the fair value of the investment using another method approved by the Manager.

The fair valuation of securities following a significant event can serve to reduce arbitrage opportunities for short-term traders to profit at the expense of long-term investors in the Fund. For example, such arbitrage opportunities may exist when the market on which portfolio securities are traded closes before the Fund calculates its NAV, which is typically the case with Asian markets and some European markets. However, there is no assurance that these significant event procedures will prevent dilution of the NAV by short-term traders.

PRICING BASIS FOR DEALING IN UNITS

The Funds deal on a forward pricing basis (and not on the basis of published prices). A forward price is a price calculated by reference to the valuation of the assets of the Fund after the sale or redemption is agreed. This means that:

- An instruction to deal in Units that is received and accepted prior to Dealing Deadline on a Dealing Day shall be transacted at the price per Unit calculated on that Dealing Day by reference to the valuation of assets on that Dealing Day.
- An instruction to deal in Units that is received and accepted after the Dealing Deadline will be transacted on the next following Dealing Day at the price per Unit calculated on the next following Dealing Day by reference to the valuation of asset on that Dealing Day. On an exceptional basis and at the absolute discretion of the Directors, a dealing instruction may be transacted on the same Dealing Day provided the instruction is received by the Administrator before the valuation point on the relevant Dealing day.

Units are priced on a single pricing basis.

How to Purchase and Redeem Units

The procedures for subscribing for Units and redeeming Units of each class are set out in the Supplemental Prospectus for the relevant class of Units.

TAX RESIDENCY/STATUS DECLARATION

Before subscribing for Units, an investor will be required to complete a declaration as to the investor's tax residency or status in the form prescribed by the Revenue Commissioners.

The Manager will be required to deduct tax on redemption monies at the applicable rate unless it has received from the Unitholder a declaration in the prescribed form confirming that the Unitholder is not an Irish Resident in respect of whom it is necessary to deduct tax.

FAILURE TO PAY SUBSCRIPTION MONIES

Any failure or default by an investor to transmit subscription monies prior to the applicable deadlines set out in the Supplemental Prospectus may result in certain losses, costs or expenses for the account of the Fund. Investors agree to indemnify the Trust, the Manager, the Trustee, the Administrator and the Adviser for any losses, costs or expenses incurred by them as a result of the failure or default of the investor to transmit subscription monies in immediately available funds to the account of the Fund by the applicable deadlines.

Where an application to purchase Units has not been settled within the applicable deadline, any Units that have been issued may be cancelled and the applicant /may be responsible for any costs of cancellation at the discretion of the Manager.

FREQUENT TRADING POLICIES (ALL FUNDS EXCEPT EURO-KURZLÄUFER)

Frequent or short-term trading into and out of the Funds can have adverse consequences for the Funds and Unitholders who use the Funds as long-term investment vehicles. Such trading in significant amounts can disrupt the Funds' investment strategies (e.g., by requiring them to sell investments at inopportune times or maintain excessive short-term or cash positions to support redemptions), increase brokerage and administrative costs and affect the timing and amount of taxable gains distributed by the Funds. Investors engaged in such trading may also seek to profit by anticipating changes in the Funds' NAV in advance of the time as of which NAV is calculated or through an overall strategy to buy and sell Units in response to incremental changes in the Funds' NAV.

The Funds monitor trading in Units in an effort to identify disruptive trading activity. The Funds monitor trades into and out of the Funds within a period of 30 days or less. The size of Unit transactions subject to monitoring varies. However, where it is determined that a Unitholder has exceeded the detection amounts twice within a period of twelve months, the Unitholder may, at the sole discretion of the manager, be precluded from making further purchases or exchanges of Units. The Funds may also monitor trades into and out of the Funds over periods longer than 30 days, and if potentially disruptive trading activity is detected, the Unitholder will be precluded from making further purchases or exchanges of Units. Whether or not the specific monitoring limits are exceeded, the Manager may determine from the amount, frequency or pattern of purchases and redemptions or exchanges that a Unitholder is engaged in excessive trading that is or could be detrimental to the Funds and other Unitholders and may preclude the Unitholder from making further purchases or exchanges of Units. No matter how the Funds define their limits on frequent trading of Units, other purchases and sales of Units may have adverse effects on the management of the Funds' portfolios and their performance.

The Funds' objectives are that their fees and restrictions on short-term trading should apply to all Unitholders, regardless of the number or type of accounts in which Units are held. However, the Funds anticipate that limitations on their ability to identify trading activity to specific Unitholders, including where Units are held through intermediaries in multiple or omnibus accounts, will mean that these restrictions may not be able to be applied uniformly in all cases. Absent the intermediary providing certain trade information in relation to the intermediary's account, the Funds will not have access to relevant information to be able to monitor and detect potentially excessive and/or short-term trading in the intermediary's account(s). Accordingly, neither Funds, the Trust nor the Manager accepts any responsibility or liability should such activity occur through an intermediary's account, whether or not the intermediary takes steps to prevent it occurring or re-occurring. It shall be a matter for the intermediary to determine if the restrictions on trading are breached. The Manager reserves the right to reject any purchase or exchange request for an intermediary's account(s) if excessive and/or short term trading is identified or suspected in respect of that intermediary's account in order to prevent disruption to the Fund.

Account and Unit Information

Except where the determination of the sale and redemption prices has been suspended, in the circumstances described in the section entitled "Temporary Suspension of Valuation of the Units and of Sales and Redemptions", the current sale and redemption prices of the Units will be made public at the office of the Administrator and on the internet at FederatedHermes.com/us/ucits (such information will relate to the NAV per Unit for the previous Dealing Day and is available for information only) and may be published in other newspapers in countries where the Units may lawfully be sold. For more information, see the relevant Unit Class Supplement.

Conversion of Units

The Trust Deed allows for Unitholders in any of the Funds with the consent of the Directors to convert their Units to Units in any other Fund established by the Trust on giving notice to the Manager in such form as the Manager may request. Unitholders of Federated Hermes Shares may submit an application for conversion through the Administrator, or through their Financial Intermediary. Unitholders of LVM Anteile may submit an application for conversion through their LVM agent. Conversion will take place in accordance with the following formula:

$$NS = \frac{(A \times B \times C) - D}{E}$$

Where

NS = the number of Units which will be issued in the new Fund; and

A = the number of Units of the original Fund to be converted; and

B = the redemption price of the Units of the original Fund ruling on the relevant Dealing Day; and

C = the currency conversion factor determined by the Manager on the Dealing Day as representing the effective rate of exchange applicable to the reinvestment of the appropriate underlying assets in the currency in which Units of the new Fund are designated, after adjusting such rate as may be necessary to reflect the effective cost of making such reinvestment; and

D = a switching charge not exceeding the amount of any commission or charge payable on subscription for Units in any Fund payable in respect of each Unit to be switched; and

E = the Net Asset Value per Unit of the new Fund ruling on the relevant Dealing Day.

In accordance with the foregoing, the Manager has determined that Unitholders may exchange their Units for Units of other Funds in the Trust at NAV plus any applicable sales charge, provided that Unitholders shall be given credit for any sales charge already paid with respect to the Units that are given in exchange.

A conversion is deemed to be settled when:

- the foreign exchange transaction, if any, necessary to obtain the currency of the new Fund;
- the redemption relating to the original Fund; and
- the subscription relating to the new Fund, are settled.

The length of time required for the completion of a conversion can therefore vary according to the Funds involved.

The Manager has been advised that under existing law and practice in Ireland any gain realised on conversion of one class of Units would not be subject to Irish capital gains tax where the person disposing of the Units is not an Irish Resident.

Unitholders and potential investors are advised to consult their professional advisers concerning possible taxation or other consequences of conversion of Units under the laws of their country of incorporation, establishment, citizenship, residence, or domicile.

Subscription in Specie

The Trust may (but is not required to) issue Units in exchange for assets provided those assets are in accordance with the investment objective, policies and restrictions of the relevant a Fund. No Units may be issued in exchange for assets unless the Trustee is satisfied that receipt of good value for such Units has been obtained and that any other conditions specified from time to time have been met. Units may not be issued in exchange for such assets unless title to such investments has been delivered. Assets so paid or transferred shall be held by the Trustee as part of the assets of the Fund in respect of which the Units are issued.

Transfer of Units

Transfers of Units must be effected by a transfer in writing in any usual or common form, such as facsimile, or in any other form approved by the Manager from time to time. Every form of transfer must state the full name and address of each of the transferor and the transferee and must be signed by or on behalf of the transferor. The Manager or its delegate will decline to register any transfer of Units unless the transfer form is deposited at the address of the Administrator, or such other place as the Manager may reasonably require, accompanied by such other evidence as the Manager may reasonably require to show the right of the transferor to make the transfer and to identify the identity of the transferee. The transferor shall be deemed to remain the holder of the Units until the name of the transferee is entered in the register of Unitholders. A transfer of Units will not be registered unless the transferee, if not an existing Unitholder, has completed the application form to the satisfaction of the Manager.

Units are freely transferable except that the Manager or its delegate may decline to register a transfer of Units:

- if the transfer is in breach of the securities laws of the U.S. or any other country;
- if, in the opinion of the Manager, the transfer would be unlawful or result or be likely to result in any adverse regulatory, tax or fiscal consequence or administrative burden to the Trust or the Unitholders; or
- in the absence of satisfactory evidence of the transferee's identity.

The Manager will be required to account for tax on the value of the Units transferred at the applicable rate unless it has received from the transferor a declaration in the prescribed form confirming that the Unitholder is not an Irish Resident in respect of whom it is necessary to deduct tax. The Manager reserves the right to redeem such number of Units held by a transferor as may be necessary to discharge the tax liability arising. The Manager reserves the right to refuse to register a transfer of Units until it receives a declaration as to the transferee's residency or status in the form prescribed by the Revenue Commissioners.

Redemptions in Specie

The Manager, with the approval of the Trustee and the sanction of an ordinary resolution of Unitholders may satisfy any application for the redemption of Units by the transfer of assets *in specie* to the Unitholders provided that with the consent of the Unitholder making the redemption request in respect of Units representing 5 per cent or more of the Units in issue of the Trust or a Fund, assets may be transferred *in specie* as aforesaid without the sanction of an ordinary resolution of Unitholders. In the event that the Manager satisfies an application for the redemption of Units by the transfer to the relevant Unitholder of assets of the relevant Fund attributable to those Units *in specie* whether with the consent of the Unitholder making the redemption request or with the sanction of an ordinary resolution of Unitholders, the Manager shall if so requested by the Unitholder making the redemption request, dispose of the assets which such Unitholder is entitled to receive and transmit the proceeds of such disposal to the Unitholder provided however that the Manager shall provide no guarantee as to the price which will be obtained for the disposal of such assets and provided further that the cost of the disposal of such assets shall be borne by the Unitholder.

Umbrella Cash Accounts

Cash accounts arrangements are in place in respect of the Trust and the Funds as a consequence of new requirements relating to the subscription and/or redemption collection accounts pursuant to the Investor Money Regulations 2015. The following is a description of how such cash accounts arrangements are expected to operate. These cash accounts are not subject to the protections of the Investor Money Regulations and instead are subject to the guidance issued by the Central Bank from time to time in relation to umbrella cash accounts.

Investor Monies are held in a single Umbrella Cash Account in respect of a particular currency. The assets in the Umbrella Cash Account are assets of the Trust (for the relevant Fund).

If subscription monies are received by a Fund in advance of the issue of Units (which occurs on the relevant Dealing Day), then such monies will be held in the Umbrella Cash Account and will be treated as an asset of the relevant Fund. The subscribing investors will be unsecured creditors of the relevant Fund with respect to their subscription monies until the Units are issued to them on the relevant Dealing Day. The subscribing investors will be exposed to the credit risk of the institution at which the Umbrella Cash Account has been opened. Such investors will not benefit from any appreciation in the Net Asset Value of the Fund or any other Unitholder rights in respect of the subscription monies (including dividend entitlements) until such time as the Units are issued on the relevant Dealing Day.

Redeeming investors will cease to be Unitholders of the redeemed Units from the relevant Dealing Day for which the redemption request is accepted. Redemption and dividend payments will, pending payment to the relevant investors, be held in the Umbrella Cash Account. Redeeming investors and investors entitled to dividend payments held in the Umbrella Cash Account will be unsecured creditors of the relevant Fund with respect to those monies. Where the redemption and dividend payments cannot be transferred to the relevant investors, for example, where the investors have failed to supply such information as is required to allow the Trust to comply with its obligations under applicable anti-money laundering and counter terrorist legislation, the redemption and dividend payments will be retained in the Umbrella Cash Account, and investors should address the outstanding issues promptly. Redeeming investors will not benefit from any appreciation in the Net Asset Value of the Fund or any other Unitholder rights (including, without limitation, the entitlement to future dividends) in respect of such amounts.

It is not expected that any interest will be paid on the amounts held in the Umbrella Cash Account. Any interest earned on the monies in the Umbrella Cash Account will be for the benefit of the relevant Fund and will be allocated to the Fund on a periodic basis for the benefit of the Unitholders at the time of the allocation.

For information on the risks associated with Umbrella Cash Accounts, see "*Risks Associated with Umbrella Cash Accounts*".

Temporary Suspension of Valuation of the Units and of Sales and Redemptions

The Manager may temporarily suspend the determination of the NAV of the Units and the sale or redemption of the Units of any Fund during:

- any period (other than ordinary holiday or customary weekend closings) when any Regulated Market is closed which is the main Regulated Market for a significant part of the Fund, or in which trading thereon is restricted or suspended;
- any period when any emergency exists as a result of which disposal by the Trust of investments which constitute a substantial portion of the assets of the Fund is not practically feasible;
- any period when for any reason the prices of any investments of the Fund cannot be reasonably, promptly or accurately ascertained by the Trust;
- any period when remittance of monies which will, or may be, involved in the realisation of, or in the payment for, investments of the Fund cannot, in the opinion of the Manager, be carried out at normal rates of exchange; or
- any period when proceeds of any sale or redemption of the Units cannot be transmitted to or from the account(s) of the Fund.

Any such suspension shall be published by the Manager in such manner as it may deem appropriate to the persons likely to be affected thereby and shall be notified immediately to the Trustee and the Central Bank.

If redemption requests on any Dealing Day exceed 10% of the Units in issue in any Fund, the Manager may defer the excess redemption notices to a subsequent Dealing Day or Days and shall redeem such Units ratably according to the balance to be redeemed on the subsequent Dealing Day.

Management and Administration

THE MANAGER

The Manager of the Trust is Hermes Fund Managers Ireland Limited which was established on 3 July 2018 in Ireland under registration number 629638, is organised under the laws of Ireland as a private company with limited liability pursuant to the Companies Act, and is authorised by the Central Bank as a UCITS management company.

The authorised share capital of the Manager is divided into 100,000,000 ordinary shares of €1 each. The Manager is a fully-owned subsidiary of Federated Hermes Limited (“FHL”) and a member of the Federated Hermes Group.

The Manager will be responsible for managing the business affairs of the Trust, including the provision of such collective portfolio management services to the Trust and each Fund as may from time to time be required, in accordance with the investment objectives and policies described in this Prospectus, and Supplemental Prospectuses as applicable, subject always to the supervision and direction of the Directors. The Manager’s functions include general administration and distribution.

The Company Secretary of the Manager is Bradwell Limited (Ten Earlsfort Terrace, Dublin 2, D02 T380, Ireland).

DIRECTORS AND OFFICERS OF THE MANAGER

The Directors of the Manager consist of the following individuals:

Ronan Walsh

Mr. Walsh, Chairman and Director of the Manager is an Irish citizen and was a partner in the law firm of Arthur Cox in Dublin from 1981 and 2009, specialising in corporate law, with a particular emphasis on corporate finance and financial services. Mr. Walsh is also a non-executive director of a number of Irish companies. Mr. Walsh was educated at Trinity College, Dublin and qualified as a solicitor in 1975.

Gregory P. Dulski

Director of the Manager. Mr. Dulski is Chief Regulatory Officer, Head of Government Affairs and member of the Senior Management Team of FHL and holds other positions with a number of non-U.S. affiliates of Federated Hermes. Mr. Dulski is responsible for leadership and oversight of FHL’s Compliance, Financial Crime and Risk functions, whilst serving as senior counsel of Federated Hermes which includes advocating with global policy makers and oversight of all legal and regulatory matters impacting Federated Hermes’ international operations.

Mr. Dulski has nearly 20 years of experience in the financial services industry and has worked with Federated Hermes for more than 15 years, both as outside counsel and in-house counsel. Mr. Dulski serves as a director on a number of Federated Hermes’ international boards and has worked extensively on financial services reform in both Europe and the United States. In addition to his work with Federated Hermes, Mr. Dulski has extensive industry experience having worked for Janus Capital Group and ALPS Fund Services in Denver, Colorado and in the investment management group of Reed Smith LLP.

Mr. Dulski graduated with honors from The George Washington University School of Law in 2001 and received his undergraduate degree in Accounting from Arizona State University and is a non-practicing certified public accountant.

Mr. Dulski is also a shareholder of Federated Hermes.

Joseph L. Kagan

Mr. Kagan, Director of the Manager. Mr. Kagan is a U.K./South African citizen. He is General Counsel of FHL, responsible for FHL's legal and company secretarial functions and a member of FHL's Senior Management Team. Mr. Kagan joined the firm in 2010 and was appointed General Counsel in 2021. He is also a director of, and holds other positions with, a number of other Federated Hermes entities.

Prior to joining Federated Hermes, Mr. Kagan was in private practice at City law firm Bryan Cave Leighton Paisner LLP for nine years, where he practised corporate and funds law. Mr. Kagan is qualified as a solicitor in England and Wales and as an attorney in South Africa. He holds a Bachelor of Arts and LLB degree from the University of the Witwatersrand, Johannesburg and a Bachelor of Arts (Honours) Economics degree from the University of Cape Town.

Mr. Kagan is also a shareholder of Federated Hermes.

Sylvie McLaughlin

Director of the Manager. Ms. McLaughlin was appointed Head of Office of the Manager in August 2021. Ms. McLaughlin is a member of FHL's Senior Management Team and also a director of a number of other Federated Hermes entities. Prior to joining the Manager, Ms. McLaughlin was Compliance and Operations Officer for Brandes Investment Partners (Europe) Limited since October 2017 and before that spent 12 years working for Arthur Cox LLP where she advised on all aspects of asset management and investment funds in particular, advising international and Irish investment management businesses and financial service providers on legal, compliance and risk matters relating to all Irish legislative and regulatory matters. Ms. McLaughlin is a qualified solicitor, admitted to the Law Society of Ireland in 2005, and holds a Bachelor of Business and Legal Studies from University College Dublin and an MSc (Finance and Financial Law) from the University of London.

Michael Boyce

Director of the Manager. Mr. Boyce is an Irish citizen, and acts as an independent director to a number of Irish collective investment schemes. Prior to being appointed as a Director, Mr. Boyce served as Executive Director of Northern Trust Investor Services (Ireland) Limited, formerly known as Ulster Bank Investment Services Limited ("UBIS").

He also served as Managing Director of Ulster Bank Custodial Services and Managing Director of UBIS prior to Northern Trust's purchase of UBIS in May 2000. Mr. Boyce has worked in the financial services industry for more than 30 years including the areas of stockbroking, fund management and fund administration.

Mr. Boyce is a graduate of the Michael Smurfit School of Business at University College Dublin from which he holds a Diploma in Corporate Governance. He is a member of the Securities Institute, the Institute of Directors Ireland, and the Corporate Governance Association of Ireland.

CONTRACTUAL AND OTHER MATTERS CONCERNING THE MANAGER

In the absence of bad faith, fraud, negligence, wilful misfeasance or reckless disregard on the part of the Manager, the Manager shall not incur any liability by reason of any error of law or any matter, thing done or suffered or omitted to be done by it in good faith under the Trust Deed. In no event shall the Manager be liable for any indirect, special or consequential loss or damage of any kind whatsoever, including, but not limited to, loss of profits, regardless of whether such claim for loss or damage is made in negligence, for breach of contract or otherwise.

The Manager shall be entitled to retire on 90 days' notice in writing to the Trustee. If no replacement manager is appointed by the Trustee, the Trust shall be terminated on the retirement of the Manager. The appointment of the Manager may be terminated by the Trustee upon written notice given by the Trustee to the Manager in the event that the Manager: goes into liquidation or has a receiver or examiner appointed in respect of any of its assets; fails to remedy a material breach within thirty days of being requested to do so; ceases to be approved by the Central Bank; or has suffered revocation of any tax certificate issued to the Manager under Section 446 of the Taxes Consolidation Act, 1977.

The Trust Deed allows the Manager to delegate its management duties to other parties. The Manager has delegated its investment advisory duties to the Advisers, certain operational support services to FASI, and some of its administrative duties to the Administrator. All fees and expenses of the Advisers are borne by the Manager from its management fee. A fee is charged to the Trust in respect of the services provided by FASI which is paid to the Manager (in addition to the management fee) to enable the Manager to pay FASI (as described below, see "Fees and Expenses - FASI"). The Administrator's fee is charged separately to the Funds (as described below, see "Fees and Expenses - The Administrator").

The Manager is also the manager of other Irish-authorized collective investment schemes such as Federated Hermes Investment Funds plc, Federated Hermes International Funds plc and Federated Hermes Alternative Funds ICAV. Each of these is an umbrella fund comprising one or more sub-funds. The Manager also manages a limited number of segregated and sub-advised accounts and Luxembourg alternative investment funds.

The Manager shall at all times have due regard to its respective duties owed to each Fund and if any conflict of interest shall arise with respect to any of the Funds of the Trust, the Manager shall ensure that the conflict is resolved fairly.

CONTRACTUAL AND OTHER MATTERS CONCERNING THE ADMINISTRATOR

The Manager has appointed J.P. Morgan Administration Services (Ireland) Limited as administrator (“Administrator”) to perform certain registration, valuation and administrative work and to process applications for and redemptions of Units. The Administrator is a private company incorporated in Ireland and is ultimately a wholly owned subsidiary of J.P. Morgan Chase and Co. of Delaware, United States.

The Administrator was appointed pursuant to an Administration Agreement between the Manager and the Administrator dated 1 November 1999 as amended, which shall continue in force until terminated by either party on ninety days’ notice in writing to the other party. In addition, the Administration Agreement may be terminated immediately if:

- (i) either party is declared bankrupt, enters into composition with creditors, obtains a suspension of payment, is put under court controlled management or becomes subject to a similar measure;
- (ii) the relevant Irish or other supervisory authority withdraws its authorisation of either party;
- (iii) the Minister of Finance notifies either party that he proposes to revoke the tax certificate issued to the relevant party under section 446 of the Taxes Consolidation Act, 1997, or in the event that such tax certificate is revoked;
- (iv) any other event takes place resulting in termination of the Administration Agreement under the provisions of the Trust’s constitutional documents; or
- (v) either party fails to remedy a material breach (which shall be capable of remedy) within fourteen days of being requested to do so.

The Administration Agreement provides that the Manager may indemnify the Administrator out of the assets of the Trust in respect of loss suffered by the Administrator pursuant to the Administration Agreement other than as a direct result of the negligence, fraud or wilful default of the Administrator or any of its directors, officers or employees.

The Administrator may retire simultaneously as the provider of any or all of the services it provides under the Administration Agreement on the date on which the Trustee or Manager shall, pursuant to the terms of the Trust Deed under which it is appointed, retire or cease for any reason to be Trustee or Manager in respect of the Trust.

CONTRACTUAL AND OTHER MATTERS CONCERNING THE ADVISERS

Pursuant to an Amended and Restated Investment Advisory Agreement dated 5 June 2009 (the “Investment Advisory Agreement”) among the Manager, FGIMC and FIC, FGIMC was retained to act as investment adviser to the Manager in relation to ProFutur, ProBasis, Inter-Aktien and Europa-Aktien, and FIC was retained to act as investment adviser to Euro-Kurzläufer, Euro-Renten, Inter-Renten, ProBasis, ProFutur and Inter-Aktien. The Advisers provide the Manager with investment research and assist the Manager in the purchase, sale and exchange of the Funds’ investments.

