Sales Prospectus including Terms of Contract

for the following UCITS investment fund:

UniRak

Management Company:
Union Investment Privatfonds GmbH

As at: 1 January 2018

In case of discrepancy between the English and German version, the German version shall prevail.

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General Information

Units in this UCITS investment fund may be sold and purchased on the basis of this Sales Prospectus, the Key Investor Information Document ("KIID"), and the "General Terms of Contract" in conjunction with the "Special Terms of Contract", as amended. The General Terms of Contract and Special Terms of Contract can be found in this Sales Prospectus.

Upon request, the Sales Prospectus shall be provided free of charge to any party interested in the acquisition of a unit or any investors in the Fund, together with the most recently published annual report, as well as any subsequently published half-yearly report. In addition, the KIID shall be made available free of charge and in good time prior to contract signature to any investor interested in purchasing a Fund unit.

No information or statements deviating from this Sales Prospectus may be issued. Any purchase of units based on information or statements that are not explicitly contained in the Sales Prospectus or in the KIID shall be undertaken at the exclusive risk of the purchaser. The Sales Prospectus is supplemented in each case by the most recent annual report and any subsequently published half-yearly report.

All publications and publicity materials shall be written in German or shall be provided with a German translation. Furthermore, the management company will conduct all communication with its investors in German.

The legal relationship between the Management Company and investors, as well as any pre-contractual relationships shall be governed by German law. The registered office of the Management Company shall be the place of jurisdiction for claims by the investor against the Management Company arising from the contractual relationship. Investors who are consumers (see the following definition) and reside in another EU country may also initiate claims before a competent court in their place of residence. The enforcement of judicial decisions is governed by the Code of Civil Procedure, the Act on foreclosure sale and administrative receivership, where applicable, or the Insolvency Code. Since the management company is subject to domestic law, domestic judgements do not require recognition prior to enforcement.

To enforce their rights, investors may take legal action before the ordinary courts or, where one is available, launch an alternative dispute resolution procedure.

The Management Company has undertaken to participate in dispute resolution proceedings held before a consumer arbitration board.

In the event of disputes, consumers may contact the "Ombudsman for Investment Funds" of BVI Bundesverband Investment und Asset Management e.V. as the competent consumer arbitration board. The Management Company participates in dispute resolution proceedings held by this arbitration body.

The contact details for the Ombudsman's Office for Investment Funds are as follows:

Ombudsman's Office
BVI Bundesverband Investment und Asset Management e.V.
Unter den Linden 42
10117 Berlin
Tel.: +49 (0)30 6449046-0
Fax: +49 (0)30 6449046-29
Email: info@ombudsstelle-investmentfonds.de
www.ombudsstelle-investmentfonds.de

Consumers are natural persons who invest in the Fund for reasons that cannot be primarily ascribed to their commercial or their independent professional occupation, i.e. for private purposes.

For disputes relating to sales contracts or service agreements that have been concluded by electronic means, consumers can also go to the online dispute resolution platform of the European Union (EU) (www.ec.europa.eu/consumers/odr). The platform is not itself a dispute resolution office, but it puts the parties into contact with a competent national arbitration office.

The right to seek redress in court shall remain unaffected by a dispute resolution proceeding.

General part

This Sales Prospectus consists of a general and a special part. The general part contains the general rules for UCITS investment funds managed by Union Investment Privatfonds GmbH. The special part lists regulations which deviate from or supplement the general regulations for the UCITS investment fund described in this Sales Prospectus.

General provisions, sales documentation and disclosure of information

The UCITS investment fund described in this Sales Prospectus (hereinafter also referred to as the "Fund" or "Investment Fund") is an investment fund within the meaning of Directive No 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (hereinafter: "UCITS Directive") within the meaning of the KAGB). It is managed by Union Investment Privatfonds GmbH, Frankfurt / Main, (hereinafter: the "Company" or "Union Investment").

The Company invests the capital deposited with it in its own name and for the joint account of the investors, but separately from its own assets. It invests these funds pursuant to the principle of risk spreading in assets permitted under the KAGB. The Fund does not form part of the Company's insolvency assets.

The corporate purpose of the Fund is limited to investing in accordance with a specified investment strategy within the framework of collective asset management, using the funds deposited with it. It does not have an operating function or active business control of the assets held. The assets in which the Company may invest its capital, along with the terms with which it must comply when doing so, are stipulated in the KAGB and its associated regulations, the German Investment Tax Act (hereinafter: "InvStG"), as well as the Terms of Contract governing the legal relationship between investors and the Company. The Terms of Contract include a general and a special part (hereinafter: the "General Terms of Contract" and the "Special Terms of Contract"). Terms of Contract for a public investment fund are subject to prior approval by the German Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – hereinafter: "BaFin").

The Sales Prospectus, the Terms of Contract, the KIID and the current annual and half-yearly reports may be obtained free of charge in electronic form or as a hard copy from Union Investment, the Depositary, the Contact Office – where specified in the special part of the Sales Prospectus – as well as the sales agents and paying agents listed at the end of this Sales Prospectus.

Additional information regarding the investment limits of the risk management policy for the Fund, the risk management methods and the most recent developments regarding risks and returns for the most important asset classes may be obtained from Union Investment (tel.: +49 (0)69 58998-6060 or e-mail: service@union-investment.de) and the Contact Office – where specified in the special part of the Sales Prospectus – in electronic form or as a hard copy. The Company has also established procedures for dealing with any complaints from unitholders in an appropriate and timely manner. More detailed information regarding these procedures may be viewed on Union Investment's website (which can be accessed via www.privatkunden.union-investment.de) or requested directly from the Company or the Contact Office – where specified in the special part of the Sales Prospectus.

If the Company provides individual investors with further information about the Fund, particularly about the assets in the fund portfolio and their performance, it shall make this information available to all the investors in the Fund at the same time on request. Investors can obtain this information from Union Investment, tel.: 069 58998-6060, in electronic form.

If an Investment Committee has been set up, details relating thereto can be found in the section entitled "Sales agents and paying agents" at the end of this Sales Prospectus.

Terms of Contract and amendments thereto

The Terms of Contract can be found in this Sales Prospectus.

The Terms of Contract may be amended by the Company. Amendments to the Terms of Contract must be approved by BaFin. Amendments to the investment principles of the Fund must also be approved by the Company's Supervisory Board. Amendments to the Fund's investment principles are permitted only upon the condition that the Company offers investors either the redemption of their units free of charge before the changes come into effect, or the exchange of their units free of charge for units of other investment funds with comparable investment principles, provided that the Company or one of its group companies manages such investment funds.

Notice of any proposed changes must be given in the German Federal Gazette (Bundesanzeiger) and additionally in a sufficiently widely distributed financial or daily newspaper or on the homepage of Union Investment's website (www.privatkunden.union-investment.de). If a Contact Office is specified in the Special Section of this Sales Prospectus, any such changes shall also be published therein. If the changes relate to fees or reimbursements of expenses that can be deducted from the Fund, or to the Fund's investment principles or significant investor rights, investors will also be informed by the institutions maintaining their custody account via a medium, e.g. a hard copy or in electronic form (a "permanent data medium") on which details are stored and may be read and reproduced in an unchanged form, for a duration that is appropriate for the purposes of the information. This information will include the key

content of the planned amendments, the reasons for their implementation, the rights of investors in connection with the amendments and a reference to where and how further information can be obtained. The amendments will take effect at the earliest on the day after notice is given. Changes to regulations applicable to remunerations and the reimbursement of expenses will take effect at the earliest three months after notice is given, unless an earlier date is agreed with BaFin approval. Amendments to the Fund's current investment principles shall also take effect at the earliest three months after notice is given.

Management Company

Union Investment Privatfonds GmbH, with its registered office in Frankfurt / Main, is a management company pursuant to the KAGB and was founded on 26 January 1956. It has the legal form of a limited liability company (Gesellschaft mit beschränkter Haftung – GmbH). Since 23 January 2002, the Management Company has been operating under the name Union Investment Privatfonds GmbH; until that time, the Company was called Union-Investment-Gesellschaft mbH.

The Company is authorised to operate as a UCITS management company and as an AIF management company pursuant to the KAGB, which replaced the German Investment Act (Investmentgesetz – InvG) on 22 July 2013.

It may manage the following types of domestic investment assets:

- UCITS investment funds pursuant to § 192 et seq. KAGB;
- Mixed investment assets pursuant to §§ 218 et seq. KAGB;
- Retirement investment funds pursuant to § 347 KAGB in conjunction with § 87 InvG in the version valid up to 21 July 2013;
- Open-ended domestic special AIFs with fixed terms of contract pursuant to § 284 KAGB which invest in assets as defined in § 284(2)(2)(a), (b), (c), (d), (g) and (i) KAGB;
- General open-ended domestic special AIFs pursuant to § 282 KAGB – excluding hedge funds pursuant to § 283 KAGB – which invest in assets as defined in §§ 284(2)(2)(a), (b), (c), (d), (g) and (i) KAGB.

The Company is also authorised to manage individual assets invested in financial instruments as defined in § 1(11) of the German Banking Act (Kreditwesengesetz) on behalf of third parties with scope for decision-making, including portfolio management of foreign assets (financial portfolio management pursuant to § 20(3)(2) KAGB).

Further details of the shareholders, members of the Supervisory Board and management team, as well as the main roles of managers and board members, to the extent relevant for the Company, may be found at the end of this Sales Prospectus. Details of further funds managed by the Company can also be found at the end of this Sales Prospectus. Any changes may be derived from the annual and half-yearly reports to be drawn up regularly.

Subscribed and paid-up capital, equity capital and additional equity

Information on the Union Investment's subscribed and paid-up capital and on equity capital pursuant to § 1(19)(9) KAGB in conjunction with Article 72 of Regulation (EU) No 575/2013 can be found in the section entitled "Management Company, committees, auditor" of this Sales Prospectus.

The Company has covered the professional liability risks arising from the management of AIFs that may be attributed to professional negligence of its bodies or employees through: equity capital amounting to at least 0.01% of the value of the portfolio of all managed AIFs, with this amount being annually reviewed and adjusted. These include the equity capital stated in this Sales Prospectus under the section entitled "Management Company, committees, auditor".

Depositary and sub-depositaries

The KAGB provides for a separation between the management and custody of assets. The Company has appointed a credit institution as the depositary charged with the custody of the Investment Fund's assets.

The Depositary holds the assets in separate accounts or blocked accounts / blocked custodian accounts. For assets that cannot be held in custody, the Depositary shall verify whether the Management Company has acquired ownership of these assets. It shall monitor whether the Company complies with the provisions of the KAGB and the investment conditions in its activities relating to these assets. Investment in bank balances with other credit institutions, as well as access to such balances, is subject to the approval of the Depositary. The Depositary must grant its approval if such investment or disposition complies with the Investment Conditions and the provisions of the KAGB.

If the depositary has outsourced its depositary duties to one or more sub-depositaries, the responsibilities delegated shall be described in the special part of the Sales Prospectus under "Sub-depositaries", along with the name of the relevant sub-depositary and, if applicable, reference to any conflicts of interest that may arise through such delegation of duties.

The depositary, furthermore, has the following specific responsibilities:

- issue and redemption of Fund units;
- ensuring that the issue and redemption of units, as well as the calculation of the unit value, are carried out in accordance with the provisions of the KAGB and the Terms of Contract;
- ensuring that with regard to transactions for the joint account of investors, the countervalue is received into its custody within the customary deadlines;
- ensuring that the income of the Fund is used in accordance with the provisions of the KAGB and the Terms of Contract;
- monitoring of borrowings undertaken by the Company on be-

half of the Fund, as well as giving its approval for borrowing, where applicable, provided that this does not involve value-dated overdrafts,

- ensuring that collateral for securities lending transactions is provided in a legally valid manner and remains available at all times.

The duties of Depositary have been taken on by the bank specified- in the section entitled "Depositary" in the Special Section of the Sales Prospectus.

Depositary's liability

As a rule, the depositary is responsible for all assets placed either in its custody or, with its consent, in the custody of a third party. If such an asset is lost, the depositary shall be liable towards the Fund and its investors, unless this loss is attributable to events outside the control of the depositary. For damages other than the loss of an asset, the depositary shall generally only be liable if it has failed to fulfil its obligations under the provisions of the KAGB through negligence, as a minimum.

Additional information on the Depositary, sub-depositaries, and possible conflicts of interest

Upon request, the Company will provide up-to-date information to investors on the Depositary and their obligations, on the sub-depositaries, as well as on potential conflicts of interest in connection with the activities of the Depositary or sub-depositary.

Upon request, it will also provide investors information about why the credit institution named in the special part of the Sales Prospectus ("Depositary" section) was selected as Depositary of the Fund.

Distribution and distribution restrictions

The sales and paying agents listed at the end of the Sales Prospectus have agreed to market the Fund and/or the unit classes.

The Fund units issued may only be offered or sold in countries where such offer or sale is in line with the law. This requires appropriate marketing authorisation from the competent supervisory authority. Marketing by third parties additionally requires approval from the Company.

The Company and/or the Fund have not been and will not be registered under the 1940 US Investment Company Act, in the version currently in force. The units of the Fund have not been and will not be registered under the 1933 US Securities Act or under the securities laws of any federal state of the United States of America. Units of the Fund may not be offered or sold in the US or to US persons or for their account. Those interested in acquiring units must demonstrate where appropriate that they are not US persons, and that are not acquiring units on behalf of US persons or intending to transfer them to US persons. Natural persons residing in the United States are deemed to be US persons. US persons may also be partnerships or companies established in accordance with the laws of the USA or a federal state, territory or dependency of the USA.

Rules of good conduct

The Company has undertaken to observe the code of conduct issued by the BVI Bundesverband Investment und Asset Management e.V., Frankfurt / Main. These rules establish a standard of good and responsible conduct in connection with the capital and rights of the investors. They illustrate how capital investment and management companies can fulfil their legal duties vis-à-vis investors and how they should represent the interests of these investors vis-à-vis third parties. If the need to amend the Sales Prospectus arises from these specifications, these amendments will be taken into account in the next edition of said publication.

The Company has drawn also up a strategy determining how and when voting rights associated with assets of the funds it manages should be exercised, such that these are used for the sole benefit of the fund or funds in question. A brief description of this strategy can be found on the Company's website (which can be accessed via privatkunden.union-investment.de) or requested directly from Union Investment.

The Company is also required to act in the best interest of the funds it manages when executing trading decisions for the funds or forwarding trading orders to be carried out by other establishments. All appropriate measures should also be taken to achieve the best possible result for the respective fund, taking into account the stock exchange value, costs, speed and likelihood of execution and settlement, the scale and type of the order and all other aspects relevant to order execution. Against this backdrop, the Company has established a number of principles allowing it to achieve the best possible result, while also taking into account the above considerations. Information on these principles and significant amendments thereto can be found the Company's website (which can be accessed via privatkunden.union-investment.de) or requested directly from the Union Investment.

Furthermore, the Company has taken measures to protect investors from adverse effects arising from "market trading". This term describes the short-term trading of units, which impairs an investment fund's performance due to the volume and frequency of trading through transaction costs accruing at investment fund level. Against this backdrop, on the one hand, unit trading is regularly monitored and evaluated, while on the other, internal regulations have been issued for the employees of the Company, preventing the sale of Fund units within short time periods.

Risk information

Prior to any decision regarding the purchase of Fund

units, investors should carefully read the following risk information, together with the other information contained in this Sales Prospectus, and take this into account in their investment decision. The incidence of one or more of these risks may, individually or together with other circumstances, negatively affect the performance of the Fund or of the assets held in the Fund, and thereby also negatively affect the unit value.

If investors sell units of the Fund at a time when the value of assets in the Fund has decreased compared to when the units were purchased, they will not get back the capital they invested in the Fund, either in whole or in part. Investors might lose part of their assets invested in the Fund. Capital growth cannot be guaranteed. The investor's risk is limited to the amount invested. Investors are not obliged to provide any supplementary funding in addition to the money invested.

In addition to the risks and uncertainties described below or elsewhere in the Sales Prospectus, the Fund's performance may also be affected by various other risks and uncertainties that are currently unknown. The order in which the risks are listed below does not reflect the likelihood or magnitude of the occurrence of each individual risk.

1. Fund investment risks

Below is an outline of the risks typically associated with investing in a UCITS investment fund. These risks may have a negative effect on the unit value, the capital invested by the investor or the duration of investment in the Fund as planned by the investor.

Fluctuation of the Fund unit value

The unit value of the Fund is calculated by dividing the Fund's value by the number of units in circulation. In this way, the Fund's value is the sum of the market values of all the Fund's assets, less the sum of the market values of all the Fund's liabilities. The unit value of the Fund therefore depends on the value of the assets held in the Fund and the amount of liabilities of the Fund. If the value of these assets drops, or the value of the liabilities increases, the Fund unit value will fall accordingly.

Impact of taxation on individual performance

The tax treatment of capital income depends on the individual circumstances of the respective investor and may be subject to change in future. For specific questions, particularly regarding individual tax situations, investors should contact their personal tax advisers.

Risk of changes to the investment policy or the Terms of Contract

The Company may amend the Terms of Contract subject to BaFin approval. Any such amendment may also affect the rights of investors. For instance, the Company may amend the Fund's investment policy or increase the costs to be charged to the Fund by changing the Terms of Contract. However, the Company may also change the investment policy within the legally and contractually permitted scope without the need for changing the Terms of Contract or requiring BaFin approval. As a result, the risks associated with the Fund may change.

Risk of the delayed relay of information by the financial institute maintaining the securities account

Financial institutes relay certain information to investors so that they may exercise rights in connection with the units kept on their securities account. For example, this may include information on fund measures such as the merger of investment funds or extension of the duration of an investment fund. In the event of the delayed relay of information and/or due to postal delivery times, it is possible that relevant information may not reach investors on time, or that it may reach them at such a date that very little time is left for investors to make a decision (such as accepting a redemption offer free of charge) and send relevant orders to the financial institute maintaining the securities account. The time available to investors is generally reduced further, for organisational reasons, by the financial institute maintaining the securities account. This brings with it the risk that investors may make rash decisions due to time pressure, or may even result in their de facto exclusion from exercising their rights.

Risk of change to the risk profile

The investor must accept that the specified risk profile of a fund may change at any time. Details are provided in the section entitled "Information on the risk profile of the Fund" in the general part of the Sales Prospectus.

Risk of the suspension of unit redemption

The Company may temporarily suspend the redemption of units in the event of extraordinary circumstances which appear to make such suspension necessary in the interests of the investors. Exceptional circumstances in this sense may include economic or political crises, unusually large volumes of redemption requests, or the closure of stock exchanges or markets, trade restrictions or other factors that affect the calculation of the unit value. Moreover, BaFin may instruct the Company to suspend the redemption of units if this is deemed necessary in the interests of the investors or the public. During such periods, investors are not allowed to redeem their units. Even during periods when the redemption of units is suspended, the unit value may fall, for example, if the Company were forced to sell assets at less than their market value during this time. The unit value after the resumption of unit redemption may be lower than before suspension of the redemption.

The suspension of unit redemption may be immediately followed by the liquidation of the investment fund, without the resumption of unit redemption, for example, if the Company terminates the management of the Fund in order for it to be liquidated. Investors may then be subject to the risks of not being able to keep to their planned holding period and not having access to substantial portions of the invested capital for an indefinite period or losing the invested capital entirely.

Risk of Fund liquidation

The Company is entitled to cease managing the Fund. The Company may fully liquidate the Fund once management has been discontinued. After a notice period of six months, the right of disposal over the Fund will pass to the depositary. This means that the investors incur the risk of being unable to complete their planned holding period. Upon transfer of the Fund to the depositary, the Fund may become subject to taxes other than German income tax. If the Fund units are removed from the securities account of the investor after termination of the liquidation procedure, the investor may become subject to income tax.

Transfer of all the assets of the Fund to another investment fund (merger)

The Company may transfer all the assets of the Fund to another UCITS investment fund. In this case, investors may either (i) redeem their units or (ii) retain these with the result that they become investors in the absorbing fund or (iii) where possible, exchange these for units in a mutual fund with comparable investment principles, provided that the Company, or an associated undertaking, is managing such an investment fund with comparable investment principles. Investors must therefore make a new investment decision prior to any such transfer.

A redemption of units may give rise to income taxes. Upon exchanging units for units in an investment fund with comparable investment principles, the investor may be subject to taxes, for example, if the value of the units obtained exceeds the value of the old units at the time of acquisition.

Transfer of the Fund to another management company

The Company may transfer the management and right of disposal over the Fund to another management company. Both the Fund and the position of the investor remain unchanged in doing so. However, in connection with the transfer, the investor must decide if he considers the new management company to be as suitable as the previous one. Investors who do not wish to remain invested in the Fund under new management must redeem their units. This may give rise to income taxes.

Profitability and achievement of the investment objectives of the investor

There can be no guarantee that investors will achieve their desired investment objectives. The unit value of the Fund may fall and lead to losses for the investor. No guarantees are given by the Company or third parties as to any particular minimum payment upon redemption or any particular investment performance of the Fund. Investors may recover a lower amount than the amount originally invested. In addition, any initial sales charge paid upon the acquisition of units or any redemption fee paid upon the sale of units may reduce or even wholly offset the performance of an investment, particularly if the investment is only held for a short duration.

2. Risks of negative performance of the Fund (market risk)

Below is an outline of the risks associated with investments in individual assets by the Fund. These risks may be detrimental to the performance of the Fund or of the assets held in the Fund, and thereby have an adverse effect on the unit value and the capital invested by the investor.

Risks of value fluctuation

The assets in which the Company invests for the account of the Fund are subject to risks. Losses may thus occur if the market value of the assets decreases in comparison to the cost price, or if spot and futures prices evolve differently.

Capital market risk

The development of the prices or market values of financial products depends in particular on changes in the capital markets, which are in turn influenced by the general situation of the global economy as well as the economic and political conditions in the respective countries. General price trends, particularly on stock markets, can also be affected by irrational factors such as mood swings, opinions and rumours. Fluctuations in prices and market values may also be caused by changes in interest rates, exchange rates or issuer credit ratings.

Price change risk of equities

Experience shows that equities are subject to strong price fluctuations and thus also to the risk of price decreases. These price fluctuations are particularly affected by the profit performance of issuing companies and developments within the industry, as well as overall macroeconomic developments. Market confidence in the company concerned may also affect price development. This is particularly true of companies whose shares have only recently been admitted for trading on a stock exchange or other organised market, where even minor changes in forecasts can trigger dramatic price movements. If for a particular share, the volume of freely tradable shares that are held by a large number of shareholders ("free float") is low, then even minor buy or sell orders may have a substantial effect on the market price and lead to sizeable price fluctuations.

Interest rate risk

Investing in fixed-rate transferable securities is connected with the possibility that the interest rate at the time of issuance of a transferable security might change. If the current interest rate increases compared to the interest at the time of issuance, fixed-rate transferable securities will generally decrease in value. In contrast, if the current interest rate falls, the price of fixed-rate transferable securities increases. These developments mean that the current yield of fixed-rate transferable securities roughly corresponds to the current interest rate. However, such fluctuations can vary significantly, depending on the (residual) maturity of fixed-rate transferable securities. On the one hand, fixed-rate transferable securities with short maturities bear lower price risks than those with long maturities. On the other hand, fixed-rate transferable securities with short maturities generally have smaller yields than those with long maturities. Money market instruments tend to involve lower price risks due to their short maturity of up to a maximum of 397 days. In addition, the interest rates of different, interest-related financial instruments de-

nominated in the same currency and with a similar residual maturity, may undergo different developments.

Risk of negative credit interest

The Company invests the Fund's liquid funds with the depositary or other banks on behalf of the Fund. For these bank deposits, an interest rate is often agreed that corresponds to the European Interbank Offered Rate (Euribor) less a specific margin. If the Euribor falls below the agreed margin, this will lead to negative interest rates on the corresponding account. Depending on the development of the European Central Bank's interest-rate policy, both short, medium and long-term bank deposits may have a negative interest rate. Accordingly, liquid funds invested at interest rates other than the Euribor or in foreign currency, taking the key interest rates of foreign central banks into account, could lead to a negative interest rate.

Price change risk of convertible bonds and warrant bonds

Convertible bonds and warrant bonds securitise the right to exchange bonds for shares or to acquire shares. The performance of convertible bonds and warrant bonds therefore depends on the performance of the underlying shares. The risks associated with the performance of the underlying shares may therefore also affect the performance of the convertible bond or warrant bond. Warrant bonds granting the issuer the right to pay the investor a predefined number of shares instead of repaying a nominal sum (reverse convertibles), are even more strongly dependent on the relevant share price.

Risks associated with derivatives transactions

The purchase and sale of options, as well as the conclusion of futures or forward contracts or swaps, entail the following risks:

- The use of derivatives may result in potential losses that, under certain circumstances, may be impossible to foresee and could actually exceed the margin payments.
- Changes to the value of the underlying instruments can diminish the value of an option right or futures or forward contract. If the value is reduced to nil and the derivative becomes worthless, the Company may be forced to relinquish the acquired rights. The Investment Fund may also suffer losses through value changes of an asset underlying a swap.
- There may be no liquid secondary market for a particular instrument at any particular time. A position in derivatives may then, under certain circumstances, be impossible to close profitably.
- The leveraging effect of options may have a greater impact on the Fund's assets than the direct purchase of the underlying instruments. The risk of loss may be impossible to determine at the time of concluding the transaction.
- The purchase of options carries the risk that the option may not be exercised because the prices of the underlying instruments do not progress as expected, such that the option premium paid by the sub-fund is forfeited. The sale of options entails the risk that the Investment Fund may be required to accept assets at a higher price than the current market price or to deliver assets at a lower price than the current market price. The Fund would then suffer a loss amounting to the difference in price less the option premium received.
- Futures and forward contracts are associated with the risk that the Company is obliged, for the account of the Fund, to bear the difference between the price at the time of concluding the transaction and the market price at the time of settlement or maturity. This would cause the Fund to suffer losses. The risk of loss is impossible to determine at the time of concluding the futures or forward contract.
- A necessary quid-pro-quo transaction (closing out) is associated with costs.
- The forecasts made by the Company regarding the future performance of underlying assets, interest rates, prices and currency markets can subsequently prove themselves to have been incorrect.
- The assets underlying the derivatives could be impossible to buy or sell at a favourable time, or may have to be bought or sold at an unfavourable time.

In the case of over-the-counter (OTC) transactions, the following risks may present themselves:

- There may be no organised market, such that the Company cannot or can only with difficulty sell the financial instruments acquired on the OTC market for the account of the Fund.
- Any quid-pro-quo transaction (offsetting) may be difficult, impossible or associated with significant costs due to individual agreements.

Derivatives may be used either for hedging capital market risks or for investment purposes. Similarly to the direct investment in transferable securities, this may increase exposure to equity, interest rate change, credit and currency risks. Such "exposure" may not necessarily be reflected in the relevant assets of a fund; however, the conclusion of such transactions may increase the Fund's risks.

Risks associated with loans of transferable securities, money market instruments and investment units

If the Company grants a loan of transferable securities, money market instruments or investment units for the account of the Fund, it transfers securities to a borrower who, at the end of the lending agreement, returns transferable securities, money market instruments or investment units of the same type, quantity and quality ("securities lending"). Although the borrower is required to provide collateral equalling at least the market price of the loaned transferable securities, money market instruments or investment units, plus any revenues arising therefrom and a surcharge whose amount is in line with market standards, and this borrower is also obliged to provide additional collateral, there remains the risk, in the event of the deterioration of his economic situation, that the Investment Fund may not be adequately covered due to value changes in the collateral and/or the loaned assets. There is also a risk that a borrower does not meet an obligation to provide collateral through additional funding, mean-

ing that the existing entitlement to a return is not fully covered if the contracting party defaults. In these cases, there is a counterparty risk amounting to the underhedging. If collateral is held at an establishment other than the Depositary of the Fund, there is also a risk that if the borrower defaults, it may not be possible to realise the securities immediately or to the fullest extent.