FIC is a statutory trust organised in the State of Delaware, U.S. on 11 April 1989. FGIMC is a corporation organised in the State of Delaware, U.S., on 12 May 1995. FIC and FGIMC are registered investment advisers under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”), and both companies are indirect subsidiaries of Federated Hermes.

The Advisers and other advisory subsidiaries of Federated Hermes combined advise approximately 100 registered investment companies spanning equity, fixed-income and money market mutual funds and also manage a variety of other pooled investment vehicles, private investment companies and customized separately managed accounts (including non-U.S. funds). Federated Hermes’ assets under management totaled approximately \$829.6 billion in assets as of 31 December 2024.

FIC advises approximately 126 institutional separate accounts and private investment companies and other pooled investment vehicles (including non-U.S. funds), as well as numerous separately managed accounts, which totaled approximately U.S. \$216.8 billion in assets as of 31 December 2024.

FGIMC advises approximately 12 registered investment companies and also manages a variety of sub-advised, institutional and separately managed accounts (including non-U.S. funds). The Adviser’s assets under management totaled approximately \$14.5 billion as of 31 December 2024.

In the absence of wilful misfeasance, bad faith or reckless disregard of its obligations or duties on the part of the Adviser under the Investment Advisory Agreement, such Adviser shall not be liable to the Manager, the Trust, a Fund, or any Unitholders for any act or omission in the course of, or connected in any way with, rendering of services or for any losses that may be sustained in the purchase, holding or sale of any security. The Investment Advisory Agreement may be terminated by either the Manager or the Advisers on not less than 60 days’ notice to the other and shall terminate forthwith on termination of the Trust Deed.

In July 2018, Federated Hermes, acquired a majority interest in FHL, a pioneer of integrated ESG investing. Federated Hermes now owns 100% of FHL. FHL’s experience with ESG issues contributes to Federated Hermes’ understanding of material risks and opportunities these issues may present.

EOS at Federated Hermes, which was established as Hermes Equity Ownership Services Limited (EOS) in 2004 as an affiliate of FHL, is a 50+ member engagement and stewardship team that conducts long-term, objectives-driven dialogue with board and senior executive level representatives of approximately 1,000 unique issuers annually. It seeks to address the most material ESG risks and opportunities through constructive and continuous discussions with the goal of improving long-term results for investors.

EOS's deep understanding across sectors, themes and regional markets, along with language and cultural expertise, allows EOS to provide insights to companies on the merits of addressing ESG risks and the positive benefits of capturing opportunities. Federated Hermes investment management teams have access to the insights gained from understanding a company's approach to these long-term strategic matters as an additional input to improve portfolio risk/return characteristics.

CONTRACTUAL AND OTHER MATTERS CONCERNING THE TRUSTEE

Pursuant to a Trust Deed (the "Trust Deed"), J.P. Morgan Bank SE, acting through its Dublin Branch provides trustee/depositary, custodial, settlement and certain other associated services to the Trust. For its services, the Trustee receives an annual fee, payable monthly as set forth herein under the Section Fees and Expenses. The Trustee shall assume its functions and responsibilities in accordance with the UCITS Regulations as further described in the Trust Deed.

J.P. Morgan SE is a European Company (Societas Europaea) organized under the laws of Germany, having its registered office at Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany and is registered with the commercial register of the local court of Frankfurt. It is a credit institution subject to direct prudential supervision by the European Central Bank (ECB), the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and Deutsche Bundesbank, the German Central Bank; J.P. Morgan SE - Dublin Branch is authorized by the Central Bank of Ireland to act as depositary and is licensed to engage in all banking operations under the laws of Ireland. The duty of the Trustee is to provide safekeeping, oversight and asset verification services in respect of the assets of the Trust and each Fund in accordance with the provisions of the UCITS Rules and the Directive. The Trustee will also provide cash monitoring services in respect of each Fund's cash flows and subscriptions.

The Trustee will be obliged, *inter alia*, to ensure that the sale, issue, repurchase and cancellation of Units in the Trust is carried out in accordance with the UCITS Regulations and the Trust Deed. The Trustee will carry out the instructions of the Manager, unless they conflict with the UCITS Regulations or the Trust Deed. The Trustee is also obliged to enquire into the conduct of the Trust in each financial year and report thereon to Unitholders.

The Trustee will be liable for loss of financial instruments held in custody or in the custody of any sub-custodian, unless it can prove that loss was not as a result of the Trustee's negligent or intentional failure to perform its obligations and has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Trustee has power to delegate the whole or any part of its trustee functions, however, its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Trustee has delegated its safe-keeping duties in respect of financial instruments. The list of sub delegates appointed by the Trustee is set out in Appendix A hereto. The use of particular sub delegates will depend on the markets in which the Trust invests. No conflicts arise as a result of such delegation. The Trust Deed shall be updated to reflect these liability provisions in due course.

Up-to-date information regarding the duties of the Trustee, any conflicts of interest that may arise and the Trustee's delegation arrangements will be made available to investors by the Manager on request.

CONTRACTUAL AND OTHER MATTERS CONCERNING FASI

FASI, a corporation organised in the Commonwealth of Pennsylvania, U.S., and an indirect subsidiary of Federated Hermes, provides the Manager with operational support services, including, but not limited to, assisting the Manager in responding to inquiries regarding the Funds from financial institutions, providing computer systems and programming support, and providing consultation and support with regard to certain legal, accounting and reporting services.

SERVICE PROVIDERS

The Manager may appoint paying agent and local representative agents upon notification to the Central Bank. Under the terms of agreements between the Manager and each such paying agent or representative agent, the Manager is obligated to pay the paying agent or local representative agent a fee for its services as paying agent or local representative agent for the Trust in the particular country, which fee shall be at normal commercial rates for the relevant jurisdiction and shall be set forth in the Trust's accounts.

DISTRIBUTORS

The LVM Finanzdienstleistungen GmbH is a group company of the LVM Versicherung in Münster. The LVM Versicherung was incorporated in 1896. LVM provides exclusively through its more than 2,150 self-employed agents insurance products and services to its over 3.8 million clients throughout Germany. LVM offers health, legal, life, property, car, casualty and liability insurance as well as financial products and services via the LVM Finanzdienstleistungen GmbH and its cooperation partners. The overall insurance premiums are more than €4.5 billion as of 31 December 2024.

Hermes Investment Management Limited ("HIML") is a wholly owned subsidiary of FHL. HIML is authorised by the FCA to carry on regulated activities in the United Kingdom and is subject to the rules of the FCA. HIML was incorporated under the laws of England and Wales and was established on 1 February 1990. As at 30 September 2024, funds under investment management and advice of HIML, together with its affiliates, totaled approximately £43.3 billion.

LEGAL ADVISERS

Counsel as to matters of Irish law is provided by Arthur Cox LLP, Dublin, Ireland.

AUDITORS

The independent auditors for the Trust are KPMG LLP, who perform the audit function from their office in Dublin, Ireland.

Fees and Expenses

Each of the Units shall bear its allocable portion of Trust and Fund expenses. These expenses include, but are not limited to, the cost of:

- (a) organising and maintaining the Trust and the Funds;
- (b) management and investment advisory services;
- (c) administrative services;
- (d) operational support services;
- (e) printing prospectuses, sales literature and other documents for Unitholders and prospective investors;
- (f) registering the Trust, the Funds and the Units with any governmental or regulatory authority or with any stock market or other Regulated Market;
- (g) taxes and commissions;
- (h) Trustee and custodial fees;
- (i) printing, mailing, auditing, accounting and legal expenses and any fees payable to a paying agent or fiscal representative;
- (j) reports to Unitholders, the Central Bank and governmental agencies;
- (k) meetings of the Manager and Unitholders and proxy solicitations therefor;
- (l) insurance premiums;
- (m) association membership dues; and
- (n) such nonrecurring and extraordinary items as may arise.

To the extent that expenses are attributable to only one class or certain classes of Units, the expenses may be allocated to such class or classes, respectively.

Investors' attention is drawn to the detailed disclosure of the service provider fees set forth below.

THE MANAGER

All expenses relating to the organisation and establishment of the Trust and the Funds have been borne by the Manager. The Trust has undertaken to reimburse the Manager these expenses within the first 12 months of a new Fund's operations.

Pursuant to the Trust Deed, the Manager receives (unless reduced by voluntary waiver or reimbursement) an annual management fee as listed below:

Fund	Percentage of the Fund's Average Daily Net Assets
Euro-Kurzläufer	0.85%
Euro-Renten	1.10%
Inter-Renten	1.10%
ProBasis	1.25%
ProFutur	1.25%
Europa-Aktien	1.50%
Inter-Aktien	1.50%

The management fee shall be accrued daily from the Funds' average monthly NAV and payable monthly in arrears. The Manager shall also be entitled to receive its reasonable out of pocket expenses which may include all costs, charges and expenses incurred in connection with the management and administration of the Trust, including fees, expenses and disbursements of any agent. The Manager may voluntarily undertake to reduce or waive its management fee or to make other arrangements to reduce expenses of a Fund to the extent that such expenses exceed such lower expense limitation as the Manager may, by notice to the Trust, voluntarily declare to be effective. The Manager may rebate a portion of its management fee to certain institutional investors.

THE ADMINISTRATOR

Under the Administration Agreement, the Administrator shall receive such remuneration out of the assets of the Trust as shall be agreed between the Manager and the Administrator from time to time in a written fee agreement. The written fee agreement as at the date of this Prospectus provides that the Administrator is entitled to receive remuneration for the following services: fund accounting and financial reporting services; transfer agency and shareholder services; cash management services; oversight/fiduciary services; company administration/domiciliary services; paying agency services; and technology delivery and system maintenance services. The Administrator is also entitled to receive its reimbursable out-of-pocket expenses incurred by the Administrator in the performance of its duties to the Trust.

Under the current written fee agreement, the fees paid to the Administrator for fund accounting services, which include fees for daily NAV calculation and preparation of financial reports, are as follows, based on aggregate assets of all Funds:

Total Funds Value (based on monthly average net assets)	Ad Valorem Fee
Up to €200 million	0.065%
€201 million to €400 million	0.050%
€401 million to €600 million	0.040%
Greater than €600 million	0.030%

Under the current written fee agreement, the Administrator is also entitled to receive: a fee of €7,500 per annum for company administration/domiciliary services; transfer agency and shareholder services fees from the Funds of €8,000 per class on the register, per annum; a fee of 0.015% per year based on aggregate assets of all Funds for oversight/fiduciary services; a fee of €10,000 per annum in respect of paying agency services for all Funds; a fee of €5,000 per annum for technology delivery and system maintenance services; and certain account and transaction charges.

THE ADVISERS

The Advisers' fees and out of pocket expenses are discharged by the Manager from its management fee.

The Advisers will reduce or waive their fees to limit the Funds' expenses to such expense limitations as the Manager may from time to time declare to be effective.

THE TRUSTEE

The Trustee shall receive from the relevant Fund a fee (plus value added tax, if any) equivalent to .015% per annum of the average monthly net assets of each Fund, plus fees in relation to the custody of assets (at normal commercial rates), transaction charges and out-of-pocket expenses. Such fees will accrue daily and be payable monthly in arrears and are based on the level of average daily net assets of the Funds. The sub-custodians' and safekeeping agents' fees and transactions charges, which shall be charged at normal commercial rates, shall be borne by the Fund in respect of which they were incurred.

FASI

FASI, under an operational support services agreement with the Manager, provides the Manager with support relating to various administrative services. The fee for this support is calculated taking into consideration the average daily net assets of all funds advised and sponsored by group companies of Federated Hermes. The fee ranges from 0.1% on the assets up to U.S.\$50 billion to 0.075% on assets in excess of U.S.\$50 billion. The applicable fee is applied to the average daily net assets of the Trust and is paid out of the assets of the Trust to the Manager (in addition to the management fee) to enable the Manager to pay the fees due to FASI.

DISTRIBUTORS AND FINANCIAL INTERMEDIARIES

Distributors and Financial Intermediaries may receive a distribution fee and reimbursement of expenses payable by the Manager. Details regarding the payments from the Manager to the Distributors are provided in the relevant Supplemental Prospectus. Distribution fees and expenses are in addition to any sales charge payable at the time of purchasing Units as described in the Supplemental Prospectus. Fees payable to Financial Intermediaries and distributors are based on the NAV of the Units owned by their clients and customers to compensate these institutions for subaccounting, Unitholder liaison and other services provided to their clients and customers.

Separate and apart from the expenses borne by the Funds, Financial Intermediaries through whom Units are purchased may charge investors fees for services provided to the investor which may be related to the ownership of the Units. This Prospectus should, therefore, be read together with any agreement between an investor and Financial Intermediary with regard to services provided, the fees charged for these services, and any restrictions and limitations imposed.

Ireland Taxation

The following is a general summary of the main Irish tax considerations applicable to the Fund and certain investors in the Trust who are the beneficial owners of Units in the Trust. It does not purport to deal with all of the tax consequences applicable to the Trust or to all categories of investors, some of whom may be subject to special rules. For instance, it does not address the tax

position of Unitholders whose acquisition of Units in the Trust would be regarded as a holding of units in a Personal Portfolio Investment Undertaking. Accordingly, its applicability will depend on the particular circumstances of each Unitholder. It does not constitute tax advice and Unitholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Units under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in the light of their particular circumstances.

The following statements on taxation are based on advice received by the Manager regarding the law and practice in force in Ireland at the date of this document. Legislative, administrative or judicial changes may modify the tax consequences described below and as is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Fund will endure indefinitely.

IRELAND

The Manager has been advised that, on the basis that the Trust is resident in Ireland for taxation purposes, the taxation position of the Trust and the Unitholders is as set out below:

TAXATION

The following is a general summary of the main Irish tax considerations applicable to the Trust and certain investors in the Trust who are the beneficial owners of Units in the Trust. It does not purport to deal with all of the tax consequences applicable to the Trust or to all categories of investors, some of whom may be subject to special rules. For instance, it does not address the tax position of Unitholders whose acquisition of Units in the Trust would be regarded as a holding of units in a Personal Portfolio Investment Undertaking (“PPIU”). Accordingly, its applicability will depend on the particular circumstances of each Unitholder. It does not constitute tax advice and Unitholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Units under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in the light of their particular circumstances.

The following statements on taxation are based on advice received by the Directors of the Manager (the “Directors”) of the Trust regarding the law and practice in force in Ireland at the date of this document. Legislative, administrative or judicial changes may modify the tax consequences described below and as is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Trust will endure indefinitely.

TAXATION OF THE TRUST

The Directors have been advised that, under current Irish law and practice, the Trust qualifies as an investment undertaking for the purposes of Section 739B of the Taxes Consolidation Act, 1997, as amended (“TCA”) so long as the Trust is resident in Ireland. Accordingly, it is generally not chargeable to Irish tax on its income and gains.

Chargeable Event

However, Irish tax can arise on the happening of a “chargeable event” in the Trust. A chargeable event includes any payments of distributions to Unitholders, any encashment, repurchase, redemption, cancellation or transfer of Units and any deemed disposal of Units as described below for Irish tax purposes arising as a result of holding Units in the Trust for a period of eight years or more. Where a chargeable event occurs, the Trust is required to account for the Irish tax thereon.

No Irish tax will arise in respect of a chargeable event where:

- (a) the Unitholder is neither resident nor ordinarily resident in Ireland (“Non-Irish Resident”) and it (or an intermediary acting on its behalf) has made the necessary declaration to that effect and the Trust is not in possession of any information which would reasonably suggest that the information contained in the declaration is not, or is no longer, materially correct; or
- (b) the Unitholder is Non-Irish Resident and has confirmed that to the Trust and the Trust is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Unitholder and the approval has not been withdrawn; or
- (c) the Unitholder is an Exempt Irish Resident as defined below.

In the absence of a signed and completed declaration or written notice of approval from the Revenue Commissioners, as applicable, being in the possession of the Trust at the relevant time there is a presumption that the Unitholder is resident or ordinarily resident in Ireland (“Irish Resident”) or is not an Exempt Irish Resident and a charge to tax arises.

A chargeable event does not include:

- any transactions (which might otherwise be a chargeable event) in relation to Units held in a recognised clearing system as designated by order of the Revenue Commissioners; or
- a transfer of Units between spouses/civil partners and any transfer of Units between spouses/civil partners or former spouses/civil partners on the occasion of judicial separation, decree of dissolution and/or divorce, as appropriate; or

- an exchange by a Unitholder, effected by way of arm's length bargain where no payment is made to the Unitholder, of Units in the Trust for other Units in the Trust; or
- an exchange of Units arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the Trust with another investment undertaking.

If the Trust becomes liable to account for tax on a chargeable event, the Trust shall be entitled to deduct from the payment arising on that chargeable event an amount equal to the appropriate tax and/or, where applicable, to appropriate or cancel such number of Units held by the Unitholder, or such beneficial owner, as is required to meet the amount of tax. The relevant Unitholder shall indemnify and keep the Trust indemnified against loss arising to the Trust by reason of the Trust becoming liable to account for tax on the happening of a chargeable event.

Deemed Disposals

The Trust may elect not to account for Irish tax in respect of deemed disposals in certain circumstances. Where the total value of Units in a Fund held by Unitholders who are Irish Resident and who are not Exempt Irish Residents (as defined below) is 10% or more of the Net Asset Value of the Fund, the Trust will be liable to account for the tax arising on a deemed disposal in respect of Units in that Fund as set out below. However, where the total value of Units in the Fund held by such Unitholders is less than 10% of the Net Asset Value of the Fund, the Trust may, and it is expected that the Trust will, elect not to account for tax on the deemed disposal. In this instance, the Trust will notify relevant Unitholders that it has made such an election and those Unitholders will be obliged to account for the tax arising under the self-assessment system themselves. Further details of this are set out below under the heading "Taxation of Irish Resident Unitholders."

Irish Courts Service

Where Units are held by the Irish Courts Service the Trust is not required to account for Irish tax on a chargeable event in respect of those Units. Rather, where money under the control or subject to the order of any Court is applied to acquire Units in the Trust, the Courts Service assumes, in respect of the Units acquired, the responsibilities of the Trust to, *inter alia*, account for tax in respect of chargeable events and file returns.

EXEMPT IRISH RESIDENT UNITHOLDERS

The Trust will not be required to deduct tax in respect of the following categories of Irish Resident Unitholders, provided the Trust has in its possession the necessary declarations from those persons (or an intermediary acting on their behalf) and the Trust is not in possession of any information which would reasonably suggest that the information contained in the declarations is not, or is no longer, materially correct. A Unitholder who comes within any of the categories listed below and who (directly or through an intermediary) has provided the necessary declaration to the Trust is referred to herein as an "Exempt Irish Resident":

- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA, or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the TCA, applies;
- a company carrying on life business within the meaning of Section 706 of the TCA;
- an investment undertaking within the meaning of Section 739B(1) of the TCA, or an investment limited partnership within the meaning of Section 739J of the TCA;
- a special investment scheme within the meaning of Section 737 of the TCA;
- a charity being a person referred to in Section 739D(6)(f)(i) of the TCA;
- a qualifying management company within the meaning of Section 739B(1) of the TCA;
- a unit trust to which Section 731(5)(a) of the TCA applies;
- a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the TCA where the Units held are assets of an approved retirement fund or an approved minimum retirement fund;
- a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA, and the Units are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Asset Management Agency;
- the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance of Ireland is the sole beneficial owner or Ireland acting through the National Treasury Management Agency;
- a company within the charge to corporation tax in accordance with Section 110(2) of the TCA (securitisation companies);
- in certain circumstances, a company within the charge to corporation tax in respect of payments made to it by the Trust; or

- (o) any other person who is resident or ordinarily resident in Ireland who may be permitted to own Units under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Trust or jeopardising the tax exemptions associated with the Trust.

There is no provision for any refund of tax to Unitholders who are Exempt Irish Residents where tax has been deducted in the absence of the necessary declaration. A refund of tax may only be made to corporate Unitholders who are within the charge to Irish corporation tax.

TAXATION OF NON-IRISH RESIDENT UNITHOLDERS

Non-Irish Resident Unitholders who (directly or through an intermediary) have made the necessary declaration of non-residence in Ireland, where required, are not liable to Irish tax on the income or gains arising to them from their investment in the Trust and no tax will be deducted on distributions from the Trust or payments by the Trust in respect of an encashment, repurchase, redemption, cancellation or other disposal of their investment. Such Unitholders are generally not liable to Irish tax in respect of income or gains made from holding or disposing of Units except where the Units are attributable to an Irish branch or agency of such Unitholder.

Unless the Trust is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Unitholder and the approval has not been withdrawn, in the event that a Non-Irish Resident Unitholder (or an intermediary acting on its behalf) fails to make the necessary declaration of non-residence, tax will be deducted as described above on the happening of a chargeable event and notwithstanding that the Unitholder is not resident or ordinarily resident in Ireland any such tax deducted will generally not be refundable.

Where a Non-Irish Resident company holds Units in the Trust which are attributable to an Irish branch or agency, it will be liable to Irish corporation tax in respect of income and capital distributions it receives from the Trust under the self-assessment system.

TAXATION OF IRISH RESIDENT UNITHOLDERS

Deduction of Tax

Tax will be deducted and remitted to the Revenue Commissioners by the Trust from any distributions made by the Trust (other than on a disposal) to an Irish Resident Unitholder who is not an Exempt Irish Resident at the rate of 41%.

Tax will also be deducted by the Trust and remitted to the Revenue Commissioners from any gain arising on an encashment, repurchase, redemption, cancellation or other disposal of Units by such a Unitholder at the rate of 41%. Any gain will be computed as the difference between the value of the Unitholder's investment in the Trust at the date of the chargeable event and the original cost of the investment as calculated under special rules.

Where the Unitholder is an Irish resident company and the Trust is in possession of a relevant declaration from the Unitholder that it is a company and which includes the company's tax reference number, tax will be deducted by the Trust from any distributions made by the Trust to the Unitholder and from any gains arising on an encashment, repurchase, redemption, cancellation or other disposal of Units by the Unitholder at the rate of 25%.

Deemed Disposals

Tax will also be deducted by the Trust and remitted to the Revenue Commissioners in respect of any deemed disposal where the total value of Units in a Fund held by Irish Resident Unitholders who are not Exempt Irish Residents is 10% or more of the Net Asset Value of the Fund. A deemed disposal will occur on each and every eighth anniversary of the acquisition of Units in the Fund by such Unitholders. The deemed gain will be calculated as the difference between the value of the Units held by the Unitholder on the relevant eighth year anniversary or, as described below where the Trust so elects, the value of the Units on the later of the 30 June or 31 December prior to the date of the deemed disposal and the relevant cost of those Units. The excess arising will be taxable at the rate of 41% (or in the case of Irish resident corporate Unitholders where a relevant declaration has been made, at the rate of 25%). Tax paid on a deemed disposal should be creditable against the tax liability on an actual disposal of those Units.

Where the Trust is obliged to account for tax on deemed disposals it is expected that the Trust will elect to calculate any gain arising for Irish Resident Unitholders who are not Exempt Irish Residents by reference to the Net Asset Value of the relevant Fund on the later of the 30 June or 31 December prior to the date of the deemed disposal, in lieu of the value of the Units on the relevant eighth year anniversary.

The Trust may elect not to account for tax arising on a deemed disposal where the total value of Units in the relevant Fund held by Irish Resident Unitholders who are not Exempt Irish Residents is less than 10% of the Net Asset Value of the Fund. In this case, such Unitholders will be obliged to account for the tax arising on the deemed disposal under the self-assessment system themselves. The deemed gain will be calculated as the difference between the value of the Units held by the Unitholder on the relevant eighth year anniversary and the relevant cost of those Units. The excess arising will be regarded as an amount taxable under Case IV of Schedule D and will be subject to tax where the Unitholder is a company, at the rate of 25%, and where the Unitholder is not a company, at the rate of 41%. Tax paid on a deemed disposal should be creditable against the tax payable on an actual disposal of those Units.

Residual Irish Tax Liability

Corporate Unitholders resident in Ireland which receive payments from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D from which tax at the rate of 25% (or 41% if no declaration has been made) has been deducted. Subject to the comments below concerning tax on a currency gain, in general, such Unitholders will not be subject to further Irish tax on payments received in respect of their holding from which tax has been deducted. A corporate Unitholder resident in Ireland which holds the Units in connection with a trade will be taxable on any income or gains received from the Trust as part of that trade with a set-off against corporation tax payable for any tax deducted from those payments by the Trust. In practice, where tax at a rate higher than 25% has been deducted from payments to a corporate Unitholder resident in Ireland, a credit of the excess tax deducted over the higher corporation tax rate of 25% should be available.

Subject to the comments below concerning tax on a currency gain, in general, non-corporate Irish Resident Unitholders will not be subject to further Irish tax on income arising on the Units or gains made on disposal of the Units, where the appropriate tax has been deducted by the Trust from distributions paid to them.

Where a currency gain is made by a Unitholder on the disposal of Units, the Unitholder will be liable to capital gains tax in respect of that gain in the year/s of assessment in which the Units are disposed of.

Where an Irish Resident Unitholder who is not an Exempt Irish Resident receives a gain on an encashment, redemption, cancellation or other disposal from which tax has not been deducted (for example, because the Units are held in a recognised clearing system), the Unitholder will also be liable to account for income tax or corporation tax as the case may be on the payment or on the amount of the gain under the self-assessment system and, in particular, Part 41A of the TCA. In the case of a corporate Unitholder the payment will again be treated as income arising to the Unitholder constituting profits or gains chargeable to tax under Case IV of Schedule D. A corporate Unitholder resident in Ireland which holds the Units in connection with a trade will be taxable on any income or gains received from the Trust as part of that trade.

Pursuant to Section 891C of the TCA and the Return of Values (Investment Undertakings) Regulations 2013, the Trust is obliged to report certain details in relation to Units held by investors to the Revenue Commissioners on an annual basis. The details to be reported include the name, address and date of birth if on record of, and the investment number associated with and the value of the Units held by, a Unitholder. In respect of Units acquired on or after 1 January 2014, the details to be reported also include the tax reference number of the Unitholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual's PPS number) or, in the absence of a tax reference number, a marker indicating that this was not provided. These provisions do not require such details to be reported in respect of Unitholders who are:

- 1 Exempt Irish Residents (as defined above);
- 2 Unitholders who are neither Irish Resident nor ordinarily resident in Ireland (provided the relevant declaration has been made); or
- 3 Unitholders whose Units are held in a recognised clearing system.

However investors should note the section entitled "Automatic Exchange of Information" for information on additional investor information gathering and reporting requirements to which the Trust is subject.

OVERSEAS DIVIDENDS

Dividends (if any) and interest which the Trust receives with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of the investments are located. It is not known whether the Trust will be able to benefit from reduced rates of withholding tax under the provisions of the double tax treaties which Ireland has entered into with various countries.

However, in the event that the Trust receives any repayment of withholding tax suffered, the Net Asset Value of the relevant Fund will not be restated and the benefit of any repayment will be allocated to the then existing Unitholders rateably at the time of such repayment.

STAMP DUTY

On the basis that the Trust qualifies as an investment undertaking within the meaning of Section 739B of the TCA, generally, no stamp duty will be payable in Ireland on the issue, transfer, repurchase or redemption of Units. However, where any subscription for or redemption of Units is satisfied by an in-kind or in specie transfer of Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or properties.

No Irish stamp duty will be payable by the Trust on the conveyance or transfer of stock or marketable securities of a company or other body corporate not registered in Ireland, provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property, or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the TCA or a qualifying company within the meaning of Section 110 of the TCA) which is registered in Ireland.

RESIDENCE

In general, investors in the Trust will be either individuals, corporate entities or trusts. Under Irish rules, both individuals and trusts may be resident or ordinarily resident. The concept of ordinary residence does not apply to corporate entities.

Individual Investors

TEST OF RESIDENCE

An individual will be regarded as resident in Ireland for a particular tax year if the individual is present in Ireland: (1) for a period of at least 183 days in any one tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is resident in Ireland for at least 31 days in each tax year. In determining days present in Ireland, an individual is deemed to be present if he / she is present in the country at any time during the day.

If an individual is not resident in Ireland in a particular tax year the individual may, in certain circumstances, elect to be treated as resident.

TEST OF ORDINARY RESIDENCE

If an individual has been resident for the three previous tax years then the individual will be deemed “ordinarily resident” from the start of the fourth year. An individual will remain ordinarily resident in Ireland until the individual has been non-resident for three consecutive tax years.

Trust Investors

A trust will generally be regarded as resident in Ireland where all of the trustees are resident in Ireland. Trustees are advised to seek specific tax advice if they are in doubt as to whether the trust is resident in Ireland.

Corporate Investors

A company will be resident in Ireland if its central management and control is in Ireland or (in certain circumstances) if it is incorporated in Ireland. For Ireland to be treated as the location of a company’s central management and control this typically means Ireland is the location where all fundamental policy decisions of the company are made.

All companies incorporated in Ireland are resident in Ireland for tax purposes except where:

- (i) in the case of a company incorporated before 1 January 2015, the company or a related company carries on a trade in Ireland, and either (a) the company is ultimately controlled by persons resident in a “relevant territory”, being an EU member state (other than Ireland) or a country with which Ireland has a double taxation agreement in force by virtue of Section 826(1) of the TCA or that is signed and which will come into force once all the ratification procedures set out in Section 826(1) of the TCA have been completed, or (b) the principal class of the shares in the company or a related company is substantially and regularly traded on a recognised stock exchange in a relevant territory; or
- (ii) the company is regarded as resident in a country other than Ireland and not resident in Ireland under a double taxation agreement between Ireland and that other country.

A company incorporated in Ireland and coming within either (i) or (ii) above will not be regarded as resident in Ireland unless its central management and control is in Ireland, PROVIDED however, a company coming within (i) above which has its central management and control outside of Ireland will still be regarded as resident in Ireland if (a) it would by virtue of the law of a relevant territory be tax resident in that relevant territory if it were incorporated in that relevant territory but would not otherwise be tax resident in that relevant territory, (b) is managed and controlled in that relevant territory, and (c) would not otherwise by virtue of the law of any territory be regarded as resident in that territory for tax purposes.

The exception from the incorporation rule of tax residence at (i) above in respect of a company incorporated before 1 January 2015 will however cease to apply or be available after 31 December 2020, or, if earlier, from the date, after 31 December 2014, of a change in ownership (direct or indirect) of the company where there is a major change in the nature or conduct of the business of the company within the period beginning on the later of 1 January 2015 or the date which occurs one year before the date of the change in ownership of the company, and ending 5 years after the date of the change in ownership. For these purposes a major change in the nature or conduct of the business of the company includes the commencement by the company of a new trade or a major change arising from the acquisition by the company of property or of an interest in or right over property.

DISPOSAL OF UNITS AND IRISH CAPITAL ACQUISITIONS TAX

(a) Persons Domiciled or Ordinarily Resident in Ireland

The disposal of Units by means of a gift or inheritance made by a disponent domiciled or ordinarily resident in Ireland or received by a beneficiary domiciled or ordinarily resident in Ireland may give rise to a charge to Irish Capital Acquisitions Tax for the beneficiary of such a gift or inheritance with respect to those Units.

(b) Persons Not Domiciled or Ordinarily Resident in Ireland

On the basis that the Trust qualifies as an investment undertaking within the meaning of Section 739B of the TCA, the disposal of Units will not be within the charge to Irish Capital Acquisitions Tax provided that;

- the Units are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date;
- the donor is not domiciled or ordinarily resident in Ireland at the date of the disposition; and
- the beneficiary is not domiciled or ordinarily resident in Ireland at the date of the gift or inheritance.

PROVISION AND DISCLOSURE OF INFORMATION FOR TAXATION MATTERS

Automatic Exchange of Information

Ireland has implemented the “Standard for Automatic Exchange of Financial Account Information”, also known as the Common Reporting Standard (“CRS”), into Irish law.

The CRS is a single global standard on Automatic Exchange of Information (“AEOI”) which was approved by the Council of the Organisation for Economic Cooperation and Development (“OECD”) in July 2014. It draws on earlier work of the OECD and the EU, global anti-money laundering standards and, in particular, the Model FATCA Intergovernmental Agreement. The CRS sets out details of the financial information to be exchanged, the financial institutions required to report, together with common due diligence standards to be followed by financial institutions.

Under the CRS, participating jurisdictions are required to exchange certain information held by financial institutions regarding their non-resident customers. Over 90 jurisdictions have committed to exchanging information under the CRS and a group of over 40 countries, including Ireland, have committed to the early adoption of the CRS. For these early adopters, the first exchange of information in relation to accounts coming into existence from 1 January 2016 and individual high value accounts in existence at 31 December 2015 is expected take place by the end of September 2017, with information about individual low value accounts in existence at 31 December 2015 and entity accounts is expected to first be exchanged either by the end of September 2017 or September 2018 depending on when financial institutions identify them as reportable accounts.

Unitholders should note that the Trust is required to disclose the name, address, jurisdiction(s) of tax residence, date and place of birth, account reference number and tax identification number(s) of each reportable person in respect of a reportable account for CRS and information relating to each Unitholder’s investment (including but not limited to the value of and any payments in respect of the Units) to the Revenue Commissioners who may in turn exchange this information with the tax authorities in territories who are participating jurisdictions for the purposes of the CRS. In order to comply with its obligations, the Trust may require additional information and documentation from Unitholders.

U.S. regime under FATCA

Pursuant to certain provisions of the United States Hiring Incentives to Restore Employment Act of 2010 and U.S. Internal Revenue Service (“IRS”) guidance thereto (collectively, “FATCA”), a 30% U.S. withholding tax will apply to (a) payments made on or after July 1, 2014, to the Trust of U.S. source interest, dividends and certain other types of periodic income from sources inside the United States and (b) the gross proceeds from the disposition of property by the Trust that could give rise to U.S. source interest or dividends (regardless of whether any gain or loss is recognized with respect to such disposition) made on or after January 1 2017, unless, in general, (i) the Trust complies with the applicable provisions of Irish law intended to implement the intergovernmental agreement entered into between the United States and Ireland with respect to FATCA (the “Ireland IGA”) to collect and report certain information relating to certain United States persons that invest, directly or indirectly (including through foreign entities having substantial United States owners), in the Trust, and, if required, withhold U.S. tax at a rate of 30% on gross proceeds and foreign passthru payments made to certain investors that fail to furnish to the Manager such information, consents, forms and other documentation necessary for the Trust to satisfy its obligations under the Ireland IGA or (ii) the Trust otherwise qualifies for an exemption from, or is treated as deemed compliant with, such requirements. Although the Trust will use commercially reasonable efforts to comply with any requirements necessary to avoid the imposition of FATCA withholding on payments to the Trust, no assurance can be given that the Trust will be able to satisfy these obligations. If the Trust becomes subject to a withholding tax as a result of FATCA, the amount available for distributions (upon withdrawal or otherwise) to its Unitholders may be materially reduced.

Each Unitholder agrees to provide to the Manager or its delegates at the time or times prescribed by applicable law and at such time or times reasonably requested by or on behalf of the Manager such information and documentation prescribed by applicable law and such additional documentation reasonably requested as may be necessary for the Trust to comply with its obligations under FATCA. To the extent that a Unitholder does not provide sufficient and timely information, U.S. tax withholding at the rate of 30% may be required on gross proceeds and foreign pass thru payments of that Unitholder.

Each prospective Unitholder and Unitholder should consult with their tax advisers regarding the possible implications of FATCA on their investment in the Trust.

Unitholder agreement to provision and disclosure of information

By subscribing for Units in a Fund, each Unitholder agrees to provide upon request such information as may be required for taxation purposes including but not limited to the CRS, the Amending Cooperation Directive and FATCA, and will be deemed to have authorised the automatic disclosure of information by or on behalf of the Manager to the Revenue Commissioners or other relevant tax authorities. The non-provision of such information may result in the mandatory redemption of Units or other

appropriate action taken by the Manager. Unitholders refusing to provide the requisite information to the Manager or its delegates may also be reported to the Revenue Commissioners.

Each prospective investor and Unitholder should consult their own tax advisers on the requirements applicable to it under these arrangements.

DATA PROTECTION

Prospective investors should note that by completing an application form in respect of Units you have provided personal information, which may constitute “personal data” within the meaning of the Irish Data Protection Acts 1988 to 2018, the General Data Protection Regulation (Regulation (EU) 2016/679) any other national privacy legislation in force and any relevant transposition of, or successor or replacements to, those laws (together, the “Data Protection Legislation”).

Unitholders’ personal data will be used by the Trust for the following purposes:

- to manage and administer a Unitholder’s holding in the Trust and any related accounts on an ongoing basis the contract between the Unitholder and the Manager;
- to carry out statistical analysis and market research as necessary and proportionate in the Trust’s legitimate business interest to assess and improve the Trust’s business and offerings;
- to comply with legal and regulatory obligations applicable to the Unitholder and the Trust from time to time including applicable tax, anti-money laundering and counter terrorist financing legislation. In particular, in order to comply with the information reporting regimes set out in Section 891C and Section 891E to Section 891G (inclusive) of the Taxes Consolidation Act 1997 (as amended) and regulations made pursuant to those sections), Unitholders’ personal data (including financial information) may be shared with the Irish Revenue Commissioners. They in turn may exchange information (including personal data and financial information) with foreign tax authorities (including the U.S. Internal Revenue Service and foreign tax authorities located outside the European Economic Area). Please consult the AEOI (Automatic Exchange of Information) webpage on www.revenue.ie for further information in this regard;
- to record the telephone calls from Unitholders and other individuals to the Manager and its agents and service providers for record-keeping, security, quality assurance and training purposes; and
- for any other specific purposes where the Unitholder has given specific consent.

Unitholders’ personal data may be transferred to countries outside the EEA which may not have the same or equivalent data protection laws as Ireland. Personal data may be transferred outside the EEA to countries which have been certified by the European Commission as having an adequate level of data protection to enable such transfers to occur. If such transfer occurs, the Manager is required to ensure that appropriate safeguards are in place such as entering into model contractual clauses (as published by the European Commission). For more information on the means of transfer of Unitholders’ data or a copy of the relevant safeguards, please contact the Administrator.

Pursuant to the Data Protection Legislation, Unitholders have a number of rights which may be exercised in respect of their personal data, i.e.:

- the right of a data subject to receive detailed information on the processing (by virtue of the transparency obligations on data controllers);
- the right of access to personal data held by the Manager;
- the right to amend and rectify any inaccuracies in personal data held by the Manager;
- the right to erase personal data held by the Manager (right to be forgotten);
- the right of data portability of personal data held by the Manager;
- the right to restrict the processing of personal data held by the Manager;
- the right to object to processing of personal data held by the Manager without affecting the lawfulness of processing based on consent before its withdrawal.
- the right to object to automated decision-making, including profiling;
- the right to withdraw consent to processing grounded on consent, however withdrawal of consent will not affect any processing which occurred before consent was withdrawn; and
- the right to lodge a complaint with the competent data protection supervisory authority, which in Ireland is the Irish Data Protection Commission.

These rights will be exercisable subject to limitations as provided for in the Data Protection Legislation. In certain circumstances it may not be feasible for the Manager to discharge these rights, for example because of the structure of the Trust or the manner in which the Unitholder holds Units in a Fund. Unitholders may make a request to the Manager to exercise these rights by contacting Federated.Transfer.Agency@JPMorgan.com. Requests shall be dealt with in accordance with Data Protection Law.

Please note that personal data may be retained by the Manager for the duration of an Unitholder's investment and afterwards in accordance with the Trust's legal and regulatory obligations, including but not limited to the Trust's record retention policy.

The Trust is a data controller within the meaning of the Data Protection Legislation and undertakes to hold any personal information provided by Unitholders in confidence and in accordance with the Data Protection Legislation. For queries, requests or comments in respect of this notice or the way in which the Manager on behalf of the Trust uses Unitholders' personal data, please contact the Administrator. Unitholders have the right to lodge a complaint with the Office of the Data Protection Commissioner if they are dissatisfied with the manner in which their personal data is used by the Manager on behalf of the Trust.

By signing the application form, prospective investors consent to: (i) the recording of telephone calls made to, and received from, them by the Manager, its delegates, its duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes; and (ii) the transfer of personal data by the Manager, Administrator and Depositary to their affiliates outside of the European Economic Area in connection with the management and operation of and provision of fund administration and depositary services, as applicable, to the Trust.

The Trust Deed

Each Unitholder has a right to a beneficial interest under a trust constituted by the Trust Deed. The Trust Deed provides that the Trust will be charged with the liabilities, expenses, costs or charges in respect of or attributable to the Trust.

The Trust Deed may be amended by the Trustee and the Manager with the prior approval of the Central Bank, but without the consent of any Unitholders:

1. to cure any ambiguity or to correct or supplement any provision which may be defective or inconsistent;
2. to change any provision as may be required by the Central Bank or any successor government agency in Ireland or as may be necessary or advisable as a result of a change in the UCITS Regulations or the rules made by the Central Bank pursuant to the UCITS Regulations;
3. to make such provisions as shall not materially adversely affect the interests of the Unitholders;
4. to alter the Trust Deed in such manner as may be necessary or expedient having regard to any fiscal enactment affecting a Fund; or
5. to make provision for the inclusion of additional Regulated Markets in the Trust Deed from time to time.

The Trust Deed also may be amended in any respect by the Trustee and the Manager with the approval of an ordinary resolution passed in accordance with the provisions described below, providing that without the consent of all Unitholders no amendment will reduce the interest of any Unitholder or reduce the percentage of Units required to consent to any amendment.

The Trust is not liable as a whole to third parties. Each Fund of the Trust will be treated as bearing its own liabilities and its due proportion of any liability allocated to the Fund and shall have no further liabilities. The assets of each Fund of the Trust shall belong exclusively to that Fund, be segregated from the other Funds of the Trust and shall not be used to discharge, directly or indirectly, the liabilities of, or claims against, any other Fund of the Trust and shall not be available for any such purpose.

Meetings

The Manager or the Trustee may convene a meeting of Unitholders. The Trustee shall be obliged to convene a meeting of Unitholders if requested to do so by Unitholders holding not less than 15% of the Units in the Trust or any Fund of the Trust.

Unitholders present in person or by proxy representing 10% or more of the Units in any Fund or the Trust, as appropriate, shall be a quorum.

Subject to the provisions of the Trust Deed, a meeting of Unitholders shall be competent by ordinary resolution to sanction any modification, alteration or addition to the Trust Deed, the removal of the Trustee, or the termination of the Trust or any Fund of the Trust, or to sanction any scheme for the reconstruction of the Trust.

A meeting of Unitholders of a Fund of the Trust shall be competent by ordinary resolution to sanction any modification or alternation to the investment objectives policies, restrictions or prohibitions of such Fund. Save as otherwise described in this Prospectus, meetings of Unitholders shall have no further powers. An ordinary resolution of the Trust shall be a resolution passed by a simple majority of votes cast in person or by proxy at a meeting of Unitholders of the Trust or a Fund of the Trust, duly convened and held, and an extraordinary resolution shall be a resolution passed by a 75% majority, as aforesaid. Each Unitholder shall be entitled to one vote on a show of hands. On a poll each Unitholder shall be entitled to one vote in respect of each Unit (save that a fractional Unit shall not carry any voting rights) and each Unitholder may attend and vote at any such meeting in person or by proxy. A resolution approved in writing by Unitholders holding a simple majority of the Units of the Trust or a Fund shall for all purposes be treated as a duly passed ordinary resolution of the Trust or such Fund respectively, and a resolution approved in writing by Unitholders holding at least 75% of the Units shall be treated as an extraordinary resolution. All Units in the Trust, except fractional Units, shall carry equal voting rights.

Use of Name

Federated Hermes has granted the Trust permission to use the name “Federated” in the name of the Trust. Federated Hermes may revoke this permission at any time at its discretion and in such event the Trust shall be obliged to change the name of the Trust and the Unitholders shall be obliged to ensure that all necessary resolutions are passed at a meeting of the Trust to give effect to any such change of name.

Information about the Trust Required Under MIFID II and PRIIPS Regulation

European legislation prescribes requirements regarding the information that must be disclosed to investors. Alongside the UCITS Directive, investment firms subject to MiFID II must provide certain information to investors and prospective investors regarding the financial products they are distributing. In addition, where a UCITS fund is made available to investors through a packaged retail investment product or an insurance-based investment product (together referred to as “PRIIPs”), the manufacturer of the PRIIPs is required by the PRIIPs Regulation to disclose certain information to investors and prospective investors in the form of a key information document for the PRIIPs (known as a “PRIIPs KID”).

The Manager intends to make available information regarding the Trust and each Fund to assist investment firms subject to MiFID II and PRIIPs manufacturers to fulfil these regulatory requirements. In relation to MiFID II, such information will include information regarding the Manager’s identified target market and distribution strategy for each Fund, and information regarding costs and charges including portfolio transaction costs. In relation to the PRIIPs Regulation, this will include information regarding risk and performance calculations, and costs and charges information including portfolio transaction costs. Information will be provided using industry accepted templates, and is available to investment firms, PRIIPs manufacturers, and investors and prospective investors upon request by contacting your usual contact at Federated Hermes or by emailing Federated.US.Services@federatedhermes.com.

Reports

The Trust’s fiscal year end is 31 October. In each year the Manager shall cause to be prepared an annual report and audited annual accounts for the Trust and each Fund. In addition, the Manager shall prepare and make available to Unitholders a semi-annual report which shall include unaudited semi-annual accounts for the Trust and each Fund.

The annual report and annual accounts shall be made up to 31 October in each year, and semi-annual reports shall be made up to 30 April in each year. Annual reports shall be published within four months, and semi-annual reports within two months, of the period to which they relate.

The reports are available via the internet at FederatedHermes.com/us/ucits and lvm.de.

Minimum Viable Size

Where a new Fund is established, the Fund must achieve a Net Asset Value in excess of an amount determined by the Directors and notified to Unitholders in the Fund from time to time (the “Minimum Viable Size”) within 12 months of its launch. In the event that a Fund does not reach the Minimum Viable Size within such period, the Manager shall redeem any Units in issue in the Fund and return the redemption proceeds to Unitholders.

Termination

Either the Manager or the Trustee may terminate the Trust Deed and liquidate the Trust: (1) if the Trust is no longer a qualifying specified collective investment undertaking for the purposes of Section 734 of the Taxes Consolidation Act, 1997 or any successor law and if in the opinion of the Manager it ought to be terminated; or (2) if the Trust is no longer legal or, in the opinion of the Manager, it is impractical, inadvisable or no longer in the best interests of Unitholders to continue the Trust, taking into account its expenses, the aggregate size of the Trust and any other factors considered relevant by the Manager; or (3) if the Trust is no longer a UCITS pursuant to the UCITS Regulations. Subject to the UCITS Regulations, the Trustee shall be entitled to retire by giving not less than thirty (30) days’ notice in writing to the Manager and the Unitholders in the event that the Trustee, as it determines in its sole reasonable discretion, is unable to ensure the required level of protection of the investments under the UCITS Regulations because of the investment decisions of the Manager or is unable to obtain legal advice satisfactory to it which confirms, in relation to any jurisdiction in which the Manager wishes to invest a significant portion of the assets of the Trust, those matters required under the UCITS Regulations, provided that the Trustee shall continue in office until a successor trustee approved by the Central Bank is appointed and in the event that no successor trustee is appointed within 90 days of the service of notice by the Trustee then the Trustee may proceed to terminate the Trust and, in such event, shall give notice thereof to the Unitholders. The Trustee may also terminate the Trust Deed and the Trust on the occurrence of certain events affecting the Manager.