If the Company receives cash collateral for the account of the Investment Fund, there is a non-payment risk with respect to the relevant credit institution managing the account.

For the entire duration of the agreement, the Company has no control over the loaned transferable securities. If the transferable security decreases in value over the duration of the agreement and the Company wishes to sell said security altogether, then it will need to terminate the lending agreement and await the completion of the customary process for transferring the loaned transferable securities to the custody account of the Fund before being able to give the selling order, with a potential loss for the Fund arising in the meantime.

Risks of repurchase agreements

If the Company transfers securities, money market instruments or investment units under repurchase agreements on behalf of the Fund, it sells these and undertakes to buy them back at a surcharge at the end of an agreed term. The repurchase price to be paid by the seller at the end of the term (including surcharge) shall be determined when the transaction is concluded. Repurchase agreements carry the risk that market movements until the time of repurchase of the transferable security may cause the purchase price paid by the buyer to no longer reflect the value of the repurchased transferable securities. The buyer then bears a counterparty risk equal to the difference, if the value of the included transferable securities, money market instruments and investment units falls below the purchase price paid by him. On the other hand, the seller then bears a counterparty risk equal to the difference, if the value of the included transferable securities, money market instruments or investment units rises higher than the purchase price received by him.

To avoid a contracting party defaulting during the term of a repurchase agreement, the Company must ensure that sufficient collateral is provided. Should the contracting party default, the Company has the right to liquidate the collateral provided. This can give rise to a risk of loss for the Fund in that the collateral provided is no longer sufficient to fully cover the Company's entitlement to a return due to rising prices for the transferable securities, money market instruments or investment units transferred in the repurchase agreement.

Coverage for the aforementioned counterparty risk requires a separate agreement between the Company and the relevant counterparty. The Company has entered into such agreements with all relevant counterparties for repurchase agreements. These agreements stipulate that the aforementioned counterparty risk of repurchase transactions needs to reach a minimum level for collateral to be required. Collateral will, in that case, be provided through a securities transfer. Therefore, the counterparty risk borne by the Investment Fund in connection with repurchase agreements in transferable securities will not exceed the aforementioned minimum amount.

Counterparty risk may also exist if the Company has provided collateral to the counterparty, who has come to have excess coverage due to changes in the value of collateral and/or the transferable securities underlying the repurchase agreement, but the Company is not entitled to demand the return of the collateral because the aforementioned minimum amount has not been reached or the counterparty refuses to return the collateral in violation of the contract.

Notwithstanding the above, the extent of counterparty risk may not exceed 5% of the value of the Fund; in the event the counterparty is a credit institution established in the EU, a signatory state of the Agreement on the European Economic Area (EEA) or a third country with equivalent prudential supervisory provisions, this restriction
is set to 10%.

If the Company receives cash collateral for the account of the Investment Fund, there is a non-payment risk with respect to the relevant credit institution managing the account.

If the transferable securities, money market instruments or investment units included in the repurchase agreement should depreciate in value during the course of the contract and the Company should wish to sell these in order to limit its losses, then it can only do so by exercising the right of early termination. Any early termination of an agreement may have financial consequences for the Fund. In these cases, the Fund may also suffer a loss due to the fact that it must wait for the completion of the customary process of transferring the transferable securities, money market instruments or investment units to the custody account of the Fund before being able to issue a selling order. The surcharge to be paid at the end of the term could also be higher than the income generated by the Company by reinvesting the cash funds held.

Should the Company acquire transferable securities, money market instruments or investment units under repurchase agreements, it buys these and must sell them back at the end of a term. The repurchase price (plus a surcharge) shall be determined when the transaction is concluded. Transferable securities, money market instruments and investment units acquired under repurchase agreements shall serve as collateral for providing liquidity to the contracting party. Any increase in the value of the transferable securities, money market instruments or investment units will not accrue to the Fund.

Risks related to receiving collateral

The Company receives collateral for derivative transactions, securities loans and repurchase transactions. Derivatives, transferable securities, money market instruments or investment units loaned or included in a repurchase agreement may increase in value. If this is the case, the collateral received may no longer be enough to fully cover the entitlement of the Company against the counterparty for delivery or return.

The Company may invest cash collateral in blocked accounts, high-quality government bonds or money market funds with a

short duration structure. However, the credit institution where the bank balances are held might default. Government bonds and money market funds could decrease in value. At the end of the agreement, the invested collateral could no longer be fully available, despite the Company's obligation to return it in the original amount on behalf of the Fund. In this case, the Fund will have to bear the losses sustained on the collateral.

Leverage risk

Leverage is any method used by the Company to increase the Fund's degree of investment through loans, securities lending, repurchase agreements, leverage funding embedded in derivatives, or any other means. This may increase the potential market risk, and therewith the corresponding risk of loss: there is a risk that the earnings opportunities may not be realised and that losses will occur.

Securitisation risk

Securitisation is a transaction or structure through which the credit risk associated with a claim or pool of claims is divided into tranches. The payments made in the context of such a transaction or structure depend on the realisation of the claim or of the claims contained in the pool. The precedence of tranches determines the allocation of losses over the duration of the transaction or structure.

In case of bundling claims into new transactions or structures that can then be sold on the market, the risks associated with the original claims are wholly or partly passed on, which could lead to a loss of transparency with respect to the existing risk structures, and an associated loss of risk awareness. Any full or partial default on the underlying claims may have a sizeable effect on the market value and/or marketability of the transactions or structures, and lead to a partial or even complete loss of their value.

The Fund may only acquire transferable securities which securitise receivables (securitisation positions) issued after 1 January 2011 if the debtor retains at least 5% of the securitisation volume as a deductible and meets other stipulations. The Company is obliged therefore to take remedial action in the interests of the investors if Fund assets include securitisations that do not meet this EU standard. Under this remedial action, the Company may be compelled to dispose of these securitisation positions. Due to legal requirements for banks, management companies and insurance companies, there is a risk that the Company may not be able to sell such securitisation positions held in the Fund or only sell them at considerable discounts or delays.

Inflation risk

Inflation carries a risk of depreciation for all assets. This also applies to the assets held in the Fund. The inflation rate may be higher than the capital growth of the Fund.

Currency risk

Assets of the Fund may be denominated in a currency other than that of the Fund. The Fund will receive any income, reimbursements or proceeds from such investments in this other currency. If this currency decreases in value relative to the Fund's currency, the value of such investments will also fall, resulting in a drop in the value of the Fund's assets.

Concentration risk

Additional risks may be incurred if the investments are concentrated in certain assets or markets. The Fund is then particularly dependent on the way those assets or markets develop.

Pursuant to the investment policy, up to 35% of the Investment Fund's assets may be invested in debt obligations, note loans and money market instruments of one or several issuer(s). In such cases, the associated default risk (concentration risk) is heightened. This risk may increase further if the Special Terms of Contract of a fund stipulate that even more than 35% of its assets may be invested in the above-mentioned instruments of certain issuers.

Risks associated with investing in investment units

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

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

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

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

Investor information in the event of suspension of the redemption of target fund units

Open-end investment funds, units of which are acquired for the Fund, may also temporarily suspend the redemption of units. The Company would then be prevented from disposing of the units in the target fund by returning them to the Management Company or depositary of the target fund against payment of the redemption price. The Company website (which can be accessed via privatkunden.union-investment.de) provides information as to whether and to which extent the Fund holds units in target funds that have currently suspended the redemption of units.

Risks resulting from the investment spectrum

In observance of the investment principles and restrictions laid down in the KAGB and the Terms of Contract, which provide for a broad framework for the Fund, the actual investment policy can

also be geared towards acquiring assets by, for example, focusing on only a few sectors, markets or regions/countries. This concentration on a few specific investment sectors can be associated with certain risks (for example, restricted markets, high volatility within specific economic cycles). The annual report provides information on the content of the investment policy over the relevant reporting period.

3. Risks of reduced or increased Fund liquidity (liquidity risk) and risks associated with increased subscriptions or redemptions (liquidity risk)

Below is an outline of the risks that may restrict the liquidity of the Fund. These may cause the Fund to be temporarily or permanently unable to fulfil its payment obligations, or cause the Company to be temporarily or permanently unable to comply with redemption requests from investors. Investors may then be unable to realise their intended investment duration, and be unable to use their invested capital or parts thereof for an indefinite period of time. The materialisation of liquidity risks may also cause a decrease in the value of the Fund and thereby a decrease in the unit value, for example, if the Company were forced to sell assets on behalf of the Fund at less than their market value, subject to legal restraints. If the Company is not in a position to meet investors' redemption requests, this could also lead to redemptions being suspended and, in extreme cases, to the subsequent liquidation of the Fund.

Risk associated with investing in assets

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

Risk associated with borrowing

The Company may take out loans on behalf of the Fund. Variable-interest loans can also have negative effects on Fund assets in the event of rising interest rates. If the Company must pay back a loan and cannot meet this obligation through follow-up financing or using the liquidity available in the Fund, it may be compelled to dispose of assets prematurely or at less favourable conditions than envisaged.

Risks associated with increased volumes of subscriptions or redemptions

Buying and selling orders from investors add or remove liquidity to or from the Fund's assets. These inflows and outflows may result in a net gain or loss in the Fund's cash holdings. Such net gains or losses may cause the Fund manager to buy or sell assets, producing transaction costs. This applies in particular where the gains or losses cause the cash held by the Fund to exceed or fall below a threshold predefined by the Company. The associated transaction costs are charged to the Fund's assets and may affect the performance of the Fund. Cash gains may increase the Fund's liquidity and affect the performance of the Fund if the Company is unable to invest the cash at adequate conditions or in a timely fashion.

Risks associated with public holidays in certain regions/countries

If investments are made for the Fund in other countries, then local holidays in such countries may lead to differences between the trading days at stock exchanges in such countries and the valuation days of the Fund. Potentially, on days that are not valuation days, the Fund may be unable to respond to market developments in such countries on the same a day, or on valuation days that are not trading days in such countries, the fund may be unable to trade on local markets. This may prevent the Fund from selling assets within the required deadlines and/or against the desired prices. This could negatively affect the ability of the Fund to comply with redemption requests or other payment obligations.

4. Counterparty risks including credit risk and receivables risk

Below is an outline of the risks that may affect the Fund in connection with business relations with another party (a counterparty). These carry the risk that the contracting party may become unable to fulfil its contractual obligations. This may be detrimental to the performance of the Fund and thereby have an adverse effect on the unit value and the capital invested by the investor.

Default risk/counterparty risks (other than central counterparties)

The default of an issuer or contracting party (counterparty) against which the Fund has outstanding claims, may produce a loss for the Fund. Issuer risk refers to the impact of particular developments concerning a given issuer that affect the price of a transferable security, in addition to the influence exerted by general trends in capital markets. Even when transferable securities are carefully selected, losses due to the financial collapse of issuers cannot be ruled out. The counterparty of a contract concluded for the account of the Fund may default either wholly or partly (counterparty risk). This applies to all contracts concluded for the account of the Fund.

Risk associated with central counterparties

A central counterparty (CCP) may act as an intermediary on behalf of the Fund in particular transactions, in particular transactions with financial derivatives. In these cases, it will act as the buyer vis-à-vis the seller, and as the seller vis-à-vis the buyer. A CCP hedges against the risk that its business partners will not be able to fulfil its contractual commitments through a range of protective mechanisms that enable it, at all times, to offset losses from transactions concluded (e.g. collateral). Despite such

protective mechanisms, it is still possible for a CCP to be overindebted and to default, which could also affect claims of the Company on behalf of the Fund. This could result in losses for the Fund.

5. Operational and other risks to the Fund

Below is an outline of the risks that may arise e.g. due to inadequate internal processes or human or system errors on the part of the Company or third parties. These risks may be detrimental to the performance of the Fund and thereby have an adverse effect on the unit value.

Risks associated with criminal activities, abuses and natural disasters

The Fund may fall victim to fraud or other criminal activities. It may suffer losses as a result of misunderstandings or errors on the part of employees of the Company or third parties, or suffer damages due to external events, such as natural disasters.

Country or transfer risk

There is a risk that foreign debtors, despite being solvent, may be unable to make payments in the required currency (or only in another currency), on time or even at all, due to a lack of transfer readiness on the part of their country of domicile, or for similar reasons. As a result, payments to which the Company is entitled on behalf of the Fund, may, for example, be made in another currency or in a currency which is not (or no longer) convertible due to foreign exchange restrictions, or these payments may even not be made at all. If the debtor pays in another currency, this position will be subject to the currency risk described above.

Legal and political risks

Investments may be made for the Fund in jurisdictions where German law does not apply, or where the competent court for disputes is outside Germany. The resulting rights and obligations of the Company on behalf of the Fund may be less advantageous to the Fund and/or investors than those in Germany. Political or legal developments, including changes to the legal framework in these jurisdictions, might be identified by the Company either too late or not at all, or result in restrictions on the admissible assets for acquisition, or on assets already acquired. Such situations may also be brought about by changes in the legal framework relating to the Company and/or the management of the Fund prevalent in Germany.

Changes to the fiscal framework, tax risk

The brief summary relating to tax regulations in the general part of this Sales Prospectus is based on the current legal situation. It is intended for persons subject to unrestricted income or corporate income taxation in Germany. However, no assurance can be given that this tax treatment will not change as a result of legislation, case law or decrees issued by the tax authorities.

In addition, the investor bears the tax risk, especially that of flat-rate taxation, if the tax bases of the Investment Fund and/or the relevant unit class have been calculated incorrectly. The Company endeavours to reduce this risk, on the one hand, through application of the required diligence, and on the other hand, by commissioning an expert professional as defined in § 3 of the German Tax Advisory Act (Steuerberatungsgesetz) authorised to provide professional support and/or an auditing firm or similar agency approved by the authorities to examine and certify the tax bases of the Investment Fund.

Moreover, the incorrect calculation of the tax bases may result in the notice of assessment being changed, e.g. if the financial authorities conduct an external audit. The revised classification in case of a changed notice of assessment applies to the financial year in which the notice of assessment has ceased to be contestable regarding the differing amounts. The economic consequences of such changes must then be borne by the investors that are invested in the Investment Fund at that date, even if the changed assessments relate to periods in which such investors were not yet invested in the Investment Fund. This means that a change in the incorrectly determined tax basis of the Fund for past financial years may result in a correction with fiscal disadvantages for investors, in that the investors have to pay the tax burden arising from the correction for past financial years, even though they may not have been invested in the Investment Fund at that time. On the other hand, the investor could encounter a situation in which he is no longer entitled to a positive correction made for the current and previous business years in which he was involved in the investment fund, as a result of a redemption or sale of shares before that correction is implemented. Furthermore, a correction of tax data can also cause taxable earnings or fiscal benefits to be allocated to a different assessment period than should actually be the case, with negative consequences for a particular investor.

The Investment Tax Reform Act was promulgated on 26 July 2016 and will amend the Investment Tax Act and the Income Tax Act, among other things. To avoid tax planning (so-called cum-cum transactions) a regulation is accordingly provided whereby the dividends of German shares and income from German equity-equivalent profit participation rights are charged with definitive capital gains tax. This regulation – unlike the main part of this law – already was introduced with backdated effect on 1 January 2016. It can be summarised as follows:

Unlike before, German funds will be charged under certain conditions on the fund receipt side with definitive German capital gains tax of 15 percent on the gross dividend. This will be the case if German shares and German equity-equivalent profit participation rights are held continuously by the Fund for 45 days within 45 days before and after the due date of the capital gains (= 91-day period) and risks of a change in the minimum value of 70 percent arise continuously in these 45 days ("45-day regulation"). An obligation to pay the capital gains directly or indirectly to another person (e.g. through swaps, securities lending transactions, repurchase agreements) are also subject to a capital gains tax charge.

In this context, hedging or forward transactions which directly or indirectly hedge the risk from German shares or German equity-equivalent profit participation rights may be detrimental. Hedging transactions via value and price indices are considered

to be indirect hedging. If related parties hold a share in the Fund, their hedging transactions may also be detrimental.

This results in various risks. The possibility cannot be ruled out that the unit price of a Fund is comparatively lower if provisions are created for a potential tax liability of the Fund. Even if there is not a tax liability and the provisions are reversed as a result, a comparatively higher unit price may not benefit investors who held shares in the Fund at the time the provision was established. The new regulation in relation to the dividend record date may result in the purchase and sales prices for the relevant shares differing more than normal, which may lead to unfavourable market conditions.

Key person risk

If the investment result of the Fund in a particular period is extraordinarily positive, then this performance could also be related to the capabilities of the acting persons, i.e. the correct decisions of management. However, the composition of the Fund management staff is subject to change. New decision-makers may possibly be less successful.

Custody risk

The custody of assets, particularly abroad, is associated with a risk of loss, which can result from the insolvency, breach of duty of care or wrongful conduct of the depositary or a sub-depositary, or force majeure.

In principle, the depositary is responsible for the loss of an asset held in the custody of this depositary or a sub-depositary. The Company has carefully selected the depositary. However, it cannot be ruled out that claims for compensation against the depositary cannot be met, either in part or in full.

Risks associated with trading and clearing mechanisms (settlement risk)

Transferable securities transactions carry the risk that one of the contracting parties delays, does not pay as agreed or does not deliver the transferable securities in good time. This settlement risk also exists in the case of trading with other assets for the Investment Fund.

Specific information on risks

Specific information on risks can be found in the section entitled "Specific risk information regarding the Fund" in the special part of the Sales Prospectus, if the Fund is exposed to such risks.

Notes on the risk profile of the Fund

The existing assessment regarding the risk profile of the Investment Fund is expressed by the Company in the following risk classes:

- Low risk
- Moderate risk
- Increased risk
- High risk
- Very high risk, up to the complete consumption of capital.

The section entitled "Risk class of the Investment Fund" in the special part of the Sales Prospectus states the risk class the Company has allocated to the Fund described in this Sales Prospectus.

Standard model for allocation to a risk class:

In principle, risk classes are allocated on the basis of a model which takes account of the risk factors of a fund, based on the investment policy described in the relevant valid sales prospectus and the risks inherent to a fund. However, not all potential risks are taken into account (see the section entitled "Risk information" in the general part of the Sales Prospectus), since some of the risks presented (e.g. inflation risks or key person risks) are not only influenced by the investment policy described in the sales prospectus of a fund, but are also exposed to other factors. Against this backdrop, the model used only evaluates the risks specified below: share price risk (market risk), interest rate risk, corporate risk (counterparty risk), currency risk, real estate risk, commodity risk, private equity risk, hedge fund risk, high yield risk, emerging markets risk (country and transfer risk), sector risk (concentration risk), country and regional risk, leverage risk (risk regarding derivative transactions), liquidity risk, counter-trend market risk.

An analysis is carried out on each investment fund to determine the extent to which it is exposed to the individual risk factors used. The results are then analysed, leading to an assessment of the Investment Fund's risk profile. In this, the following applies: the greater a risk factor, the more likely it is to have an influence on the performance of a fund.

It should be noted that in such an assessment, the respective risks are weighted differently. The weighting and assessment of risk is carried out on the basis of a retrospective view. This means that risks contained in a fund may actually affect its performance more significantly than is expressed by the assessment carried out on the risk profile. This is particularly the case when any risks contained in a fund have a more severe effect than was observed in the past.

In addition, it must be considered that assigning a risk class while taking into account the risk factors using the aforementioned model is not appropriate for funds bearing certain characteristics. Against this backdrop, guarantee funds and value-protected funds are classified as having moderate risk. For funds other than guarantee and value-protected funds that have particular characteristics that result in these being allocated to a risk class in derogation of the model described above, the Company will make special reference to the risk allocation of such funds.

For the aforementioned reasons, it should be noted that the weighting of the individual risk factors, as well as the extent of each risk factor, may change over time due to new market conditions. Investors must therefore take into account that the allocation to a specified risk class may change over time. In particular, this may be the case when new market conditions persistently

demonstrate that the individual risk factors should be weighted or assessed differently.

Therefore, the assessment of the Investment Fund's risk profile is not a guarantee for any actual gains or losses incurred by the Investment Fund.

If the standard model described above is not used to allocate the Investment Fund to a risk class, the alternative model used for the Investment Fund will be described in the section entitled "Risk class of the Investment Fund" in the special part of the Sales Prospectus.

Differences between the risk profiles in the Sales Prospectus and the KIID

A synthetic indicator will be stated in the section entitled "Risk and reward profile" of the KIID of the Fund/unit classes. The contents, form and structure of this KIID are governed by Commission Regulation (EU) No 583/2010 of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards key investor information and conditions to be met when providing key investor information or the prospectus in a durable medium other than paper or by means of a website. This indicator includes a number of categories on a scale of 1–7. Classification on this scale is based solely on past volatility. If sufficient historical data is unavailable, volatility rates must be determined using suitable investment models. The indicator is also supplemented by an explanatory description of risks which are significant and not adequately covered by the indicator.

The assessment regarding the risk profile of an investment fund set out in the special part of the Sales Prospectus in the section entitled "Risk class of the Investment Fund" is not comparable with the reference under "Risk and reward profile" in the KIID. In addition, the explanations concerning further risks provided there (which do not directly affect the classification, but may nonetheless be significant for the Fund or the relevant unit class) may differ from the risk information stated in the Sales Prospectus.

Summary of significant differences:

- Unlike the 1–7 scale used in the KIID, the classification used by the Company in the Sales Prospectus has a total of five risk classes.
- The Company generally assigns a fund to a risk class in the Sales Prospectus on the basis of a (scoring) model in which certain risk factors associated with a fund are taken into account. The weighting and evaluation of these risks varies and is carried out on the basis of a retrospective view. The non-standard allocation of a risk class is possible if this is deemed appropriate and is expressly indicated. However, in the KIID, only past performance (volatility) is taken into account.
- Due to the different approaches for determining and explaining the risk profile to be disclosed in the KIID and in the Sales Prospectus, the reported risks also differ with regard to content.

Investment principles, investment limits and investment objective

The general part of this Sales Prospectus describes the general rules for acquiring assets and the use of investment instruments for UCITS investment funds, as well as the general investment limits applicable to UCITS investment funds. The special rules regarding the acquisition of assets and the use of investment instruments for the UCITS investment fund described in this Sales Prospectus, as well as the specific investment limits which apply to this Investment Fund can be found in the special part of this Sales Prospectus.

The section entitled "Investment objective" in the special part of this Sales Prospectus stipulates the objectives of the investment policy.

There is no guarantee that the objectives of the investment policy will in fact be achieved.

General rules regarding the acquisition of assets and investment instruments

Transferable securities

The Company is authorised to acquire transferable securities of domestic and foreign issuers on behalf of the Fund:

1. if these are admitted to trading on a stock exchange of an EU Member State or another EEA signatory state, or are admitted to trading or included in any other organised market in any such state;
2. if these are admitted to trading on a stock exchange or are admitted to trading or included in another organised market outside the EU or signatory states of the EEA Agreement, provided the choice of such stock exchange or organised market has been approved by BaFin.

Recently issued transferable securities may be acquired, provided their terms of issue contain an undertaking that an application will be made for admission to official listing or inclusion on one of the stock exchanges or other regulated markets specified under points 1. or 2., and this admission or inclusion is secured within a year of issue.

The following shall also be considered transferable securities within this sense:

- Units in closed-end investment funds constituted as contract-

ual funds or in the form of a company, which are subject to control by unitholders (so-called company control), i.e. unitholders must have voting rights regarding material decisions, as well as the right to monitor investment policies via adequate mechanisms. The Investment Fund must also be managed by a party who is subject to the laws on investor protection, unless the Investment Fund has been created in company form and the duties of asset management are not assumed by any other party.

- Financial instruments secured by other assets or linked to the performance of other assets. If derivative components are embedded in such financial instruments, then further requirements apply for the Company to be allowed to acquire them as transferable securities.

Transferable securities may only be acquired under the following conditions:

- The potential loss which may be suffered by the Fund may not exceed the purchase price of the transferable security. There must not be any obligation to provide additional funding.
- A lack of liquidity of the transferable security acquired by the Fund must not lead to the Fund becoming unable to fulfil the statutory requirements for the redemption of units. This applies without prejudice to the statutory right to suspend the redemption of units in specific cases (see the sections entitled "Redemption of units and redemption agent" and "Suspension of unit redemption" in the general part of the Prospectus).
- A reliable assessment of the transferable security with exact, reliable and current prices must be available; this must either constitute market prices or result from an assessment system that is independent of the issuer of the transferable security.
- Adequate information regarding the transferable security must be available in the form of either regular, exact and comprehensive market information concerning the transferable security or, if appropriate, an associated securitised portfolio (i.e. in the transferable security).
- The transferable security must be tradable.
- The acquisition of the transferable security must be in accordance with the investment objectives and strategy of the Fund.
- The risks of the transferable security are adequately addressed by the Fund's risk management.

In addition, transferable securities may be acquired in the following forms:

- shares to which the Fund is entitled in the event of a capital increase from company funds;
- transferable securities purchased through the exercise of subscription rights held by the Fund.

Rights may also be acquired for the Fund as transferable securities within the above sense, provided that the transferable securities underlying these subscription rights may be held in the Fund.

Money market instruments

On behalf of the Fund, the Company may invest in money market instruments that are commonly traded on the money market, as well as in interest-bearing transferable securities, which either

- have a maturity or residual maturity not exceeding 397 days at the time of acquisition for the Fund.
- have a maturity or residual maturity exceeding 397 days at the time of acquisition for the Fund, provided that pursuant to their terms of issue, their interest is regularly adjusted to the market situation at least once every 397 days.
- have a risk profile that corresponds to the risk profile of transferable securities that fulfil the criterion for residual maturity or interest adjustment.

Money market instruments may be acquired for the Fund, provided these are:

1. admitted to trading on a stock exchange of an EU member state or another EEA signatory state, or are admitted to trading or included in any other organised market in any such state;
2. admitted to trading on a stock exchange or are admitted to trading or included in another organised market outside the EU or signatory states of the EEA Agreement, provided the choice of such stock exchange or organised market has been approved by BaFin;
3. issued or guaranteed by the EU, the Federal Republic of Germany, a German federal government fund, a German federal state, another EU member state or another national, regional or local body or the central bank of an EU member state, the European Central Bank or European Investment Bank, a non-member state of the EU or, if such country is a federation of states, by one of the members making up the federation, or a public international body to which one or more EU member states belong;
4. issued by a company whose transferable securities are traded on one of the markets specified under points 1. and 2.,
5. issued or guaranteed by a credit institution subject to prudential supervision pursuant to the criteria established under EU law, or by a credit institution which is subject to and complies with prudential rules considered by BaFin to be equal to those of EU law, or
6. issued by other bodies, provided such issuer is:
   a) a company with capital and reserves amounting to at least EUR 10 million, which prepares and publishes its annual accounts pursuant to the European Directive on the annual accounts of companies with limited liability, or
   b) a legal entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group, or
   c) a legal entity that issues money market instruments covered by obligations through the use of a banking liquidity line. These are products where credit claims of banks are

securitised (so-called asset-backed transferable securities).

All the aforementioned money market instruments may only be acquired if they are liquid and their value can be exactly determined at all times. Money market instruments are considered liquid if they can be sold within a sufficiently short time at limited cost. In this, account must be taken of the Company's obligation to redeem units of the Fund upon request from investors, and to be able to sell such money market instruments within an appropriately short time in order to be able to fulfil this obligation. The money market instruments must in addition be subject to an exact, reliable assessment system which enables the determination of the net asset value of the money market instrument or is based on market data or valuation models (including systems based on amortised acquisition costs). The criterion of liquidity is deemed to be fulfilled by money market instruments, if these have been admitted for trade on an organised market within the EEA or are included in such a market, or if these have been admitted for trade on an organised market outside the EEA or are included in such a market, provided that this choice of market has been approved by BaFin. However, this does not apply if the Company is aware of circumstances indicating that the money market instrument may not be sufficiently liquid.

With respect to money market instruments that are not listed on a stock exchange or admitted for trading on a regulated market (see points (3) to (6) above), the issue or issuer of these instruments must in addition be subject to provisions on the protection of investors and savings. For such money market instruments, adequate information must be available to enable an adequate assessment of the credit risks associated with such instruments, and the money market instruments must also be freely transferable. The credit risks may be assessed e.g. through an analysis of creditworthiness by a rating agency.

These money market instruments are further subject to the following requirements, unless they have been issued or guaranteed by the European Central Bank or by the Central Bank of an EU member state:

- If these are issued by an institution as referred to under point (3) above:
  - the EU,
  - the German Federal Government,
  - a German federal government fund,
  - a German federal state,
  - another EU member state,
  - another national body,
  - the European Investment Bank,
  - a non-member state of the EU, or if such country is a federation of states, a member state of such federation,
  - a public international body, to which at least one EU member state belongs,

  then adequate information must be available about the issue or issue programme or about the legal and financial situation of the issuer prior to the issue of the money market instrument.
- If these are issued or guaranteed by a credit institution subject to prudential supervision in the EEA (see point (5) above), adequate information must be available about the issue or issue programme or about the legal and credit situation of the issuer prior to the issue of the money market instrument; such information must be updated at regular intervals and in the event of any material changes. In addition, information must be available on the issue or issue programme (e.g. statistics) that enables an adequate assessment of the credit risks associated with the investment.
- If these are issued by a credit institution that is subject to prudential rules outside the EEA, which are considered by BaFin to be equivalent to the provisions regulating credit institutions within the EEA, then one of the following conditions must be met:
  - the credit institution has a registered seat in a member state of the Organisation for Economic Co-operation and Development (OECD) that is also part of the so-called Group of Ten (G10, group of leading industrialised countries);
  - The credit institution has a rating that qualifies as "Investment grade", as a minimum. "Investment grade" means a rating of "BBB-" or "Baa3" or higher, resulting from the analysis of creditworthiness performed by a rating agency.
  - A comprehensive analysis of the issuer may be used to demonstrate that the prudential rules applicable to the credit institution are at least as stringent as those under EU law.

With regard to other money market instruments that are not listed on a stock exchange or admitted for trading on a regulated market (see points (4) and (6) above, and the remaining items under point (3)), adequate information about the issue or issue programme, as well as about the legal and financial situation of the issuer, must be made available prior to the issue of the money market instrument, and must be updated at regular intervals, as well as in case of any material changes, by a qualified third party that is independent of the issuer. In addition, information must be available on the issue or issue programme (e.g. statistics) that enables an adequate assessment of the credit risks associated with the investment.

Bank balances

The Company may only hold bank balances with a maximum term of 12 months on behalf of the Fund. Such credit balances shall be maintained on blocked accounts with credit institutions established in an EU member state or signatory state of the EEA Agreement. These may also be held with credit institutions established in a non-member state of the EU, provided the prudential rules in force in such a state are considered by BaFin to be equivalent to those of EU law.

General investment limits for transferable securities and money market instruments (including in connection with the use of derivatives), as well as for bank balances

The Company may invest up to 10% of the Fund's assets in transferable securities and money market instruments of the same issuer (borrower). The total value of the transferable securities and money market instruments from such issuers (borrowers) must not exceed 40% of the Fund. In addition, the Company may invest a maximum of 5% of the Fund's assets in transferable securities and money market instruments of the same issuer (borrower). Transferable securities received under repurchase agreements are counted towards this investment limit.

The Company may not invest more than 20% of the Fund's assets in bank balances at a single credit institution.

Investment limit for bonds with particular coverage

The Company may invest up to 25% of the Fund's assets respectively in mortgage bonds, municipal bonds and bonds issued by credit institutions established in an EU member state or signatory state of the EEA Agreement. This is subject to the condition that the funds received with the bonds is invested so as to cover the liabilities of the bonds over their entire term, and are preferentially allocated to the payment of principal and interests in case of default of the bond issue. If the Fund invests more than 5% of its assets in such bonds issued by a single borrower, the total value of such bonds must not exceed 80% of the value of the Fund. Transferable securities received under repurchase agreements are counted towards this investment limit.

Investment limits for public issuers

The Company may invest up to 35% of the Fund's assets respectively in bonds, borrower's note loans and money market instruments of special national and supranational public issuers. These public issuers include the German federal government, the German federal states, EU member states or their local authorities, third countries and public supranational bodies to which at least one EU member state belongs.

Combination of investment limits

The Company shall not invest more than 20% of the Investment Fund's assets in a combination of the following assets:

- transferable securities or money market instruments issued by a single body,
- deposits with such a body, i.e. bank balances
- amounts to be considered in the counterparty risk of the transactions concluded with such a body in connection with derivatives, securities loans and repurchase agreements.

In the case of specific public issuers (see the section "Investment limits for public issuers"), the combined assets referred to in the previous sentence shall not exceed 35% of the Fund's assets. The relevant individual upper limits remain unaffected by this.

Risks arising from the use of derivatives

The amounts of transferable securities and money market instruments of any individual issuer taken into account for the limits specified above may be reduced by the use of counter-market derivatives with transferable securities or money market instruments of this same issuer as their underlying assets. As a result, transferable securities or money market instruments of a single issuer may be purchased for the Fund in excess of said limits, provided the increased issuer risk is reduced by appropriate hedging transactions.

Investment limits for tax reasons

If the Fund is treated as an equity fund or a mixed fund for tax purposes, you will find information on the investment limits for tax reasons in the Special Section of the Sales Prospectus in the section entitled "Investment limits for tax reasons".

Other assets and their investment limits:

Other investment instruments:

The Company may invest up to 10% of the Fund's assets in the following assets ("other investment instruments"):

- Transferable securities that are not admitted to trading on a stock exchange or admitted for trading or included in another organised market, but that do meet the criteria for transferable securities. In derogation to traded or admitted transferable securities, a reliable assessment must be available for these transferable securities in the form of an assessment undertaken at regular intervals, which is derived from information from the issuer or from an expert financial analysis. Adequate information regarding the non-approved or non-included transferable security or, if appropriate, the associated securitised portfolio (i.e. in the transferable security) must be available to the Fund in the form of regular and exact information.
- Money market instruments of issuers that do not meet the aforementioned requirements may be acquired only if they are liquid and their value can be exactly determined at all times. Money market instruments are considered liquid if they can be sold within a sufficiently short time at limited cost. In this, account must be taken of the Company's obligation to redeem units of the Fund upon request from investors, and to be able to sell such money market instruments within an appropriately short time in order to be able to fulfil this obligation. The money market instruments must in addition be subject to an exact, reliable assessment system which enables the determination of the net asset value of the money market instrument or is based on market data or valuation models (including systems based on amortised acquisition costs). The criterion of liquidity is deemed to be fulfilled by money market instruments, if these have been admitted for trade on an organised market within the EEA or are included in such a market, or if these have been admitted for trade on an organised market outside the EEA or are included in such a market, provided that this choice of market has been approved by BaFin.
- Recently issued shares, provided that according to their terms of issue,
  a) their admission to listing on a stock exchange in an EU member state or other EEA signatory state, or their admission to or inclusion on an organised market of an EU

member state or other EEA signatory state, is to be applied for, or

b) their admission to listing on a stock exchange or admission to or inclusion on an organised market outside the EU or signatory states of the EEA Agreement is to be applied for, provided that this choice of stock exchange or organised market has been approved by BaFin; and

provided this approval or inclusion is issued within one year from the issue.

- Borrower's note loans which can be assigned at least twice after being purchased for the Fund and have been granted by one of the following bodies:

  a) the German federal government, a German federal government fund, a German federal state, the EU or an OECD member state,

  b) another domestic authority or regional government or local authority of another EU member state or other EEA signatory state, provided that the claim may be treated as equivalent to a claim against the central state on whose territory the regional government or authority resides, pursuant to the Regulation on prudential requirements for credit institutions and investment firms,

  c) other bodies or public law institutions established in Germany or another EU member state or a signatory state of the EEA Agreement,

  d) companies, which have issued transferable securities that are admitted for trade on an organised market within the EEA, or that are admitted for trade on another regulated market that fulfils the material requirements for regulated markets as defined in the Markets in Financial Instruments Directive, as amended, or

  e) other borrowers, provided one of the bodies named under (a)-(c) above has guaranteed the payment of interest and repayment of principal.

Investment units and their investment limits

The Company may invest on behalf of the Investment Fund in units of UCITS and units of other domestic investment funds and investment companies with variable capital, as well as units of foreign open-end investment funds, all of which are not units of EU UCITS ("target funds").

These target funds may only be acquired on behalf of the Investment Fund if, pursuant to their terms of contract or articles of association, they may only invest up to 10% of their assets in units of other domestic investment funds and investment companies with variable capital or foreign open-end AIF. No more than 20% of the Fund's assets may be invested in units of a single target fund. No more than 30% of the Fund's assets may be invested overall in units of other domestic investment funds and investment companies with variable capital or foreign open-end investment funds, which are not units of EU UCITS. The Company may not acquire, for the Fund, more than 25% of the total units issued by any one target fund.

In addition, the following requirements apply to the acquisition of units that are not units of UCITS, but are units of other domestic investment funds and investment companies with variable capital, as well as units of foreign open-end investment funds, all of which are not units of EU UCITS:

- The target fund must have been approved in accordance with statutory rules subjecting it to effective prudential supervision for the protection of investors, and there must be adequate provision for ensuring cooperation between BaFin and the supervisory authorities for the target fund.
- The level of protection provided to investors must be equivalent to that enjoyed by an investor of a domestic UCITS, in particular with regard to the segregation of assets, lending and borrowing, as well as the short-selling of transferable securities and money market instruments.
- The business operations of the target fund must be the subject of annual and half-yearly reports that permit investors to form an assessment of the assets and liabilities, as well as the income and operations, over the reporting period.
- The target fund must be an open-end mutual fund whose units are not limited in number and investors must have the right to redeem their units in this fund.

Derivatives

The Company may enter into derivatives transactions on behalf of the Investment Fund. Details of the applicable rules and the selected approach to derivative usage can be found in the special part of the Sales Prospectus.

Securities lending transactions

The Company intends to engage in lending transactions for the account of the Fund. The transferable securities, money market instruments and investment units held in the Fund may be transferred to a third party (borrower) as a loan against market-appropriate compensation (securities lending).

A third party within this meaning is, as a rule, a credit and financial services institution established in an EU Member State, an EEA signatory state or a third country whose prudential rules are considered by BaFin to be equivalent to those laid down in EU law. A minimum credit rating as a prerequisite for the selection of the borrower is not provided for, since these transactions are subject to a collateral requirement.

Securities loans are transacted by the Company in order to additional achieve gains for the Investment Fund. The Fund's entire holdings of transferable securities, money market instruments and investment units may be transferred to third parties as a securities loan only for an unspecified duration. The Company expects that, as a rule, no more than 60% of the Fund's assets will be subject to lending transactions. However, this is only an estimated value that can be exceeded in individual cases. The Company shall be entitled to terminate any securities lending transactions it has concluded at any time. Upon conclusion of the securities lending contract, it must be agreed that transferable securities, money market instruments or investment units of a similar kind, quality and quantity must be transferred back to the Fund within the customary deadlines upon termination of the

lending period. All transferable securities, money market instruments and investment units transferred to an individual borrower or group companies must not exceed 10% of the Investment Fund's assets.

A condition for the transfer by way of lending to a borrower is that the Fund is provided with adequate collateral. Collateral is provided by the borrower in the following forms: cash payments, the assignment of credit balances, or the transfer of transferable securities or money market instruments. The Fund is entitled to all income from the investment of this collateral.

The assets transferred by way of lending will be held in custody at the discretion of the borrower.

The Company may use an organised system for the brokering and processing of transferable securities lending transactions. If the transferable securities lending transactions are brokered and settled using the organised system, the provision of collateral may be waived, since the requirements of this system guarantee the protection of the interests of investors. When transferable securities lending transactions are settled using organised systems, the transferable securities lent to borrowers may exceed 10% of the Fund's assets.

The borrower shall be obliged to pay the income derived from the transferable securities, money market instruments and investment units received on loan to the Depositary for the account of the Fund. In accordance with the Special Terms of Contract, the Company will receive up to 49% of the income as a flat fee (see also the section entitled "Costs" in the general part of the Sales Prospectus).

The Company is not authorised to lend money to third parties on behalf of the Fund.

Repurchase agreements

The Company intends to engage in repurchase agreements for the account of the Fund. For the account of the Fund, it may enter into repurchase agreements of a maximum term of twelve months with credit and financial services institutions established in an EU Member State, an EEA signatory state or a third country whose prudential rules are considered by BaFin to be equivalent to those laid down in EU law. A minimum credit rating as a prerequisite for the selection of this institution is not provided for, since these transactions are subject to a collateral requirement.

The Company may both transfer the Fund's transferable securities, money market instruments and investment units against compensation to a buyer (simple repurchase agreement) or buy transferable securities under the scope of repurchase agreements within the respective investment limits (reverse repurchase agreement). The Fund's entire holdings of transferable securities, money market instruments and investment units may be transferred to third parties as a repurchase agreement. The Company expects that, as a rule, no more than 40% of the Fund's assets will be subject to repurchase agreements. However, this is only an estimated value that can be exceeded in individual cases.

The Company shall be entitled to terminate the repurchase agreement at any time, except in the case of repurchase agreements with a term of up to one week. Upon termination of a simple repurchase agreement, the Company shall be entitled to recall the transferable securities, money market instruments or investment units lent. Termination of a reverse repurchase agreement may lead to either the repayment of the full amount or the accrued amount at the current market value. Repurchase agreements are only permissible in the form of genuine repurchase agreements. In these, the buyer accepts the obligation to return the transferable securities, money market instruments or investment units at a fixed date or at a date to be determined by the seller, or to repay the amount in money plus interest.

The assets included in a repurchase agreement will be held in custody at the discretion of the borrower. The assets included in a repurchase agreement will be held in custody at the Depositary of the Fund.

Repurchase agreements are concluded in order for the Fund to generate additional income (reverse repurchase agreement) or to provide temporary additional liquidity in the Fund (simple repurchase agreement).

The income accrues to the Fund, whereby in accordance with the Special Terms of Contract, the Company will receive up to 49% of the income as a flat fee (see also the section entitled "Costs" in the general part of the Sales Prospectus).

Collateral strategy

Within the scope of OTC derivatives transactions, securities lending transactions and repurchase agreements, the Company will accept collateral on behalf of the Fund. The collateral serves to wholly or partly eliminate the risk of default of the counterparty in these transactions.

Permitted types of collateral

For the purposes of OTC derivatives transactions, securities lending transactions and repurchase agreements, the Company will accept all permitted types of assets (transferable securities, money market instruments and bank balances) as collateral on behalf of the Fund. The collateral provided may also include assets that the Fund is not permitted to acquire under its own terms of contract.

Whenever the Company receives collateral on behalf of the Fund, the following criteria shall always be fulfilled:

1. The collateral provided shall consist of assets that may be acquired on behalf of the Investment Fund pursuant to the provisions of the KAGB. This collateral includes, in particular, government bonds, shares, bonds of organisations such as the International Monetary Fund, corporate bonds, mortgage bonds, money market instruments within the meaning of § 194 KAGB and convertible bonds. There is no restriction as to the residual maturity of such collateral.
2. The collateral provided shall be highly liquid; assets other than cash shall be deemed highly liquid if they can be sold at short notice at a price approaching their true valuation, and are traded on a market with appropriate liquidity and with transparent pricing.

3. The valuation of collateral is carried out each trading day based on the closing prices of the previous day. Where the market value of the collateral held by a counterparty is deducted when calculating the offsettable amount for the counterparty risk, this is done taking into account reasonable haircuts. Based on it, a daily margin call takes place in the case of a shortfall.
4. The collateral provided must have been issued by borrowers with high credit ratings. Where appropriate, further reductions in valuation will be undertaken pursuant to the existing haircut strategy, if the credit rating is not the highest and prices are volatile.
5. The collateral provided must not have been issued by a borrower who is himself a counterparty or affiliated company as defined in § 290 of the German Commercial Code (Handelsgesetzbuch – hereinafter: "HGB").
6. The collateral provided must exhibit appropriate risk spreading in terms of countries, markets and issuers. Appropriate diversification in terms of issuer concentration shall be assumed to exist, if the value of the collateral provided that is issued by a single issuer does not exceed 20% of the Investment Fund's assets. Collateral from the same issuer resulting from separate transactions shall be consolidated; its aggregate value must not exceed 20% of the Investment Fund's assets.
7. The Company may deviate from the above restriction on behalf of the Investment Fund, if the Investment Fund is collateralised using transferable securities or money market instruments that are issued or guaranteed by an EU member state or one or more of its local authorities, a non-EU member state or a public international body to which one or more EU member states belong. If this is the case, the Investment Fund shall hold transferable securities from at least six different issues. The value of the transferable securities from a single issue may not exceed 30% of the Investment Fund's assets. There is no restriction on certain EU Member States, local authorities or public international bodies with respect to the issuer of transferable securities and money market instruments that may be accepted as collateral for up to 20% of the Investment Fund's assets. Correlation aspects are not taken into consideration in the collateral strategy.
8. No collateral provided may present any material operational or legal risk in terms of management or custody.
9. The collateral provided shall either be held by a depositary that is subject to effective prudential supervision and independent of the provider of the collateral, or shall be legally protected against counterparty default, to the extent that it has not been transferred. Transferable securities transferred as collateral must be held with the Fund depositary. If the Company has obtained the transferable securities under derivative transactions pledged as collateral, they can be held at another location that is subject to effective prudential supervision and independent of the provider of the collateral.
10. The collateral provided may be examined by the Company even without the consent of the respective provider of the collateral in question.
11. All collateral provided may be realised without delay as needed on behalf of the Fund, and
12. All collateral provided shall be subject to legal provisions for the event of the insolvency of the collateral provider.

Scope of collateral provided

Transferable securities lending transactions shall be fully collateralised. The collateral value is the sum of the market price of the transferable securities on loan plus the associated revenues. The collateral provided by the borrower must not be less than the collateral value plus a customary surcharge.

Furthermore, OTC derivatives transactions, securities lending transactions and repurchase agreements must be collateralised for an amount that ensures that the capital surcharge for default risk of the relevant counterparty does not exceed 5% of the Fund's assets. If the counterparty is a credit institution established in an EU member state or signatory state of the EEA Agreement, or in a non-EU member state where equivalent prudential supervisory provisions are in force, then the capital surcharge for the default risk may equal up to 10% of the Fund's assets.

Haircut strategy

Where a counterparty is required to provide collateral due to the use of OTC derivatives, the collateral provided shall be subjected to a percentage reduction to its current market value ("haircut"). The haircuts shall be agreed with the counterparty in accordance with haircut strategy followed by the Company. When determining the appropriate haircuts in connection with the haircut strategy, the Company takes account of the nature of the collateral provided (so-called asset classes) and the instrument-specific characteristics of the assets received, particularly issuer credit rating and price volatility. Generally, the above also applies to securities lending transactions and repurchase agreements.

Where a haircut is not undertaken in connection with the provision of collateral in securities lending transactions and repurchase agreements, the collateral provided by the counterparty shall not be counted towards the maximum permitted counterparty risk.

The written haircut strategy will be regularly reviewed by the Company and adjusted where appropriate.

If the Company receives more than 30% of the Investment Fund's assets in collateral on behalf of the Investment Fund, appropriate stress tests shall also be performed as per the stress-test strategy. In both normal and exceptional liquidity conditions, regular stress tests are undertaken to assess the liquidity risk associated with the collateral received for the Investment Fund.

Investment of collateral and associated risks

Bank balances:

Collateral in the form of bank balances shall be held in the currency of the balance in blocked accounts with the depositary or, with the consent of the depositary, with other credit institutions established in an EU member state or other EEA signatory

state, or with other credit institutions established in a non-EU member state whose prudential supervisory provisions are deemed by the supervisory authority to be equivalent to those of EU law, or invested in bonds of high quality issued by the German federal government, a German federal state, the European Union, an EU member state or its local authorities, another EEA signatory state, or a non-EU member state, in money market funds with a short maturity structure in accordance with the guidelines issued by the supervisory authority pursuant to § 4(2) KAGB, or in reverse repurchase agreements with a credit institution ensuring prompt repayment of the accrued balance at all times.

Reinvestments of collateral in the aforementioned bonds and short-term money market funds are associated with a risk of price loss. In particular, bond price losses may ensue as a result of the deterioration of the issuer's solvency.

With respect to bank balances held on a blocked account kept with a credit institution, there is a fundamental risk of loss in the event of the insolvency of the credit institution managing the account. Pursuant to the diversification requirement to be observed by the Company, the maximum loss per insolvent credit institution amounts to 20% of the Investment Fund's net asset value. If the credit institution managing the account is a member of the protection scheme of the National Association of German Cooperative Banks (Bundesverband der Deutschen Volksbanken und Raiffeisenbanken), then any balances held there are fully protected from loss through the guarantee provided by the aforementioned safety facility.

Reverse repurchase agreements carry the risk that market movements until the time of repurchase of the transferable security may cause the purchase price paid by the Company to no longer reflect the value of the repurchased transferable securities. The Investment Fund then bears a counterparty risk equal to the difference, if the value of the included transferable securities rises higher than the purchase price received by him.

Other collateral:

Collateral in the form of transferable securities and money market instruments will not be reused and, in particular, not sold, transferred, pledged or invested.

Collateral risks:

Any risks related to collateral management, in particular operational and legal risks, are identified, assessed and controlled by the Company's risk management.

Borrowing

Taking out short-term loans for the joint account of the investors shall be admissible for up to 10% of the Fund's assets, provided the terms of the loan are customary for the market and the depositary agrees to the loan.

Asset valuation rules

General valuation rules

1. Assets admitted to trading on stock exchanges or admitted to trading or included in another organised market, as well as subscription rights for the Investment Fund shall in principle be valued at the latest available trade price that provides a reliable valuation, unless otherwise specified in the section "Specific rules for the valuation of individual assets". For this purpose, when valuing assets listed on several stock exchanges, the home stock exchange or the exchange with the highest liquidity will generally be used. For example, domestic equities shall generally be based on Xetra closing prices.
2. Assets neither admitted to trading on stock exchanges nor admitted to trading or included in another organised market nor featuring any trade or market-standard prices shall in principle be valued at current market prices that are deemed appropriate in line with careful estimates based on suitable valuation models, taking into account the current market situation, unless otherwise specified below in the section "Specific rules for the valuation of individual assets". In exceptional cases, the market price shall be ascertained based on sufficiently plausible information provided by an issuer, counterparty or other third party.

Specific rules for the valuation of individual assets

1. Option rights of the Investment Fund and the liabilities resulting from option rights granted to a third party, which are admitted to trading on a stock exchange or admitted to trading or included in another organised market, shall be valued at the relevant latest trade price which provides a reliable valuation.
2. The provisions above shall also apply to claims and liabilities resulting from futures and forward contracts concluded on behalf of the Investment Fund. The contribution margins charged to the Investment Fund shall be added to the value of the Investment Fund, taking into consideration the valuation gains and losses of the trading day.
3. Bank balances shall in principle be valued at their par value, plus accrued interest.
4. Units in investment funds are, in principle, set at their latest redemption price or at their latest available trade price which allows a reliable valuation. If these values are not available, the investment fund units shall be valued at the current market price deemed appropriate in line with careful estimates based on suitable valuation models giving consideration to current market conditions.
5. Concerning the repayment claims resulting from securities lending transactions, the relevant redemption price of the transferable securities transferred in the lending process shall be applied.
6. Assets denominated in a foreign currency shall be converted into EUR at the exchange rate as determined by WM/Reuters fixing at 17:00 (16:00 GMT) of the same day.
7. Term deposits are valued at market value if a corresponding contract has been concluded between the Company and the relevant credit institution specifying that the term deposits

may be called at any time and that repayment in case of termination is not based on the par value plus interest. The market interest rate to be used for calculating the yield value shall be specified in each individual case. The appropriate interest receivables shall also be added. Term deposits which are not callable at any time will be valued at par value plus interest.

In exceptional cases, the Company shall be allowed to deviate from the general and specific valuation rules if, in view of the market situation, it considers this to be necessary in the interests of the investors. In case of irregularities in the supply of prices, e.g. due to specific market events, a pricing committee will convene, including representatives of Company management, to decide the assessment method to be applied.

Units

Upon creation of the Fund, the rights of investors were set out exclusively in global certificates, unless specific reference is made in the Special Section of this Sales Prospectus to the issue of unit certificates ("physical securities") (see the section "The Investment Fund, launch date and duration").

The issue of physical securities has been discontinued. This means that the purchase of units shall only be possible from now on in depositary form. If physical securities were issued in the past, you will find instructions on the submission of invalid physical securities in the section entitled "Submission of invalid physical securities" in the Special Part of the sales prospectus.

The global certificates are stored at a central securities depository. The investors are not entitled to the physical delivery of individual unit certificates. The units are issued in bearer form.

Issue of units and issuing agent

In principle, there is no restriction as to the number of units issued. Units may be purchased through Union Investment Service Bank AG, the depositary (issuing agent) and at the sales agents and paying agents listed at the end of the Sales Prospectus. Where the Special Investment Conditions of the Fund specify that units may only be acquired or held by specific investors, you will find information about this in the Special Section of the Sales Prospectus in the section entitled "Profile of the typical investor" and/or in the section entitled "Unit classes".

They are issued by the Depositary at the issue price, which corresponds to the net asset value per unit ("unit value") plus any applicable initial sales charge. The Company reserves the right to suspend or permanently discontinue the issue of units in part or in full. Should this occur, any direct debit authorisations to purchase units may not be acted upon.

If an initial sales charge is set for the Investment Fund or for individual classes of units described in this Sales Prospectus, the details thereof will be in the section entitled "Initial sales charge and issue costs" in the special part of the Sales Prospectus.

If the Company sets a minimum investment amount for the purchase of units, the details thereof shall be found in the "Marketing and minimum investment" section of the special part of this Sales Prospectus.

Redemption of units and redemption agent

Investors may request the redemption of units on any valuation day, regardless of any minimum investment amount, unless the Company has temporarily suspended the redemption of units (see the section entitled "Suspension of unit redemption" in the general part of the Sales Prospectus). Redemption applications may be filed with the depositary, the sales agents and paying agents listed at the end of the Sales Prospectus or, if units are held in custody by UnionDepot, through Union Investment Service Bank AG. The redemption agent is the depositary. The Company is obliged to redeem the units at the relevant applicable redemption price, which shall correspond to the unit value less a redemption fee, as the case may be.

The Company will inform any party interested in purchasing a unit of the Fund and all existing unitholders whether the Fund is invested on a significant scale in target fund units which have in turn suspended the redemption of units. Corresponding information may be obtained from Union Investment (tel.: +49 (0)69 58998-6060, e-mail: service@union-investment.de) in electronic or written form or may be viewed on the homepage of the Company (which is accessible via www.privatkunden.union-investment.de). If a Contact Office is specified in the Special Section of this Sales Prospectus, you may also obtain this information via the telephone and fax numbers specified therein. If a homepage is specified in the information regarding the Contact Office, you can also find this information there.

Settlement upon issue and redemption of units, confirmation of order execution

Issue and redemption prices shall be determined for each trading day in Frankfurt / Main (value determination day). The issue and redemption prices for a value determination day shall be established on the trading day following this value determination day (valuation day).

Unless otherwise specified in the special part of this Sales Prospectus in the section entitled "Specific incoming orders" regarding the cut-off time, the following rules shall apply to the cut-off time:

Unit purchase and redemption orders received by 16:00 on a value determination day shall be executed at the issue or redemption price ascertained for this value determination day. The corresponding settlement for investors shall also be carried out on the valuation day for this value determination day. The issue price shall be payable in the currency of the Fund within two bank working days (these being bank working days in Frankfurt / Main) of the relevant valuation day. The redemption price shall be paid in the currency of the Fund within two bank working

days (these being bank working days in Frankfurt / Main) of the relevant valuation day.