Either the Manager or the Trustee may terminate any Fund of the Trust if the NAV of the Fund on three successive Dealing Days after the closing of the initial offer, is less than U.S.\$5,000,000.

The Trust and/or any Fund of the Trust may be terminated by extraordinary resolution of the Unitholders of the Trust or such Fund, respectively, duly passed in accordance with the Trust Deed.

Written notice of termination of the Trust must be given to all Unitholders. Within a reasonable period of time after the termination of the Trust, the assets available for the distribution (after satisfaction of creditors' claims) shall be distributed to Unitholders *pro rata*.

On the winding up of the Trust, the assets of the Trust available for distribution (after satisfaction of creditors' claims) shall be distributed *pro rata* to the holders of the Units in the Trust.

Mandatory Redemptions and Unclaimed Proceeds

The Trust may redeem Units of any Unitholder if the Manager believes that the Units are owned directly or beneficially by any person in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Units. The Trust may also redeem the Units of any Unitholder in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons whether connected or not, or any other circumstances appearing to the Manager to be relevant) which, in the opinion of the Manager, might result in the Trust incurring any liability to taxation or suffering any pecuniary, legal, regulatory or material administrative disadvantage which the Trust might not otherwise have incurred or suffered. For example, due to the high cost of maintaining Unit accounts with low balances, the Trust may redeem Units in any account for the Fund and pay the proceeds to the Unitholder if the account balance for the Fund falls below the required minimum value of €1,500. In certain circumstances the redemption proceeds may not be payable to the relevant Unitholder until the Unitholder has provided outstanding documentation to comply with applicable anti-money laundering rules and regulations.

In the event that a Fund is terminated, the Fund shall be wound up and the assets of the Fund shall be distributed to the holders of the Units in each class in proportion to the number of the Units held by each such Unitholder. If the assets available for distribution to a Unitholder are unable to be paid to a Unitholder, the Manager shall take reasonable steps to trace the Unitholder and to pay the unclaimed distribution proceeds to the Unitholder net of any costs incurred in tracing that Unitholder.

Following the termination of a Fund subject to the approval of the Central Bank, any distribution proceeds which are unclaimed or cannot be paid to a Unitholder shall be held by the Manager or an affiliate of the Manager on behalf of the relevant Unitholder until such proceeds are claimed by the Unitholder or unless otherwise provided by law. No interest is payable by the Manager on money held by the Manager for or in respect of a Unitholder.

Conflicts of Interest

The Manager, the Advisers, the Administrator, the Trustee and any party to whom management, advisory and administrative functions are delegated by the Manager, the Advisers, the Administrators, or the Trustee may, from time to time, act as manager, trustee or advisers in relation to, or be otherwise involved in, other funds which have investment objectives similar to those of the Funds. It is, therefore, possible that any one of them may, in the course of business, have potential conflicts of interest with the Fund. Each will, at all times, have regard in such event to its respective obligations under the Trust Deed, the Investment Advisory Agreement and the Administration Agreement.

CONNECTED PARTY TRANSACTIONS

“**Connected Person**” means the Manager or the Trustee, and the delegates or sub-delegates of the Manager or the Trustee (excluding any non-group company sub-custodians appointed by the Trustee), and any associated or group company of the Manager, the Trustee, any delegate or sub-delegate;

The Manager is required to ensure that any transaction between the Trust and a Connected Person is conducted at arm's length and is in the best interests of Unitholders.

The Trust may enter into a transaction with a Connected Person if at least one of the conditions in the following paragraphs (a), (b) or (c) is complied with:

- (a) the value of the transaction is certified by either: (i) a person who has been approved by the Trustee as being independent and competent; or (ii) a person who has been approved by the Directors as being independent and competent in the case of transactions involving the Trustee;
- (b) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of the relevant exchange; or
- (c) the transaction is executed on terms which the Trustee is or, in the case of a transaction involving the Trustee, the Directors are, satisfied conformed to the requirement that transactions with Connected Persons be conducted at arm's length and in the best interests of Unitholders.

The Trustee or, in the case of a transaction involving the Trustee, the Directors, shall document how it complied with the requirements of paragraphs (a), (b) or (c) above. Where transactions are conducted in accordance with paragraph (c) above, the Trustee or, in the case of a transaction involving the Trustee, the Directors, shall document its or their rationale for being satisfied that the transaction conformed to the principles outlined here.

Conflicts of interest may arise as a result of transactions in FDI and efficient portfolio management techniques and instruments. For example, the counterparties to, or agents, intermediaries or other entities which provide services in respect of, such transactions may be related to the Trustee. As a result, those entities may generate profits, fees or other income or avoid losses through such transactions. Furthermore, conflicts of interests may also arise where the collateral provided by such a counterparty is subject to a valuation or haircut applied by a party related to such counterparty.

The Advisers may effect transactions through brokers with whom they have “soft commission” arrangements. The benefits provided under such arrangements will assist the Advisers in the provision of investment services to the Funds and to other third parties. Specifically, the Advisers may agree that a broker shall be paid a commission in excess of the amount another broker would have charged for effecting such transaction so long as, in the good faith judgment of the Advisers, the amount of the commission is reasonable in relation to the value of the brokerage and other services provided or paid for by such broker. Such services, which may take the form of research services, quotation services, news wire services, portfolio and trade analysis software systems, or special execution and clearance capabilities, may be used by the Advisers or other subsidiaries of Federated Hermes in connection with transactions in which the Funds do not participate. The Advisers will, however, always seek “best execution” (i.e., prompt and reliable execution at the most favourable price) of all transactions. Details of the soft commission arrangements will be disclosed in the annual and semi-annual reports of the Funds.

To the extent the Advisers or Manager provide valuations for securities whose market price is unrepresentative or whose value is unavailable, a potential conflict of interest exists since an increase in a Fund’s NAV could result in a higher advisory fee. However, all such securities will be valued at their probable realisation value estimated with care and in good faith.

Remuneration Policy of the Manager

REMUNERATION POLICIES AND PRACTICES

The Manager is subject to remuneration policies, procedures and practices (together, the “Remuneration Policy”). The Remuneration Policy is consistent with and promotes sound and effective risk management. It is designed not to encourage risk-taking which is inconsistent with the risk profile of the Funds. The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Trust and the Funds, and includes measures to avoid conflicts of interest. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the Trust or the Funds and ensures that no individual will be involved in determining or approving their own remuneration. The Remuneration Policy will be reviewed annually and the Manager shall provide such periodic confirmations to the Trust regarding the Manager’s compliance with the Remuneration Policy as may be agreed between the Manager and the Trust. The Manager shall advise the Trust of any changes to the Remuneration Policy on an ongoing basis.

DECISION-MAKING PROCESS FOR DETERMINING REMUNERATION POLICY

Details of the up-to-date Remuneration Policy including a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits are available via <https://www.hermes-investment.com/ie/en/professional/ie-remuneration-policy/>. The remuneration policy summary will be made available for inspection and a paper copy may be obtained, free of charge, at the registered offices of the Manager and the Trust.

The Manager has adopted a remuneration policy as required by the UCITS Regulations (the “Remuneration Policy”). As at the date of this Prospectus, the Remuneration Policy applies to the Directors who receive a fee for their services to the Manager and the Trust. Due to the size and internal organisation of the Manager and the Trust and the nature, scope and complexity of its activities, a remuneration committee has not been established by the Manager. Any fee arrangements with Directors shall be subject to the approval of the Board of Directors. Further information on the current remuneration policy of the Manager is available at <https://www.hermes-investment.com/ie-remuneration-policy/>. A paper copy of this information is also available free of charge upon request.

Litigation

Neither the Trust nor any of the Funds is involved in any litigation or arbitration and no litigation or claim is known to the Manager to be pending or threatened against the Trust or any of the Funds.

Material Contracts

The following contracts have been entered into and are, or may be, material:

- The Trust Deed dated 1 November 1999, as amended by an amended and restated Trust Deed dated 30 August 2006, an amended and restated Trust Deed dated 30 April 2010, a first supplemental Trust Deed dated 9 August 2017, and as further amended and novated on 1 January 2022, and a second supplemental Trust Deed dated 11 April 2024, establishing the Trust;
- The Amended and Restated Investment Advisory Agreement dated 5 June 2009, as amended on 1 January 2022;
- The Administration Agreement dated 1 November 1999 as amended by an amendment agreement dated 12 September 2013, and supplemental administration agreement dated 3 May 2017, as further amended on 1 January 2022, pursuant to which the Administrator provides administrative services to the Manager;
- The Distribution Agreement effective 1 January 2022 between the Manager and HIML;
- The Distribution Agreement dated 11 May 2001, as amended and novated on 1 January 2022, between the Manager and LVM Finanzdienstleistungen GmbH;
- The Paying Agency Agreement dated 4 April 2000 among the Trust, the Manager and J.P. Morgan SE, as novated, pursuant to which the latter is appointed paying agent in relation to the Trust.

Supply and Inspection of Documents

The Trust Deed, the material contracts referred to above and any annual or semi-annual reports, together with copies of the UCITS Regulations and the UCITS Rules issued by the Central Bank under the UCITS Regulations, are available for inspection at 200 Capital Dock, 79 Sir John Rogerson's Quay, Dublin 2, D02 RK5, Ireland. Copies of the Trust Deed and any annual or semi-annual reports are available from the Manager free of charge.

Information for Investors in the Federal Republic of Germany

J.P. Morgan AG, Junghofstrasse 14, 60311 Frankfurt am Main, Germany, has agreed to act as paying and information agent in the Federal Republic of Germany (the "German Paying and Information Agent").

Redemption and conversion requests in respect of the Units may be submitted to the German Paying and Information Agent. Any payments to the investors (redemption proceeds, distributions (if any) and other payments) may, upon request of the investors, be paid via the German Paying and Information Agent.

The relevant applicable full prospectus together with the Supplemental Prospectus for Federated Hermes Shares dated 19 May 2025; the Supplemental Prospectus for LVM Anteile dated 19 May 2025; the key investor information documents; the annual and semi-annual reports; the material contracts referred to in the section entitled "*Material Contracts*" above; and the Trust Deed may be obtained free of charge in paper form and are available for inspection on each bank business day in Frankfurt am Main, Germany, during normal business hours at the office of the German Paying and Information Agent.

The Net Asset Value per Share and the issue and redemption prices will also be published together with any notices to the investors on each stock exchange day on the website FederatedHermes.com/us/ucits and may be obtained at the office of the German Paying and Information Agent on each bank business day in Frankfurt am Main, Germany, during normal business hours.

Except where the determination of issue and redemption prices has been suspended, the current issue and redemption prices of LVM Anteile will additionally be made public on the internet at <http://www.fondsfamilie.de>, and the current issue and redemption prices of Federated Hermes Shares will be made public on the internet at FederatedHermes.com/us/ucits.

Terms

In this Prospectus the following words and phrases have the meanings set forth below:

"Alternative Investment Funds" means alternative investment funds as defined in Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers;

Business Day – a day (excluding Saturday and Sunday) on which the European Central Bank and the Deutsche Bundesbank are open for business; and any such day or days in each month as the Manager from time to time may determine;

Bloomberg US Aggregate Bond Index – the Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment-grade, U.S. dollar-denominated fixed rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage-backed securities (industry fixed rate and hybrid ARM pass-throughs, asset-backed securities and commercial mortgage-backed securities (agency and non-agency)). The index is unmanaged and cannot be invested in directly. The index is maintained by Bloomberg. Further information can be found at <https://index.barcap.com/indices/Home>;

Central Bank – means the Central Bank of Ireland or any successor regulatory authority with responsibility for the authorisation and supervision of the Trust;

Central Bank Act – means the Central Bank (Supervision and Enforcement) Act 2013, as such may be amended, supplemented or replaced from time to time;

Central Bank Regulations – means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019, as amended or any further amendment thereto for the time being in force;

Dealing Day – each Business Day unless otherwise determined by the Manager, with the consent of the Administrator and notified in advance to Unitholders, provided that there shall be at least two Dealing Days per month;

Dealing Deadline – by 4.00 p.m. (Central European Time) on each Dealing Day or such other times as the Manager may decide and notify to Unitholders;

Directive – Directive 2009/05/EC of the European Parliament and of the Council of 13 July 2009 on the Coordination of laws, regulations, and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as amended or replaced from time to time;

Directors – the directors of the Manager for the time being and any duly constituted committee thereof;

Disclosures Regulation – means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial service sector.

Eligible Collective Investment Schemes – means schemes established in Member States which are authorised under the Directive and which may be listed on a Regulated Market in the EU and/or any of the following open-ended collective investment schemes:

- (a) schemes established in Guernsey and authorised as Class A schemes;
- (b) schemes established in Jersey as recognised funds;
- (c) schemes established in the Isle of Man as authorised schemes;
- (d) retail investor alternative investment funds authorised by the Central Bank provided such investment funds comply in all material respects with the provisions of the UCITS Regulations and the Central Bank Regulations;
- (e) alternative investment funds authorised in a member state of the EEA, the U.K. (in the event that the U.K. is no longer a member state of the EEA), the U.S., Jersey, Guernsey or the Isle of Man and which comply, in all material respects with the provisions of the UCITS Regulations and the Central Bank Regulations; and
- (f) such other schemes as may be permitted by the Central Bank and set out in this Prospectus;

euro or € – the single currency of participating Member States of the European Monetary Union introduced on January 1, 1999;

Financial Intermediary – a person who has been approved by the Manager or Distributor, and who either:

- (a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or
- (b) holds Units in an investment undertaking or processes subscriptions and redemptions for Units on behalf of other persons;

ICE BofA Country Blend/Bloomberg Barclays U.S. Aggregate Bond Index – the BAML Country Blend/Bloomberg Barclays U.S. Aggregate Bond Index is a blended weighting comprised of 20% Bloomberg Barclays U.S. Aggregate Bond Index and 80% BAML Country Blend, a custom index comprised of: 30% The BofA Merrill Lynch Japan Government Index; 15% The BofA Merrill Lynch Euro Government Index; 5% The BofA Merrill Lynch Eastern Europe Government Index; 18% The BofA Merrill Lynch UK Gilt Index; 1% The BofA Merrill Lynch Australia Government Index; 6% The BofA Merrill Lynch Canada Government Index; 2.5% The BofA Merrill Lynch Sweden Government Index; 2.5% The BofA Merrill Lynch Denmark Government Index;

ICE BofA Euro Government Index/MSCI Europe Index – The BAML Euro Government Index/MSCI Europe Index is a blended weighting of two indices comprised of 80% BAML Euro Government Index, and 20% MSCI Europe Index;

ICE BofA Euro Government Index – the BofA Merrill Lynch Euro Government Index tracks the performance of EUR denominated sovereign debt publicly issued by Euro member countries in either the eurobond market or the issuer's own domestic market. Qualifying countries must be Euro members, have an investment grade foreign currency long-term sovereign debt rating (based on an average of Moody's, S&P and Fitch), and must have at least one readily available, transparent price source for their securities;

Investment-Grade – in reference to a security means that the security has a rating of BBB- or higher from S&P or Baa3 or higher from Moody's or the equivalent or higher from another Recognised Statistical Rating Organisation;

Investor Monies – subscription/redemption monies;

Investor Money Regulations – the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers;

Irish Resident – unless otherwise determined by the Manager, any person who is resident or ordinarily resident in Ireland and is not an Exempt Irish Resident as described in the “Ireland Taxation” section;

Member States – any European country that is a member of the EU;

MiFID II – the European Markets in Financial Instruments Directive 2014/65/EU;

MSCI Europe Index – the MSCI Europe Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. The MSCI Europe Index consists of the following 16 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom;

MSCI Europe Index/BAML Euro Government Index – the MSCI Europe Index/BAML Euro Government Index a blended weighting of two indices comprised of 40% BAML Euro Government Index, and 60% MSCI Europe Index;

Net Asset Value or NAV – the net asset value of a Fund or class, as appropriate;

OECD – the Organisation for Economic Co-operation and Development. The current member countries of the OECD are listed on the OECD website, www.oecd.org;

PRIIPs Regulation – European regulation 2014/1286 on key information documents for packaged retail and insurance-based investment products;

Recognised Statistical Rating Organisation – means a recognised statistical rating organisation, including, without limitation, Standard & Poor’s, Moody’s Investors Service and Fitch Ratings;

Regulated Market – with the exception of permitted investments in unlisted securities, investment will be restricted to those stock exchanges and markets listed in the Prospectus

- (i) any stock exchange in the EU and also any investments listed, quoted or dealt in on any stock exchange in the U.S.; Australia; U.K. (in the event that the U.K. is no longer a member state of the EU); Canada; Japan; New Zealand; Norway; or Switzerland which is a stock exchange within the meaning of the law of the country concerned relating to stock exchanges;
- (ii) any exchange registered with the SEC as a National Stock Exchange, NASDAQ, the over-the-counter market in the U.S. regulated by the Financial Industry Regulatory Authority (“FINRA”), the market known as the “Grey Book Market”, that is the market conducted by those persons for the time being included in the list maintained by the Financial Services Authority for the purposes of section 43 of the Financial Services Act 1986 under the conditions imposed by the Financial Services Authority under that section conducted by listed money market institutions as described in the Bank of England publication entitled “The Regulation of the Wholesale Cash and OTC Derivatives Markets in Sterling, Foreign Exchange and Bullion” dated April, 1988 (as amended or revised from time to time), the over-the-counter market in Tokyo regulated by the Securities Dealers Association of Japan; the market organised by the International Securities Markets Association; the market in U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank in New York; the French market for “Titres de Creance Negotiable” (over-the-counter market in negotiable debt instruments) and the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;
- (iii) all of the following stock exchanges and markets: the Hong Kong Stock Exchange; the Bombay Stock Exchange; the Kuala Lumpur Stock Exchange; the Singapore Stock Exchange; the Taiwan Stock Exchange; the Stock Exchange of Thailand; the Korea Stock Exchange; the Shanghai Stock Exchange; the Philippines Stock Exchange; the Johannesburg Stock Exchange; the Shenzhen Stock Exchange (SZSE); the Cairo and Alexandria Stock Exchange; the National Stock Exchange of India; the Jakarta Stock Exchange; the Amman Financial Market; the Nairobi Stock Exchange; the Bolsa Mexicana de Valores; the Casablanca Stock Exchange; the Namibia Stock Exchange; Nigeria Stock Exchange; the Karachi Stock Exchange; Kuwait Stock Exchange; the Colombo Stock Exchange; the Zimbabwe Stock Exchange; the Buenos Aires Stock Exchange (MVBA); the Bogota Stock Exchange; the Medellin Stock Exchange; the Lima Stock Exchange; the Caracas Stock Exchange; the Valencia Stock Exchange; the Santiago Stock Exchange; the Bolsa Electronica de Chile; the Sao Paulo Stock Exchange; the Rio de Janeiro Stock Exchange; the Stock Exchange of Mauritius Ltd.; the Istanbul Stock Exchange; the Botswana Stock Exchange; the Beirut Stock Exchange; the Lahore Stock Exchange; Abu Dhabi Securities Market (ADSM); Doha Securities Market (DSM); Dubai Financial Market (DFM); Dubai International Financial Exchange (DIFX); Euronext.liffe; the Iceland Stock Exchange (ICEX); the Ljubljana Stock Exchange; and the Bratislava Stock Exchange.
- (iv) for investments in financial derivative instruments:
 - (A) the market organised by the International Securities Markets Association; the over-the-counter market in the U.S. conducted by primary and secondary dealers regulated by the SEC and by FINRA and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation; the market conducted by listed money market institutions as described in the Financial Services Authority publication entitled “The Regulation of the Wholesale Cash and OTC Derivatives Markets”: “The Grey Paper” (as amended or revised from time to time); the over-the-counter market in Japan regulated by the Securities Dealers Association of

Japan; AIM - the Alternative Investment Market in the UK, regulated by the London Stock Exchange; the French Market for Titres de Creance Negotiable (over-the-counter market in negotiable debt instruments); the over-the-counter market in Canadian Government Bonds regulated by the Investment Dealers Association of Canada; and

- (B) American Stock Exchange; Australian Stock Exchange; Bolsa Mexicana de Valores; Chicago Board of Trade; Chicago Board Options Exchange; Chicago Mercantile Exchange; Copenhagen Stock Exchange (including FUTOP); Eurex Deutschland; Euronext Amsterdam; OMX Exchange Helsinki; Hong Kong Stock Exchange; Kansas City Board of Trade; Financial Futures and Options Exchange; Euronext Paris; MEFF Rent Fija; MEFF Renta Variable; Montreal Stock Exchange; New York Futures Exchange; New York Mercantile Exchange; New York Stock Exchange; New Zealand Futures and Options Exchange; OMLX The London Securities and Derivatives Exchange Ltd.; OM Stockholm AB; Osaka Securities Exchange; Pacific Stock Exchange; Philadelphia Board of Trade; Philadelphia Stock Exchange; Singapore Stock Exchange; South Africa Futures Exchange (SAFEX); Sydney Futures Exchange; The National Association of Securities Dealers Automated Quotations System (NASDAQ); Tokyo Stock Exchange; TSX Group Exchange;

These exchanges and markets are listed in accordance with the requirements of the Central Bank which does not issue a list of approved exchanges and markets.

Relevant Period – a period of 8 years beginning with the acquisition of a Unit by a Unitholder and each subsequent period of 8 years beginning immediately after the preceding relevant period;

Responsible Person – Hermes Fund Managers Ireland Limited;

Revenue Commissioners – the Revenue Commissioners of Ireland or any successor authority;

Savings Directive – has the meaning ascribed to it in the section of this Prospectus entitled “EU Savings Directive”;

Securities Financing Transactions Regulation – Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012;

Securities Financing Transaction – any of the following: a repurchase transaction, securities or commodities lending and securities or commodities borrowing, a buy-sell back transaction or sell-buy back transaction and a margin lending transaction;

Supplemental Prospectuses – supplements to the prospectuses which form part of the Trust’s full Prospectus, each representing a class of Units offered by the Trust known as Federated Hermes Shares and LVM Anteile;

Trustee – J.P. Morgan SE - Dublin Branch;

Trust Deed – the agreement between the Manager and J.P. Morgan Bank (Ireland) PLC dated 1 November 1999, as amended by an amended and restated Trust Deed dated 30 August 2006, as further amended by an amended and restated Trust Deed dated 30 April 2010 and first supplemental Trust Deed dated 9 August 2017, as transferred to the Trustee by operation of law pursuant to a merger of J.P. Morgan Bank (Ireland) PLC into the Trustee, and any subsequent amendments or novations thereto;

UCITS – undertakings for collective investment in transferable securities established pursuant to the UCITS Regulations;

UCITS Regulations – the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, or any amendment thereto for the time being in force, and any rules made by the Central Bank pursuant to the UCITS Regulations;

UCITS Rules – means the notices (including any guidance notes), regulations and conditions issued by the Central Bank from time to time pursuant to the UCITS Regulations and/or the Central Bank Act regarding the regulation of undertakings for collective investment in transferable securities, as such may be amended, supplemented or replaced from time to time

Umbrella Cash Account – means any single umbrella cash account in the name of the Trust;

U.S. or United States – the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;

U.S. Person – means, unless otherwise determined by the Manager, a person resident in the U.S., a corporation, partnership or other entity created or organised in or under the laws of the U.S. or any estate or trust the income of which is subject to U.S. federal income taxation regardless of its source;

- (i) Any natural person resident in the United States;
- (ii) Any corporation, partnership or other entity created or organised under the laws of the U.S. as defined above;
- (iii) Any estate or trust the income of which is subject to U.S. federal income tax regardless of its source;
- (iv) Any estate of which any executor or administrator is a U.S. person;
- (v) Any trust of which any trustee is a U.S. person;
- (vi) Any agency or branch of a foreign entity located in the United States;

- (vii) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (viii) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- (ix) Any partnership or corporation if:
 - (A) Organised or incorporated under the laws of any foreign jurisdiction; and
 - (B) Formed by a U.S. person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in §230.501(a)) who are not natural persons, estates or trusts;

Units – units of beneficial interest of the Trust; and

Unitholder – a holder of Units.