Unit purchase and redemption orders received after 16:00 on a value determination day or on a day other than a value determination day shall be processed on the following value determination day (value determination day + 1) and shall be settled at the issue or redemption price ascertained for this value determination day + 1. The corresponding settlement for investors shall be carried out on the corresponding valuation day for this value determination day +1. The issue price shall be payable in the currency of the Fund within two bank working days (these being bank working days in Frankfurt / Main) of the relevant valuation day. The redemption price shall be paid in the currency of the Fund within two bank working days (these being bank working days in Frankfurt / Main) of the relevant valuation day.

Confirmation of the execution of unit calls and unit redemptions and further information relating to the status of order execution will be provided by Union Investment Service Bank AG if units are held in custody by UnionDepot or, if the units are held in custody elsewhere, by the relevant agent maintaining the securities account.

On trading days that are public holidays within the scope of the KAGB, and on 24 and 31 December of each year, the Company and the depositary need not determine the value. The precise days on which the value need not be determined are listed in the section entitled "Issue and redemption price" in the general part of the Sales Prospectus.

Suspension of unit redemption

The Company may temporarily suspend the redemption of units in the event of extraordinary circumstances which appear to require such suspension in the interests of the investors. Such extraordinary circumstances include, for example, instances in which a stock exchange, on which a significant part of the Fund's transferable securities are traded, is closed unexpectedly or the Fund's assets cannot be valued. In particular, the Company may also be forced to suspend redemption if one or more funds whose units have been acquired for the Fund suspend the redemption of units on their part.

Moreover, BaFin may instruct the Company to suspend the redemption of units if this is deemed necessary in the interests of the investors or the public.

If the redemption of units is suspended, any direct debit authorisations to purchase units may not be acted upon.

The Company reserves the right to redeem or exchange units at the respective price valid at the time after promptly selling fund assets, provided that the interests of all investors are protected. The temporary suspension of unit redemption may be immediately followed by the liquidation of the Investment Fund, without the resumption of unit redemption (for more details, refer to the section entitled "Liquidation, transfer and merger of the Fund" of the general part of the Sales Prospectus).

Union Investment shall give notice to investors regarding the suspension and resumption of unit redemptions through notification in the German Federal Gazette and additionally in a financial or daily newspaper with sufficient circulation or on the homepage of Union Investment's website at www.privatkunden.union-investment.de, or on the homepage of a Contact Office (where specified in the Special Section of the Sales Prospectus). Investors shall also be informed by the agent maintaining their securities account via a permanent data medium, i.e. a hard copy or in electronic form.

Liquidity management

Principles of the liquidity risk management

The Company has laid down the following written principles and procedures enabling it to monitor liquidity risks:

The investment strategy described in the special part of the Sales Prospectus (see section entitled "Investment principles"), results in the following liquidity profile for the Fund: The liquidity profile of a fund is determined by its structure in terms of the assets and liabilities contained in the fund, as well as the investor structure of the fund. The Fund's liquidity profile thus results from this information, taken as a whole. In connection with the assets and liabilities of the Fund, the liquidity profile of the Fund is based on liquidity estimates for each of the individual investment instruments and their contribution to the portfolio. For each investment instrument, a range of factors such as trading volumes, credit rating or type of instrument are taken into account, as well as a qualitative analysis where appropriate.

The Company has defined the redemption principles as given in the general part of the Sales Prospectus, in the section entitled "Redemption of units and redemption agent".

The Company monitors the liquidity risks at Fund level in a multi-stage process. Liquidity information is produced both for the underlying investment instruments in the Fund and for cash inflow and outflow. In addition to ongoing monitoring of the liquidity situation based on indicators, scenario-based simulations are undertaken. These examine the effects that different assumptions about asset liquidity in the Fund will have on the capacity to handle the simulated cash outflows. Both quantitative and qualitative factors will then be used to produce an overall estimate of the Fund's liquidity risk.

The Company regularly reviews these rules and updates them as appropriate.

The Company defines appropriate limits for the liquidity and non-liquidity of the Fund. Periodic fluctuations are possible. The Company takes preventive liquidity measures and has a liquidity control procedure in place to assess the quantitative and qualitative risks of positions and proposed investments that could have a material impact on the liquidity profile of the Fund's portfolio. These procedures aim at implementing the existing and continuously updated knowledge and experience of the Company about the liquidity of the assets in which the Fund has invested or proposes to invest, including (where appropriate) information about trading volumes, price sensitivity, and – depending on the

case – about the spread of individual assets in both normal and exceptional liquidity situations.

The Company conducts regular stress tests in accordance with the statutory requirements, currently at least once per year, which it can use to assess the liquidity risks of the Fund. The Company conducts these stress tests based on reliable, up-to-date quantitative information or – if required – qualitative information. These include the investment strategy, redemption periods, payment obligations and periods during which assets may be sold, as well as specific information about general investor behaviour and market developments, where appropriate. The stress tests simulate a situation of lacking liquidity of the assets in the Fund, as well as atypical redemption requests. They cover market risks and their effects, including the effects of margin calls, collateral calls or credit lines. They also take account of valuation sensitivities under stress conditions. Furthermore, they are performed with a frequency appropriate for the Fund and take account of the investment strategy, liquidity profile, investor profile and redemption principles of the Fund.

Stock exchanges and markets

The Company has not arranged for the listing of the Investment Fund for trading on a stock exchange. The units are not traded with the consent of the Company on organised markets. However, the possibility cannot be ruled out that units will also be traded on other markets. Third parties may offer units for inclusion in free trading or another type of OTC trading without the consent of the Company.

The market price forming the basis for stock market dealings or trading on other markets is not determined exclusively by the value of the assets kept in the Fund, but also by supply and demand. This market price can therefore differ from the unit price.

Fair treatment of investors

The Company shall treat investors in the Fund in a "fair" manner. This means that when controlling the liquidity risk and the redemption of units, the interests of any particular investor or group of investors will not be given priority over the interests of any other investor or group of investors.

For more information on the procedures implemented by the Company to ensure the fair treatment of investors, see the sections "Settlement of issue and redemption of units, confirmation of order execution" and "Liquidity management" in the general part of the Sales Prospectus.

Issue and redemption price

When calculating the issue price and the redemption price for the units, on each trading day the Company determines the value of the assets included in the Investment Fund less its liabilities (net asset value), acting under the supervision of the depositary.

The value of each unit (unit value) is obtained by dividing the net asset value thus obtained by the number of units issued.

If unit classes are created for the Fund, the unit value for each unit class shall be calculated separately by exclusively attributing the costs for the launch of new unit classes, any distributions (including any taxes to be paid out of the Fund's assets), the management fee and/or the results of currency hedging transactions related to a certain unit class, including any income adjustment, to the relevant unit classes.

The value of the Fund's units is calculated on every trading day. On trading days that are public holidays for the purposes of the KAGB, and on 24 and 31 December of each year, the Company and the Depositary need not determine this value. Units will not be valued on New Year's Day, Good Friday, Easter Monday, May Day, Ascension Day, Whit Monday, Corpus Christi Day, German Unity Day, Christmas Eve, Christmas Day, Boxing Day or New Year's Eve. It is left to the discretion of the Company and the Depositary to decide whether the unit value shall be determined on additional public holidays which are trading days in future, or not.

Suspension of the calculation of the issue/redemption price

The Company may temporarily suspend the calculation of the issue and redemption price under the same conditions as the redemption of units. These are specified in greater detail in the section entitled "Suspension of unit redemption" in the general part of the Sales Prospectus.

Publication of issue and redemption prices

Issue and redemption prices and, where applicable, the net asset value per unit are published regularly on the homepage of Union Investment's website at www.privatkunden.union-investment.de. If a Contact Office is specified in the Special Section of the Sales Prospectus, the Company may also publish the issue and redemption prices and, where applicable, the net asset value per unit on the website of the Contact Office, as specified therein. The issue and redemption prices and, where applicable, the net asset value per unit can also be obtained from the Depositary and may also be published in a daily or financial newspaper with sufficient circulation.

Costs relating to the issue and redemption of units

Information relating to issue costs and any redemption fees levied can be found in the special part of the Sales Prospectus.

Units may be issued and redeemed through Union Investment Service Bank AG and through the depositary at the issue price (unit value plus initial sales charge, if applicable) or the redemption price (unit value less redemption fee if applicable) without any additional costs.

If the investor acquires units through a third party, these may include higher costs than the initial sales charge. If the investor

returns units via third parties, the latter may charge their own costs when the units are redeemed.

Charges

Fees payable to the Company:

1. The Company shall receive a daily fee for managing the Investment Fund. The amount of this management fee as a percentage of the asset value of the Investment Fund or of the respective class established on each trading day is listed in the section entitled "Costs" in the special part of this Sales Prospectus. The Company is free to charge a lower management fee for the Investment Fund or for one or several unit classes or to abstain from charging a management fee. If the Company launches unit classes, it shall specify the individual management fees levied in the special part of the Sales Prospectus and in the annual and half-yearly reports.
2. Furthermore, in return for arranging, preparing and conducting securities lending and repurchase transactions on behalf of the Fund, the Company shall receive a flat fee of up to 49% of the income from these transactions. The costs arising from preparing and conducting such transactions, including the fees to be paid to third parties, shall be borne by the Company. At present, a flat fee of 49% is applied for arranging, preparing and conducting securities lending and repurchase transactions for the Investment Fund.
3. Should any disputed claim be enforced in or out of court on behalf of the Investment Fund, the Company may charge a fee of up to 5% of the amounts obtained for the Investment Fund, after deducting and settling the costs relating to these proceedings which are incurred by the Investment Fund for the Company's claiming and enforcing of legal claims. Currently, a fee of 5% is charged where corresponding amounts are collected.
4. Furthermore, the Company receives a daily flat fee from the Investment Fund. The amount of the flat fee as a percentage of the asset value of the Investment Fund established on each trading day is listed in the section entitled "Costs" in the special part of the Sales Prospectus. The flat fee covers the following payments and expenses for third parties, which are not charged separately to the Investment Fund:
   a) depositary fee;
   b) custody and depository fees, for the safekeeping of assets, in line with standard banking practice;
   c) costs of the auditing of the Investment Fund by its independent auditors;
   d) costs of publishing the tax bases and certifying that the tax statements have been drawn up pursuant to German tax regulations;
   e) costs of appointing voting proxies;
   f) costs of data provision and maintenance;
   g) reporting costs;
   h) costs in connection with the accounting services of the Investment Fund;
   i) costs in connection with the supervision and risk management of the Investment Fund (risk controlling).

   The flat fee may be deducted from the Investment Fund's assets at any time. The Company will specify the flat fee applied in the section entitled "Costs" in the special part of the Sales Prospectus and in the annual and half-yearly reports.

Fees payable to third parties:

5. At present, the Company pays the collateral manager of derivative transactions a daily fee from the Investment Fund of 1/365 (in leap years: 1/366) of up to 0.1% of the asset value calculated on each trading day. The Company specifies the fee payable to third parties in the section entitled "Costs" in the special part of the Sales Prospectus.
6. The amount which may be deducted daily from the Investment Fund or the respective unit class as a fee in accordance with points 1, 4 and 5 above and, where applicable, as reimbursement of expenses under point 8f) below, may not exceed a total maximum annual figure. The amount of this maximum figure is listed in the section entitled "Costs" in the Special Section of this Sales Prospectus as a percentage of the net asset value of the Investment Fund or unit class per trading day.

Performance fee:

7. Performance fee

If a performance fee is set out in the Special Terms of Contract of the Investment Fund, the rules regarding this fee (particularly the definition of "performance fee", the amount, the performance calculation, the calculation period and the benchmark index) can be found in the section entitled "Costs" in the special part of the Sales Prospectus.

Other expenses:

8. In addition to said remunerations, the following expenses are charged to the Investment Fund:
   a) costs for enforcing and implementing legal claims by the Company on behalf of the Investment Fund, as well of defending claims raised against the Company at the cost of the Investment Fund;
   b) fees and costs imposed by government agencies with respect to the Investment Fund;
   c) costs of legal and tax consulting services for the Investment Fund;
   d) costs and any fees incurred in connection with the acquisition and/or use or appointment of a benchmark or financial index;
   e) taxes arising in connection with fees payable to the Company, depositary and third parties, as well the above-mentioned expenses (including taxes incurred in connection with the management and custody of assets).
   f) if specified in the Special Investment Conditions, costs may be charged for the providing of analytical material or

services by third parties in relation to one or more financial instruments or other assets, or in relation to the issuers or potential issuers of financial instruments, or which are closely connected to a specific sector or market , which are calculated as the total of the respective individual amounts incurred, determined for each trading day as 1/365 (1/366 in leap years) of the net asset value calculated on each trading day. The maximum amount of these costs in percent is set out in the section entitled "Costs" in the Special Section of the Sales Prospectus.

Transaction costs:

9. In addition to the above-mentioned fees and expenses, costs arising in connection with the acquisition and disposal of assets will be charged to the Investment Fund.

Risks in connection with the acquisition and redemption of investment units:

10. The Company shall specify in the annual and half-yearly reports the amount of the initial sales charges and redemption fees paid out from the Fund the reporting period for the purchase and redemption of units pursuant to § 196 KAGB and comparable foreign units. Concerning the purchase of units managed directly or indirectly by the Company itself or by another company associated with the Company via a substantive direct or indirect holding, the Company or the other company is not allowed to apply any initial sales charge or redemption fee for the purchase or redemption of units. In its annual and half-yearly reports, the Company shall specify the fee charged to the Investment Fund by the Company itself, another management company, an investment company or another company associated with the Company via a substantive direct or indirect holding or a foreign investment company, including its management company, as a management fee for the units held in the Investment Fund.

Additional remarks:

In addition to the fee for managing the Investment Fund or the respective unit classes, a management fee is also charged for the units held in the Investment Fund. The Company does not receive any refunds from the remunerations and reimbursements of expenses paid from the Fund to the depositary and third parties.

Union Investment gives part of the initial sales charge – if levied – and the management fee to its distribution partners as commission payments for their brokerage services. Depending on the distribution channel, the amount of the distribution costs may be measured in relation to the Fund volume brokered. In this way, a substantial part of the initial sales charge and management fee can be passed on to the distribution partners of Union Investment in the form of commission payments. Union Investment also grants its distribution partners further contributions in the form of supportive benefits in kind (e.g. employee training) and, where appropriate, performance bonuses which are likewise connected to the distribution performance of those partners. The granting of such benefits in kind will not conflict with the interests of investors, but are intended to maintain and further improve the quality of services provided by the distribution partners.

The Company may reach agreements at its discretion with individual investors regarding the partial repayment to these investors of management fees collected. In particular, this shall be considered if institutional investors invest large amounts directly and for the long term.

The Company may also conclude agreements with selected brokers according to which the relevant broker may pass on parts of the fees which the Company has charged in relation to the purchase or sale of assets either directly or on a staggered basis to third parties which have provided research or analytical services to the Company, which services are used by the Company in the interest of investors (known as Commission Sharing Agreements).

In connection with trading activities on behalf of the Fund, the Company may receive non-cash benefits (for example broker research, financial analyses, market and exchange rate information systems), which are used when making investment decisions in the interests of the unitholders. Additional information regarding further details of the non-cash benefits procured may be obtained from Union Investment.

Total Expense Ratio

The costs and expenses accrued against the Fund during the financial year will be published in the annual report and specified as ratio of the average fund volume (total expense ratio). This includes the fee for the management of the Investment Fund, the flat fee and the expenses which may be additionally charged to the Fund (see sections entitled "Costs" and "Details on the acquisition of investment fund units" of the general part of the Sales Prospectus. The total expense ratio shall not include ancillary costs or costs arising in connection with the purchase and sale of assets (transaction costs). To the extent that the Terms of Contract specify a management performance fee, such fee shall additionally be specified separately as a percentage of the average net asset value of the Investment Fund. The total expense ratio is published in the KIID as so-called "ongoing charges".

Different costs information provided by sales agents

If third parties advise the investor in relation to the acquisition of units or if the third parties broker the purchase, they shall show him any costs or cost rates which do not tally with the cost information in this Prospectus and in the Key Investor Information Document (KIID) and which may exceed the total expense ratio as specified herein.

This may occur in particular when the third party adds costs for its own services (such as brokering, consulting or securities account management). In addition, the third party may also add one-off costs such as initial sales charges, and it will generally use different calculation methods or different estimates for the

costs incurred at Fund level, which- include the Fund's transaction costs in particular.

Deviations may occur in the identification of costs, both in the case of information before the contract is concluded and the provision of regular cost information regarding the existing Fund investment as part of a long-term customer relationship.

Remuneration policy

The Company has established remuneration systems for its Managing Directors and employees. The overriding objective of the remuneration systems is to reward the efforts of employees appropriately and fairly and to set effective incentives. In doing so, no incentives are expressly set that encourage the taking of risks that are not compatible with the risk profile or the Terms of Contract of the investment funds it manages and which could prevent the Company from acting dutifully in the best interests of the respective investment fund. The remuneration systems are designed so that they comply with current regulatory requirements.

In the Company, remuneration systems are used that can be broken down as follows:

1. Tariff remuneration system
2. Non-tariff remuneration system for non-risk bearers
3. Non-tariff remuneration system for risk bearers

In addition, a remuneration committee was set up which assesses the remuneration policies and practices and the incentives created for managing risk.

Further details of the current remuneration policy of the Company are published online at privatkunden.union-investment.de/ verguetungspolitik. This includes a description of the methods for calculating remuneration and benefits for certain groups of employees, as well as details of the persons responsible for allocation, including the members of the remuneration committee. Upon request, the information will be provided free of charge by the Company in paper form.

Details on the acquisition of investment fund units

If the Fund invests in other investment funds, these may charge a management fee. In addition, these investment funds may charge a performance fee. Such a performance fee may make up a significant part of the positive performance of a target fund. In certain cases, such a performance fee may also be applied even if the fund's performance is negative. Furthermore, the target fund may be burdened with costs, commissions and other expenses that reduce the value of the target fund's assets. The costs of the target fund may in some cases be higher than the costs customary for the market. These reduce the net asset value of the fund and are still charged in the event of a negative performance of the target fund.

Further explanations regarding the management fee for the target fund units held in the Investment Fund can be found in the section entitled "Costs" in the general part of the Sales Prospectus.

The acquisition of target fund units is generally associated with charges, costs, commissions, taxes, fees and other expenses borne directly or indirectly by investors in the Fund. These typically comprise:

- a fee for the management of the Investment Fund;
- a depositary fee;
- custody fees, if appropriate including the costs for the safekeeping of foreign transferable securities abroad;
- costs of the printing and dispatch of particular annual and half-yearly reports for investors;
- costs of the publication of annual and half-yearly reports, issue and redemption prices and, where appropriate, distributions;
- costs of the auditing of the Investment Fund by the Company's independent auditors;
- costs of publishing the tax bases and certifying that the tax statements have been drawn up pursuant to German tax regulations;
- sales costs;
- costs of the redemption of coupons;
- costs incurred in relation to the purchase and sale of assets;
- any taxes that may be incurred in relation to management and custody costs;
- costs of exercising and enforcing the legal rights of the Investment Fund.

The annual and half-yearly reports shall publish the initial sales charges and redemption fees charged to the Fund for the purchase and redemption of units in target funds over the reporting period. In addition, the fee that has been charged to the Fund by a domestic or foreign company, or a company associated with Union Investment by a substantive direct or indirect holding, as a management fee for the units held by the Fund will be published.

Sub-investment funds

The Fund is not a sub-investment fund of an umbrella fund.

Rules on the determination and use of income

The section entitled "Financial year and use of income" in the special part of this Sales Prospectus states whether the Investment Fund is a distributing or accumulating investment fund, or whether the respective unit class is a distributing or accumulating unit class.

The Fund generates income in the form of interest, dividends and income from investment units accruing during the financial year, which have not been used to cover costs. This includes charges from lending transactions and repurchase agreements. Other in-

come may result from the disposal of assets held for the account of the Fund.

The Company applies an "income adjustment procedure" to the Investment Fund or the relevant unit class. This prevents the proportion of distributable income based on the unit price from fluctuating due to inflows and outflows. Otherwise, any inflows into the Fund during the financial year would lead to lower income per unit being available for distribution on the distribution date than would be the case if there was a constant number of units in circulation. Outflows, on the other hand, would lead to more income per unit being available for distribution on the distribution date than would be the case if there was a constant number of units in circulation.

To avoid this, during the financial year, the distributable income which the purchaser of units must pay as part of the issue price and the seller of units earns as part of the redemption price is calculated on an ongoing basis and reported in the income statement as a distributable item. It is thus accepted that investors who, for example, acquire units shortly before the distribution date will get back the part of the issue price relating to income in the form of a distribution, even though their paid-in capital did not contribute to generating the income.

Liquidation, transfer and merger of the Fund

Conditions for the liquidation of the Fund

Investors are not entitled to demand that the Fund be liquidated. The Company may cease managing the Fund, provided that it complies with a notice period of at least six months, via publication of a notice in the German Federal Gazette, as well as in annual or half-yearly report. Investors shall also be informed of this termination by the agent maintaining their securities account via a durable medium, i.e. a hard copy or in electronic form. A similar procedure may also be followed in relation to a unit class of an investment fund. On the date on which termination takes effect, the right of the Company to manage the Investment Fund shall expire.

Moreover, the right of the Company to manage the Fund ceases if insolvency proceedings are opened against the Company's assets or following a court order rejecting the opening of insolvency proceedings due to insufficiency of assets.

The power of disposal over the Investment Fund shall pass to the depositary upon the expiry of the right to manage the Fund, which shall liquidate the Investment Fund and divide the proceeds among the investors, or – subject to BaFin approval – commission another company to act as management company.

Procedure for liquidation of the Fund

With the transfer of the right of disposal over the Fund to the depositary, the issue and redemption of units will cease and the Fund will be liquidated.

The proceeds from the sale of the Fund's assets, less any costs that are still to be borne by the Fund and the costs resulting from the liquidation procedure, shall be distributed to investors, who shall be entitled to receive payment of the liquidation proceeds in proportion to their number of units held in the Fund.

The Company shall issue a liquidation report on the day on which its right of management expires, which shall comply with the requirements applicable to the annual report. The liquidation report shall be published in the German Federal Gazette no later than three months after the relevant date of liquidation of the Investment Fund. Whilst the depositary is winding up the Fund, it shall issue reports annually, as well as on the day on which the winding up process is completed, which shall comply with the requirements applicable to the annual report. These reports shall likewise be published in the German Federal Gazette no later than three months after the relevant date.

Transfer of the Fund

The Company may transfer the management and right of disposal over the Investment Fund to another management company. This transfer is subject to prior approval by BaFin. The approved transfer shall be published in the German Federal Gazette as well as in the annual or half-yearly report of the Fund. Investors shall also be informed of the planned transfer by the agent maintaining their securities account via a durable medium, i.e. a hard copy or in electronic form. The date on which the transfer takes effect shall be governed by the contractual agreements between the Company and the receiving management company. The transfer may not, however, be effective until three months after its publication in the Federal Gazette. All of the rights and obligations of the Company in respect of the Fund are then transferred to the receiving management company.

Conditions for merger of the Fund

All the assets of this Fund may – subject to BaFin approval – be transferred to another investment fund, be it existing or newly created by the merger, which must meet the requirements for a UCITS and be established in Germany or another EU or EEA member state.

Such transfer shall take effect from the end of the financial year of the absorbed fund (transfer date) unless another transfer date is determined.

Rights of investors upon merger of the Fund

Investors have up to five working days before the planned transfer date to either redeem their units without further costs (except for the costs deducted to cover the liquidation costs) or – if possible – to exchange their units for units of another open-end mutual fund that is also managed by Union Investment or a company in the same group and has a similar investment policy as the Fund.

Prior to the planned transfer date, the Company shall provide investors in the Fund with information regarding the reasons for the merger, the potential implications for investors, their rights in relation to the merger and the relevant procedural aspects via a durable medium, i.e. a hard copy or in electronic form. Investors shall also be provided with the KIID of the investment to which the Fund's assets will be transferred. There must be at least 30 days between the provision of the merger information and the

end of the deadline for requests for the redemption or exchange of units, where applicable.

On the effective transfer date, the net asset values of the absorbing investment fund and the absorbed fund shall be calculated, the conversion rate fixed and the entire conversion procedure audited by an auditor. The conversion ratio shall be determined in accordance with the ratio between the net asset value per unit of the absorbed fund and that of the absorbing investment fund at the time of the transfer. Investors shall receive a number of units in the absorbing investment fund which corresponds to the value of their units in the absorbed fund.

Investors who do not exercise their right of redemption or conversion will become investors of the absorbing investment fund with effect from the date of transfer. Where appropriate, the Company may also agree with the Management Company of the absorbing investment fund that the investors of the absorbed fund will receive payment in cash for up to 10% of the value of their units. The absorbed fund will cease to exist upon the transfer of all of its assets. If the transfer occurs during the financial year of the absorbed fund, the Company must draw up a report for the transfer date, which must comply with the requirements applicable to the annual report.

The Company shall give notice in the German Federal Gazette and in the electronic information media specified in this Sales Prospectus if the Investment Fund has been merged with another investment fund also managed by the Company and the merger has taken effect. If the Fund is to be merged with another investment fund that is not managed by the Company, then the company managing the absorbing or newly established investment fund will be responsible for the notice of the merger taking effect.

Delegation of duties

As part of its normal operations, the Company has delegated specific activities and responsibilities to group companies as well as non-group companies. Below is an overview of the delegation of duties and the potential conflicts of interest resulting from such delegation.

If portfolio management or other specific activities for the Fund are delegated, this will be indicated in the section entitled "Additional delegation of duties" in the special part of this Sales Prospectus.

Delegation to group companies

Based on a division of labour, various functions and activities of the Company have been delegated to other companies of the Union Investment Group in which the Group holds a majority stake:

- The responsibilities for HR, legal, compliance, money laundering, data protection, fraud prevention, information security management and operational continuity management, accounting and auditing services, as well as support in the areas of risk management, including data quality management and controlling, have been delegated to Union Asset Management Holding AG, Frankfurt/Main.
- Marketing and product management services for institutional funds and support for product development and maintenance have been delegated to Union Investment Institutional GmbH, Frankfurt / Main.
- Fund risk controlling, performance analysis, trade control and investment limit control, as well as fund bookkeeping, reporting, accounting, data and order management, as well as the collateral desk, have been delegated to Union Service-Gesellschaft mbH, Frankfurt / Main.
- Commission calculation and payment to intermediaries abroad and within the non-cooperative banking sector in Germany, as well as the maintenance of basic fund data, have been delegated to Union Investment Financial Services S. A., Luxembourg.
- Coordination of fund marketing in other countries and depository management have been delegated to Union Investment Luxembourg S. A., Luxembourg.
- Customer service, complaints management, commission calculation and payment to intermediaries within the cooperative banking sector in Germany have been delegated to Union Investment Service Bank AG, Frankfurt / Main.
- The procurement of IT services has been delegated to Union IT-Services GmbH, Frankfurt / Main. These relate to network, PC and telecommunications operations, the operation of personnel information systems, as well as the operation of applications for investment, fund accounting and marketing processes, including their associated support processes.
- If the Fund is authorised for sale in Austria, the marketing for private customers has been outsourced to Union Investment Austria GmbH, Vienna.

The aforementioned delegations of duties could give rise to the following conflicts of interest:

a) The contracted company also holds other mandates, or acts on behalf of other funds or investors. The use of a service provider with multiple clients leads to the possibility that the provider might have financial or other incentives to give priority to the interests of another mandate, fund or investor over the interests of the present fund or its investors.

b) The contracted company is a company affiliated with the Company within the same financial group. Delegation to a group company creates the possibility that such a company, due to its being part of the group, may be exposed to competing influences when performing the delegated activity, or that it may exert such an influence on the Company belonging to the group or on the investors, which could negatively affect the interests of the Company or of the investors.

Measures taken by the Company:

The Company has taken adequate measures, in particular through functional separation, outsourcing control, etc., to prevent such potential conflicts of interest from damaging the

interests of the Fund or its investors. Any conflicts of interest that are unavoidable despite these measures are disclosed to investors.