Appendix A

SUB-DELEGATES APPOINTED BY J.P. MORGAN SE - DUBLIN BRANCH

Country	Subcustodian
Argentina	HSBC Bank Argentina, S.A.
Australia	JPMorgan Chase Bank, N.A., Sydney Branch*
Austria	UniCredit Bank Austria AG
Bahrain	HSBC Bank Middle East Limited (Bahrain Branch)
Bangladesh	Standard Chartered Bank (Bangladesh Branch)
Belgium	BNP Paribas SA - Direct Relationship with Depository
Bermuda	HSBC Bank Bermuda Limited
Botswana	Standard Chartered Bank Botswana Limited
Brazil	J.P. Morgan S.A. Distribuidora de Titulos e Valores Mobiliarios*
Bulgaria	Citibank Europe plc, Bulgaria Branch
Canada	CIBC Mellon Trust Company†
Canada	Royal Bank of Canada†
Chile	Banco Santander Chile
China A-Share	HSBC Bank (China) Company Limited†
China B-Share	HSBC Bank (China) Company Limited†
China Connect	JPMorgan Chase Bank, N.A. - Hong Kong Branch*
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria
Costa Rica	Banco BCT S.A.
Croatia	Privredna banka Zagreb d.d.
Cyprus	BNP Paribas S.A. Athens Branch
Czech Republic	UniCredit Bank Czech Republic and Slovakia, a.s.
Denmark	Direct Relationship with Depository
Egypt	Citibank N.A., Egypt
Estonia	Clearstream Banking S.A.
Finland	Skandinaviska Enskilda Banken AB (publ) Helsingforsfilialen
France	BNP Paribas SA - Direct Relationship with Depository
Germany	Deutsche Bank AG
Ghana	Standard Chartered Bank Ghana PLC
Greece	BNP Paribas S.A. Athens Branch
Hong Kong	JPMorgan Chase Bank, N.A. - Hong Kong Branch*
Hungary	Deutsche Bank AG - Hungary Branch
Iceland	Islandsbanki hf.
India	JPMorgan Chase Bank, N.A. - Mumbai Branch*
Indonesia	PT Bank HSBC Indonesia
Ireland	Direct Relationship with Depository
Israel	Bank Leumi le-Israel B.M.
Italy	BNP Paribas SA – Succursale Italia
Japan	Mizuho Bank, Ltd.†
Japan	MUFG Bank, Ltd.†Mizuho Bank, Ltd. †
Jordan	Standard Chartered Bank - Amman

Country	Subcustodian
Kazakhstan	Citibank Kazakhstan Joint Stock Company
Kenya	Standard Chartered Bank Kenya Limited
Kuwait	HSBC Bank Middle East Limited (Kuwait Branch)
Latvia	Clearstream Banking S.A. <i>(in its capacity as ICSD)</i>
Lithuania	Clearstream Banking S.A. <i>(in its capacity as ICSD)</i>
Luxembourg	Clearstream Banking S.A. <i>(in its capacity as ICSD)</i>
Malawi	Standard Bank PLC
Malaysia	HSBC Bank Malaysia Berhad
Mauritius	The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch
Mexico	Banco Nacional De Mexico, S.A. Integrante Del Grupo Financiero Banamex
Morocco	Société Générale Marocaine de Banques
Namibia	Standard Bank Namibia Limited
Netherlands	BNP Paribas SA - Direct Relationship with Depository
New Zealand	JPMorgan Chase Bank, N.A. - New Zealand Branch*
Nigeria	Stanbic IBTC Bank Plc
Norway	Skandinaviska Enskilda Banken AB (publ) Oslofilialen
Oman	HSBC Bank Oman SAOG
Pakistan	Standard Chartered Bank (Pakistan) Limited
Panama	Citibank, N.A. Panama Branch
Peru	Citibank del Perú S.A.
Philippines	The Hongkong and Shanghai Banking Corporation Limited – Philippine Branch
Poland	Bank Handlowy w. Warszawie S.A.
Portugal	BNP Paribas SA
Qatar	HSBC Bank Middle East Limited (Qatar Branch)
Romania	Citibank Europe plc, Dublin – Romania Branch
Russia	Commercial Bank J.P. Morgan Bank International (Limited Liability Company)
Saudi Arabia	J.P. Morgan Saudi Arabia Company*
Serbia	UniCredit Bank Serbia JSC Belgrade
Singapore	DBS Bank Ltd
Slovak Republic	UniCredit Bank Czech Republic and Slovakia, a.s. Pobočka Zahranicnej Banky
Slovenia	UniCredit Banka Slovenija d.d.
South Africa	FirstRand Bank Limited
South Korea	Standard Chartered Bank Korea Limited† Kookmin Bank Co., Ltd.†
Spain	CACEIS Bank Spain, S.A.U.
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited (Sri Lanka Branch)
Sweden	Skandinaviska Enskilda Banken AB (publ)
Switzerland	UBS Switzerland AG
Taiwan	JPMorgan Chase Bank, N.A. – Taipei Branch*

Country	Subcustodian
Tanzania	Stanbic Bank Tanzania Limited
Thailand	Standard Chartered Bank (Thai) Public Company Limited
Tunisia	Union Internationale de Banques
Turkey	Citibank, A.S.
Uganda	Standard Chartered Bank Uganda Ltd
Ukraine	Joint Stock Company "Citibank"
United Arab Emirates	HSBC Bank Middle East Limited (United Arab Emirates Branch)
United Kingdom	JPMorgan Chase Bank, National Association*
	Deutsche Bank AG - London
United States	JPMorgan Chase Bank, National Association*
Uruguay	Banco Itaú Uruguay S.A.
Vietnam	HSBC Bank (Vietnam) Ltd.
WAEMU – Ivory Coast, Benin, Burkina Faso, Guinea Bissau, Mali, Niger, Senegal, Togo	Standard Chartered Bank Côte d'Ivoire S.A.
Zambia	Standard Chartered Bank Zambia Plc
Zimbabwe	Stanbic Bank Zimbabwe Ltd

* J.P. Morgan affiliate

† Clients should refer to their issued settlement instructions

Investment Ratings

STANDARD & POOR'S (S&P) LONG-TERM DEBT RATING DEFINITIONS

AAA – Highest credit quality. ‘AAA’ ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA – Very high credit quality. ‘AA’ ratings denote a very low expectation of credit risk. They indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A – High credit quality. ‘A’ ratings denote a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

BBB – Good credit quality. ‘BBB’ ratings indicate that there is currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity. This is the lowest Investment-Grade category.

BB – Speculative. ‘BB’ ratings indicate that there is a possibility of credit risk developing, particularly as the result of adverse economic change over time; however, business or financial alternatives may be available to allow financial commitments to be met. Securities rated in this category are not Investment-Grade.

B – Highly speculative. ‘B’ ratings indicate that significant credit risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favourable business and economic environment.

CCC, CC, C – High default risk. Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favourable business or economic developments. A ‘CC’ rating indicates that default of some kind appears probable. ‘C’ ratings signal imminent default.

D – In payment default. The ‘D’ rating category is used when payments on a financial commitment are not made on the date due even if the applicable grace period has not expired, unless Standard & Poor’s believes that such payments will be made during such grace period. The ‘D’ rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on a financial commitment are jeopardised.

MOODY'S COMMERCIAL PAPER RATINGS

Prime-1 – Issuers rated Prime-1 (or supporting institutions) have a superior ability for repayment of senior short-term debt obligations. Prime-1 repayment ability will often be evidenced by many of the following characteristics: leading market positions in well established industries, high rates of return on funds employed, conservative capitalisation structure with moderate reliance on debt and ample asset protection, broad margins in earning coverage of fixed financial charges and high internal cash generation, and well-established access to a range of financial markets and assured sources of alternate liquidity.

Prime-2 – Issuers rated Prime-2 (or supporting institutions) have a strong ability for repayment of senior short-term debt obligations. This will normally be evidenced by many of the characteristics cited above, but to a lesser degree. Earnings trends and coverage ratios, while sound, will be more subject to variation. Capitalisation characteristics, while still appropriate, may be more affected by external conditions. Ample alternate liquidity is maintained.

STANDARD & POOR'S COMMERCIAL PAPER RATINGS

A-1 – A short-term obligation rated ‘A-1’ is rated in the highest category by Standard & Poor’s. The obligor’s capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor’s capacity to meet its financial commitment on these obligations is extremely strong.

A-2 – A short-term obligation rated ‘A-2’ is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor’s capacity to meet its financial commitment on the obligation is satisfactory.

FITCH RATINGS COMMERCIAL PAPER RATING DEFINITIONS

F-1 – Indicates the strongest capacity for timely payment of financial commitments relative to other issuers or issues in the same country. Under their national rating scale, this rating is assigned to the “best” credit risk relative to all others in the same country and is normally assigned to all financial commitments issued or guaranteed by the sovereign state. Where the credit risk is particularly strong, a “+” is added to the assigned rating.

F-2 – Indicates a satisfactory capacity for timely payment of financial commitments relative to other issuers or issues in the same country. However, the margin of safety is not as great as in the case of the higher ratings.

Addresses

MANAGER

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BOARD OF DIRECTORS OF THE MANAGER

Ronan Walsh
Gregory P. Dulski
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Sylvie McLaughlin
Michael Boyce

COMPANY SECRETARY OF THE MANAGER

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DISTRIBUTOR OF FEDERATED HERMES SHARES

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Ireland

LEGAL ADVISERS

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Dublin 2, D02 T380, Ireland

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

Product name: *Euro-Kurzläufer*
 Legal entity identifier: 549300HOM2DYQ7J9FK68

Environmental and/or social characteristics

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.

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective**: ___%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective**: ___%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



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

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

The Fund promotes investment in issuers exhibiting the following characteristics:

- *reduced Environmental, Social and Governance risks (including GHG emissions and carbon intensity) as determined by reference to the Advisers' proprietary ESG Scoring Model explained below;*
- *seeking to reduce their environmental / social impacts on the industry / region in which they operate as demonstrated through a willingness to engage on such issues; and*
- *limited to no revenue generated from excluded sectors.*

No specific index has been designated as a reference benchmark for the purpose of attaining the above characteristics.

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

The following sustainability indicators are used for the purpose of measuring the attainment of each of the environmental or social characteristics promoted by the Fund:

- *Environmental Characteristics:*
 - a. GHG emissions of the Fund compared to the index (Scope 1, Scope 2 and Scope 3 measured using Tco2EQ);
 - b. Carbon footprint of the Fund compared to the index (measured as total Scope 1 and Scope 2 GHG emissions normalised by market value of the portfolio);
- *Social Characteristics:*
 - a. % of the Fund invested in issuers in violation of UN Global Compact Principles 4 and 5.

In addition, the Fund measures the attainment of its characteristics by reference to the engagement activity, as a % of the AUM in the portfolio and as a % of progress made against the objective milestones set by the Investment Team and EOS, and of progress made against the milestones.

● **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. The Fund does not make sustainable investments.

● **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. The Fund does not make sustainable investments.

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

Not applicable. The Fund does not make sustainable investments.

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

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.

Not applicable. The Fund does not make sustainable investments.

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.



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

Yes

The Advisers consider whether issuers exhibit any principal adverse impacts on sustainability factors by evaluating each issuer based on a number of different factors, both qualitative and quantitative. Those factors are embedded in the Advisers' proprietary ESG Scoring Model, for both corporate and sovereign issuers. Factors included in the analysis include but are not limited to: Environmental Policy and Carbon Emissions, Human Rights and Access to Food and Water, Rule of Law and Political Stability.

The proprietary ESG Scoring Model enables the Advisers to ensure that all relevant available information is accurately captured and that the portfolio is not exposed to excessive sustainability risks not otherwise identified. The Advisers use a range of other sources to consider the principal adverse impacts on sustainability factors including proprietary analysis from EOS at Federated Hermes ("EOS"); third party providers, where available, such as ISS, CDP, MSCI, Sustainalytics and Trucost amongst others; and issuers' own disclosures. The information available may differ between types of debt issuers (for instance, corporates and sovereigns).

Where sustainability risks are identified, the Advisers may elect not to continue with the investment, or may identify the issuer as a candidate for engagement, with the aim of reducing underperformance which may arise from poor ESG behaviours whilst also encouraging issuers to act responsibly and improve sustainability.

Relevant information on principal adverse impacts on sustainability factors will be disclosed in due course in the Fund's annual report.

No



What investment strategy does this financial product follow?

The Advisers intend to use an active approach to seek risk-adjusted returns through combining top-down allocation across the liquid debt spectrum with bottom-up, high conviction security selection. The strategy seeks debt securities which they believe will generate a high level of total return across a broad range of geographic regions and industries, which also have good or improving ESG Scoring Model exposure. The Advisers, or their affiliates, will seek to actively engage with issuers in the portfolio on issues relating to ESG factors to encourage improvement.

ESG Integration: The Advisers incorporate analysis that assesses the ESG characteristics of an issuer into its investment process. The Advisers achieve this by using its proprietary ESG Scoring Model to assess the ESG characteristics of a government, government agency, quasi-governmental institution or an issuer by considering the country of issuance from a political and economic perspective, an analysis of the stewardship of the issuer and ESG research (which includes but is not limited to GHG intensity of the investee country and whether the investee country is subject to any international treaties or conventions). The ESG Scoring Model favours issuers with lower ESG risks and issuers which comply with the Advisers' policy on good governance practices, outlined further below. The Advisers may invest in issuers with a poor score, where the issuer has shown a desire to improve their ESG behaviours.

Engagement: The Fund leverages quantitative and qualitative engagement insights generated by EOS through its range of active ownership services. Where material ESG risks are identified, the Advisers may work with EOS to engage with issuers to address those risks. Engagement occurs through meetings with management and exercising voting rights. Advisers have voting rights on the Fund. Engagement seeks to develop a plan to address the issue and deliver positive change within set time periods. Where an issuer is being engaged with, a four-step milestone approach will be implemented to: (i) raise the issue at the appropriate level within the issuer; (ii) confirm that the issuer accepts that the issue must be addressed; (iii) develop a plan to address the issue; and (iv) implement the plan satisfactorily. Where an issuer is not receptive to engagement on material ESG risks, or makes insufficient progress in addressing them over time, it may result in divestment from that issuer. The level of engagement with a company/issuer may be subject to limitations, directly or indirectly, on such engagement whether pursuant to the laws and regulations or otherwise of the jurisdiction in which a company/issuer is domiciled or otherwise applicable to the Adviser or any of its delegates. The assessment of the actual or potential impact of any such limitations on the Adviser or its delegates shall be a matter solely for the discretion of the Adviser or its delegates.

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

Exclusions: The Advisers will not invest in issuers involved in the production of controversial weapons, issuers that generate more than 10% of their revenue from the mining or energy generation of thermal coal or companies that are in contravention of the principles 4 and 5 of the UN Global Compact.

● **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 Advisers will not invest in issuers involved in the production of controversial weapons, which includes anti-personnel mines, cluster munitions, depleted uranium, nuclear weapons, white phosphorus and chemical & biological weapons.

The Advisers will not invest in issuers that generate more than 10% of their revenue from the mining or energy generation of thermal coal.

The Advisers will not invest in issuers that are in contravention of the UN Global Compact principles 4 and 5.

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

Not applicable.

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

As part of the investment analysis process, the Advisers assess the corporate governance of a company using a variety of available resources, including the company's own disclosure, analysis of data provided and aggregated by third-party providers and qualitative insights, which may be based on the Advisers' own research or generated through engagements performed by EOS at Federated Hermes. In addition, the Advisers may take into consideration the output from an affiliate's proprietary corporate governance tool when reviewing the composition of the overall portfolio. In considering good governance, which is one component of the overall investment analysis process, the Advisers will assess the following factors: a company's management structure, employee relations, staff remuneration, and compliance with applicable tax rules.

A company is considered to be following good governance practices if the investment analysis concludes, taking into consideration the factors as set forth above, and any other factors determined to be material by the Advisers, that the company meets any one of the following criteria:

- 1. the company's corporate governance is determined to be in-line with peers both in the relevant industry, region and/or asset class, taking into account the size of the company and how that may affect the governance of the company in the long-term;*
- 2. the Advisers and/or EOS are engaging with the company to address enhancements to the company's governance practices, as further detailed in the section of this annex titled "What investment strategy does this financial product follow?"; or*
- 3. the results of the peer analysis and Advisers' and/or EOS' engagement insights, when viewed collectively, are determined by the Advisers to adequately meet the criteria set forth above regarding good governance.*

However, no investments will be made in any issuer which is in violation of Principles 4 and 5 of the [UN Global Compact Principles](#).

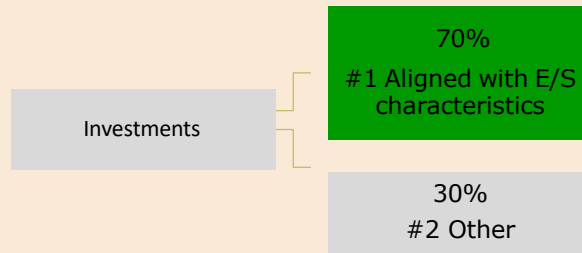
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



What is the asset allocation planned for this financial product

Asset allocation

describes the share of investments in specific assets.



#1 Aligned with E/S characteristics: A minimum of 70% of the portfolio will be invested in issuers who meet the characteristics promoted by the Fund and, with the exception of investments in sovereign/government debt securities, can evidence good governance practices.

#2 Other: The remaining investments of the Fund may include issuers that do not meet the characteristics promoted by the Fund but can evidence good governance practices in accordance with the Advisers' policy on good governance, as outlined above, or may be held for efficient portfolio management and cash management purposes. These investments include cash and money market instruments, as well as FDI to gain exposure, manage exposure or alter exposure to the interest rate, credit and inflation markets.

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

The use of derivatives does not contribute to the attainment of the Fund's environmental or social characteristics. They may also be used for efficient portfolio management purposes (for example, to assist in cash flow or currency management or for cost effectiveness and for gaining exposure to certain markets and securities in a more efficient manner).



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

The investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities, as defined under the Taxonomy Regulation (EU) 2020/852. As such the Fund will have a minimum of 0% Taxonomy-alignment.

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

Yes:

In fossil gas In nuclear energy

No

¹ 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 objectives - 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.

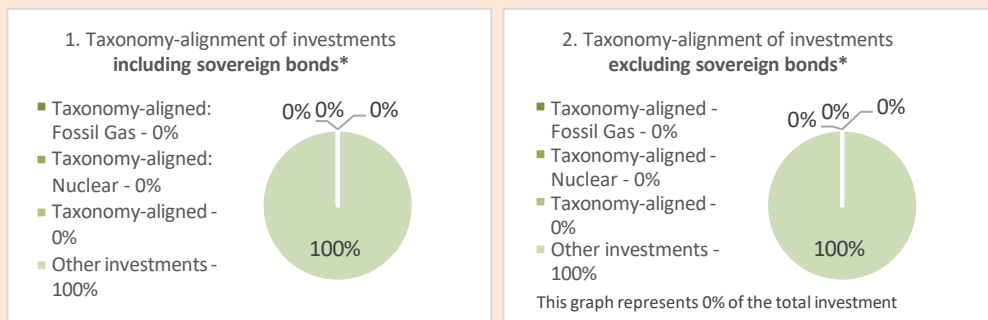
Taxonomy-aligned activities are expressed as a share of:

- **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.

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

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

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



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

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

Not applicable.

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?

Not applicable. The Fund does not make sustainable investments.



What is the minimum share of socially sustainable investments?

Not applicable. The Fund does not make sustainable investments.



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

Investments included under “#2 Other” may be held for efficient portfolio management and cash management purposes and are neither aligned with the environmental or social characteristics, nor qualify as sustainable investments. These investments include cash and money market instruments, as well as FDI to gain exposure, manage exposure or alter exposure to the interest rate, credit and inflation markets and may generate long or short exposures through the use of FDIs. There are no minimum safeguards for these investments.



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

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

No. ICE BofA 6-Month Constant Maturity LIBID is used for performance comparison only.

● **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 lvm.de.

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

Product name: *Euro Renten*
 Legal entity identifier: 549300LIHS81GEL62974

Environmental and/or social characteristics

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.

Does this financial product have a sustainable investment objective?

Yes No

<p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <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 <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p><input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>
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What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes investment in issuers exhibiting the following characteristics:

- *reduced Environmental, Social and Governance risks (including GHG emissions and carbon intensity) as determined by reference to the Advisers' proprietary ESG Scoring Model explained below;*
- *seeking to reduce their environmental / social impacts on the industry / region in which they operate as demonstrated through a willingness to engage on such issues; and*
- *limited to no revenue generated from excluded sectors.*

No specific index has been designated as a reference benchmark for the purpose of attaining the above characteristics.

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

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

The following sustainability indicators are used for the purpose of measuring the attainment of each of the environmental or social characteristics promoted by the Fund:

- Environmental Characteristics:
 - a. GHG emissions of the Fund compared to the index (Scope 1, Scope 2 and Scope 3 measured using Tco2EQ);
 - b. Carbon footprint of the Fund compared to the index (measured as total Scope 1 and Scope 2 GHG emissions normalised by market value of the portfolio);
- Social Characteristics:
 - a. % of the Fund invested in issuers in violation of UN Global Compact Principles 4 and 5.

In addition, the Fund measures the attainment of its characteristics by reference to the engagement activity, as a % of the AUM in the portfolio and as a % of progress made against the objective milestones set by the Investment Team and EOS, and of progress made against the milestones.

● **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. The Fund does not make sustainable investments.

● **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. The Fund does not make sustainable investments.

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

Not applicable. The Fund does not make sustainable investments.

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

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.

Not applicable. The Fund does not make sustainable investments.

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.



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

Yes

The Advisers consider whether issuers exhibit any principal adverse impacts on sustainability factors by evaluating each issuer based on a number of different factors, both qualitative and quantitative. Those factors are embedded in the Advisers' proprietary ESG Scoring Model, for both corporate and sovereign issuers. Factors included in the analysis include but are not limited to: Environmental Policy and Carbon Emissions, Human Rights and Access to Food and Water, Rule of Law and Political Stability.

The proprietary ESG Scoring Model enables the Advisers to ensure that all relevant available information is accurately captured and that the portfolio is not exposed to excessive sustainability risks not otherwise identified. The Advisers use a range of other sources to consider the principal adverse impacts on sustainability factors including proprietary analysis from EOS at Federated Hermes ("EOS"); third party providers, where available, such as ISS, CDP, MSCI, Sustainalytics and Trucost amongst others; and issuers' own disclosures. The information available may differ between types of debt issuers (for instance, corporates and sovereigns).

Where sustainability risks are identified, the Advisers may elect not to continue with the investment, or may identify the issuer as a candidate for engagement, with the aim of reducing underperformance which may arise from poor ESG behaviours whilst also encouraging issuers to act responsibly and improve sustainability.

Relevant information on principal adverse impacts on sustainability factors will be disclosed in due course in the Fund's annual report.

No



What investment strategy does this financial product follow?

The Advisers intend to use an active approach to seek risk-adjusted returns through combining top-down allocation across the liquid debt spectrum with bottom-up, high conviction security selection. The strategy seeks debt securities which they believe will generate a high level of total return across a broad range of geographic regions and industries, which also have good or improving ESG Scoring Model exposure. The Advisers, or their affiliates, will seek to actively engage with issuers in the portfolio on issues relating to ESG factors to encourage improvement.

ESG Integration: The Advisers incorporate analysis that assesses the ESG characteristics of an issuer into its investment process. The Advisers achieve this by using its proprietary ESG Scoring Model to assesses the ESG characteristics of a government, government agency, quasi-governmental institution or an issuer by considering the country of issuance from a political and economic perspective, an analysis of the stewardship of the issuer and ESG research (which includes but is not limited to GHG intensity of the investee country and whether the investee country is subject to any international treaties or conventions). The ESG Scoring Model favours issuers with lower ESG risks and issuers which comply with the Advisers' policy on good governance practices, outlined further below. The Advisers may invest in issuers with a poor score, where the issuer has shown a desire to improve their ESG behaviours.

Engagement: The Fund leverages quantitative and qualitative engagement insights generated by EOS through its range of active ownership services. Where material ESG risks are identified, the Advisers may work with EOS to engage with issuers to address those risks. Engagement occurs through meetings with management and exercising voting rights. Advisers have voting rights on the Fund. Engagement seeks develop a plan to address the issue and deliver positive change within set time periods. Where an issuer is being engaged with, a four-step milestone approach will be implemented to: (i) raise the issue at the appropriate level within the issuer; (ii) confirm that the issuer accepts that the issue must be addressed; (iii) develop a plan to address the issue; and (iv) implement the plan satisfactorily. Where an issuer is not receptive to engagement on material ESG risks, or makes insufficient progress in addressing them over time, it may result in divestment from that issuer. The level of engagement with a company/issuer may be subject to limitations, directly or indirectly, on such engagement whether pursuant to the laws and regulations or otherwise of the jurisdiction in which a company/issuer is domiciled or otherwise applicable to the Adviser or any of its delegates. The assessment of the actual or potential impact of any such limitations on the Adviser or its delegates shall be a matter solely for the discretion of the Adviser or its delegates.

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

Exclusions: The Advisers will not invest in issuers involved in the production of controversial weapons, issuers that generate more than 10% of their revenue from the mining or energy generation of thermal coal or companies that are in contravention of the principles 4 and 5 of the UN Global Compact.

● **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 Advisers will not invest in issuers involved in the production of controversial weapons, which includes anti-personnel mines, cluster munitions, depleted uranium, nuclear weapons, white phosphorus and chemical & biological weapons.

The Advisers will not invest in issuers that generate more than 10% of their revenue from the mining or energy generation of thermal coal.

The Advisers will not invest in issuers that are in contravention of the UN Global Compact principles 4 and 5.

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

Not applicable.

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

As part of the investment analysis process, the Advisers assess the corporate governance of a company using a variety of available resources, including the company's own disclosure, analysis of data provided and aggregated by third-party providers and qualitative insights, which may be based on the Advisers' own research or generated through engagements performed by EOS at Federated Hermes. In addition, the Advisers may take into consideration the output from an affiliate's proprietary corporate governance tool when reviewing the composition of the overall portfolio. In considering good governance, which is one component of the overall investment analysis process, the Advisers will assess the following factors: a company's management structure, employee relations, staff remuneration, and compliance with applicable tax rules.

A company is considered to be following good governance practices if the investment analysis concludes, taking into consideration the factors as set forth above, and any other factors determined to be material by the Advisers, that the company meets any one of the following criteria:

- 1. the company's corporate governance is determined to be in-line with peers both in the relevant industry, region and/or asset class, taking into account the size of the company and how that may affect the governance of the company in the long-term;*
- 2. the Advisers and/or EOS are engaging with the company to address enhancements to the company's governance practices, as further detailed in the section of this annex titled "What investment strategy does this financial product follow?"; or*
- 3. the results of the peer analysis and Advisers' and/or EOS' engagement insights, when viewed collectively, are determined by the Advisers to adequately meet the criteria set forth above regarding good governance.*

However, no investments will be made in any issuer which is in violation of Principles 4 and 5 of the [UN Global Compact Principles](#).

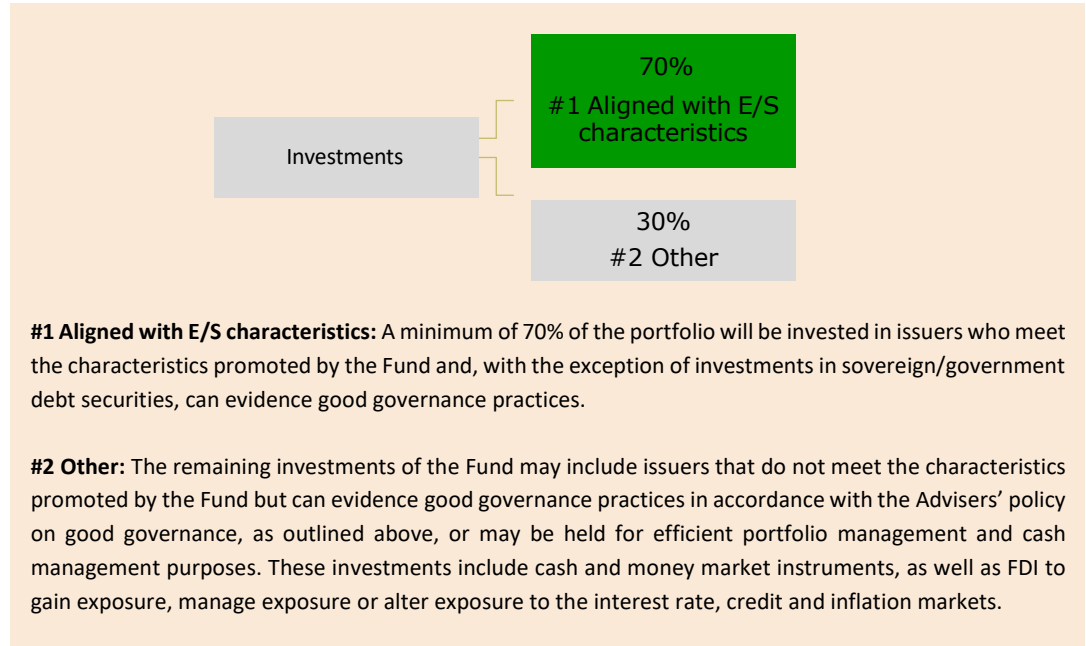
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



What is the asset allocation planned for this financial product

Asset allocation

describes the share of investments in specific assets.



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

The use of derivatives does not contribute to the attainment of the Fund's environmental or social characteristics. They may also be used for efficient portfolio management purposes (for example, to assist in cash flow or currency management or for cost effectiveness and for gaining exposure to certain markets and securities in a more efficient manner).

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.



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

The investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities, as defined under the Taxonomy Regulation (EU) 2020/852. As such the Fund will have a minimum of 0% Taxonomy-alignment.

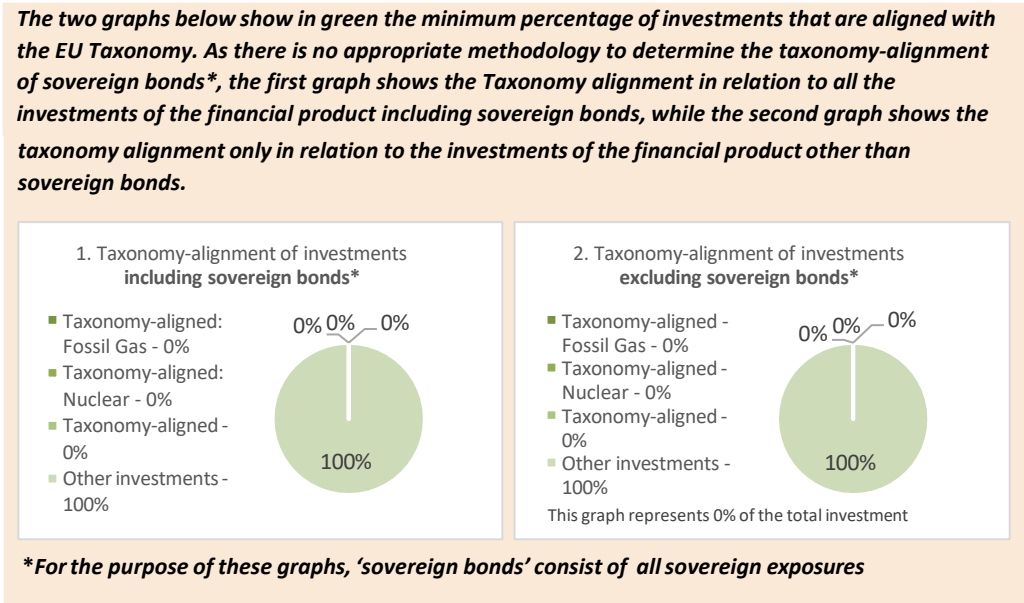
● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?¹

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

¹ 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 objectives - 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.

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.



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

Not applicable.

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?

Not applicable. The Fund does not make sustainable investments.



What is the minimum share of socially sustainable investments?

Not applicable. The Fund does not make sustainable investments.



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

Investments included under “#2 Other” may be held for efficient portfolio management and cash management purposes and are neither aligned with the environmental or social characteristics, nor qualify as sustainable investments. These investments include cash and money market instruments, as well as FDI to gain exposure, manage exposure or alter exposure to the interest rate, credit and inflation markets and may generate long or short exposures through the use of FDIs. There are no minimum safeguards for these investments.



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?

No. The BofA EMU Government Index is used for performance comparison only.

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

Not applicable.

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

- **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 lvm.de.

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

Product name: *Inter-Renten*
Legal entity identifier: 549300A00Y1ZVL7JYU29

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective:** ___%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** ___%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**

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

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



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

The Fund promotes investment in issuers exhibiting the following characteristics:

- *reduced Environmental, Social and Governance risks (including GHG emissions and carbon intensity) as determined by reference to the Advisers' proprietary ESG Scoring Model explained below;*
- *seeking to reduce their environmental / social impacts on the industry / region in which they operate as demonstrated through a willingness to engage on such issues; and*
- *limited to no revenue generated from excluded sectors.*

No specific index has been designated as a reference benchmark for the purpose of attaining the above characteristics.

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

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

The following sustainability indicators are used for the purpose of measuring the attainment of each of the environmental or social characteristics promoted by the Fund:

- *Environmental Characteristics:*
 - a. *GHG emissions of the Fund compared to the index (Scope 1, Scope 2 and Scope 3 measured using Tco2EQ);*
 - b. *Carbon footprint of the Fund compared to the index (measured as total Scope 1 and Scope 2 GHG emissions normalised by market value of the portfolio);*
- *Social Characteristics:*
 - a. *% of the Fund invested in issuers in violation of UN Global Compact Principles 4 and 5.*

In addition, the Fund measures the attainment of its characteristics by reference to the engagement activity, as a % of the AUM in the portfolio and as a % of progress made against the objective milestones set by the Investment Team and EOS, and of progress made against the milestones.

● **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. The Fund does not make sustainable investments.

● **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. The Fund does not make sustainable investments.

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

Not applicable. The Fund does not make sustainable investments.

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

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.

Not applicable. The Fund does not make sustainable investments.

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.



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

Yes

The Advisers consider whether issuers exhibit any principal adverse impacts on sustainability factors by evaluating each issuer based on a number of different factors, both qualitative and quantitative. Those factors are embedded in the Advisers' proprietary ESG Scoring Model, for both corporate and sovereign issuers. Factors included in the analysis include but are not limited to: Environmental Policy and Carbon Emissions, Human Rights and Access to Food and Water, Rule of Law and Political Stability.

The proprietary ESG Scoring Model enables the Advisers to ensure that all relevant available information is accurately captured and that the portfolio is not exposed to excessive sustainability risks not otherwise identified. Advisers use a range of other sources to consider the principal adverse impacts on sustainability factors including proprietary analysis from EOS at Federated Hermes ("EOS"); third party providers, where available, such as ISS, CDP, MSCI, Sustainalytics and Trucost amongst others; and issuers' own disclosures. The information available may differ between types of debt issuers (for instance, corporates and sovereigns).

Where sustainability risks are identified, the Advisers may elect not to continue with the investment, or may identify the issuer as a candidate for engagement, with the aim of reducing underperformance which may arise from poor ESG behaviours whilst also encouraging issuers to act responsibly and improve sustainability.

Relevant information on principal adverse impacts on sustainability factors will be disclosed in due course in the Fund's annual report.

No



What investment strategy does this financial product follow?

The Advisers intend to use an active approach to seek risk-adjusted returns through combining top-down allocation across the liquid debt spectrum with bottom-up, high conviction security selection. The strategy seeks debt securities which they believe will generate a high level of total return across a broad range of geographic regions and industries, which also have good or improving ESG Scoring Model exposure. The Advisers, or their affiliates, will seek to actively engage with issuers in the portfolio on issues relating to ESG factors to encourage improvement.

ESG Integration: The Advisers incorporate analysis that assesses the ESG characteristics of an issuer into its investment process. The Advisers achieve this by using its proprietary ESG Scoring Model to assess the ESG characteristics of a government, government agency, quasi-governmental institution or an issuer by considering the country of issuance from a political and economic perspective, an analysis of the stewardship of the issuer and ESG research (which includes but is not limited to GHG intensity of the investee country and whether the investee country is subject to any international treaties or conventions). The ESG Scoring Model favours issuers with lower ESG risks and issuers which comply with the Advisers' policy on good governance practices, outlined further below. The Advisers may invest in issuers with a poor score, where the issuer has shown a desire to improve their ESG behaviours.

Engagement: The Fund leverages quantitative and qualitative engagement insights generated by EOS through its range of active ownership services. Where material ESG risks are identified, the Advisers may work with EOS to engage with issuers to address those risks. Engagement occurs through meetings with management and exercising voting rights. Advisers have voting rights on the Fund. Engagement seeks to develop a plan to address the issue and deliver positive change within set time periods. Where an issuer is being engaged with, a four-step milestone approach will be implemented to: (i) raise the issue at the appropriate level within the issuer; (ii) confirm that the issuer accepts that the issue must be addressed; (iii) develop a plan to address the issue; and (iv) implement the plan satisfactorily. Where an issuer is not receptive to engagement on material ESG risks, or makes insufficient progress in addressing them over time, it may result in divestment from that issuer. The level of engagement with a company/issuer may be subject to limitations, directly or indirectly, on such engagement whether pursuant to the laws and regulations or otherwise of the jurisdiction in which a company/issuer is domiciled or otherwise applicable to the Adviser or any of its delegates. The assessment of the actual or potential impact of any such limitations on the Adviser or its delegates shall be a matter solely for the discretion of the Adviser or its delegates.

Exclusions: The Advisers will not invest in issuers involved in the production of controversial weapons, issuers

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

that generate more than 10% of their revenue from the mining or energy generation of thermal coal or companies that are in contravention of the principles 4 and 5 of the UN Global Compact.

- **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 Advisers will not invest in issuers involved in the production of controversial weapons, which includes anti-personnel mines, cluster munitions, depleted uranium, nuclear weapons, white phosphorus and chemical & biological weapons.

The Advisers will not invest in issuers that generate more than 10% of their revenue from the mining or energy generation of thermal coal.

The Advisers will not invest in issuers that are in contravention of the UN Global Compact principles 4 and 5.

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

Not applicable.

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

As part of the investment analysis process, the Advisers assess the corporate governance of a company using a variety of available resources, including the company's own disclosure, analysis of data provided and aggregated by third-party providers and qualitative insights, which may be based on the Advisers' own research or generated through engagements performed by EOS at Federated Hermes. In addition, the Advisers may take into consideration the output from an affiliate's proprietary corporate governance tool when reviewing the composition of the overall portfolio. In considering good governance, which is one component of the overall investment analysis process, the Advisers will assess the following factors: a company's management structure, employee relations, staff remuneration, and compliance with applicable tax rules.

A company is considered to be following good governance practices if the investment analysis concludes, taking into consideration the factors as set forth above, and any other factors determined to be material by the Advisers, that the company meets any one of the following criteria:

- 1. the company's corporate governance is determined to be in-line with peers both in the relevant industry, region and/or asset class, taking into account the size of the company and how that may affect the governance of the company in the long-term;*
- 2. the Advisers and/or EOS are engaging with the company to address enhancements to the company's governance practices, as further detailed in the section of this annex titled "What investment strategy does this financial product follow?"; or*
- 3. the results of the peer analysis and Advisers' and/or EOS' engagement insights, when viewed collectively, are determined by the Advisers to adequately meet the criteria set forth above regarding good governance.*

However, no investments will be made in any issuer which is in violation of Principles 4 and 5 of the [UN Global Compact Principles](#).

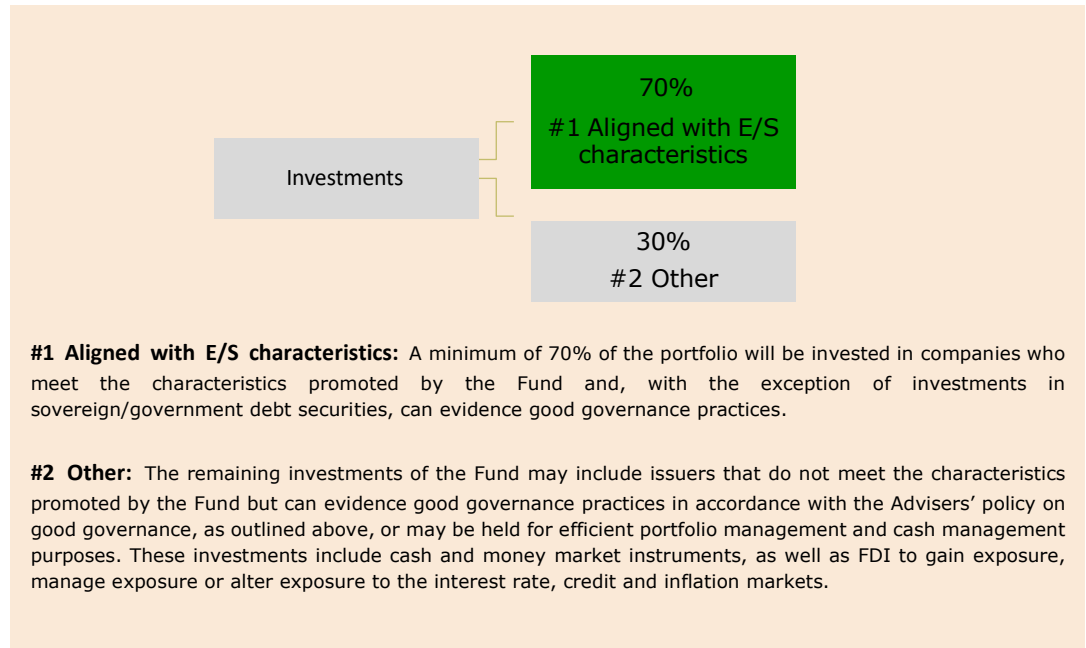
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



What is the asset allocation planned for this financial product

Asset allocation

describes the share of investments in specific assets.



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

The use of derivatives does not contribute to the attainment of the Fund's environmental or social characteristics. They may also be used for efficient portfolio management purposes (for example, to assist in cash flow or currency management or for cost effectiveness and for gaining exposure to certain markets and securities in a more efficient manner).



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

The investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities, as defined under the Taxonomy Regulation (EU) 2020/852. As such the Fund will have a minimum of 0% Taxonomy-alignment.

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

Yes:

In fossil gas In nuclear energy

No

¹ 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 objectives - 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.

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.

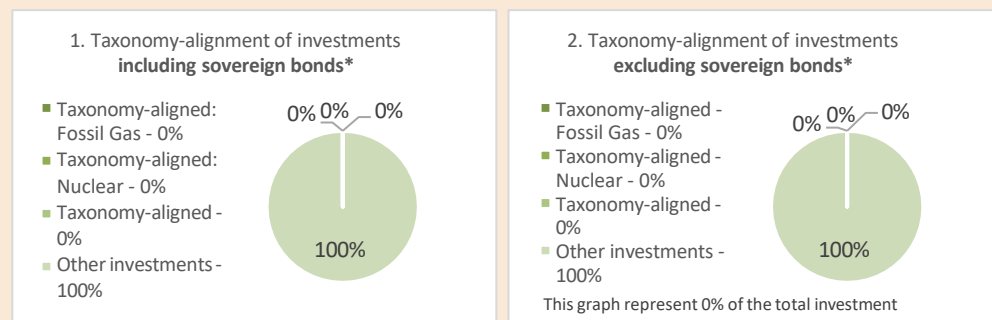
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

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.

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

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

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



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

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

Not applicable.



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

Not applicable. The Fund does not make sustainable investments.



What is the minimum share of socially sustainable investments?

Not applicable. The Fund does not make sustainable investments.



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

Investments included under “#2 Other” may be held for efficient portfolio management and cash management purposes and are neither aligned with the environmental or social characteristics, nor qualify as sustainable investments. These investments include cash and money market instruments, as well as FDI to gain exposure, manage exposure or alter exposure to the interest rate, credit and inflation markets and may generate long or short exposures through the use of FDIs. There are no minimum safeguards for these investments.



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?

No. A combination of 80% BofA Country Blend and 20% Bloomberg U.S. Aggregate Bond (EURO) is used for performance comparison only.

● **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 lvm.de.

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

Product name: *ProBasis*

Legal entity identifier: 549300MGOGV2TVSUTJ37

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes No

<p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <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 <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p><input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>
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Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

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



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

The Fund promotes investment in issuers exhibiting the following characteristics:

- *reduced Environmental, Social and Governance risks (including GHG emissions and carbon intensity) as determined by reference to the Advisers' proprietary ESG Scoring Model explained below (in respect of the Debt Portion) or through their assessment of the ESG characteristics of companies as further detailed below (in respect of the Equity Portion);*
- *seeking to reduce their environmental / social impacts on the industry / region in which they operate as demonstrated through a willingness to engage on such issues; and*
- *limited to no revenue generated from excluded sectors.*

No specific index has been designated as a reference benchmark for the purpose of attaining the above characteristics.

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

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

The following sustainability indicators are used for the purpose of measuring the attainment of each of the environmental or social characteristics promoted by the Fund:

- *Environmental Characteristics:*
 - a. *GHG emissions of the Fund compared to the index (Scope 1, Scope 2 and Scope 3 measured using Tco2EQ);*
 - b. *Carbon footprint of the Fund compared to the index (measured as total Scope 1 and Scope 2 GHG emissions normalised by market value of the portfolio);*
- *Social Characteristics:*
 - a. *% of the Fund invested in issuers in violation of UN Global Compact Principles 4 and 5.*

In addition, the Fund measures the attainment of its characteristics by reference to the engagement activity, as a % of the AUM in the portfolio and as a % of progress made against the objective milestones set by the Investment Team and EOS, and of progress made against the milestones.

● **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. The Fund does not make sustainable investments.

● **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. The Fund does not make sustainable investments.

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

Not applicable. The Fund does not make sustainable investments.

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

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.

Not applicable. The Fund does not make sustainable investments.

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.



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

Yes

The Advisers consider whether issuers exhibit any principal adverse impacts on sustainability factors by evaluating each issuer based on a number of different factors, both qualitative and quantitative. Those factors are embedded in the Advisers' proprietary ESG Scoring Model for the Debt Portion for both corporate and sovereign issuers and output from the Equity Portion analysis. Factors included in the analysis include but are not limited to: Environmental Policy and Carbon Emissions, Human Rights and Access to Food and Water, Rule of Law and Political Stability.