Delegation to non-group companies

The following duties have been delegated to companies outside the Union Investment Group:

- The provision of collateral management services for transferable securities lending transactions and the provision of collateral management services for compliance with the requirements of Regulation (EU) No 648/2012 (EMIR) has been delegated to State Street Bank International GmbH, Munich.

The aforementioned delegations of duties could give rise to the following conflicts of interest:

Conflicts of interest related to service providers with multiple clients:

The contracted company also holds other mandates, or acts on behalf of other funds or investors. The use of a service provider with multiple clients leads to the possibility that the provider might have financial or other incentives to give priority to the interests of another mandate, fund or investor over the interests of the present fund or its investors.

Measures taken by the Company:

The Company has taken adequate measures, in particular through functional separation, outsourcing control, etc., to prevent such potential conflicts of interest from damaging the interests of the Fund or its investors. Any conflicts of interest that are unavoidable despite these measures are disclosed to investors.

Conflicts of interest

The Company could become exposed to the following conflicts of interest:

The interests of investors or of the Fund could conflict with the following interests:

- Interests of the Company and its affiliated companies
- Interests of Company employees or
- Interests of other investors in this Fund or other funds
- Interests of another client of the Company

Circumstances or relationships that could give rise to conflicts of interest include in particular the following:

- Incentive schemes for Company employees,
- Employee transactions,
- Benefits for Company employees,
- Shifts in the Fund,
- Improvements in fund performance for the closing date (window dressing),
- Transactions between the Company and investment funds or individual portfolios managed by it, or
- Transactions between investment funds or individual portfolios managed by the Company,
- Aggregation of orders (block trades),
- Orders for or transactions with affiliated companies and persons,
- If a share issue is oversubscribed and the Company has subscribed shares for several investment assets or individual portfolios (IPO allocations),
- Transactions after closing time at the known closing price of the day (so-called late trading),
- Engaging in unit transactions, if these benefit certain investors over others:
- Frequent trading,
- Individual investments of considerable magnitude,
- Charging the Investment Fund with disproportionate costs or fees, unsuitable practices or the conflictual commissioning of third parties,
- Selection of a trading partner while simultaneously receiving substantial soft commissions or research,
- Possibility of conflictual marketing promotion through incomplete or incorrect product information,
- Conflicts of interest through/in the exercise of voting rights,
- The valuation agent for the assets is the Company itself,
- Conflicts of interest related to the redemption of investments, such as conflicts of interest that could exist between investors who wish to redeem their investments and investors who wish to maintain their investments in the Fund, or between the Fund's objective of investing in non-liquid assets and its redemption principles,
- Delegating duties to affiliated companies or service providers with multiple clients,
- When delegating portfolio management or risk management to such companies,
- Use of insider information to the disadvantage of the client,
- Personal conflicts of interests of employees or bodies of the Company

To address conflicts of interest, the Company has taken the following organisational measures to detect, prevent, control, monitor and disclose conflicts of interest:

- Existence of a compliance function which monitors compliance with laws and regulations, and to which any conflicts of interest must be reported
- Disclosure obligations.
- Organisational measures such as
  - The creation of confidentiality zones for individual departments in order to prevent the abuse of confidential information,
  - The allocation of competences in order to prevent any improper exertion of influence,

- Separation of proprietary trading and customer trading,
- Measures for hierarchical and functional separation (also applies to delegated portfolio management and risk management activities),
- Rules of conduct for employees with respect to employee transactions, obligations of compliance with insider rules,
- Creation of suitable fee systems,
- Principles for taking account of customer interests, as well as the provision of investor-oriented and investment-related advisory services and/or compliance with the agreed investment guidelines,
- Principles for optimal execution in the purchase or sale of financial instruments or other assets,
- Principles for the subdivision of partial executions and allocation of assets,
- Specification of times for order acceptance (cut-off times),
- Strategies comprising measures and procedures to prevent or regulate conflicts of interest produced by the exercise of voting rights,
- Separate reporting obligation or separate monitoring,
- Prohibitions,
- Refraining from providing the conflictual service.

Brief summary relating to tax regulations

The following statements on tax regulations only apply to investors who are fully liable for taxation[1] in Germany. We recommend that, prior to acquiring units of the Investment Fund described in this Sales Prospectus, foreign investors[2] contact their tax adviser in order to discuss any possible tax consequences in their country of residence arising from the acquisition of units.

As a special-purpose fund, the Fund is in principle exempt from corporation and trade tax. However it is partly subject to corporation tax on its domestic investment income and other domestic revenues within the meaning of the limited income tax liability with the exception of gains from the sale of shares in companies. The tax rate amounts to 15%. If the taxable income is charged in the form of a deduction on capital gains, the 15% tax rate also includes the solidarity surcharge.

However, the investment income is taxable for the private investor as income from capital assets, which is subject to income tax, provided that it exceeds the saver's flat-rate annual allowance of EUR 801 (for single persons or spouses assessed separately) or EUR 1,602 (for spouses assessed jointly) together with the other investment income.

Income from capital assets is generally subject to a 25% withholding tax (plus solidarity surcharge and, where applicable, church tax). The income from capital assets also includes income from investment funds (investment income) i.e. distributions from the Fund, the determined tax bases and the gains from the sale of units.

In general, for the private investor, the withholding tax acts as a final payment (known as final withholding tax) such that, as a rule, income from capital assets need not be declared in the income tax return. In principle, when applying the withholding tax, the agent maintaining the securities account already offsets losses and foreign withholding taxes from direct investments.

The withholding tax does is not equivalent to the final payment, however, if the investor's personal tax rate is lower than the final withholding tax of 25%. In such cases, income from capital assets may be declared in the income tax return. The tax authorities then apply the lower personal tax rate and offset the tax withheld against the personal tax liability (known as favourable tax treatment).

If income from capital assets was not subject to any withholding tax (because e.g. a capital gain from the sale of fund units was realised in a foreign securities account), such income must in all cases be declared in the tax return. Within the tax assessment, any income from capital assets is then also subject to the final withholding tax of 25%, or else to the lower personal tax rate.

If units are held as business assets, the income is considered taxable as operating income.

1. Units held as personal assets (German tax residents)

Distributions

Distributions made by the Fund are in principle taxable.

If the Fund meets the taxation criteria for partial exemption, distributions may be partly tax-free.

If the Fund fulfils the tax conditions for an equity fund, 30% of distributions are tax-exempt. If it fulfils the tax conditions for a mixed fund, 15% of distributions are tax-exempt. If the Fund is treated as an equity fund or a mixed fund for tax purposes, you will find information on this in the section entitled "Investment limits for tax reasons" in the Special Section of this Sales Prospectus.

The taxable distributions are normally subject to the 25% tax deduction (plus solidarity surcharge and, where applicable, church tax).

The withholding tax need not be applied if the investor is a German tax resident and presents an exemption request, provided that the taxable income element does not exceed EUR 801 for individual assessment or EUR 1,602 for joint assessment of spouses.

The same applies when providing a declaration for persons who are not expected to be subject to income tax (so-called non-assessment certificate).

If a German investor places units in a domestic securities account, the agent maintaining the securities account will refrain, as paying agent, from applying the withholding tax if it is presented prior to the distribution deadline specified with an appropriate exemption request for a sufficient amount using the official form or a non-assessment certificate issued by the tax authorities for a

maximum period of three years. In this case, the investor will be credited for the full amount of the distribution.

Advance flat-rate charge

The pre-determined tax base is the amount by which the distributions by the Fund falls short of the base income for a calendar year. The base income is calculated by multiplying the redemption price of the unit at the start of a calendar year by 70% of the base interest rate derived from the long-term yields on public bonds. The base income is limited to the additional amount which results from the redemption price established between the first and last calendar year, plus the distributions during the calendar year. In the year the units were acquired the pre-determined tax base is reduced by one twelfth for each full month preceding the month of acquisition. The pre-determined tax base is considered to be accrued from the first working day of the following calendar year.

Pre-determined tax bases are not in principle taxable.

If the Fund meets the taxation criteria for partial exemption, pre-determined tax bases may be partly tax-free.

If the Fund fulfils the tax conditions for an equity fund, 30% of advance lump-sum amounts are tax-exempt. If it meets the tax conditions for a mixed fund, 15% of advance lump-sum amounts are tax-exempt. If the Fund is treated as an equity fund or a mixed fund for tax purposes, you will find information on this in the section entitled "Investment limits for tax reasons" in the Special Section of this Sales Prospectus.

The taxable pre-determined tax bases are normally subject to the 25% tax deduction (plus solidarity surcharge and, where applicable, church tax).

The withholding tax need not be applied if the investor is a German tax resident and presents an exemption request, provided that the taxable income element does not exceed EUR 801 for individual assessment or EUR 1,602 for joint assessment of spouses.

The same applies when providing a declaration for persons who are not expected to be subject to income tax (so-called non-assessment certificate).

If a German investor places units in a domestic securities account, the agent maintaining the securities account will refrain, as paying agent, from applying the withholding tax if it is presented prior to the point of accrual with an appropriate exemption request for a sufficient amount using the official form or a non-assessment certificate issued by the tax authorities for a maximum period of three years. In this case no tax is deducted. In other cases the investor must make the amount of tax payable available to the securities account agent. For this purpose, the securities account agent may collect the amount of tax payable from an account held with it in the name of the investor without the consent of the investor. If the investor does not object before the accrual of the pre-determined tax base, the securities account agent may to this extent collect the amount of the tax payable from an account held in the name of the investor as if a credit of the current account agreed with the investor had not been invoked for this account. If the investor fails to meet his obligation to make the amount of deductible tax available to the domestic securities account agent, the securities account agent must advise his competent tax office thereof. The investor must in this case state the pre-determined tax base in this respect in his income tax declaration.

Capital gains at investor level

If units in the Fund are sold after 31 December 2017, the capital gains are subject to the withholding tax rate of 25%. This applies to units which were acquired prior to 1 January 2018 and which qualify as sold on 31 December 2017 and reacquired on 1 January 2018, and also to units acquired after 31 December 2017.

If the Fund meets the taxation criteria for partial exemption, capital gains may be partly tax-free.

If the Fund fulfils the tax conditions for an equity fund, 30% of capital gains are tax-exempt. If it fulfils the tax conditions for a mixed fund, 15% of capital gains are tax-exempt. If the Fund is treated as an equity fund or a mixed fund for tax purposes, you will find information on this in the section entitled "Investment limits for tax reasons" in the Special Section of this Sales Prospectus.

n the case of gains from the sale of units which were acquired before 1 January 2018 and which qualify as sold on 31 December 2017 and reacquired on 1 January 2018, it should be noted that at the actual time of sale the gains from the deemed disposal on 31 December 2017 are taxable if the units were actually acquired after 31 December 2008.

If the units are held in a domestic securities account, the securities account agent will apply the withholding tax, taking into consideration any partial exemptions. The withholding tax of 25% (plus the solidarity surcharge and, where applicable, church tax) may be waived following presentation of a satisfactory exemption request or non-assessment certificate. If such units are sold at a loss by a private investor, then the loss may be offset against other positive income from capital assets. If the units are held in a domestic securities account, and positive income has been obtained from capital assets with the same agent maintaining the securities account over the same calendar year, then the agent maintaining the securities account will offset the losses.

The profit on Fund units acquired before 1 January 2009 and sold after 31 December 2017 which occurs after 31 December 2017 is in principle tax-free for private investors up to an amount of EUR 100,000. This allowance can only be claimed if the profits are declared to the investor's tax office.

When calculating the capital gains, the pre-determined tax bases during holding period are deducted from the gains.

2. Units held as business assets (German tax residents)

Refund of Fund's corporation tax

Corporation tax incurred at Fund level may be reimbursed to the Fund for forwarding to an investor if the investor is a domestic corporation, an association of individuals or a corporate fund

which, according to its articles of association, act of formation or other by-laws, and according to its effective management, exclusively and directly serves charitable, non-profitable or religious purposes or is a foundation under public law that exclusively and directly serves charitable or non-profitable, or if it is a legal entity under public law that exclusively and directly serves religious purposes; this does not apply if the units are held in a commercial business. The same applies to comparable foreign investors with their registered office and management in a foreign country which provides administrative and collection assistance.

The prerequisite for this is that such an investor submits a corresponding application, and that the incurred corporation tax is attributable pro rata to its holding period. In addition, the investor must be the beneficial owner of the units under civil law for at least three months before the taxable income of the Fund accrues without there being any obligation to transfer the units to another person. The refund is also largely conditional, with regard to corporation tax incurred on German dividends and income from German equity-equivalent participation rights at fund level, upon German shares and German equity-equivalent participation rights having been held by the Fund as the beneficial owner for at least 45 consecutive days during the 45 days prior to and following the due date of the capital income, and upon risks of change in the minimum value having amounted to 70% during these consecutive 45 days.

Proof of the tax exemption and proof of the investment units held issued by the securities account agent must be attached to the application. The proof of the investment units held is a form of certification using an official model of the amount of the units held throughout the calendar year by the investor as well as the date and amount of units acquired and sold during the calendar year.

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

The Fund or Company is not obliged to have the relevant corporation tax reimbursed to it in order for it to be passed on to investors. In particular, the Fund or Company is free to make the application for such reimbursement dependent on a minimum expected level of reimbursement per investor and/or on the agreeing of a processing fee.

Due to the highly complex nature of the rule, it is advisable to contact a tax consultant.

Distributions

Distributions made by the Fund are in principle subject to income/corporation and trade taxes.

If the Fund meets the conditions for partial exemption, distributions may be partly exempt from income/corporation and trade taxes.

If the Fund fulfils the tax conditions for an equity fund, 60% of the distributions are tax-exempt for the purposes of income tax and 30% for the purposes of trade tax if the units are held in the business assets by natural persons. In this case, 80% of distributions are generally tax-exempt for taxable corporations for the purposes of corporation tax, and 40% for the purposes of trade tax. For corporations which are life or health insurers and whose units are classified as capital investments, or which are credit institutions whose units are allocated to the trading book or have been acquired by them with the aim of earning own-account trading income over the short term, 30% of distributions are tax-exempt for the purposes of corporation tax and 15% for the purposes of trade tax.

If the Fund fulfils the tax conditions for a mixed fund, 30% of the distributions are tax-exempt for the purposes of income tax and 15% for the purposes of trade tax if the units are held in the business assets by natural persons. In this case, 40% of distributions are generally tax-exempt for taxable corporations for the purposes of corporation tax, and 20% for the purposes of trade tax. For corporations which are life or health insurers and whose units are classified as capital investments, or which are credit institutions whose units are allocated to the trading book or have been acquired with the aim of earning own-account trading income over the short term, 15% of distributions are tax-exempt for the purposes of corporation tax and 7.5% for the purposes of trade tax.

If the Fund is treated as an equity fund or a mixed fund for tax purposes, you will find information on this in the section entitled "Investment limits for tax reasons" in the Special Section of this Sales Prospectus.

The distributions are normally subject to the 25% tax deduction (plus solidarity surcharge).

If the Fund meets the criteria for partial tax exemption, the partial exemption rate for private investors is applied uniformly for the purposes of the tax deduction

Advance flat-rate charge

The pre-determined tax base is the amount by which the distributions by the Fund falls short of the base income for a calendar year. The base income is calculated by multiplying the redemption price of the unit at the start of a calendar year by 70% of the base interest rate derived from the long-term yields on public bonds. The base income is limited to the additional amount which results from the redemption price established between the first and last calendar year, plus the distributions during the calendar year. In the year the units were acquired the pre-determined tax base is reduced by one twelfth for each full month preceding the month of acquisition. The pre-determined tax base is considered to be accrued from the first working day of the following calendar year.

Advance flat-rate charges are in principle subject to income/corporation and trade taxes.

If the Fund meets the conditions for partial exemption, pre-determined tax bases may be partly exempt from income/corporation and trade taxes.

If the Fund fulfils the tax conditions for an equity fund, 60% of the advance lump-sum amounts are tax-exempt for the purposes of income tax and 30% for the purposes of trade tax if the units are held in the business assets by natural persons. In this case, 80% of advance lump-sum amounts are generally tax-exempt for taxable corporations for the purposes of corporation tax, and 40% for the purposes of trade tax. For corporations which are life or health insurers and whose units are classified as capital investments, or which are credit institutions whose units are allocated to the trading book or have been acquired by them with the aim of earning own-account trading income over the short term, 30% of advance lump-sum amounts are tax-exempt for the purposes of corporation tax and 15% for the purposes of trade tax.

If the Fund fulfils the tax conditions for a mixed fund, 30% of the advance lump-sum amounts are tax-exempt for the purposes of income tax and 15% for the purposes of trade tax if the units are held in the business assets by natural persons. In this case, 40% of advance lump-sum amounts are generally tax-exempt for taxable corporations for the purposes of corporation tax and 20% for the purposes of trade tax. For corporations which are life or health insurers and whose units are classified as capital investments, or which are credit institutions whose units are allocated to the trading book or have been acquired with the aim of earning own-account trading income over the short term, 15% of advance lump-sum amounts are tax-exempt for the purposes of corporation tax and 7.5% for the purposes of trade tax.

If the Fund is treated as an equity fund or a mixed fund for tax purposes, you will find information on this in the section entitled "Investment limits for tax reasons" in the Special Section of this Sales Prospectus.

The pre-determined tax bases are normally subject to the 25% tax deduction (plus solidarity surcharge).

If the Fund meets the criteria for partial tax exemption, the partial exemption rate for private investors is applied uniformly for the purposes of the tax deduction

Capital gains at investor level

Gains from the sale of the units are in principle subject to income/corporation and trade tax. When calculating the capital gains, the pre-determined tax bases during the holding period are deducted from the gains.

If the Fund meets the conditions for partial exemption, capital gains may be partly exempt from income/corporation and trade taxes.

If the Fund fulfils the tax conditions for an equity fund, 60% of the capital gains are tax-exempt for the purposes of income tax and 30% for the purposes of trade tax if the units are held in the business assets by natural persons. In this case, 80% of capital gains are generally tax-exempt for taxable corporations for the purposes of corporation tax, and 40% for the purposes of trade tax. For corporations which are life or health insurers and whose units are classified as capital investments, or which are credit institutions whose units are allocated to the trading book or have been acquired by them with the aim of earning own-account trading income over the short term, 30% of capital gains are tax-exempt for the purposes of corporation tax and 15% for the purposes of trade tax.

If the Fund fulfils the tax conditions for a mixed fund, 30% of the capital gains are tax-exempt for the purposes of income tax and 15% for the purposes of trade tax if the units are held in the business assets by natural persons. In this case, 40% of capital gains are generally tax-exempt for taxable corporations for the purposes of corporation tax and 20% for the purposes of trade tax. For corporations which are life or health insurers and whose units are classified as capital investments, or which are credit institutions whose units are allocated to the trading book or have been acquired with the aim of earning own-account trading income over the short term, 15% of capital gains are tax-exempt for the purposes of corporation tax and 7.5% for the purposes of trade tax.

If the Fund is treated as an equity fund or a mixed fund for tax purposes, you will find information on this in the section entitled "Investment limits for tax reasons" in the Special Section of this Sales Prospectus.

The gains from the sale of units are not normally subject to any tax deductions.

Negative taxable income

Negative taxable income may not be allocated directly to investors.

Taxes on liquidation

Distributions are only classified as income during the liquidation of the Fund to the extent they contain an increase in value of a calendar year.

Overview of tax consequences for conventional commercial investor groups

A summary overview of conventional commercial investor groups can be found at the end of this general part of the Sales Prospectus.

3. Non-residents for tax purposes

If a non-resident for tax purposes holds Fund units in a securities account held at a domestic securities agent, no tax is withheld on distributions, pre-determined tax bases and capital gains from the sale of units if the investor provides proof of his non-resident status for tax purposes. Should the agent maintaining the securities account not be informed about the investor's being a non-resident individual or if such evidence is not provided in time, the foreign investor must apply for reimbursement of the charged tax via a refund procedure pursuant to the Income Tax Regulation[3] (Abgabenordnung "AO"). The competent tax office is the office responsible for the agent maintaining the securities account.

4. Solidarity surcharge

A 5.5% solidarity surcharge is levied on the tax withheld on distributions, pre-determined tax bases and capital gains from the sale of units. The solidarity surcharge may be offset against the investor's income tax or corporation tax liability.

5. Church tax

If income tax is already levied via the tax withheld by a domestic securities agent (withholding agent), the church tax payable on this is regularly levied as a surcharge to the tax withheld in accordance with the church tax rate for the religious community to which the person subject to church tax belongs. The deductibility of church tax as a special expense is recognised as reducing the tax to be withheld.

6. Foreign withholding tax

Withholding tax on the Fund's foreign income is retained in some cases in the country of origin. This withholding tax cannot be used by investors as a tax allowance.

7. Effects of the merger of investment funds

The merger of a German investment fund with another German investment fund does not result in the realisation of hidden reserves either at investor level or at the level of the investment funds concerned, i.e., this process is tax-neutral. The same applies for the transfer of all assets of a German investment fund to a German investment company with variable capital or a sub-fund of a German investment company with variable capital. If the investors of the absorbed investment fund receive a cash payment[4] as envisaged by the merger plan, this will be treated in the same manner as the distribution.

8. Automatic exchange of taxation information

At international level the importance of the automatic exchange of information to combat cross-border tax fraud and cross-border tax evasion has increased considerably in the past few years. In 2014 on behalf of the G20 the OECD therefore published a common reporting standard (hereinafter "CRS") on the automatic exchange of information on financial accounts in tax matters. The CRS has been signed by more that 90 (participating) countries by way of a multilateral agreement. In addition at the end of 2014 it was integrated with Directive 2014/107/EU of the Council of 9 December 2014 into Directive 2011/16/EU regarding the obligation on automatic exchange of taxation information. The participating countries (all EU member states and many other states) in principle apply the CRS with effect from 2016 with reporting requirements with effect from 2017. Just a few states (e.g. Austria and Switzerland) are permitted to apply the CRS one year later. Germany transposed the CRS into German law in the financial accounts information exchange Act (Finanzkonten-Informationsaustauschgesetz) of 21 December 2015 and applied them from 2016.

Under CRS, reporting financial institutions (mainly banks) are required to obtain certain information on their clients. If the clients (natural persons or legal entities) are subject to reporting requirements in other participating countries (this excludes, for example, listed corporations and financial institutions), their accounts and security deposits are classified as reportable accounts. The reporting financial institutions then submit certain information on all reportable accounts to their domestic tax authorities. The latter forwards the information to the client's domestic tax authorities.

The information to be submitted principally includes the personal data of the reportable client (name, address, tax identification number, date and place of birth (for natural persons); country of residence) as well as information on the accounts and securities account (e.g. account number, account balance or account value; total gross income from interest, dividends or distributions from investment funds); total gross proceeds from the disposal or redemption of financial assets (including fund units).

In practical terms this consequently affects all reportable investors who have an account and/or securities account with a bank in a participating country. Therefore German banks will notify information on investors who are resident in other participating countries to the Federal tax authority, which forwards the information to the appropriate tax authorities in the investor's country of residence. Accordingly banks in other participating countries will notify information on investors resident in Germany to their appropriate domestic tax authorities, which will forward the information to the Federal tax authority. Ultimately it is conceivable that banks registered in other participating countries may notify information regarding investors who are resident in other participating countries to their home tax authorities, which forward the information to the respective tax authorities of the country of residence of the investor.

Annual/half-yearly reports and auditor

The annual reports and half-yearly reports may be obtained from Union Investment, the sales and paying agents specified at the end of the Sales Prospectus, the Contact Office (where specified in the special part of the Sales Prospectus) and the depositary.

The auditing company specified at the end of the Sales Prospectus has been appointed to audit the Fund and the annual report.

The auditor examines the annual report of the Fund. The auditor shall summarise its findings in a special note, the full text of which shall be included in the annual report. In its audit, the auditor shall also determine whether the management of the Fund has complied with the provisions of the KAGB and the terms of contract. The auditor shall submit the audit report for the Fund to BaFin.

Payments to investors/distribution of reports and other information

The appointment of a depositary ensures, in principle, that investors receive distributions and units can be redeemed. The KIID referred to in this Sales Prospectus may be obtained in the manner described in the section entitled "General provisions, sales documentation and disclosure of information" in the general part of the Sales Prospectus.

Summary for common corporate investor groups (legal position with effect from 01/01/2018)

See below for a summary of the taxation consequences for common investor groups. This applies to domestic custody accounts. An additional deduction is made for the solidarity surcharge on capital gains tax, income tax and corporation tax. To qualify for exemption from the deduction of capital gains tax it may be necessary to submit a certificate in good time to the custody account agent.

	Distributions	Advance flat-rate charge	Capital gains
Domestic investors			
Sole proprietors	Capital gains tax: 25% (partial exemption for equity funds of 30% and for mixed funds of 15% is taken into consideration)		Capital gains tax: Exemption
	Material taxation: Income tax and trade tax, where applicable, after partial exemptions (equity funds 60% for income tax/30% for trade tax; mixed funds 30% for income tax/15% for trade tax)		
Regularly taxed corporations (typically industrial companies; banks, provided units are not held in the trading portfolio; property insurers)	Capital gains tax: Exemption for banks, otherwise 25% (partial exemption for equity funds of 30% and for mixed funds of 15% is taken into consideration)		Capital gains tax: Exemption
	Material taxation: Corporation tax and trade tax, where applicable, after partial exemptions (equity funds 80% for corporation tax/40% for trade tax; mixed funds 40% for corporation tax/20% for trade tax)		
Life and health insurance companies and pension funds for which Fund units must be allocated to capital investments	Capital gains tax: Exemption		
	Material taxation: Corporation tax and trade tax, provided there are no provisions for premium refunds on the commercial balance sheet, which are also recognised for tax purposes, where applicable after partial exemptions (equity funds 30% for corporation tax/15% for trade tax; mixed funds 15% for corporation tax/7.5% for trade tax)		
Banks that hold fund units in their trading portfolios	Capital gains tax: Exemption		
	Material taxation: Corporation tax and trade tax, where applicable, after partial exemptions (equity funds 30% for corporation tax/15% for trade tax; mixed funds 15% for corporation tax/7.5% for trade tax)		
Tax-exempt non-profit, charitable or religious investors (especially churches, charitable foundations)	Capital gains tax: Exemption		
	Material taxation: Tax-free - also corporation tax accruing at fund level may be refunded on application		
Other tax-exempt investors (especially pension funds, death benefit funds and benevolent funds, provided the requirements of the German Corporation Tax Act (Körperschaftsteuergesetz) are met.	Capital gains tax: Exemption		
	Material taxation: Tax-free		

Special part

This special part lists in detail the regulations which differ from or supplement the regulations stated in the general part for the UCITS investment fund described in this Sales Prospectus (hereinafter: the "Investment Fund" or "Fund") and/or its unit classes.

The Investment Fund, launch date and duration

The investment fund called UniRak was launched on 15 January 1979 for an indefinite period. Multiple unit classes currently exist. The investors are fractional co-owners of the Investment Fund's assets in proportion to their number of units. Investors cannot dispose of the assets held in the Investment Fund. There are no voting rights associated with the units.

In addition to being securitised in global certificates, the rights of investors were in the past also securitised in individual unit certificates (so-called physical securities). The issue of physical securities has been discontinued. The purchase of units is therefore only possible if these are held in custody

Submission of invalid physical securities

As at 31 December 2016, the bearer units issued in the past in the form of physical securities which are not held in collective custody in a central securities depository, an authorised or recognised domestic or foreign central depositary or another suitable foreign depositary shall be henceforth considered invalid pursuant to legal regulations.

This also applies to unmatured coupons. As of 1 January 2017, the rights of affected investors were instead vested in a global certificate. In accordance with their share of the Fund's assets, the investors then became co-owners of this global certificate or the collective holding to which this certificate belongs. They can submit their invalid bearer unit certificates as well as related coupons to the Depositary of the Fund and demand that, in exchange, their units in the Fund be credited to a custody account.