The proprietary ESG Scoring Model and analysis enable the Advisers to ensure that all relevant available information is accurately captured and that the portfolio is not exposed to excessive sustainability risks not otherwise identified. The Advisers use a range of other sources to consider the principal adverse impacts on sustainability factors including proprietary analysis from EOS at Federated Hermes ("EOS"); third party providers, where available, such as ISS, CDP, MSCI, Sustainalytics and Trucost amongst others; and issuers' own disclosures. The information available may differ between types of debt issuers (for instance, corporates and sovereigns).

Where sustainability risks are identified, the Advisers may elect not to continue with the investment, or may identify the issuer as a candidate for engagement, with the aim of reducing underperformance which may arise from poor ESG behaviours whilst also encouraging issuers to act responsibly and improve sustainability.

Relevant information on principal adverse impacts on sustainability factors will be disclosed in due course in the Fund's annual report.

No



What investment strategy does this financial product follow?

In respect of the Debt Portion, the Advisers intend to use an active approach to seek risk-adjusted returns through combining top-down allocation across the liquid debt spectrum with bottom-up, high conviction security selection. The strategy seeks debt securities which they believe will generate a high level of total return across a broad range of geographic regions and industries, which also have good or improving ESG Scoring Model exposure. In respect of the Equity Portion, the Advisers intend to use an active approach to seek risk-adjusted returns through combining top-down allocation across the liquid equity spectrum with bottom-up, high conviction security selection. The strategy seeks to invest in equity securities which the Advisers believe will generate a high level of total return across a broad range of geographic regions and industries, which also have good or improving ESG scoring exposure. The Advisers, or their affiliates, will seek to actively engage with issuers in the portfolio on issues relating to ESG factors to encourage improvement. The Advisers, or their affiliates, will seek to actively engage with issuers in the portfolio on issues relating to ESG factors to encourage improvement.

ESG Integration: In respect of the Debt Portion, the Advisers incorporate analysis that assesses the ESG characteristics of an issuer into their investment process. The Advisers achieve this by using its proprietary ESG Scoring Model to assesses the ESG characteristics of a government, government agency, quasi-governmental institution or an issuer by considering the country of issuance from a political and economic perspective, an analysis of the stewardship of the issuer and ESG research (which includes but is not limited to GHG intensity of the investee country and whether the investee country is subject to any international treaties or conventions). The ESG Scoring Model favours issuers with lower ESG risks and issuers which comply with the Advisers' policy on good governance practices, outlined further below. The Advisers may invest in issuers with a poor score, where the issuer has shown a desire to improve their ESG behaviours.

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

In respect of the Equity Portion, the Advisers incorporate analysis that assesses the ESG characteristics of a company into their equity investment process. ESG includes environmental items (such as the impact on natural resources and climate change), social issues (such as human rights) and governance (being the way in which the company is run and employee wellbeing). The Advisers perform analysis that assesses the ESG characteristics of a company by considering ESG research and scores from a wide variety of sources. The Advisers believe that equity quantitative ESG data must be complemented by a fundamental bottom-up review of ESG issues, leveraging their knowledge of and direct contact and engagement with companies.

Engagement: The Fund leverages quantitative and qualitative engagement insights generated by EOS at Federated Hermes (“EOS”) through its range of active ownership services. Where material ESG risks are identified, the Advisers may work with EOS to engage with companies to address those risks. Engagement occurs through meetings with management and exercising voting rights. Advisers have voting rights on the Fund. Engagement seeks to develop a plan to address the issue and deliver positive change within set time periods. Where a company is being engaged with, a four-step milestone approach will be implemented to: (i) raise the issue at the appropriate level within the company; (ii) confirm that the company accepts that the issue must be addressed; (iii) develop a plan to address the issue; and (iv) implement the plan satisfactorily. The engagement activity of the Fund is measured by the percentage of companies that are being engaged with on material ESG issues and the percentage of engagement progress (e.g. the percentage of engagement objectives which have achieved engagement objective milestones). Where a company is not receptive to engagement on material ESG risks, or makes insufficient progress in addressing them over time, it may result in divestment from that company. The level of engagement with a company/issuer may be subject to limitations, directly or indirectly, on such engagement whether pursuant to the laws and regulations or otherwise of the jurisdiction in which a company/issuer is domiciled or otherwise applicable to the Adviser or any of its delegates. The assessment of the actual or potential impact of any such limitations on the Adviser or its delegates shall be a matter solely for the discretion of the Adviser or its delegates.

Exclusions: In respect of the Debt Portion, the Advisers will not invest in issuers involved in the production of controversial weapons, issuers that generate more than 10% of their revenue from the mining or energy generation of thermal coal or issuers that are in contravention of the UN Global Compact principles 4 and 5.

● **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?**

In respect of the Debt Portion, the Adviser will not invest in issuers involved in the production of controversial weapons, which includes anti-personnel mines, cluster munitions, depleted uranium, nuclear weapons, white phosphorus and chemical & biological weapons.

In respect of the Debt Portion, the Adviser will not invest in issuers that generate more than 10% of their revenue from the mining or energy generation of thermal coal.

In respect of the Debt Portion, the Adviser will not invest in issuers that are in contravention of the UN Global Compact principles 4 and 5.

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

Not applicable.

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

As part of the investment analysis process, the Advisers assess the corporate governance of a company using a variety of available resources, including the company’s own disclosure, analysis of data provided and aggregated by third-party providers and qualitative insights, which may be based on the Advisers’ own research or generated through engagements performed by EOS at Federated Hermes. In addition, the Advisers may take into consideration the output from an affiliate’s proprietary corporate governance tool when reviewing the composition of the overall portfolio. In considering good governance, which is one component of the overall investment analysis process, the Advisers will assess the following factors: a company’s management structure, employee relations, staff remuneration, and compliance with applicable tax rules.

A company is considered to be following good governance practices if the investment analysis concludes, taking into consideration the factors as set forth above, and any other factors determined to be material by the Advisers, that the company meets any one of the following criteria:

1. the company’s corporate governance is determined to be in-line with peers both in the relevant industry, region and/or asset class, taking into account the size of the company and how that may affect the governance of the company in the long-term;

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

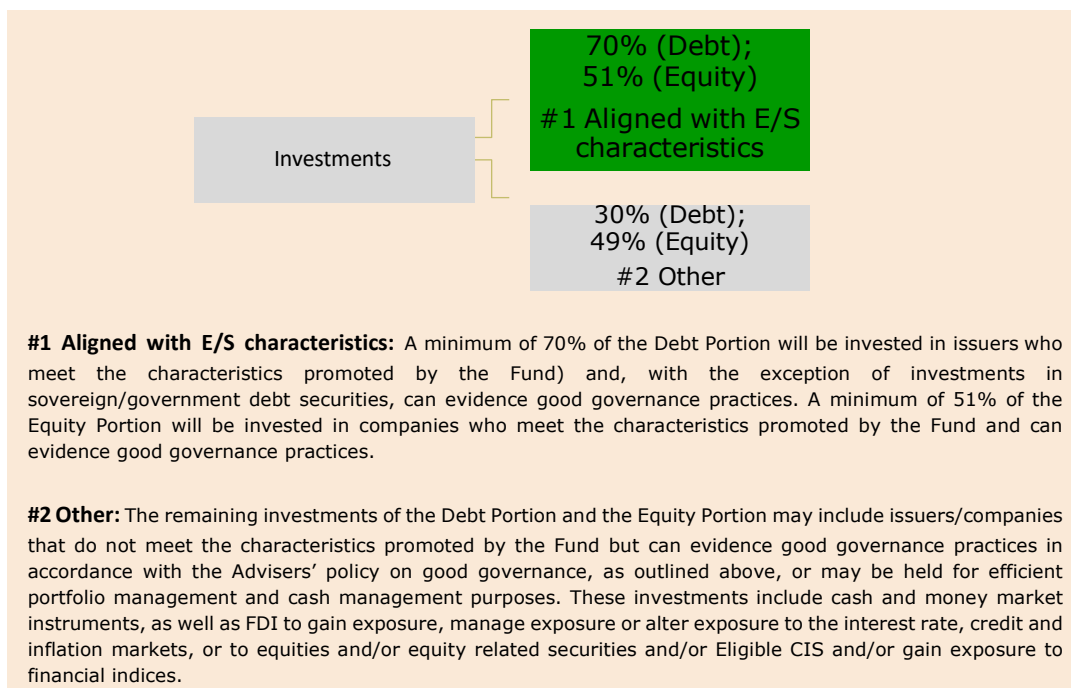
2. *the Advisers and/or EOS are engaging with the company to address enhancements to the company's governance practices, as further detailed in the section of this annex titled "What investment strategy does this financial product follow?"; or*
3. *the results of the peer analysis and Advisers' and/or EOS' engagement insights, when viewed collectively, are determined by the Advisers to adequately meet the criteria set forth above regarding good governance.*

However, no investments will be made in any issuer which is in violation of Principles 4 and 5 of the [UN Global Compact Principles](#).



What is the asset allocation planned for this financial product

Asset allocation describes the share of investments in specific assets.



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

The use of derivatives does not contribute to the attainment of the Fund's environmental or social characteristics. They may also be used for efficient portfolio management purposes (for example, to assist in cash flow or currency management or for cost effectiveness and for gaining exposure to certain markets and securities in a more efficient manner).



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

The investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities, as defined under the Taxonomy Regulation (EU) 2020/852. As such the Fund will have a minimum of 0% Taxonomy-alignment.

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

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

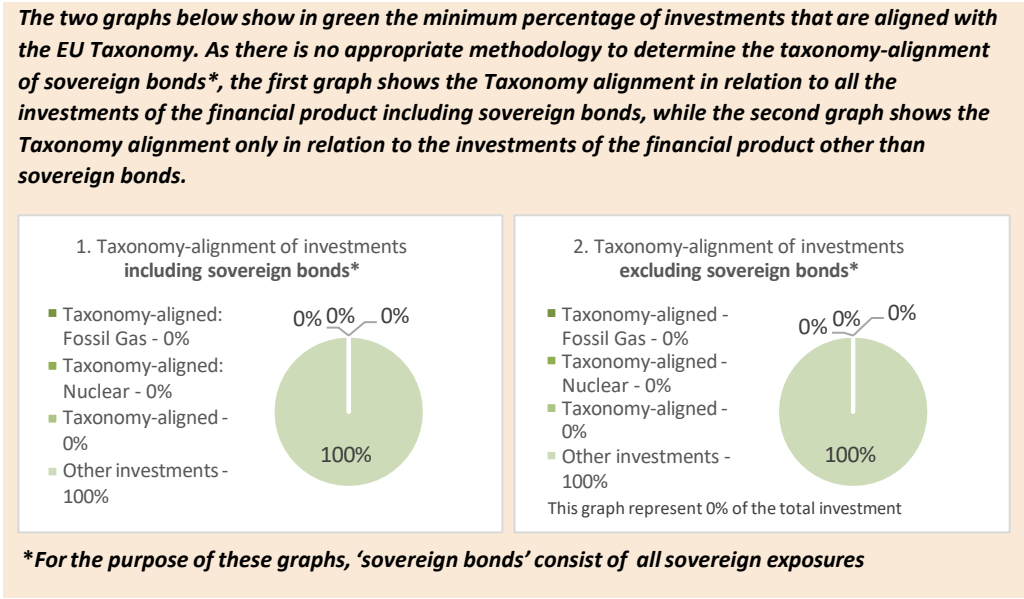
¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas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

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.

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.



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

Not applicable.

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?

Not applicable. The Fund does not make sustainable investments.

What is the minimum share of socially sustainable investments?

Not applicable. The Fund does not make sustainable investments

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

Investments included under “#2 Other” may be held for efficient portfolio management and cash management purposes and are neither aligned with the environmental or social characteristics, nor qualify as sustainable investments. These investments include cash and money market instruments, as well as FDI to gain exposure, manage exposure or alter exposure to the interest rate, credit and inflation markets and may generate long or short exposures through the use of FDIs. There are no minimum safeguards for these investments.



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?

No. A combination of 20% MSCI Europe and 80% BofA Merrill Lynch EMU Direct Government AAA-AA indices are used for performance comparison only.

- ***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.

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



Where can I find more product specific information online?

More product specific information can be found on the website lvm.de.

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

Product name: *ProFutur*
 Legal entity identifier: 5493002N4LGZ78IVE09

Environmental and/or social characteristics

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.

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective**: ___%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective**: ___%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



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

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

The Fund promotes investment in issuers exhibiting the following characteristics:

- reduced Environmental, Social and Governance risks (including GHG emissions and carbon intensity) as determined by reference to the Advisers' proprietary ESG Scoring Model explained below (in respect of the Debt Portion) or through their assessment of the ESG characteristics of companies as further detailed below (in respect of the Equity Portion);
- seeking to reduce their environmental / social impacts on the industry / region in which they operate as demonstrated through a willingness to engage on such issues; and
- limited to no revenue generated from excluded sectors.

No specific index has been designated as a reference benchmark for the purpose of attaining the above characteristics.

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

The following sustainability indicators are used for the purpose of measuring the attainment of each of the environmental or social characteristics promoted by the Fund:

- Environmental Characteristics:
 - a. GHG emissions of the Fund compared to the index (Scope 1, Scope 2 and Scope 3 measured using Tco2EQ);
 - b. Carbon footprint of the Fund compared to the index (measured as total Scope 1 and Scope 2 GHG emissions normalised by market value of the portfolio);
- Social Characteristics:
 - a. % of the Fund invested in issuers in violation of UN Global Compact Principles 4 and 5.

In addition, the Fund measures the attainment of its characteristics by reference to the engagement activity, as a % of the AUM in the portfolio and as a % of progress made against the objective milestones set by the Investment Team and EOS, and of progress made against the milestones.

● **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. The Fund does not make sustainable investments.

● **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. The Fund does not make sustainable investments.

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

Not applicable. The Fund does not make sustainable investments.

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

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.

Not applicable. The Fund does not make sustainable investments.

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.



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

Yes

The Advisers consider whether issuers exhibit any principal adverse impacts on sustainability factors by evaluating each issuer based on a number of different factors, both qualitative and quantitative. Those factors are embedded in the Advisers' proprietary ESG Scoring Model for the Debt Portion for both corporate and sovereign issuers and output from the Equity Portion analysis. Factors included in the analysis include but are not limited to: Environmental Policy and Carbon Emissions, Human Rights and Access to Food and Water, Rule of Law and Political Stability.

The proprietary ESG Scoring Model and analysis enable the Advisers to ensure that all relevant available information is accurately captured and that the portfolio is not exposed to excessive sustainability risks not otherwise identified. The Advisers use a range of other sources to consider the principal adverse impacts on sustainability factors including proprietary analysis from EOS at Federated Hermes ("EOS"); third party providers, where available, such as ISS, CDP, MSCI, Sustainalytics and Trucost amongst others; and issuers' own disclosures. The information available may differ between types of debt issuers (for instance, corporates and sovereigns).

Where sustainability risks are identified, the Advisers may elect not to continue with the investment, or may identify the issuer as a candidate for engagement, with the aim of reducing underperformance which may arise from poor ESG behaviours whilst also encouraging issuers to act responsibly and improve sustainability.

Relevant information on principal adverse impacts on sustainability factors will be disclosed in due course in the Fund's annual report.

No



What investment strategy does this financial product follow?

In respect of the Debt Portion, the Advisers intend to use an active approach to seek risk-adjusted returns through combining top-down allocation across the liquid debt spectrum with bottom-up, high conviction security selection. The strategy seeks debt securities which they believe will generate a high level of total return across a broad range of geographic regions and industries, which also have good or improving ESG Scoring Model exposure. In respect of the Equity Portion, the Advisers intend to use an active approach to seek risk-adjusted returns through combining top-down allocation across the liquid equity spectrum with bottom-up, high conviction security selection. The strategy seeks to invest in equity securities which the Advisers believe will generate a high level of total return across a broad range of geographic regions and industries, which also have good or improving ESG scoring exposure. The Advisers, or their affiliates, will seek to actively engage with issuers in the portfolio on issues relating to ESG factors to encourage improvement. The Advisers, or their affiliates, will seek to actively engage with issuers in the portfolio on issues relating to ESG factors to encourage improvement.

ESG Integration: In respect of the Debt Portion, the Advisers incorporate analysis that assesses the ESG characteristics of an issuer into their investment process. The Advisers achieve this by using its proprietary ESG Scoring Model to assesses the ESG characteristics of a government, government agency, quasi-governmental institution or an issuer by considering the country of issuance from a political and economic perspective, an analysis of the stewardship of the issuer and ESG research (which includes but is not limited to GHG intensity of the investee country and whether the investee country is subject to any international treaties or conventions). The ESG Scoring Model favours issuers with lower ESG risks and issuers which comply with the Advisers' policy on good governance practices, outlined further below. The Advisers may invest in issuers with a poor score, where the issuer has shown a desire to improve their ESG behaviours.

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

In respect of the Equity Portion, the Advisers incorporate analysis that assesses the ESG characteristics of a company into their equity investment process. ESG includes environmental items (such as the impact on natural resources and climate change), social issues (such as human rights) and governance (being the way in which the company is run and employee wellbeing). The Advisers perform analysis that assesses the ESG characteristics of a company by considering ESG research and scores from a wide variety of sources. The Advisers believe that equity quantitative ESG data must be complemented by a fundamental bottom-up review of ESG issues, leveraging their knowledge of and direct contact and engagement with companies.

Engagement: The Fund leverages quantitative and qualitative engagement insights generated by EOS at Federated Hermes (“EOS”) through its range of active ownership services. Where material ESG risks are identified, the Advisers may work with EOS to engage with companies to address those risks. Engagement occurs through meetings with management and exercising voting rights. Advisers have voting rights on the Fund. Engagement seeks to develop a plan to address the issue and deliver positive change within set time periods. Where a company is being engaged with, a four-step milestone approach will be implemented to: (i) raise the issue at the appropriate level within the company; (ii) confirm that the company accepts that the issue must be addressed; (iii) develop a plan to address the issue; and (iv) implement the plan satisfactorily. The engagement activity of the Fund is measured by the percentage of companies that are being engaged with on material ESG issues and the percentage of engagement progress (e.g. the percentage of engagement objectives which have achieved engagement objective milestones). Where a company is not receptive to engagement on material ESG risks, or makes insufficient progress in addressing them over time, it may result in divestment from that company. The level of engagement with a company/issuer may be subject to limitations, directly or indirectly, on such engagement whether pursuant to the laws and regulations or otherwise of the jurisdiction in which a company/issuer is domiciled or otherwise applicable to the Adviser or any of its delegates. The assessment of the actual or potential impact of any such limitations on the Adviser or its delegates shall be a matter solely for the discretion of the Adviser or its delegates.

Exclusions: In respect of the Debt Portion, the Advisers will not invest in issuers involved in the production of controversial weapons, issuers that generate more than 10% of their revenue from the mining or energy generation of thermal coal or issuers that are in contravention of the UN Global Compact principles 4 and 5.

● **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?**

In respect of the Debt Portion, the Adviser will not invest in issuers involved in the production of controversial weapons, which includes anti-personnel mines, cluster munitions, depleted uranium, nuclear weapons, white phosphorus and chemical & biological weapons.

In respect of the Debt Portion, the Adviser will not invest in issuers that generate more than 10% of their revenue from the mining or energy generation of thermal coal.

In respect of the Debt Portion, the Adviser will not invest in issuers that are in contravention of the UN Global Compact principles 4 and 5.

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

Not applicable.

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

As part of the investment analysis process, the Advisers assess the corporate governance of a company using a variety of available resources, including the company’s own disclosure, analysis of data provided and aggregated by third-party providers and qualitative insights, which may be based on the Advisers’ own research or generated through engagements performed by EOS at Federated Hermes. In addition, the Advisers may take into consideration the output from an affiliate’s proprietary corporate governance tool when reviewing the composition of the overall portfolio. In considering good governance, which is one component of the overall investment analysis process, the Advisers will assess the following factors: a company’s management structure, employee relations, staff remuneration, and compliance with applicable tax rules.

A company is considered to be following good governance practices if the investment analysis concludes, taking into consideration the factors as set forth above, and any other factors determined to be material by the Advisers, that the company meets any one of the following criteria:

1. the company’s corporate governance is determined to be in-line with peers both in the relevant industry, region and/or asset class, taking into account the size of the company and how that may affect the governance of the company in the long-term;

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

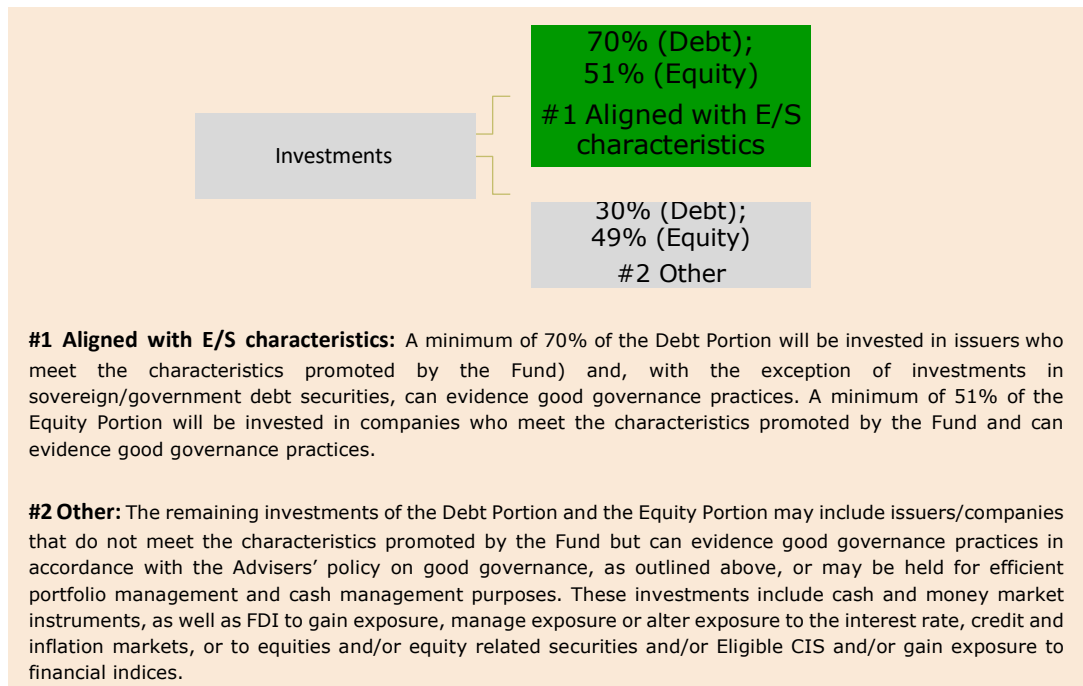
2. the Advisers and/or EOS are engaging with the company to address enhancements to the company's governance practices, as further detailed in the section of this annex titled "What investment strategy does this financial product follow?"; or
3. the results of the peer analysis and Advisers' and/or EOS' engagement insights, when viewed collectively, are determined by the Advisers to adequately meet the criteria set forth above regarding good governance.

However, no investments will be made in any issuer which is in violation of Principles 4 and 5 of the [UN Global Compact Principles](#).



What is the asset allocation planned for this financial product

Asset allocation describes the share of investments in specific assets.



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

The use of derivatives does not contribute to the attainment of the Fund's environmental or social characteristics. They may also be used for efficient portfolio management purposes (for example, to assist in cash flow or currency management or for cost effectiveness and for gaining exposure to certain markets and securities in a more efficient manner).



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

The investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities, as defined under the Taxonomy Regulation (EU) 2020/852. As such the Fund will have a minimum of 0% Taxonomy-alignment.

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

Yes:

In fossil gas In nuclear energy

No

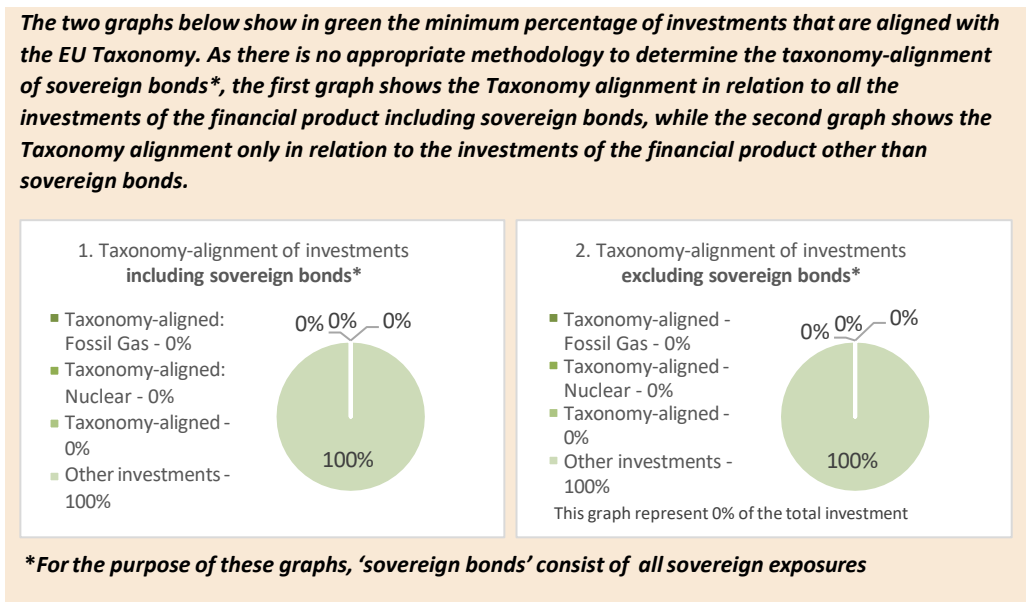
¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas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

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.

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.



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

Not applicable.

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?

Not applicable. The Fund does not make sustainable investments.



What is the minimum share of socially sustainable investments?

Not applicable. The Fund does not make sustainable investments.



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

Investments included under “#2 Other” may be held for efficient portfolio management and cash management purposes and are neither aligned with the environmental or social characteristics, nor qualify as sustainable investments. These investments include cash and money market instruments, as well as FDI to gain exposure, manage exposure or alter exposure to the interest rate, credit and inflation markets and may generate long or short exposures through the use of FDIs. There are no minimum safeguards for these investments.



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?

No. A combination of 60% MSCI Europe and 40% BofA Merrill Lynch EMU Direct Government AAA-AA indices are used for performance comparison only.

- **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 lvm.de

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

Product name: *Europa-Aktien*
 Legal entity identifier: 5493009RYHHZ7R3C0216

Environmental and/or social characteristics

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.

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective**: ___%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective**: ___%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



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

The Fund promotes investment in issuers exhibiting the following characteristics:

- *reduced Environmental, Social and Governance risks (including GHG emissions and carbon footprint) as determined by the Advisers through its assessment of the ESG characteristics of companies as further detailed below; and*
- *seeking to reduce their environmental / social impacts on the industry / region in which they operate as demonstrated through a willingness to engage on such issues.*

No specific index has been designated as a reference benchmark for the purpose of attaining the above characteristics.

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

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

The following sustainability indicators are used for the purpose of measuring the attainment of each of the environmental or social characteristics promoted by the Fund:

- *Environmental Characteristics:*
 - a. *GHG emissions of the Fund compared to the index (Scope 1, Scope 2 and Scope 3 measured using Tco2EQ);*
 - b. *Carbon footprint of the Fund compared to the index (measured as total Scope 1 and Scope 2 GHG emissions normalised by market value of the portfolio);*
- *Social Characteristics:*
 - a. *% of the Fund invested in issuers in violation of UN Global Compact Principles 4 and 5.*

In addition, the Fund measures the attainment of its characteristics by reference to the engagement activity, as a % of the AUM in the portfolio and as a % of progress made against the objective milestones set by the Investment Team and EOS, and of progress made against the milestones.

● **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. The Fund does not make sustainable investments.

● **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. The Fund does not make sustainable investments.

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

Not applicable. The Fund does not make sustainable investments.

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

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.

Not applicable. The Fund does not make sustainable investments.

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.



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

Yes

The Advisers consider whether companies exhibit any principal adverse impacts on sustainability factors by evaluating each company based on a number of different factors, both qualitative and quantitative. The consideration of the principal adverse impacts of specific investments are identified through analysis that assesses the ESG characteristics of a company by considering ESG research and scores from a wide variety of sources. The Advisers believe that equity quantitative ESG data must be complemented by a fundamental bottom-up review of ESG issues, leveraging their knowledge of and direct contact and engagement with companies. Factors included in the analysis include but are not limited to: Environmental Policy and Carbon Emissions, Human Rights and Access to Food and Water, Rule of Law and Political Stability.

The analysis enables the Advisers to ensure that all relevant available information is accurately captured and that the portfolio is not exposed to excessive sustainability risks not otherwise identified. The Advisers use a range of other sources to consider the principal adverse impacts on sustainability factors including proprietary analysis from EOS at Federated Hermes ("EOS"); third party providers, where available, such as ISS, CDP, MSCI, Sustainalytics and Trucost amongst others; and companies' own disclosures.

Where material sustainability risks are identified, the Advisers may elect not to continue with the investment, or may identify the company as a candidate for engagement, with the aim of reducing underperformance which may arise from poor ESG behaviours whilst also encouraging companies to act responsibly and improve sustainability.

Relevant information on principal adverse impacts on sustainability factors will be disclosed in due course in the Fund's annual report.

No



What investment strategy does this financial product follow?

The Advisers intend to use an active approach to seek risk-adjusted returns through combining top-down allocation across the liquid equity spectrum with bottom-up, high conviction security selection. The strategy seeks to invest in equity securities which the Advisers believe will generate a high level of total return across a broad range of geographic regions and industries, which also have good or improving ESG scoring exposure. The Advisers, or their affiliates, will seek to actively engage with issuers in the portfolio on issues relating to ESG factors to encourage improvement.

ESG Integration: The Advisers incorporate analysis that assesses the ESG characteristics of a company into their equity investment process. ESG includes environmental items (such as the impact on natural resources and climate change), social issues (such as human rights) and governance (being the way in which the company is run and employee wellbeing). The Advisers perform analysis that assesses the ESG characteristics of a company by considering ESG research and scores from a wide variety of sources. The Advisers believe that equity quantitative ESG data must be complemented by a fundamental bottom-up review of ESG issues, leveraging their knowledge of and direct contact and engagement with companies.

Engagement: The Advisers leverage quantitative and qualitative engagement insights generated by EOS through its range of active ownership services. Where material ESG risks are identified, the Advisers work with EOS to engage with companies to address those risks. Engagement occurs through meetings with company boards & management and through exercising voting rights. Advisers have voting rights on the Fund. Engagement seeks to identify measurable objectives to deliver positive change within set time periods. Where a company is being engaged with, a four-step milestone approach will be implemented to: (i) raise the issue at the appropriate level within the company; (ii) confirm that the company accepts that the issue must be addressed; (iii) develop a plan to address the issue; and (iv) implement the plan satisfactorily. Where a company is not receptive to engagement on material ESG risks, or makes insufficient progress in addressing them over time, it may result in divestment from that company. The level of engagement with a company/issuer may be subject to limitations, directly or indirectly, on such engagement whether pursuant to the laws and regulations or otherwise of the jurisdiction in which a company/issuer is domiciled or otherwise applicable to the Adviser or any of its delegates. The assessment of the actual or potential impact of any such

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

limitations on the Adviser or its delegates shall be a matter solely for the discretion of the Adviser or its delegates.

- **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 Fund will invest at least 51% of its net assets in shares of companies with favourable ESG characteristics, maintain sustainable characteristics or are actively engaged by our EOS engagement team.

The Advisers will not invest in issuers that are in contravention of the UN Global Compact principles 4 and 5.

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

Not applicable.

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

As part of the investment analysis process, the Advisers assess the corporate governance of a company using a variety of available resources, including the company's own disclosure, analysis of data provided and aggregated by third-party providers and qualitative insights, which may be based on the Advisers' own research or generated through engagements performed by EOS at Federated Hermes. In addition, the Advisers may take into consideration the output from an affiliate's proprietary corporate governance tool when reviewing the composition of the overall portfolio. In considering good governance, which is one component of the overall investment analysis process, the Advisers will assess the following factors: a company's management structure, employee relations, staff remuneration, and compliance with applicable tax rules.

A company is considered to be following good governance practices if the investment analysis concludes, taking into consideration the factors as set forth above, and any other factors determined to be material by the Advisers, that the company meets any one of the following criteria:

- 1. the company's corporate governance is determined to be in-line with peers both in the relevant industry, region and/or asset class, taking into account the size of the company and how that may affect the governance of the company in the long-term;*
- 2. the Advisers and/or EOS are engaging with the company to address enhancements to the company's governance practices, as further detailed in the section of this annex titled "What investment strategy does this financial product follow?"; or*
- 3. the results of the peer analysis and Advisers' and/or EOS' engagement insights, when viewed collectively, are determined by the Advisers to adequately meet the criteria set forth above regarding good governance.*

However, no investments will be made in any issuer which is in violation of Principles 4 and 5 of the [UN Global Compact Principles](#).

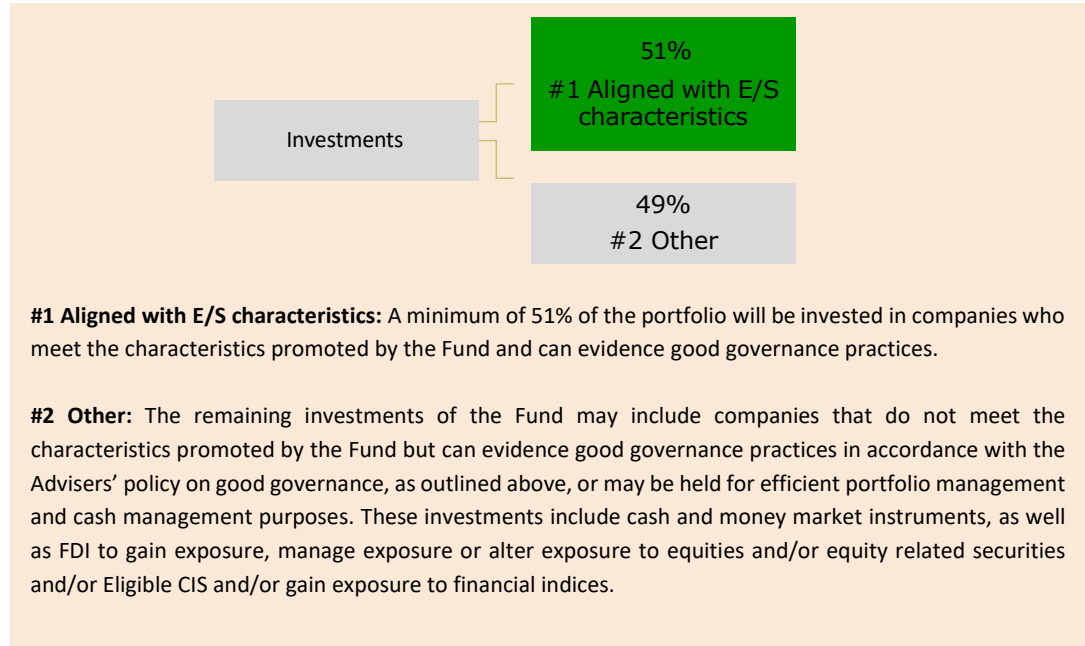
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



What is the asset allocation planned for this financial product

Asset allocation

describes the share of investments in specific assets.



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

The use of derivatives does not contribute to the attainment of the Fund's environmental or social characteristics. The Fund may use derivatives to gain exposure to equities and/or equity related securities and/or eligible CIS. The decision to utilise these instruments may be made for reasons such as efficiency (i.e. it may be cheaper to gain exposure to an underlying investment than to purchase the investment directly). They may also be used for efficient portfolio management purposes (for example, to assist in cash flow management, for cost effectiveness and for gaining exposure to certain markets and securities in a quicker and/or more efficient manner).



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

The investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities, as defined under the Taxonomy Regulation (EU) 2020/852. As such the Fund will have a minimum of 0% Taxonomy-alignment.

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

Yes:

In fossil gas In nuclear energy

No

¹ 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 objectives - 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.

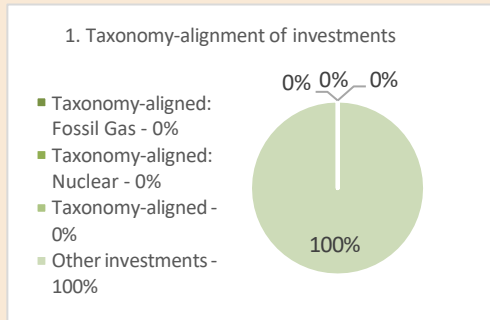
Taxonomy-aligned activities are expressed as a share of:

- **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.

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

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

The graph below shows in green the minimum percentage of investments that are aligned with the EU Taxonomy.



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

Not applicable.

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?

Not applicable. The Fund does not make sustainable investments.



What is the minimum share of socially sustainable investments?

Not applicable. The Fund does not make sustainable investments.



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

Investments included under “#2 Other” may be held for efficient portfolio management and cash management purposes and are neither aligned with the environmental or social characteristics, nor qualify as sustainable investments. These investments include cash and money market instruments, as well as FDI to gain exposure, manage exposure or alter exposure to the interest rate, credit and inflation markets and may generate long or short exposures through the use of FDIs. There are no minimum safeguards for these investments.



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?

No. The MSCI Europe Index is used for performance comparison only.

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

Not applicable.

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

- **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 lvm.de.

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

Product name: *Inter-Aktien*
Legal entity identifier: *549300X58T9A54DM3J77*

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes **No**

<p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <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 <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p><input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>
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Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

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



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

The Fund promotes investment in issuers exhibiting the following characteristics:

- *reduced Environmental, Social and Governance risks (including GHG emissions and carbon footprint) as determined by the Advisers through its assessment of the ESG characteristics of companies as further detailed below; and*
- *seeking to reduce their environmental / social impacts on the industry / region in which they operate as demonstrated through a willingness to engage on such issues.*

No specific index has been designated as a reference benchmark for the purpose of attaining the above characteristics.

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

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

The following sustainability indicators are used for the purpose of measuring the attainment of each of the environmental or social characteristics promoted by the Fund:

- *Environmental Characteristics:*
 - a. GHG emissions of the Fund compared to the index (Scope 1, Scope 2 and Scope 3 measured using Tco2EQ);
 - b. Carbon footprint of the Fund compared to the index (measured as total Scope 1 and Scope 2 GHG emissions normalised by market value of the portfolio);
- *Social Characteristics:*
 - a. % of the Fund invested in issuers in violation of UN Global Compact Principles 4 and 5.

In addition, the Fund measures the attainment of its characteristics by reference to the engagement activity, as a % of the AUM in the portfolio and as a % of progress made against the objective milestones set by the Investment Team and EOS, and of progress made against the milestones.

● **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. The Fund does not make sustainable investments.

● **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. The Fund does not make sustainable investments.

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

Not applicable. The Fund does not make sustainable investments.

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

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.

Not applicable. The Fund does not make sustainable investments.

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.



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

Yes

The Advisers consider whether companies exhibit any principal adverse impacts on sustainability factors by evaluating each company based on a number of different factors, both qualitative and quantitative. The consideration of the principal adverse impacts of specific investments are identified through analysis that assesses the ESG characteristics of a company by considering ESG research and scores from a wide variety of sources. The Advisers believe that equity quantitative ESG data must be complemented by a fundamental bottom-up review of ESG issues, leveraging their knowledge of and direct contact and engagement with companies. Factors included in the analysis include but are not limited to: Environmental Policy and Carbon Emissions, Human Rights and Access to Food and Water, Rule of Law and Political Stability.

The analysis enables the Advisers to ensure that all relevant available information is accurately captured and that the portfolio is not exposed to excessive sustainability risks not otherwise identified. The Advisers use a range of other sources to consider the principal adverse impacts on sustainability factors including proprietary analysis from EOS at Federated Hermes ("EOS"); third party providers, where available, such as ISS, CDP, MSCI, Sustainalytics and Trucost amongst others; and companies' own disclosures.

Where material sustainability risks are identified, the Advisers may elect not to continue with the investment, or may identify the company as a candidate for engagement, with the aim of reducing underperformance which may arise from poor ESG behaviours whilst also encouraging companies to act responsibly and improve sustainability.

Relevant information on principal adverse impacts on sustainability factors will be disclosed in due course in the Fund's annual report.

No



What investment strategy does this financial product follow?

The Advisers intend to use an active approach to seek risk-adjusted returns through combining top-down allocation across the liquid equity spectrum with bottom-up, high conviction security selection. The strategy seeks equity securities which they believe will generate a high level of total return across a broad range of geographic regions and industries, which also have good or improving ESG scoring exposure. The Advisers, or their affiliates, will seek to actively engage with issuers in the portfolio on issues relating to ESG factors to encourage improvement.

ESG Integration: The Advisers incorporate analysis that assesses the ESG characteristics of a company into their equity investment process. ESG includes environmental items (such as the impact on natural resources and climate change), social issues (such as human rights) and governance (being the way in which the company is run and employee wellbeing). The Advisers perform analysis that assesses the ESG characteristics of a company by considering ESG research and scores from a wide variety of sources. The Advisers believe that equity quantitative ESG data must be complemented by a fundamental bottom-up review of ESG issues, leveraging their knowledge of and direct contact and engagement with companies.

Engagement: The Advisers leverage quantitative and qualitative engagement insights generated by EOS through its range of active ownership services. Where material ESG risks are identified, the Advisers work with EOS to engage with companies to address those risks. Engagement occurs through meetings with company boards & management and through exercising voting rights. Advisers have voting rights on the Fund. Engagement seeks to identify measurable objectives to deliver positive change within set time periods. Where a company is being engaged with, a four-step milestone approach will be implemented to: (i) raise the issue at the appropriate level within the company; (ii) confirm that the company accepts that the issue must be addressed; (iii) develop a plan to address the issue; and (iv) implement the plan satisfactorily. Where a company is not receptive to engagement on material ESG risks, or makes insufficient progress in addressing them over time, it may result in divestment from that company. The level of engagement with a company/issuer may be subject to limitations, directly or indirectly, on such engagement whether pursuant to the laws and regulations or otherwise of the jurisdiction in which a company/issuer is domiciled or otherwise applicable to the Adviser or any of its delegates. The assessment of the actual or potential impact of any such

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

limitations on the Adviser or its delegates shall be a matter solely for the discretion of the Adviser or its delegates.

- **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 Fund will invest at least 51% of its net assets in shares of companies with favourable ESG characteristics, maintain sustainable characteristics or are actively engaged by our EOS engagement team.

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

Not applicable.

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

As part of the investment analysis process, the Advisers assess the corporate governance of a company using a variety of available resources, including the company's own disclosure, analysis of data provided and aggregated by third-party providers and qualitative insights, which may be based on the Advisers' own research or generated through engagements performed by EOS at Federated Hermes. In addition, the Advisers may take into consideration the output from an affiliate's proprietary corporate governance tool when reviewing the composition of the overall portfolio. In considering good governance, which is one component of the overall investment analysis process, the Advisers will assess the following factors: a company's management structure, employee relations, staff remuneration, and compliance with applicable tax rules.

A company is considered to be following good governance practices if the investment analysis concludes, taking into consideration the factors as set forth above, and any other factors determined to be material by the Advisers, that the company meets any one of the following criteria:

- 1. the company's corporate governance is determined to be in-line with peers both in the relevant industry, region and/or asset class, taking into account the size of the company and how that may affect the governance of the company in the long-term;*
- 2. the Advisers and/or EOS are engaging with the company to address enhancements to the company's governance practices, as further detailed in the section of this annex titled "What investment strategy does this financial product follow?"; or*
- 3. the results of the peer analysis and Advisers' and/or EOS' engagement insights, when viewed collectively, are determined by the Advisers to adequately meet the criteria set forth above regarding good governance.*

However, no investments will be made in any issuer which is in violation of Principles 4 and 5 of the [UN Global Compact Principles](#).

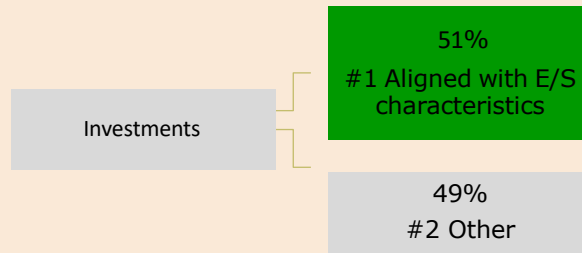
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



What is the asset allocation planned for this financial product

Asset allocation

describes the share of investments in specific assets.



#1 Aligned with E/S characteristics: A minimum of 51% of the portfolio will be invested in companies who meet the characteristics promoted by the Fund and can evidence good governance practices.

#2 Other: The remaining investments of the Fund may include companies that do not meet the characteristics promoted by the Fund but can evidence good governance practices in accordance with the Advisers' policy on good governance, as outlined above, or may be held for efficient portfolio management and cash management purposes. These investments include cash and money market instruments, as well as FDI to gain exposure, manage exposure or alter exposure to equities and/or equity related securities and/or Eligible CIS and/or gain exposure to financial indices.

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

The use of derivatives does not contribute to the attainment of the Fund's environmental or social characteristics. The Fund may use derivatives to gain exposure to equities and/or equity related securities and/or eligible CIS. The decision to utilise these instruments may be made for reasons such as efficiency (i.e. it may be cheaper to gain exposure to an underlying investment than to purchase the investment directly). They may also be used for efficient portfolio management purposes (for example, to assist in cash flow management, for cost effectiveness and for gaining exposure to certain markets and securities in a quicker and/or more efficient manner).

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.



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

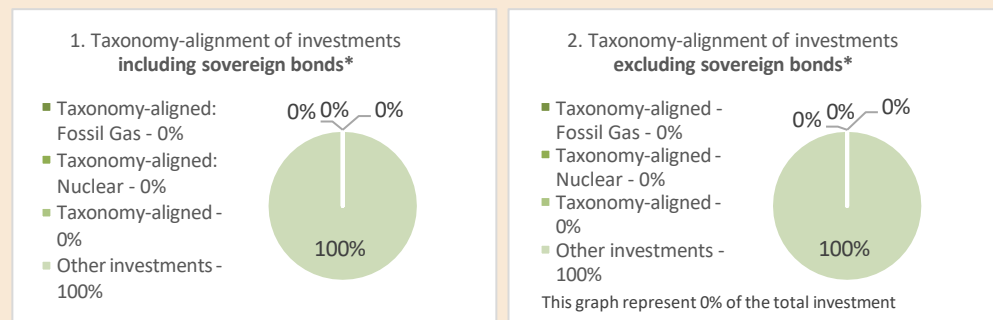
The investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities, as defined under the Taxonomy Regulation (EU) 2020/852. As such the Fund will have a minimum of 0% Taxonomy-alignment.

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

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

¹ 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 objectives - 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.

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



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

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

Not applicable.

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

Not applicable. The Fund does not make sustainable investments.

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

Not applicable. The Fund does not make sustainable investments.

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

Investments included under “#2 Other” may be held for efficient portfolio management and cash management purposes and are neither aligned with the environmental or social characteristics, nor qualify as sustainable investments. These investments include cash and money market instruments, as well as FDI to gain exposure, manage exposure or alter exposure to the interest rate, credit and inflation markets and may generate long or short exposures through the use of FDIs. There are no minimum safeguards for these investments.

● **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?**

No. The MSCI World Index is used for performance comparison only.

● **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.

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.

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

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

- **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 lvm.de.

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