Specific instructions for the exchange of invalid bearer unit certificates:

Physical securities for exchange (certificate with all unmatured coupons in addition to the coupon sheet) are submitted exclusively via the agent maintaining the securities account **(local bank)**, to the technical agents appointed by the Depositary, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Platz der Republik, at the addresses indicated below:

Deutsche WertpapierService Bank AG
Treasury Department
Wildunger Straße 14
60487 Frankfurt / Main

or

Deutsche WertpapierService Bank AG
Treasury Department
Postfach 90 01 39
60441 Frankfurt / Main

Unit classes

The Investment Fund comprises different unit classes, i.e. the issued units certify different rights depending on the class to which they belong. The following unit classes currently exist:

UniRak (Securities ID No/ISIN: 849104/DE0008491044), denominated in EUR;

UniRak –net– (Securities ID No/ISIN: 531446/DE0005314462), denominated in EUR.

These unit classes differ in terms of the minimum investment amount and, at present, also in terms of the initial sales charge and management fee.

Due to these differences, the financial results achieved by the investor with their investment in the Investment Fund may vary, depending on the unit class of the units acquired. This applies to both pre-tax and post-tax returns achieved by the investor.

Assets may be acquired only for the Investment Fund as a whole, not for individual unit classes or groups of unit classes.

Pursuant to § 16(2) of the General Terms of Contract of this Investment Fund, further unit classes may be created in the future, which may differ from the existing unit classes in terms of the use of income, the initial sales charge, the currency of the unit value (including the use of currency hedging transactions), the management fee, the minimum investment amount, or a combination of these characteristics. However, the rights of investors who have acquired units in existing unit classes of this Investment Fund will not be affected. The costs associated with launching a new unit class must be charged exclusively to the investors of the new unit class.

Depositary

The following credit institution has taken on the role of depositary for the Fund:

DZ BANK AG
Deutsche Zentral-Genossenschaftsbank
Platz der Republik
60265 Frankfurt / Main

Registered office: Frankfurt / Main

Subscribed and paid-up capital:
EUR 4.657 million

Equity capital:
EUR 19.050 million

(As at: 31 December 2016)

The Depositary is a credit institution under German law. It is an

affiliate of the Company within the meaning of Article 1(a) of Regulation (EU) 2016/438.

Possible conflicts of interest resulting from the assumption of the function of depositary

The following conflicts of interest may result from the assumption of the function of depositary:

1. The interests of the Company, of the Fund or of the investors could conflict with the following interests:
   - Interests of the depositary and its affiliated companies
   - Interests of employees of the depositary
   - Interests of other investors in this Fund or other funds
   - Interests of another client of the depositary
   - Interests of third parties, possibly group companies, to which the depositary duties were outsourced
2. Circumstances or relationships that could give rise to conflicts of interest include in particular the following:
   - carrying out depositary or sub-depositary duties for other investment funds and/or other management companies
   - selecting and monitoring companies that operate nationally and/or internationally to which depositary duties for the Investment Fund are transferred in the respective countries
   - providing banking and securities services for private customers and other professional customers or appropriate counterparties, in particular other credit institutions, including
     - deposit transactions,
     - lending,
     - guarantees,
     - brokerage services,
     - custody transactions,
     - proprietary trading in financial instruments,
     - the investment and contract brokerage of financial instruments, in particular transferable securities,
     - investment advisory services,
     - the issue and placement of transferable securities and other financial instruments,
   - exercising rights from the existing qualifying holding in the Company,
   - exercising legal and/or actual options from investments in subsidiaries or other investments in which the depositary holds at least 20% of the voting rights or capital.
3. To address conflicts of interest, the depositary has taken the following organisational measures to detect, prevent, control, monitor and disclose conflicts of interest:
   - Creation of confidentiality zones;
   - Rules on organisation and procedures to avoid conflicts of interest;
   - Obligation of the employees of DZ BANK AG, through organisational and work instructions to comply with legal requirements (in particular, laws on insiders and market abuse) and appropriate monitoring measures;
   - Careful selection, training, qualification and further training of the employees of DZ BANK AG;
   - Existence of a compliance function which monitors compliance with laws and regulations, and to which any conflicts of interest must be reported;
   - Compliance with the prohibitions on personal ties between the depositary and the Company when appointing supervisory functions and governing bodies;
   - Selection and monitoring of sub-depositaries in accordance with applicable regulations;
   - Compliance with legally prescribed rules and procedures for remuneration of employees and members of the management and supervisory bodies;
   - Refraining from providing services that clearly represent a conflict of interest;
   - regular provision of information to the Company concerning the precautions taken and changes put in place.

Sub-depositaries

The following information has been provided to the Company by the depositary. The Company has checked this information for plausibility. However, it has to rely on the information as provided by the depositary, and cannot verify the accuracy and completeness thereof in individual cases.

Of the statutory functions of the Depositary, only the safekeeping of the assets of the Investment Fund itself may be outsourced to sub-depositaries, which may themselves appoint additional sub-depositaries with the consent of the Depositary. The Depositary has, in particular, entrusted Deutsche WertpapierService Bank AG, Postfach 90 01 39, 60441 Frankfurt / Main, (dwpbank) with sub-depositary duties. There is a close link between dwpbank and the depositary in the form of 50% of the voting rights and capital.

With regard to the selection of additional sub-depositaries, the depositary has reserved adequate control, approval and objection rights with respect to its immediate sub-depositary.

The following list represents sub-depositaries that may be used by the depositary directly or by dwpbank:

- attrax S.A., Luxembourg
- BNP Paribas Securities services S.C.A., Athens branch
- BNP Paribas Securities Services S.C.A., Madrid branch
- BNP Paribas Securities Services S.C.A., France
- BNP Paribas Securities services S.C.A., Milan branch
- Bank Handlowy w Warszawie S.A.
- Citibank N.A., Budapest plc

- Citibank N.A., Prag plc
- Clearstream Banking AG, Frankfurt
- Clearstream Banking S.A., Luxembourg
- Deutsche Bank AS, Istanbul
- Euroclear S.A./ N.V., Brussels
- FirstRand Bank Ltd., Johannesburg
- HSBC Bank plc, London
- HSBC Corp. Ltd., Hong Kong
- LuxCSD S.A., Luxembourg
- Raiffeisen Bank International AG, Vienna
- The Bank of New York Mellon SA/NV Brussels
- The Bank of New York Mellon Corporation, New York

The sub-depositaries listed above may be entrusted with the safekeeping of assets by the depositary. However, only sub-depositaries based in those countries in which the Fund may invest according to its Terms of Contract may be selected.

The list of sub-depositaries shall be updated where necessary. The updates will be reported as part of the next update of the Sales Prospectus. A regularly updated overview of the sub-depositaries may be requested free of charge from the Company.

When monitoring the outsourcing company, the depositary takes into consideration potential conflicts of interest of the sub-depositary in connection with the following activities:

- Carrying out sub-depositary or depositary duties for other investment funds and/or other management companies;
- Selecting and monitoring additional sub-depositaries;
- Appropriate organisation and monitoring of outsourced tasks;
- Provision of custodian services for other customers;
- Exercising its rights and powers of direct or indirect investment of at least 10% of the capital or voting rights, particularly in investments in other depositaries,
- Selecting and monitoring its service providers, particularly in IT.

Licensing agreement

The financial instrument is not sponsored, promoted, sold or supported in any way by Deutsche Börse AG ("DBAG") and DBAG provides no guarantee or warranty, express or implied, either with regard to the results of using the index or the underlying index data or with regard to the index level at a specific date or on a specific day or in any other respect. The index and the underlying index data are calculated and published by DBAG. However, insofar as legally permissible, DBAG is not liable vis-à-vis third parties for any errors in the index or the underlying index data. Furthermore, DBAG is not required to point out any errors in the index to third parties, including investors. Neither the publication of the index by DBAG nor the licensing thereof nor the underlying index data for use in connection with the financial instrument or other transferable securities or financial products derived from the index should be construed as a recommendation on the part of DBAG to invest and do not in any way represent an assurance or opinion on the part of DBAG as regards the appeal of investing in this product. DBAG, as the sole legal owner of the index and the underlying index data, solely permits the issuer of the financial instrument to use the index data or refer to the index data in connection with the financial instrument.

Risk class of the Investment Fund

The Company has allocated the Fund to the third-highest of five risk categories. The Fund therefore has an increased level of risk.

Increased volatility

Based on its composition and/or use of derivatives or techniques, the Fund exhibits an increased level of fluctuation, i.e. unit values may be subject to sharp upward or downward fluctuations, even within short periods.

Specific risk information regarding the Fund

As the Investment Fund concentrates on investments in specific countries and regions (political and economic influences), increased price fluctuations are possible.

Investment objective

The investment policy aims at generating long-term capital growth in addition to achieving returns in line with the market.

The Fund is a UCITS fund managed as a mixed fund (equities and bonds).

Active Fund Management

The assets to be purchased for this Fund shall be identified on a discretionary basis based on a consistent investment process ("active management"). Union Investment has established a research process for implementing active management. This involves the Portfolio Management department analysing potentially interesting companies based in particular on database analyses, company reports, and personal impressions.

Portfolio Management decides whether to buy or sell a security taking into consideration the statutory and contractual provisions. The reasons for purchasing or selling may include the current market situation, changing news regarding a company, or cash flows in the Fund. Potential risks are also taken into account when making a decision. Risks may be taken if the relationship between opportunity and risk is viewed as positive.

The Fund does not track any securities index, nor is its investment

strategy based on tracking the performance of one or more indices. Instead, the investment strategy is based on a predetermined benchmark (35% ML EMU Large Cap Investment Grade Index (EMUL) / 35% MSCI WORLD / 30% DAX), with the aim being to outperform this. Therefore, Fund management may significantly deviate from this benchmark – both positively and negatively – by overweighting and underweighting individual stocks based on current capital market assessments. Investments in stocks that are not included in the benchmark can also be made at any time.

As the Fund assets or their weighting may differ from the stocks included in the benchmark-, Fund performance may also deviate from the performance of the benchmark. A tracking error limit has been set up to control potential risks arising from such a deviation.

The tracking error is a risk measure that measures the extent of the average deviations of Fund performance from the performance of the benchmark. The higher the tracking error, the more the performance of the Fund and of the benchmark can differ. A very high tracking error could indicate that the Fund is far removed from its investment profile. To prevent this, a tracking error limit is set (maximum deviation from the performance of the reference value) that cannot be exceeded.

This Fund's maximum expected deviation from the performance of the benchmark is 6%.

Profile of the typical investor

The Fund is suitable for risk-tolerant investors who want to make use of the opportunity to combine an equity investment with high-value interest-bearing transferable securities, and who are willing to accept an increased level of risk in the meantime. Depending on the extent of the possible fluctuations, the investor may have to accept capital losses when redeeming units.

The Fund is not suitable for investors who are not willing to accept an increased level of risk in the meantime, and who do not wish to be bound either to equities or bonds.

The various recommendations published within the framework of the KIID were determined on the basis of past performance data. For this purpose, different rolling periods were analysed in order to obtain evidence as to whether, in the majority of cases, an investment performed well within the respective reporting period (not taking into account issue or redemption costs and custody fees). The recommendation derived from this can therefore only provide an indication of, and not a guarantee for, any future success with respect to the investment performance. Due to capital market developments, this may well lead to losses, despite compliance with the approved recommendation.

By way of derogation from the foregoing, recommendations for guarantee funds, term funds and funds with larger capital preservation periods relate to the guarantee date, the maturity date or the end of the capital preservation period, because the investment policy for these funds is aligned with these dates, and experience has shown that on these dates, it can be assumed that the minimum objective of the investment policy will be achieved. For funds with short capital preservation periods, the recommendation is based on the past performance data of the asset mix inherent to the product.

Investment principles

The Investment Fund may invest in

1. **Transferable securities** pursuant to § 193 KAGB;
2. **Money market instruments** pursuant to § 194 KAGB;
3. **Bank balances** pursuant to § 195 KAGB,
4. **Investment units** pursuant to § 196 KAGB,
5. **Derivatives** pursuant to § 197 KAGB, and
6. **Other investment instruments** pursuant to § 198 KAGB.

Individual asset types which may be acquired

At least 24% of the Investment Fund's assets must be invested in equities of German issuers, at least 28% in EUR-denominated interest-bearing transferable securities of issuers worldwide, and at least 28% in equities of worldwide issuers (excluding German issuers). Transferable securities acquired under repurchase agreements shall be included in the investment limits of § 206(1)–(3) KAGB.

The Company may invest up to 20% of the Investment Fund's assets in money market instruments in accordance with § 6 of the "General Investment Conditions". Money market instruments acquired under repurchase agreements shall be included in the investment limits specified in § 206(1)–(3) KAGB.

Between 5% and 10% of the Investment Fund's assets may be invested in transferable securities and money market instruments of a single issuer, and the total value of the transferable securities and money market instruments of this issuer may not exceed 40% of the value of the Investment Fund.

Up to 20% of the Investment Fund's assets may be held in bank balances pursuant to § 7 of the General Terms of Contract.

Up to 10% of the Investment Fund's assets may be held in all investment units permissible pursuant to § 8 of the General Terms of Contract. The investment units acquired under repurchase agreements shall be included in the investment limits of § 207 and § 210(3) KAGB.

Investment limits for tax reasons

At least 51% of the value of the Investment Fund is invested in equity investments as defined in § 2(8) of the Investmentsteuergesetz [Investment Tax Act]. Equity investments as defined therein are

- units in corporate entities that are admitted for trading on a stock exchange, or admitted to, or included in, another organised market;
- units in corporate entities which are registered in an EU member state or EEA signatory state and which are subject in

that state to corporation tax and are not exempt from such tax;

- units in corporate entities registered in another state which are subject in that state to corporation tax of at least 15% and which are not exempt from such tax;
- units in other investment funds, either up to the share of their value as published on each valuation day which they actually invest in the said units in corporate entities, or up to the minimum amount stipulated in the investment conditions of the other investment fund.

The Fund fulfils the tax conditions for an equity fund, therefore 30% of distributions, advance lump-sum amounts and capital gains relating to units held as personal assets are tax-exempt at investor level.

For units held by natural persons in business assets, 60% of distributions, advance lump-sum amounts and capital gains are tax-exempt at investor level for the purposes of income tax, and 30% are tax-exempt for the purposes of trade tax. For taxable corporations, 80% of distributions, advance lump-sum amounts and capital gains are tax-exempt at investor level for the purposes of corporation tax and 40% for the purposes of trade tax. For corporations which are life or health insurers and whose units are classified as capital investments, or which are credit institutions whose units are allocated to the trading book or have been acquired with the aim of earning own-account trading income over the short term, 30% of distributions, advance lump-sum amounts and capital gains are tax-exempt at investor level for the purposes of corporation tax, and 15% for the purposes of trade tax.

Derivatives

A derivative is an instrument, the price of which depends on the price fluctuations or anticipated prices of other assets ("underlying"). The provisions below apply both to derivatives and to financial instruments with a derivative component (jointly referred to below as "derivatives").

The Company may carry out derivative transactions for the purpose of hedging, efficient portfolio management and to achieve additional interest income (i.e. also for speculative purposes). This may at least temporarily increase the Investment Fund's risk of loss.

The Company has opted for the qualified approach for derivatives and may – provided it maintains an appropriate risk management system – invest on behalf of the Fund in any derivatives or financial instruments with a derivative component within the meaning of Article 10(1) of Directive 2007/16/EC derived from assets that may be acquired for the Investment Fund or from a financial index within the meaning of Article 9(1) of Directive 2007/16/EC, interest rates, exchange rates or currencies. This includes in particular options, financial futures/forward contracts and swaps, as well as combinations thereof.

The potential market risk of the Investment Fund may be increased by the use of derivatives. However, a maximum value of 200% of the potential market risk of a derivative-free comparable portfolio (reference portfolio) may not be exceeded at any time. Market risk denotes the risk that results from the market prices developing unfavourably for the Investment Fund. For the calculation of the potential market risk for the use of derivatives, the Company applies the qualified approach as defined in the German Derivatives Regulation (Regulation on risk management and risk measurement when using derivatives, securities lending transactions and repurchase agreements in connection with investment funds pursuant to the KAGB). The risks connected with the use of derivatives are controlled by means of a risk management process that enables the risk associated with the investment positions, as well as the respective contribution to the overall risk profile of the investment portfolio, to be monitored and measured at all times.

Under the qualified approach, the potential risk contribution from market risk is calculated in comparison with a reference portfolio. The value-at-risk (VaR) indicator, a statistical and mathematical measurement of risk, is also calculated. Under the relative VaR approach, the VaR of the Investment Fund may not exceed more than twice the VaR of the reference portfolio. The Investment Fund's reference portfolio is made up as follows:

35% MSCI World Index, 35% ML EMU Large Cap Investment Grade Index, 30% DAX.

Option contracts

For the account of the Investment Fund and within the scope of the investment principles, the Company may buy and sell call and put options on transferable securities, money market instruments, financial indices within the meaning of Article 9(1) of Directive 2007/16/EC, interest rates, exchange rates and currencies, in addition to trading in warrants. Option contracts grant a third party the right against payment (option premium) to request the delivery or purchase of assets or the payment of a differential amount or to acquire corresponding option rights at a predetermined price (exercise price) during or at the end of a certain period of time. The options or warrants must be exercisable either during the whole term or at the end of the term. Moreover, the value of the option at the exercise date must be linearly dependent on the positive or negative difference between the underlying price and the market price of the underlying, and become zero if the difference has the opposite (positive/negative) sign.

Futures/forward contracts

For the account of the Investment Fund and within the scope of the investment principles, the Company may conclude futures/forwards contracts on all transferable securities and money market instruments permissible for the Investment Fund, as well as on financial indices within the meaning of Article 9(1) of Directive 2007/16/EC, interest rates, exchange rates and currencies. Futures/forwards contracts are unconditionally binding on both contractual parties, requiring these to buy or sell a

specific quantity of a certain underlying at an agreed price at a specific date (due date) or within a determined time frame.

Swaps

For the account of the Investment Fund and within the scope of the investment principles, the Company may conclude all permissible swaps, particularly interest swaps, currency swaps, interest-currency swaps and variance swaps.

Swaps are exchange agreements switching the underlying payment flows or risks of the relevant transaction between the parties to the contract.

Swaptions

Swaptions are options on swaps. A swaption is the right, but not the obligation, to enter into a swap, the conditions of which are clearly specified, at a given time or within a given period. Moreover, the principles listed in connection with option contracts apply. On behalf of the Fund, the Company may only conclude swaptions that are composed of the options and swaps described above.

Credit default swaps

Credit default swaps are credit derivatives which enable a potential credit default volume to be passed on to third parties. The seller of the risk pays a premium to its counterparty in return for taking on the credit default risk. The specifications for swaps shall also apply accordingly.

Total Return Swaps

A total return swap is a derivative in which one party normally makes payments based on an interest rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, whereby this includes both changes in the value of assets and income (e.g. coupons or dividends). It is also possible that the payments of both parties are based on the return of underlying assets. The underlying to be used in this regard may be, for example, equity indices and bonds baskets, whereby all underlyings pursuant to §197 KAGB are permitted. When entering into a total return swap, the party whose payments are based on the return of an underlying asset transfers the entire economic risk of this underlying to the counterparty.

For the account of the Fund, the Company may enter into total return swaps for the purpose of hedging and as part of the investment strategy. This includes transactions with total return swaps for the purposes of efficient portfolio management and to achieve additional income (i.e. also for speculative purposes). This may at least temporarily increase the Fund's risk of loss.

All types of assets of the Fund permitted under § 197 KAGB may be the object of total return swaps: Up to 800% of the Fund's assets may be the object of such transactions. The Company expects that, as a rule, no more than 10% of the Fund's assets – in accordance with the gross method described in the following section "Leverage" – will be subject to total return swaps. However, this is only an estimated value that can be exceeded in individual cases. All of the income from total return swaps – net of transaction costs – accrues to the Fund.

The counterparties for total return swaps are selected according to the following criteria:

a credit and financial services institution established in an EU Member State, an EEA signatory state or a third country whose prudential rules are considered by BaFin to be equivalent to those laid down in EU law. The counterparty must have a minimum credit rating of Investment Grade, but this requirement may be waived in exceptional cases. "Investment grade" means a rating of "BBB-" or "Baa3" or higher, resulting from the analysis of creditworthiness performed by a rating agency. The specific counterparty is selected primarily taking into consideration the contract terms offered. The Company monitors the financial situation of the counterparty under consideration.

Securitised financial instruments

The Company may also buy the financial instruments described above on behalf of the Fund, if they have been securitised. It is also possible for the transactions involving the financial instruments to be only partly securitised (e.g. bonds with warrants). The statements concerning risks and opportunities apply to such securitised financial instruments accordingly, provided the risk of loss of such securitised financial instruments is limited to the value of the transferable security.

OTC derivative transactions

For the account of the Fund, the Company may enter into derivative transactions admitted for trading on a stock exchange or included in another organised market, but also in so-called over-the-counter (OTC) transactions.

The Company shall only be allowed to enter into derivatives transactions neither admitted for trading on a stock exchange nor included in another organised market with suitable credit institutions or financial services providers within standardised framework agreements. In the case of OTC traded derivatives, the counterparty risk associated with a counterparty must not exceed 5% of the Investment Fund's assets. If the counterparty is a credit institution established in the EU, an EEA signatory state or a non-EU member state with a comparable level of prudential supervision, the counterparty risk may be up to 10% of the Investment Fund's assets. Derivatives traded over the counter, which are concluded with a central clearing house of a stock exchange or another organised market as party to the contract, shall not be considered in the counterparty limits, provided the derivatives are subject to daily valuation at market prices with daily margin settlement. Claims of the Investment Fund against intermediate dealers shall, however, be counted towards the limit even if the derivative is traded on a stock exchange or another organised market.

Leverage

Leverage denotes any method used by the Company to increase the investment rate of the Fund. Such methods include in particular borrowings, securities lending and repurchase transactions as well as leverage funding embedded in derivatives. The Company may use such methods for the Fund to the extent described in this Sales Prospectus. The possibility of using derivat-

ives and of concluding transferable securities lending transactions and repurchase agreements has already been described in the section entitled "Derivatives" in the Special Section of the Sales Prospectus and in the sections entitled "Transferable securities lending transactions" and "Repurchase agreements" in the general part of the Sales Prospectus. The possibility of using credit is explained in the section "Borrowing" in the general part of the Sales Prospectus.

The Company applies the following principles with respect to leverage:

The Company invests the capital entrusted to it on behalf of the Investment Fund while taking account of the statutory and prudential supervisory requirements, in particular the Derivatives Regulation. In addition, the various specific investment restrictions are observed. While observing the relevant investment restrictions, derivatives, transferable securities lending and repurchase transactions, as well as short-term loans may be used to leverage the Investment Fund's assets. The associated risks are identified, assessed, monitored and controlled by the Company. In case of any violations to the applicable restrictions, real-time correction is monitored and the management of the Company is informed accordingly.

The use of the methods described above is not allowed to more than double the market risk (see the "Derivatives" section in the Special Section of the Sales Prospectus).

The calculation of the leverage must take account both of derivatives and of any effects of the reinvestment of collateral in connection with transferable securities lending and repurchase transactions. In each case, the leverage is calculated by dividing the total exposure of the Fund by its net asset value. The calculation of the net asset value is explained in the general part of this Sales Prospectus in the section entitled "Issue and redemption price". In order to simplify the calculation, the applicable amount for the leverage is calculated based on gross values, i.e. without offsetting/inclusion of hedging transactions.

The maximum leverage anticipated by the Company based on the gross value method is 800%.

However, depending on market conditions, this leverage may fluctuate, such that the stipulated maximum leverage amounts may be exceeded, despite ongoing monitoring by the Company.

Marketing and minimum investment

The minimum investment for units in the unit class UniRak is EUR 10. No minimum investment amount has been set for the UniRak –net– unit class.

Initial sales charge and issue costs

When determining the issue price, an initial sales charge of up to 4.0% may be added to the relevant unit value of a unit class.

For units of the UniRak unit class, this initial sales charge is currently 3.0% of the unit value. An initial sales charge is not currently charged for the UniRak –net– unit class.

If an initial sales charge is calculated, this may reduce or even completely offset the performance, particularly during short investment periods. The initial sales charge is essentially a fee for distributing the units of the Investment Fund/unit classes. The Company may pass on the initial sales charge, either in whole or in part, as compensation for marketing services to other intermediary agents.

Redemption fee

A redemption fee is not charged for the UniRak and UniRak –net– unit classes.

Charges

Management fee:

For the management of the Investment Fund, the Company shall receive a daily fee amounting to 1/365 (in leap years: 1/366) of up to 1.9% of the net asset value calculated on each trading day.

The following management fee is currently charged for the issued unit classes:

Unitclass UniRak:	1.20%
Unitclass UniRak -net-:	1.55%

of the asset value determined on each trading day.

Since 2 January 2008, the aforementioned management fee has been charged for the UniRak unit class and has remained unchanged.

Since 2 January 2008, the aforementioned management fee has been charged for the UniRak –net– unit class and has remained unchanged.

Flat fee:

From the Investment Fund's assets, the Company receives a daily flat fee of 1/365 (in leap years: 1/366) of up to 0.3% of the net asset value calculated on each trading day.

At present, a flat fee of 0.2% of the net asset value calculated on each trading day is charged to the Investment Fund.

Collateral manager fee:

At present, the Company pays the collateral manager of derivative transactions a daily fee from the Investment Fund of 1/365 (in leap years: 1/366) of up to 0.1% of the asset value calculated on each trading day.

At present, the Company pays the collateral manager of derivative transactions a daily fee of 1/365 (in leap years: 1/366) of up to 0.01% of the asset value established on each trading day.

Reimbursement for the provision of analysis material or services by third parties:

Up to 0.15% p.a. of the net asset value calculated may be withdrawn from the Investment Fund on each trading day for the provision of analysis material or services by third parties in the amount of 1/365 (1/366 in leap years) of the net asset value calculated on each trading day.

Currently no amounts are withdrawn for the provision of analysis material or services by third parties.

Maximum limit:

The amount which may be deducted daily from the Investment Fund for the management fee, flat-rate fee and collateral manager fee and as reimbursement of expenses for the provision of analysis material or services by third parties may, on an annual basis, not exceed a total of 2.45% of the net asset value as determined on each trading day.

Performance fee:

a) Definition of "performance fee"

In return for managing the investment fund, the Company may also receive a performance fee of up to 25% (maximum) of the amount by which the performance of the unit value exceeds that of the benchmark index at the end of an accounting period (outperformance over the benchmark index), but no more than 2.5% of the average value of the investment fund during the accounting period.

If the performance of the unit value at the end of an accounting period is less than that of the benchmark index (negative benchmark deviation), then the Company will not receive a performance fee. According to the calculation in the event of a positive benchmark deviation, the negative sum per unit value is calculated on the basis of the agreed maximum amount and carried forward to the next accounting period. For the next accounting period, the Company will receive a performance fee only if the amount calculated on the basis of the positive benchmark deviation exceeds (at the end of the new accounting period) the negative amount carried over from the preceding accounting period. In this case, the difference between both amounts shall constitute the fee entitlement. Any remaining negative amount per unit value shall again be carried over to the new accounting period. If there is again a negative benchmark deviation at the end of the next accounting period, the existing negative amount carried over shall be increased by the amount calculated on the basis of this negative benchmark deviation. Negative amounts carried over from the previous five accounting periods shall be taken into account when calculating the entitlement to fees.

b) Definition of "accounting period"

Accounting periods begin on 1 February of each year and end on 31 January of the following calendar year.

c) Benchmark index

The benchmark index is the MSCI World Index (developed markets, weighting according to market capitalisation, total return net dividends reinvested, based on EUR) (35%), the ML EMU Large Cap Investment Grade Index (weighting according to market capitalisation, total return, based on EUR) (35%) and the DAX Performance Index (30%).

d) Performance calculation

The performance fee is determined by comparing the performance of the benchmark index during the accounting period with that of the unit value, which is calculated using the BVI method. The BVI method is an internationally recognised standard method for calculating the performance of investment assets. It enables a simple, understandable and accurate calculation. Performance is defined as the percentage change between the value of the invested assets at the start and end of the investment period. In the calculation, any distributions are converted into new fund units to enable performance comparisons between distributing and reinvesting funds.

Costs charged to the Investment Fund may not be deducted from the performance of the benchmark index before the comparison. Provision for any accrued performance fee shall be made in the Investment Fund on the basis of the results of a daily comparison. If the unit value performance during the accounting period is below the benchmark index, then any performance fee already reserved during that accounting period shall be eliminated, depending on the daily comparison. Any reserved performance fee outstanding at the end of the accounting period may be paid out. If the benchmark index should cease to exist, the Company shall designate another suitable index to replace the aforementioned index.

e) Negative unit value performance

The performance fee may also be drawn upon if the unit value at the end of the accounting period is less than the unit value at the start of the accounting period (entirely negative unit value performance).

Additional rules in connection with the purchase and redemption of investment units:

The Company does not charge the Investment Fund any management fees for purchased units if the relevant/purchased investment fund is managed by the same Company or by another company associated with the Company via a substantive direct or indirect holding (group affiliation). This is achieved by the Company reducing its own management fee for the portion relating to units in such group target funds – up to the total amount, if applicable – by the amount of the management fee charged by the acquired group target fund.

Financial year and use of income

The financial year of the Investment Fund ends on 31 March of each year. The annual reports will be published on 31 March and the half-yearly reports on 30 September.

For the UniRak and UniRak –net– unit classes, the Company shall, in principle, distribute the pro rata interest, dividends and other income – taking into account the relevant income adjustment – accruing during the financial year to the Investment Fund, which have not been used in order to cover costs. This shall be done within four months following the end of the financial year. In addition, interim distributions may be paid at any time. Any capital gains and other income may also be distributed on a pro rata basis, while taking account of the relevant income adjustment.

The distribution is calculated on the basis of §§ 11 and 12 of the Capital Investment Accounting and Valuation Directive

(Kapitalanlage-Rechnungslegungs- und Bewertungsverordnung - hereinafter: "KARBV").

For units held on a securities account with Union Investment Service Bank AG or the depositary, distributions will be credited free of charge. Additional costs may be incurred if the securities account is held at other credit institutions.

Additional delegation of duties

Union Investment Institutional GmbH, based in Weißfrauenstraße 7, 60311 Frankfurt / Main, has been appointed to manage the Investment Fund. With regard to quantitative investment strategies, it makes all management decisions for the Fund. The management duties include, inter alia, the purchase and sale of assets.

The aforementioned delegation of duties could give rise to the following conflicts of interest:

The contracted company is a company affiliated with the Company within the same financial group. Delegation to a group company creates the possibility that such a company, due to its being part of the group, may be exposed to competing influences when performing the delegated activity, or that it may exert such an influence on the Company belonging to the group or on the investors, which could negatively affect the interests of the Company or of the investors.

The contracted company also holds other mandates, or acts on behalf of other funds or investors. The use of a service provider with multiple clients leads to the possibility that the provider might have financial or other incentives to give priority to the interests of another mandate, fund or investor over the interests of the present fund or its investors.

Measures taken by the Company:

The Company has taken adequate measures, in particular through functional separation, outsourcing control, etc., to prevent such potential conflicts of interest from damaging the interests of the Fund or its investors. Any conflicts of interest that are unavoidable despite these measures are disclosed to investors.

General Terms of Contract

governing the legal relationship between the investors and Union Investment Privatfonds GmbH, Frankfurt / Main (the "Company") concerning the Investment Fund pursuant to the UCITS Directive that is managed by the Company; these Investment Conditions shall only be valid in combination with the Special Investment Conditions issued for the relevant UCITS investment fund.

§ 1 Basic principles

1. The Company is a UCITS management company and is subject to the provisions of the KAGB.
2. The Company invests the capital deposited with it in its own name and for the joint account of the investors, but separately from its own assets in the form of a UCITS investment fund. It invests this capital pursuant to the principle of risk spreading in assets permitted under the KAGB. It issues global certificates concerning the rights of the investors resulting therefrom.

   The corporate purpose of the UCITS investment fund is limited to investing in accordance with a specified investment strategy within the framework of collective asset management, using the funds deposited with it. It does not have an operative function or exercise active business control of the assets held.
3. The legal relationship between the Company and the investor is governed by the General Terms of Contract and the Special Terms of Contract of the UCITS investment fund, as well as the KAGB.

§ 2 Depositary

1. The Company shall appoint a credit institution as the depositary of the UCITS investment fund; this depositary shall act independently of the Company and exclusively in the interest of the investors.
2. The duties and obligations of the depositary are governed by the depositary agreement made with the Company in accordance with the KAGB and the Terms of Contract.
3. The depositary may outsource the depositary duties in line with § 73 KAGB to another company (sub-depositary). Further information on this can be found in the Sales Prospectus.
4. The Depositary shall be liable to the UCITS investment fund or to the investors for the loss of a financial instrument as defined in § 72(1)(1) KAGB held by the former or by a sub-depositary to whom the safekeeping of financial instruments in accordance with § 73(1) KAGB has been delegated. The Depositary shall not be liable if it can prove that the loss is attributable to external events, the consequences of which were inevitable despite all appropriate countermeasures. Further claims resulting from the provisions of civil law arising from agreements or tort shall not be affected. The Depositary is also liable vis-à-vis the UCITS or the investors for all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the provisions of the KAGB. The liability of the Depositary shall not be affected by any transfer of depositary duties in accordance with the first sentence of point 3 above.

§ 3 Fund management

1. The Company shall purchase and manage the assets in its own name for the collective account of the investors with the due skill, honesty, care and diligence. It acts independently of the depositary and solely in the interests of the investors when carrying out its tasks.
2. The Company shall be authorised to purchase and resell assets with the money deposited by investors, and to otherwise invest the proceeds; it shall also be authorised to perform all other legal acts resulting from the management of the assets.
3. The Company may neither lend money nor assume obligations resulting from guarantees or guarantee agreement for the collective account of investors; it may not sell assets pursuant to §§ 193, 194 and 196 KAGB which are not held by the UCITS investment fund at the time the transaction is concluded. This is without prejudice to § 197 KAGB.

§ 4 Investment principles

The UCITS investment fund will place direct or indirect investments in accordance with the principle of risk spreading. The Company shall only acquire assets for the UCITS investment fund which are expected to generate income and/or growth. It stipulates the assets eligible for purchase on behalf of the UCITS investment fund in the Special Terms of Contract.

§ 5 Transferable securities

Unless additional restrictions are imposed by the Special Terms of Contract, the Company may – subject to § 198 KAGB – only buy transferable securities for the UCITS investment fund, provided:

a) these are admitted to trading on a stock exchange of an EU member state or a signatory state of the Agreement on the European Economic Area (EEA), or are admitted to trading on or included in another organised market in any such state;

b) these are exclusively admitted to trading on a stock exchange in a state outside the EU or EEA, or are admitted to trading or included on another organised market in any such state, if this choice of stock exchange or organised market has been approved by Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin")[5],

c) their admission to trading on a stock exchange in an EU member state or EEA signatory state, or their admission to trading on an organised market or their inclusion in such a market in an EU member state or EEA signatory state must be applied for according to their terms of issue, and provided the admission or inclusion of these transferable securities takes place within one year of their issue;

d) their admission to trading on a stock exchange or their admission to trading on or inclusion in an organised market outside of the EU or EEA must be applied for according to their terms of issue, provided that this choice of exchange or organised market has been approved by BaFin and that the admission or inclusion of these transferable securities takes place within one year of their issue;

e) these are shares to which the UCITS investment fund is entitled in the event of a capital increase from company funds;

f) these are purchased by exercising subscription rights held by the UCITS investment fund;

g) these are units of closed-end funds meeting the criteria laid down in § 193(1)(7) KAGB;

h) these are financial instruments meeting the criteria laid down in § 193(1)(8) KAGB.

The purchase of transferable securities pursuant to (a)–(d) above shall only be allowed if the conditions of the final paragraph of § 193(1) KAGB have also been met. In addition, subscription rights may be acquired that are based on transferable securities which may be acquired in turn under this § 5.

§ 6 Money market instruments

1. Unless additional restrictions are imposed by the Special Terms of Contract, the Company may – subject to § 198 KAGB – acquire, for the account of the UCITS investment fund, instruments which are normally traded on the money market, as well as interest-bearing transferable securities which at the time of purchase for the UCITS investment fund have a residual maturity not exceeding 397 days, the interest rate of which is, according to the terms of issue, regularly adjusted to market conditions over their entire term (or at least once every 397 days) or the risk profile of which is similar to the risk profile of such transferable securities (money market instruments).

   Money market instruments may only be acquired for the UCITS investment fund, provided these are:

   a) admitted to trading on a stock exchange of an EU member state or an EEA signatory state, or are admitted to trading on or included in another organised market in any such state;

   b) exclusively admitted to trading on a stock exchange in a state outside the EU or EEA, or are admitted to trading or included in another organised market in any such state, if this choice of stock exchange or organised market has been approved by BaFin[6],

   c) issued or guaranteed by the EU, the Federal Republic of Germany, a German federal government fund, a German federal state, another EU member state or another national, regional or local body or the central bank of an EU member state, the European Central Bank or European Investment Bank, a non-member state of the EU or, if such country is a federation of states, by one of the members making up the federation, or a public international body to which one or more EU member states belong;

   d) issued by a company whose transferable securities are traded on one of the markets specified under (a) and (b),

   e) issued or guaranteed by a credit institution subject to prudential supervision in accordance with the criteria established under European Union law, or by an establishment which is subject to and complies with prudential rules considered by BaFin to be at least as stringent as those laid down by European Union law; or

   f) issued by other bodies which comply with the requirements laid down in § 194 (1)(6) KAGB.

2. Money market instruments within the meaning of point 1. above shall only be acquired if they meet the relevant requirements of § 194(2) and (3) KAGB.

§ 7 Bank balances

The Company may hold bank balances on behalf of the UCITS investment fund with a maximum term of 12 months. The amounts to be held in blocked accounts may be held with a credit institution established in an EU member state or an EEA signatory state; however, these amounts may also be held with a credit institution established in a non-EU member state with prudential supervisory provisions that are considered by BaFin to be at least as stringent as those laid down by EU law. Unless otherwise specified in the Special Terms of Contract, the bank balances may also be denominated in foreign currency.

§ 8 Investment fund units

1. Unless otherwise specified in the Special Terms of Contract, the Company may acquire units in investment funds pursuant to Directive 2009/65/EC (UCITS Directive) on behalf of a UCITS investment fund. Units of other domestic investment funds and investment companies with variable capital, as well as units of EU and foreign open-end alternative investment funds (AIF), may be acquired, provided that they meet the requirements of the last paragraph of § 196(1)(2) KAGB.

2. The Company may only acquire units in domestic investment funds and investment companies with variable capital, EU UCITS, EU and foreign open-end AIF, if the terms of contract or the articles of association of the management company, investment company with variable capital, EU investment fund, EU management company, foreign AIF or foreign AIF management company are permitted to invest a maximum of 10% of the value of its assets in units of other domestic investment funds, investment companies with variable capital or EU or foreign open-end AIF.

§ 9 Derivatives

1. Within the scope of the management of the UCITS investment fund and unless otherwise specified in the Special Terms of Contract, the Company may buy derivatives pursuant to § 197(1)(1) KAGB and financial instruments with derivative components pursuant to § 197(1)(2) KAGB. Depending on the types and volume of derivatives and financ-

ial instruments with derivative components used, the Company may use either the simple or the qualified approach pursuant to the regulation on risk management and risk measurement when using derivatives, securities lending transactions and repurchase agreements in connection with investment funds pursuant to the KAGB (DerivateV) enacted in accordance with § 197(3) KAGB, to ascertain the degree of market risk, the limit of which is established under § 197(2) KAGB for the use of derivatives and financial instruments with derivative components; for further details, please refer to the Sales Prospectus.

2. Should the Company opt for the simple approach, it may regularly use only basic forms of derivatives and financial instruments with derivative components or combinations of such derivatives, financial instruments with derivative components as well as underlying assets permitted pursuant to the first sentence of § 197(1) KAGB for the account of the UCITS investment fund. Complex derivatives with underlying assets as defined in the first sentence of § 197(1) KAGB may only be used on a negligible scale. The amount to be calculated as the market risk of the UCITS investment fund according to § 16 DerivateV may not at any time exceed the value of the investment fund.

   The basic forms of derivatives are:

   a) Futures/forwards with underlyings pursuant to § 197(1) KAGB, with the exception of investment units pursuant to § 196 KAGB;

   b) Options or warrants on underlyings pursuant to § 197(1) KAGB, with the exception of investment units pursuant to § 196 KAGB, and on futures/forwards pursuant to letter (a) featuring the following characteristics:

      aa) exercise is possible either over the entire term or at the end of the term, and

      bb) the value of the option at the exercise date is linearly dependent on the positive or negative difference between the underlying price and the market price of the underlying, and becomes zero if the difference has the opposite (positive/negative) sign;

   c) interest rate swaps, currency swaps or interest-currency swaps;

   d) options on swaps pursuant to (c), provided these have the characteristics specified under (b)(aa) and (bb) (swaptions);

   e) credit default swaps based on a single underlying (single name credit default swaps).

3. Should the Company use the qualified approach, it may – provided it maintains an appropriate risk management system – invest in any financial instruments with derivative components or in derivatives derived from an underlying asset permissible under § 197(1) KAGB.

   In this context, however, the potential risk amount of the market risk ("risk amount") attributable to the UCITS investment fund must never exceed twice the potential risk amount of the market risk of the applicable reference assets pursuant to § 9 DerivateV. Alternatively, the risk amount may not at any time exceed 20% of the value of the UCITS investment fund.

4. Under no circumstances may the Company deviate from the Investment Conditions or from the investment principles and limits set out in the Sales Prospectus in relation to such transactions.

5. The Company shall use derivatives and financial instruments with derivative components for hedging purposes, efficient portfolio management and in order to achieve additional income, if and in so far as it considers this to be in the interests of investors.

6. When calculating the market risk limit for the use of derivatives and financial instruments with derivative components, the Company may at any time switch from the simple to the qualified approach pursuant to § 6(3) DerivateV. The switch shall not require BaFin approval; however, the Company must notify BaFin promptly of this switch and publish it in the following half-yearly or annual report.

7. When using derivatives and financial instruments with derivative components, the Company shall comply with the DerivateV.

§ 10 Other investment instruments

Unless otherwise specified in the Special Terms of Contract, the Company may invest on behalf of the UCITS investment fund up to 10% of the value of the UCITS investment fund in other investment instruments pursuant to § 198 KAGB.

§ 11 Issuer limits and investment limits

1. In its management activities, the Company shall comply with the investment limits and restrictions specified in the KAGB, the DerivateV and the Terms of Contract.

2. Transferable securities and money market instruments (including securities acquired under repurchase agreements and money market instruments of the same issuer) may be acquired up to a value of 5% of the UCITS investment fund. However, up to 10% of the value of the UCITS investment fund may be invested in these transferable securities if this is stipulated in the Special Terms of Contract and the total value of the transferable securities and money market instruments of these issuers does not exceed 40% of the value of UCITS investment fund.

3. The Company shall be allowed to invest up to 35% of the UCITS investment fund's assets each in bonds, borrower's note loans and money market instruments issued or guaranteed by the Federal Republic of Germany, a German federal state, the EU, an EU member state or its local bodies, a signatory state of the EEA, a non-EU member state or an international organisation to which at least one EU member state belongs.

4. The Company shall be allowed to invest up to 25% of the UCITS investment fund's assets each in mortgage bonds, municipal bonds and debt obligations issued by credit institut-

ions established in an EU member state or EEA signatory state, provided that the credit institutions are subject by law to special public supervision designed to protect the holders of such debt obligations, and that the sums deriving from the issue of these bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest. If the Company invests more than 5% of the value of the UCITS investment fund in bonds issued by a single issuer in accordance with sentence 1, the total value of such bonds may not exceed 80% of the value of the UCITS investment fund.

5. The limit set out in point 3. may be exceeded in the case of transferable securities and money market instruments of a single issuer pursuant to § 206(2) KAGB, if permitted by the Special Terms of Contract with regard to the issuers named therein. In such cases, the transferable securities and money market instruments held on behalf of the UCITS investment fund must originate from at least six different issues, and no single issue may exceed 30% of the value of the UCITS investment fund.
6. The Company may not invest more than 20% of the UCITS investment fund's assets in bank balances falling under § 195 KAGB at a single credit institution.
7. The Company shall ensure that a combination of:
   a) transferable securities or money market instruments issued by a single institution,
   b) deposits with such institution and
   c) amounts to be applied for the counterparty risk for transactions entered into with this institution

   does not exceed 20% of the value of the UCITS investment fund. Sentence 1 applies to the issuers and guarantors listed in points 3. and 4., provided that the Company has to ensure that a combination of the assets and applicable amounts referred to in sentence 1 does not exceed 35% of the value of the UCITS investment fund. In both cases, the relevant individual limits shall remain unaffected.
8. The bonds, borrower's note loans and money market instruments specified in points 3. and 4. are not taken into account in the 40% limit specified in point 2.. Notwithstanding the regulation in point 7., the limits specified in points 2.–4. and 6.–7. may not be accumulated.
9. The Company may only invest up to 20% of the UCITS investment fund's assets in units of any single investment fund pursuant to § 196(1) KAGB. Overall, the Company may only invest up to 30% of the UCITS investment fund's assets in units of investment funds pursuant to the last paragraph of § 196(1) KAGB. On behalf of the UCITS investment fund, the Company may not acquire more than 25% of the issued units of another open-end, German, EU or foreign investment fund, which has invested in accordance with the principle of risk spreading in assets within the meaning of §§ 192–198 KAGB.

§ 12 Merger

1. Pursuant to §§ 181–191 KAGB, the Company may
   a) transfer all assets and liabilities of this UCITS investment fund to another existing or a newly-formed UCITS investment fund which is established thereby, or to an EU UCITS or a UCITS investment company with variable capital;
   b) incorporate all assets and liabilities of another open-ended public investment fund into this UCITS Investment Fund.
2. The merger must be authorised by the relevant supervisory authorities. Details of the procedure are set forth in §§ 182–191 KAGB.
3. The UCITS Investment Fund may only be merged with a public investment fund that is not a UCITS if the absorbing or newly-established investment fund will henceforth be a UCITS. Moreover, EU UCITS may also be merged into the UCITS investment fund in accordance with the stipulations of Article 2(1)(p)(iii) of Directive 2009/65/EC.

§ 13 Transferable securities lending

1. On behalf of the UCITS investment fund, the Company may grant a transferable securities loan, which can be called at any time, to a securities borrower in return for market-rate compensation after the transfer of sufficient collateral in accordance with § 200(2) KAGB. The market value of the securities to be transferred, together with the market value of the securities already transferred, as a securities loan on behalf of the UCITS investment fund to the same securities borrower, including group companies within the meaning of § 290 HGB, may not exceed 10% of the UCITS investment fund's assets.
2. If the collateral for the securities transferred by the securities borrower is provided in cash, the sum must be held in blocked accounts in accordance with § 200(2)(1) KAGB. Alternatively, the Company may make use of the option of investing this sum in the currency provided in the following assets:
   a) in high-quality bonds issued by the Federal Republic of Germany, a German federal state, the EU, an EU member state or its local bodies, an EEA signatory state or a non-EU member state;
   b) in money market funds with a short maturity structure corresponding to the guidelines set forth by BaFin on the basis of § 4(2) KAGB; or
   c) by way of a reverse repurchase agreement with a credit institution that guarantees the repayment of the accrued cash amount at any time.

   The UCITS investment fund shall be entitled to the income from investing the collateral.
3. The Company may also make use of a system for brokering

and processing securities loans, organised by a central depositary for transferable securities or by another company stated in the Special Terms of Contract whose corporate purpose is the processing of international securities transactions for others, which deviates from the requirements stated in §§ 200 and 201 KAGB, provided the terms of such system guarantee that the interests of the investors are protected and there is no deviation from the right of termination at any time in accordance with point 1. above.

4. Unless otherwise specified in the Special Terms of Contract, the Company may also extend transferable securities loans in connection with money market instruments and investment units, provided that the UCITS investment fund is permitted to acquire such assets. The provisions of points 1.–3. shall apply accordingly.

§ 14 Repurchase agreements

1. On behalf of the UCITS investment fund, the Company may enter into securities repurchase agreements which may be terminated at any time pursuant to § 340b(2) HGB with credit institutions or financial services providers based on the standardised framework agreement and in return for compensation.
2. The repurchase agreements must have transferable securities as their underlying assets, which the UCITS investment fund is permitted to acquire under the Terms of Contract.
3. Repurchase agreements shall be limited to a term of 12 months.
4. Unless otherwise specified in the Special Terms of Contract, the Company may also conclude repurchase agreements in connection with money market instruments and investment units, provided that the UCITS investment fund is permitted to acquire such assets. The provisions of points 1–3 shall apply accordingly in this regard.

§ 15 Borrowing

On the collective behalf of the investors, the Company may take out short-term loans amounting to up to 10% of the UCITS investment fund's assets, provided the loan is made under normal market terms and the depositary agrees to the loan.

§ 16 Units

1. Unit certificates to be securitised in a global certificate are issued in bearer form.
2. The units may have different characteristics, especially regarding the use of income, the initial sales charge, the redemption fee, the currency of the unit value, the management fee and the minimum investment amount, or a combination of these characteristics (unit classes). For details, please refer to the Special Terms of Contract.
3. The units are transferable unless otherwise specified in the Special Investment Conditions. The transfer of a unit also entails the transfer of the rights securitised therein. For the Company, the unitholder shall in all cases be regarded as the beneficiary.
4. The rights of investors and/or the rights of investors in a unit class are vested in a global certificate. It shall bear at least the handwritten or duplicated signatures of the Company and the Depositary.

   No individual certificates shall be issued. If physical certificates were issued for the UCITS investment fund in the past and such physical certificates were not, as at the end of 31 December 2016, in the collective custody of one of the offices specified in § 97(1)(2) KAGB, such physical certificates became invalid at the end of 31 December 2016. The investors' units are instead vested in a global certificate and credited to a separate custody account of the Depositary. With the submission of an invalid physical certificate to the Depositary, the submitter may demand that a corresponding portion be credited to a custody account to be named by him and managed for him. Physical certificates that are in collective custody at one of the offices referred to in § 97(1)(2) KAGB at the end of 31 December 2016 may at any time be converted into a global certificate.

§ 17 Issue and redemption of unit certificates, and redemption suspension

1. In principle, there is no restriction as to the number of units issued. The Company reserves the right to suspend or permanently discontinue the issue of units.
2. The units may be purchased from the Company, the Depositary or through a third party. The Special Investment Conditions may specify that units can only be acquired and held by specific investors.
3. The investors may require the Company to redeem the units. The Company shall be obliged to redeem the units at the relevant applicable redemption price on behalf of the UCITS investment fund. The redemption agent is the depositary.
4. However, the Company reserves the right to suspend unit redemption in accordance with § 98(2) KAGB in the event of extraordinary circumstances that make this suspension appear necessary in the interests of the investors.
5. The Company shall inform the investors of any suspension pursuant to point 4. and the resumption of redemption by means of publication of a notice in the German Federal Gazette, as well as a financial or daily newspaper with sufficient circulation or in the electronic media stated in the Sales Prospectus. Following the publication of a notice in the German Federal Gazette, investors shall be immediately informed by means of a permanent data carrier of the suspension and resumption of unit redemption.

§ 18 Issue and redemption prices

1. For the purpose of calculating the issue and redemption prices of units, the market value of the assets held by the UCITS investment fund less loans and other liabilities (net asset value) shall be determined and divided by the number of units issued (unit value). Should different unit classes be established for the UCITS investment fund pursuant to §

16(2), the unit value, as well as the issue and redemption prices, shall be calculated separately for each unit class.

The assets shall be valued in accordance with §§ 168 and 169 KAGB and the KARBV.

2. The issue price equals the unit value of the UCITS investment fund, where applicable, plus an initial sales charge, as stated in the Special Terms of Contract pursuant to § 165(2)(8) KAGB. The redemption price equals the unit value of the UCITS investment fund, where applicable, less a redemption fee, as stated in the Special Terms of Contract pursuant to § 165(2)(8) KAGB.
3. The settlement day for unit purchases and redemption orders shall be no later than the value determination day following receipt of the unit request and/or redemption order, unless otherwise specified in the Special Terms of Contract.
4. The issue and redemption prices shall be calculated on each trading day. Unless otherwise specified in the Special Terms of Contract, the Company and the depositary may refrain from calculating the value on public holidays which are stock exchange trading days, as well as on 24 and 31 December of each year. For further details, see the Sales Prospectus.

§ 19 Charges

The Special Terms of Contract shall state the expenses and the remunerations due to the Company, the depositary and third parties, which may be charged to the UCITS investment fund. In addition, the Special Terms of Contract specify the manner, the amount and the calculation basis of any remunerations specified in the preceding sentence.

§ 20 Financial reporting

1. No later than four months after the end of the UCITS investment fund's financial year, the Company shall issue an annual report, including an income statement pursuant to § 101(1), (2) and (4) KAGB.
2. No later than two months after the middle of the financial year, the Company shall issue a half-yearly report pursuant to § 103 KAGB.
3. If during the financial year the right to manage the UCITS investment fund is transferred to another management company, or if the UCITS investment fund is merged during the financial year with another UCITS investment fund or a UCITS investment company with variable capital or a EU UCITS investment fund , the Company shall prepare an interim report covering the period up to the effective transfer date which shall comply with the requirements for an annual report referred to in point 1 above.
4. If the UCITS investment fund is liquidated, the depositary shall draw up a liquidation report each year, and on the day on which the liquidation is completed, which complies with the requirements for an annual report in accordance with point 1.
5. The reports can be obtained from the Company, the depositary and other sources specified in the Sales Prospectus and the KIID; a notice thereof will also be published in the German Federal Gazette.

§ 21 Termination and liquidation of the UCITS investment fund

1. The Company may cease managing the UCITS investment fund subject to at least six months' prior notice via publication of a notice in the German Federal Gazette, as well as in the annual or half-yearly report. Investors shall be immediately informed by means of a permanent data carrier of any termination as notified pursuant to sentence 1.
2. On the date on which termination takes effect, the right of the Company to manage the UCITS investment fund shall expire. In this case, the UCITS investment fund and/or the right of disposal over the UCITS investment fund shall be transferred to the depositary for its liquidation and distribution to the investors. The depositary shall be entitled to a fee for carrying out its liquidation duties during the liquidation period, as well as to the reimbursement of its expenses incurred as a necessary part of the liquidation. With BaFin approval, the depositary may refrain from the liquidation and distribution, and appoint another management company to manage the UCITS investment fund in line with the current Terms of Contract.
3. For the day on which the Company's management right expires pursuant to § 99 KAGB, it shall prepare a liquidation report which complies with the requirements for an annual report pursuant to § 20(1).

§ 22 Change of the Management Company and the Depositary

1. The Company may transfer the right to manage and to dispose of the UCITS investment fund to another management company. This transfer is subject to prior approval by BaFin.
2. The approved transfer shall be published in the Federal Gazette (Bundesanzeiger) as well as in the annual or half-yearly report. Investors shall be immediately informed by means of a permanent data carrier of any transfer published pursuant to sentence 1. The transfer will not be effective until three months after its publication in the Federal Gazette.
3. The Company may change the Depositary for the UCITS investment fund. The change shall require the approval of BaFin.

§ 23 Amendments to the Terms of Contract

1. The Company may amend the Terms of Contract.
2. Amendments to the Terms of Contract are subject to prior approval by BaFin. If the amendments falling under sentence 1 pertain to the investment principles of the UCITS investment fund, they shall require the prior consent of the Company's Supervisory Board.
3. All planned amendments shall be published in the German Federal Gazette, as well as in a financial or daily newspaper with sufficient circulation or in the electronic media specified

in the Sales Prospectus. Any publication pursuant to sentence 1 shall state the planned amendments and their effective date. In the event of changes to regulations pertaining to costs pursuant to § 162(2)(11) KAGB, changes to the investment principles of the UCITS investment fund pursuant to § 163(3) KAGB or changes to the principal rights of investors, investors must be informed, simultaneously to the publication in accordance with sentence 1, of the main contents of the planned amendments to the Terms of Contract and the reasons therefor, as well as information regarding their rights pursuant to § 163(3) KAGB, in a comprehensible manner and by way of a permanent data carrier in accordance with § 163(4) KAGB.

4. The amendments shall come into force at the earliest on the day following their notification in the German Federal Gazette or, in the event of changes to costs or investment principles, no earlier than three months after the corresponding notification.

§ 24 Place of performance

The place of performance shall be the registered office of the Company.

Special Terms of Contract

governing the legal relationship between the investors and Union Investment Privatfonds GmbH, Frankfurt / Main (the "Company") concerning the Company-managed UCITS investment fund pursuant to the UCITS Directive (hereinafter: the "Investment Fund")

UniRak,

which shall only apply together with the General Terms of Contract prepared by the Company for this investment fund.

Investment principles and investment limits

§ 1 Assets

The Investment Fund may invest in

1. **Transferable securities** pursuant to § 193 KAGB;
2. **Money market instruments** pursuant to § 194 KAGB;
3. **Bank balances** pursuant to § 195 KAGB,
4. **Investment units** pursuant to § 196 KAGB,
5. **Derivatives** pursuant to § 197 KAGB, and
6. **Other investment instruments** pursuant to § 198 KAGB.

§ 2 Investment limits

1. At least 24% of the Investment Fund's assets must be invested in equities of German issuers, at least 28% in EUR-denominated interest-bearing transferable securities of issuers worldwide, and at least 28% in equities of worldwide issuers (excluding German issuers).
2. Transferable securities acquired under repurchase agreements shall be included in the investment limits of § 206(1)-(3) KAGB.
3. The Company may invest up to 20% of the Investment Fund's assets in money market instruments in accordance with § 6 of the "General Investment Conditions".
4. Money market instruments acquired under repurchase agreements shall be included in the investment limits of § 206(1)-(3) KAGB.
5. Between 5% and 10% of the Investment Fund's assets may be invested in transferable securities and money market instruments of a single issuer, provided that the total value of the transferable securities and money market instruments of this issuer does not exceed 40% of the Investment Fund's assets.
6. Up to 20% of the Investment Fund's assets may be held in bank balances pursuant to § 7 of the General Terms of Contract.
7. Up to 10% of the Investment Fund's value may be held in investment units pursuant to § 8 of the "General Investment Conditions". The investment units acquired under repurchase agreements shall be included in the investment limits of § 207 and § 210(3) KAGB.
8. Moreover, subject to the investment limits set out in points 1 to 7 above, at least 51% of the value of the Investment Fund shall be invested in equity investments as defined in § 2(8) of the Investmentsteuergesetz [Investment Tax Act]. Equity investments as defined therein are
   - units in corporate entities that are admitted for trading on a stock exchange, or admitted to, or included in, another organised market;
   - units in corporate entities which are registered in an EU member state or EEA signatory state and which are subject in that state to corporation tax and are not exempt from such tax;
   - units in corporate entities registered in another state which are subject in that state to corporation tax of at least 15% and which are not exempt from such tax;
   - units in other investment funds, either up to the share of their value as published on each valuation day which they actually invest in the said units in corporate entities, or up to the minimum amount stipulated in the investment conditions of the other investment fund.

Unit classes

§ 3 Unit classes

1. For the Investment Fund, it is possible to create unit classes within the meaning of § 16(2) of the General Terms of Contract. Such unit classes may differ regarding the use of income, the initial sales charge, the currency of the unit value (including the use of currency hedging), the management fee and the minimum investment amount, or a combination of these characteristics. Unit classes may be formed at any time and at the discretion of the Company. Units of a unit class need not be in circulation.
2. The value of a unit class shall be calculated at the time its units are first issued on the basis of the value determined for the entire Investment Fund, pursuant to § 168(1) KAGB. The unit value shall be calculated separately for each unit class by attributing the costs for the launch of new unit classes, distributions (including any taxes to be paid out of the Fund's assets), the management fee and the results of currency hedging transactions related to a certain unit class, including, as the case may be, any income adjustment, exclusively to the relevant unit classes.
3. The existing unit classes shall be itemised separately in the Sales Prospectus, as well as in the annual and half-yearly reports. The characteristics of the unit classes are described individually in the Sales Prospectus, as well as in the annual and half-yearly reports.
4. Currency hedging transactions may be concluded exclusively in favour of an individual currency unit class. With regard to

currency unit classes with a currency hedge in favour of the currency of this unit class (reference currency), the Company may also, notwithstanding § 9 of the General Terms of Contract, use exchange rate or currency derivatives pursuant to § 197(1) KAGB with the aim of avoiding losses in unit value resulting from exchange rate losses relating to fund assets that are not denominated in the reference currency for the unit class. Such usage of derivatives may not have any effect on other unit classes.

Units, issue price, redemption price, unit redemption and costs

§ 4 Units

The investors are fractional co-owners of the Investment Fund's respective assets in proportion to their number of units.

§ 5 Issue and redemption price; valuation of units and liquidation

1. Issue and redemption prices shall be determined for each trading day in Frankfurt / Main (value determination day). The issue and redemption prices for a value determination day shall be established on the trading day following this value determination day (valuation day).
2. The initial sales charge amounts to 4.0% of the unit value. The Company is entitled to charge a lower or no initial sales charge for the Investment Fund or for one or more unit classes. If the Company launches unit classes, it shall specify the individual initial sales charges calculated in the Sales Prospectus, as well as in the annual and half-yearly reports.
3. Unit purchase and redemption orders received by 16:00 on a value determination day shall be executed at the issue or redemption price ascertained for this value determination day in accordance with point 1. The corresponding settlement for investors shall also be carried out on the valuation day for this value determination day. The issue price shall be payable in the currency of the Fund within two bank working days (these being bank working days in Frankfurt / Main) of the relevant valuation day. The redemption price shall be paid in the currency of the Fund within two bank working days (these being bank working days in Frankfurt / Main) of the relevant valuation day.
4. Unit purchase and redemption orders received after 16:00 on a value determination day or on a day other than a value determination day shall be processed on the following value determination day (value determination day + 1) and shall be settled at the issue or redemption price ascertained for this value determination day + 1. The corresponding settlement for investors shall be carried out on the corresponding valuation day for this value determination day +1. The issue price shall be payable in the currency of the Fund within two bank working days (these being bank working days in Frankfurt / Main) of the relevant valuation day. The redemption price shall be paid in the currency of the Fund within two bank working days (these being bank working days in Frankfurt / Main) of the relevant valuation day.

§ 6 Charges

Fees payable to the Company

1. For the management of the Investment Fund, the Company shall receive a daily fee amounting to 1/365 (in leap years: 1/366) of up to 1.9% of the net asset value calculated on each trading day. The Company is entitled to charge a lower management fee for the Investment Fund or on a pro rata basis for one or more unit classes. If the Company launches unit classes, it shall specify the individual management fees in the Sales Prospectus, as well as in the annual and half-yearly reports.
2. Furthermore, in return for arranging, preparing and conducting securities lending and repurchase transactions on behalf of the Fund, the Company also receives a flat fee of up to 49% of the income from the transactions. The costs arising from preparing and conducting such transactions, including the fees to be paid to third parties, shall be borne by the Company. The Company stipulates the respective flat fees levied for arranging, preparing and conducting securities lending and securities repurchase transactions in the Sales Prospectus.
3. Should any disputed claim be enforced in or out of court on behalf of the Investment Fund, the Company may charge a fee of up to 5% of the amounts obtained for the Investment Fund, after deducting and settling the costs relating to such proceedings which are incurred by the Investment Fund as set out in point 8a).
4. In addition, the Company shall receive a daily flat fee from the Investment Fund of 1/365 (in leap years: 1/366) of up to 0.3% of the net asset value calculated on each trading day. The flat fee shall cover the following payments and expenses, which are not charged separately to the Investment Fund:
   a) depositary fee;
   b) custody and depository fees, for the safekeeping of assets, in line with standard banking practice;
   c) costs of the auditing of the Investment Fund by its independent auditors;
   d) costs of publishing the tax bases and certifying that the tax statements have been drawn up pursuant to German tax regulations;
   e) costs of appointing voting proxies;
   f) fee for data provision and maintenance;
   g) reporting fees;
   h) fees for the accounting services of the Investment Fund;
   i) fees in connection with the supervision and risk management of the Investment Fund (risk controlling).

   The flat fee may be deducted from the Investment Fund's assets at any time. The Company will specify the flat fee in the Sales Prospectus, as well as in the annual and half-yearly reports.

Fees payable to third parties

5. At present, the Company pays the collateral manager of derivative transactions a daily fee from the Investment Fund of 1/365 (in leap years: 1/366) of up to 0.1% of the asset value calculated on each trading day. The Company specifies the fee payable to third parties in the Sales Prospectus.
6. The amount which may be deducted daily from the Investment Fund as a fee in accordance with points 1, 4 and 5 above and as reimbursement of expenses as per point 8f) may amount to an annual total of up to 2.45% of the net asset value, as determined on each trading day.

Performance fee

7. Performance fee
   a) Definition of "performance fee"
   In return for managing the Investment Fund, the Company may also receive a performance fee of up to 25% (maximum) of the amount by which the performance of the unit value exceeds that of the benchmark index at the end of an accounting period (outperformance over the benchmark index), but no more than 2.5% of the average value of the Investment Fund during the accounting period. If the performance of the unit value at the end of an accounting period is less than that of the benchmark index (negative benchmark deviation), then the Company will not receive a performance fee. According to the calculation in the event of a positive benchmark deviation, the negative sum per unit value is calculated on the basis of the agreed maximum amount and carried forward to the next accounting period. For the next accounting period, the Company will receive a performance fee only if the amount calculated on the basis of the positive benchmark deviation exceeds (at the end of the new accounting period) the negative amount carried over from the preceding accounting period. In this case, the difference between both amounts shall constitute the fee entitlement. Any remaining negative amount per unit value shall again be carried over to the new accounting period. If there is again a negative benchmark deviation at the end of the next accounting period, the existing negative amount carried over shall be increased by the amount calculated on the basis of this negative benchmark deviation. Negative amounts carried over from the previous five accounting periods shall be taken into account when calculating the entitlement to fees.

   b) Definition of "accounting period"
   Accounting periods begin on 1 February of each year and end on 31 January of the following calendar year.

   c) Benchmark index
   The benchmark index is the MSCI World Index (developed markets, weighting according to market capitalisation, total return net dividends reinvested, based on EUR) (35%), the ML EMU Large Cap Investment Grade Index (weighting according to market capitalisation, total return, based on EUR) (35%) and the DAX Performance Index (30%).

   d) Performance calculation
   The performance fee is determined by comparing the performance of the benchmark index during the accounting period with that of the unit value, which is calculated using the BVI method. The BVI method is an internationally recognised standard method for calculating the performance of investment assets. It enables a simple, understandable and accurate calculation. Performance is defined as the percentage change between the value of the invested assets at the start and end of the investment period. In the calculation, any distributions are converted into new fund units to enable performance comparisons between distributing and reinvesting funds. Costs charged to the Investment Fund may not be deducted from the performance of the benchmark index before the comparison. Provision for any accrued performance fee shall be made in the Investment Fund on the basis of the results of a daily comparison. If the unit value performance during the accounting period is below the benchmark index, then any performance fee already reserved during that accounting period shall be eliminated, depending on the daily comparison. Any reserved performance fee outstanding at the end of the accounting period may be paid out. Should the benchmark index cease to exist, the Company shall designate another suitable index to replace the aforementioned one.

   e) Negative unit value performance
   The performance fee may also be drawn upon if the unit value at the end of the accounting period is less than the unit value at the start of the accounting period (entirely negative unit value performance).

Other expenses

8. In addition to the above-mentioned fees and expenses, the following expenses are charged to the Investment Fund:
   a) costs for enforcing and implementing legal claims by the Company on behalf of the Investment Fund, as well of defending claims raised against the Company at the cost of the Investment Fund;
   b) fees and costs imposed by government agencies with respect to the Investment Fund;
   c) costs of legal and tax consulting services for the Investment Fund;
   d) costs and any fees incurred in connection with the acquisition and/or use or appointment of a benchmark or financial index;
   e) taxes arising in connection with fees payable to the Company, depositary and third parties, as well the above-mentioned expenses (including taxes incurred in connection with the management and custody of assets).
   f) The costs for providing analysis material or services by third parties in relation to one or more financial instru-

ments or other assets or in relation to the issuers or potential issuers of financial instruments, or which are closely connected with a specific sector or market, up to an amount of 0.15% p.a. of the Investment Fund, which are calculated as the total of the respective individual amounts incurred as determined for each trading day as 1/365 (1/366 in leap years) of the net asset value calculated on each trading day.

Transaction costs

9. In addition to the above-mentioned fees and expenses, costs arising in connection with the acquisition and disposal of assets will be charged to the Investment Fund.

Risks in connection with the acquisition and redemption of investment units

10. The Company shall specify in the annual and half-yearly reports the amount of the initial sales charges and redemption fees paid out from the Fund the reporting period for the purchase and redemption of units pursuant to § 196 KAGB and comparable foreign units. Concerning the purchase of units managed directly or indirectly by the Company itself or by another company associated with the Company via a substantive direct or indirect holding, the Company or the other company is not allowed to apply any initial sales charge or redemption fee for the purchase or redemption of units. In its annual and half-yearly reports, the Company shall specify the fee charged to the Investment Fund by the Company itself, another management company, an investment company or another company associated with the Company via a substantive direct or indirect holding or a foreign investment company, including its management company, as a management fee for the units held in the Investment Fund. However, the Company does not charge the Investment Fund any management fees for purchased units if the relevant/purchased investment fund is managed by the same Company or by another company associated with the Company via a substantive direct or indirect holding (group affiliation). This is achieved by the Company reducing its own management fee for the portion relating to units in such group target funds – up to the total amount, if applicable – by the amount of the management fee charged by the acquired group target fund.

Use of income and financial year

§ 7 Distribution/accumulation

1. On behalf of the Investment Fund and upon establishment of distributing unit classes, the Company shall, in principle, distribute the pro rata interest, dividends and other income - taking account of the relevant income adjustment - accruing during the financial year to the Investment Fund, which have not been used in order to cover costs. Any capital gains may also be distributed on a pro rata basis, while taking account of the relevant income adjustment.
2. Distributable pro rata income pursuant to point 1. may be carried forward for distribution in future financial years provided that the total sum of returns carried forward does not exceed 15% of the relevant value of the Investment Fund at the end of the financial year. Income from short fiscal years may be carried forward in full.
3. In the interest of capital preservation, pro rata income may be allocated for partial reinvestment in the Investment Fund, or under extraordinary circumstances, may even be reinvested in full.
4. The distribution shall be carried out annually within four months of the end of the financial year.
5. Interim distributions may be paid.
6. In the event that accumulating unit classes are created, the Company shall reinvest on a pro rata basis the interest, dividends and other income accruing during the financial year to the Investment Fund that have not been used in order to cover costs – taking account of the relevant income adjustment – as well as the realised capital gains of the accumulating unit classes in the Investment Fund.

§ 8 Financial year

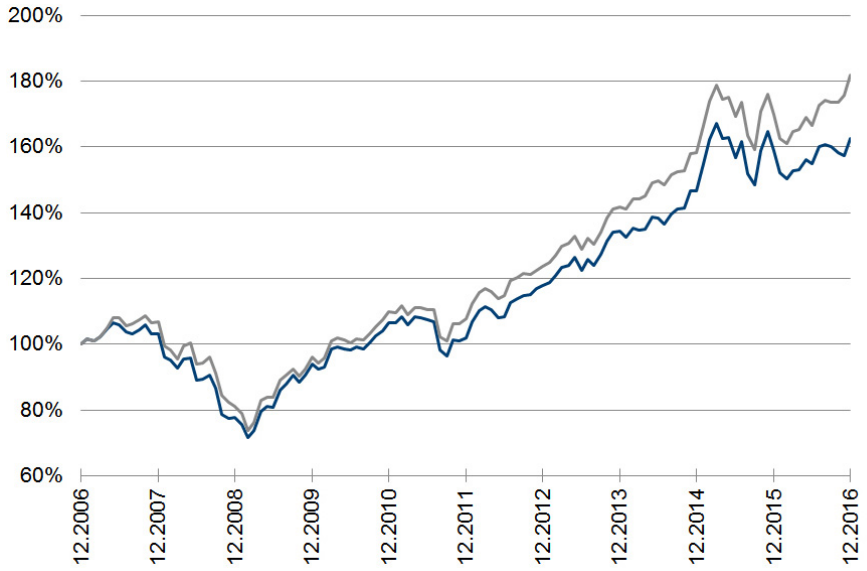
The financial year of the Investment Fund begins on 1 April and ends on 31 March of the following year.

Performance of the Fund

Unit class

UniRak

Indexed fund performance in percentage terms from 31/12/2006 to 31/12/2016



Unit class
Benchmark

Investment Fund and/or unit class performance: own calculations using the BVI method (i.e. excluding any initial sales charge).

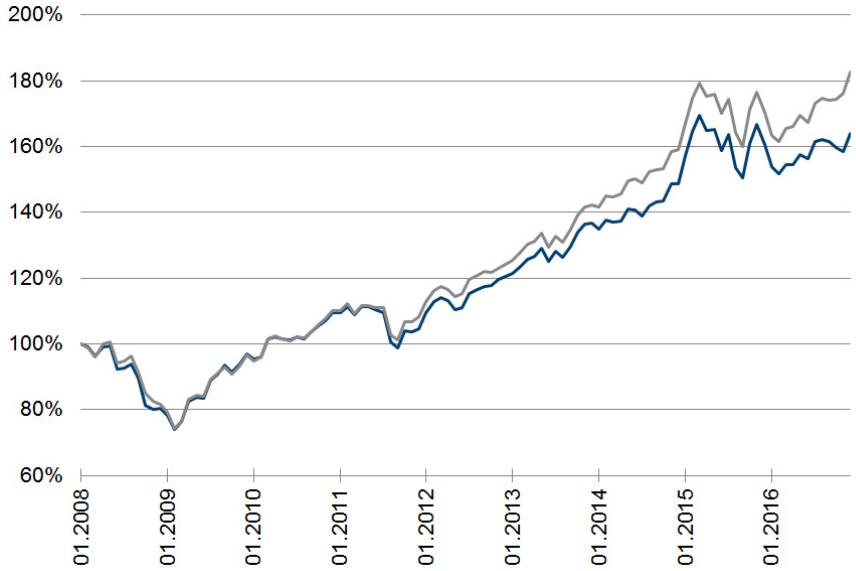
Current information relating to the performance of the Investment Fund or unit classes may be obtained from the annual and half-yearly reports, as well as from the homepage of the Company's website at privatkunden.union-investment.de).

The past performance of the Investment Fund/individual unit classes is no indicator of future performance.

Unit class

UniRak –net–

Indexed fund performance in percentage terms from 02/01/2008 to 31/12/2016.



Unit class
Benchmark

Investment Fund and/or unit class performance: own calculations using the BVI method (i.e. excluding any initial sales charge).

Current information relating to the performance of the Investment Fund or unit classes may be obtained from the annual and half-yearly reports, as well as from the homepage of the Company's website at privatkunden.union-investment.de).

The past performance of the Investment Fund/individual unit classes is no indicator of future performance.

Sales and paying agents

Sales and paying agents in the Federal Republic of Germany:

DZ BANK AG
Deutsche Zentral-Genossenschaftsbank
Platz der Republik
60265 Frankfurt / Main

Registered office: Frankfurt / Main

and the credit institutions affiliated with the aforementioned cooperative central bank

Additional information for the marketing of the Fund in the Grand Duchy of Luxembourg:

The Sales Prospectus containing the Terms of Contract, along with the Key Investor Information Document ("KIID"), the annual and half-yearly reports, as well as the issue and redemption prices, may be obtained from the paying and sales agent in Luxembourg (DZ PRIVATBANK S.A., 4, rue Thomas Edison, L-1445 Luxembourg-Strassen). Further information and documentation may also be consulted at this address. Furthermore, DZ PRIVATBANK S.A. will remit payments destined for unitholders to these unitholders and process unit subscriptions and redemptions through Union Investment Privatfonds GmbH as soon as it is presented with the corresponding subscription and redemption orders.

Important notices to unitholders are published on Union Investment's website (which can be accessed via www.union-investment.com) and, in cases expressly stipulated by law, also in the "Luxemburger Tageblatt".

Sales agent only:

Union Investment Luxembourg S.A.
308, route d'Esch
L-1471 Luxembourg
Registered office: Grand Duchy of Luxembourg

Additional information for the marketing of the Fund in Austria:

Paying and sales agent in Austria

VOLKSBANK WIEN AG
Kolingasse 14-16
A-1090 Wien

The Sales Prospectus containing the Terms of Investment, along with the Key Investor Information Document (KIID), the annual and half-yearly reports, as well as the issuing and redemption prices, may be obtained from the paying and sales agent in Austria (VOLKSBANK WIEN AG, Kolingasse 14-16, A-1090 Vienna). Further information and documentation may also be consulted at this address.

Furthermore, VOLKSBANK WIEN AG will remit payments destined for unitholders to these unitholders and process unit subscriptions and redemptions as soon as it is presented with the corresponding subscription and redemption requests.

All funds approved for sale in Austria that are managed by Union Investment Privatfonds GmbH may be consulted on the dedicated homepage of Union Investment for unitholders resident in Austria, which can be accessed via www.union-investment.com.

Important notices to unitholders will be published in the cases specified under the Austrian Investment Fund Act 2011 in the Official Gazette section of the "Wiener Zeitung", as well as on the dedicated homepage for unitholders resident in Austria, which can be accessed via www.union-investment.com.

Investment funds managed by Union Investment

BBBank Dynamik Union
BBBank Kontinuität Union
BBBank Renta Select 2021
BBBank Wachstum Union
BBV-Fonds-Union
Bright Future Fund
FVB-Deutscher Aktienfonds
FVB-Deutscher Rentenfonds
GenoAS: 1
GI Portfolio I
Global Select Portfolio I
Global Select Portfolio II
Invest Global
KCD-Union Nachhaltig AKTIEN MinRisk
KCD-Union Nachhaltig MIX
KCD-Union Nachhaltig RENTEN
LIGA-Pax-Aktien-Union
LIGA-Pax-Rent-Union
Multi-Strategie Global Union
MVB TrendStrategie: Value
PrivatFonds: Flexibel
PrivatFonds: Flexibel pro
PrivatFonds: Kontrolliert
PrivatFonds: Kontrolliert pro
Profi-Balance
SÜDWESTBANK-Interrent-UNION
SÜDWESTBANK-InterSelect-UNION
Uni21.Jahrhundert -net-
UniDeutschland
UniDeutschland XS
UniEuroAktien
UniEuropa -net-
UniEuropaRenta -net-
UniEuroRenta
UniEuroRenta HighYield
UniFavorit: Aktien
UniFonds
UniFonds -net-
UniGlobal
UniGlobal -net-
UniGlobal Vorsorge
UniJapan
UniKapital
UniKapital -net-
UniNachhaltig Aktien Global
UniNordamerika
UnionGeldmarktFonds
UniProInvest: Chance
UniRak
UniRak Konservativ
UniRenta
UniSelection: Global I
UniStrategie: Ausgewogen
UniStrategie: Dynamisch
UniStrategie: Flexibel
UniStrategie: Konservativ
UniStrategie: Offensiv
VB Kassel Göttingen Union Select
Volksbank Bielefeld-Gütersloh NachhaltigkeitsInvest
Volksbank Stuttgart RentInvest-Union
VR Bank Rhein-Neckar Union Balance Invest
VR Bank Rhein-Neckar Union Dynamic Invest
VR Mainfranken Select Union
VR Sachsen Global Union
VR Westmünsterland Aktiv
VR Westmünsterland Select

as well as other mutual funds suitable for institutional or professional investors:

LIGA Multi Asset Income
Multi Asset Fonds Weinheim
UniInstitutional Asset Balance
UniInstitutional Dividend Sustainable
UniInstitutional EM Bonds
UniInstitutional EM Bonds Spezial
UniInstitutional Euro Corporate Bonds 2021
UniInstitutional Euro Covered Bonds 4-6 years Sustainable
UniInstitutional Euro Reserve Plus
UniInstitutional European MinRisk Equities
UniInstitutional Financial Bonds
UniInstitutional Global Corporate Bonds
UniInstitutional Global High Dividend Equities
UniInstitutional Green Bonds
UniInstitutional Laufzeitfonds 2020
UniInstitutional Laufzeitfonds 2024
UniInstitutional Premium Corporate Bonds

and 10 institutional investment funds*

* As at: 31 October 2017

Management Company, committees, auditor

Management Company

Union Investment Privatfonds GmbH
60070 Frankfurt / Main
Postfach 16 07 63
Tel.: +49 (0)69 2567-0

Subscribed and paid-up capital:
EUR 24.462 million

Equity capital:
EUR 234.246 million

(As at: 31 December 2016)

Court of registration

Frankfurt / Main District Court, HRB 9073

Supervisory Board

Hans Joachim Reinke
Chairman
(Chairman of the Executive Board of
Union Asset Management Holding AG,
Frankfurt / Main)

Jens Wilhelm
Deputy Chairman
(Member of the Executive Board of
Union Asset Management Holding AG,
Frankfurt / Main)

Jörg Frese
(independent member of the Supervisory Board
pursuant to § 18(3) KAGB)

Managing Directors

Dr. Frank Engels
Giovanni Gay
Dr. Daniel Günnewig
Klaus Riester

Information regarding the main roles of the Supervisory Boards and Managing Directors performed outside the Company

Hans Joachim Reinke is the Chairman of the Board of Directors of Union Investment Luxembourg S.A., the Chairman of the Supervisory Board of Union Investment Service Bank AG, the Deputy Chairman of the Supervisory Board of Union Investment Institutional GmbH, the Deputy Chairman of the Supervisory Board of Union Investment Real Estate GmbH, and the Deputy Chairman of the Supervisory Board of Union Investment Austria GmbH.

Jens Wilhelm is the Chairman of the Supervisory Board of Union Investment Real Estate GmbH, the Chairman of the Supervisory Board of Union Investment Institutional Property GmbH and the Deputy Chairman of the Supervisory Board of Union Investment Real Estate Austria AG.

Giovanni Gay is the Chairman of the Board of Directors of attrax S.A., the Deputy Chairman of the Board of Directors of Union Investment Luxembourg S.A. and Chairman of the Supervisory Board of VR Consultingpartner GmbH.

Dr Daniel Guennewig is a member of the Executive Board of R+V Pensionsfonds AG.

Shareholder

Union Asset Management Holding AG,
Frankfurt / Main

Auditor

Ernst & Young GmbH
Audit firm
Mergenthalerallee 3-5
65760 Eschborn

As at: 1 January 2018
unless otherwise specified

Footnotes

[1] Investors who have unlimited tax liability are hereinafter referred to as "German tax residents".

[2] Foreign investors are investors who have unlimited tax liability. They are hereinafter referred to as "non-residents for tax purposes".

[3] § 37 (2) AO.

[4] § 190(2)(2) KAGB.

[5] The list of stock exchanges is published on BaFin's website (http://www.bafin.de)

[6] The list of stock exchanges is published on BaFin's website (http://www.bafin.de)

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Fax 0049 69 58998-9000

visit our website at:
www.union-investment.com

Union Investment