



Semi-annual report as at September 30th, 2017

UniInstitutional CoCo Bonds

Management Company:
Union Investment Luxembourg S.A.

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

Contents

	Page
Preface	3
UnInstitutional CoCo Bonds	5
Performance of the fund	5
Breakdown by country	5
Breakdown by sector	5
Composition of the fund's assets	6
Schedule of assets	7
Exchange rates	8
Purchases and sales in the reporting period	9
Notes on the report	10
Other information of the Management Company	12
Management Company, Board of Directors, Managing Directors, Shareholders, Portfolio Management, Auditor (Réviseur d'entreprises agrée), Depositary, Paying Agents and Distributors	13

Dear Investor,

The following pages will provide you with detailed information on the trends observed on the capital markets during the period under review (1 April 2017 to 30 September 2017). You will also find a comprehensive set of figures, including the statement of assets for the reporting period which ended on 30 September 2017.

Dealing with the change in the markets

A volatile capital market, changing regulatory requirements and new customer demands are all challenges we are meeting successfully.

In the six months just finished, the international capital markets displayed positive development overall. Along with the start of Donald Trump's incumbency as US president, important topics included the monetary policies of the major central banks and political uncertainty in Europe due to key national elections and the looming issue of Brexit. Oil prices were another influential factor - following a sharp rise at the end of 2016, they fell back considerably, at least for a time. In late summer, the announcement by the Federal Reserve that it would reduce its bond-buying activities and sabre-rattling between North Korea and Washington caused a stir. On balance, the international stock markets saw share prices rise, above all due to solid economic growth around the world and buoyant company profits. Bonds were affected by positive economic data, growing geopolitical uncertainty and contrasting monetary policy approaches on either side of the Atlantic. This segment, too, saw price gains on balance.

Bond markets' profits

Government bonds in the eurozone have displayed a largely positive trend over the past six months. Declining inflation rates proved to be supportive after the base effects from oil prices were priced out. On top of that, prices were mainly affected by (geo)political events. Without doubt, the French general election in spring was one of the focal issues. Following Emmanuel Macron's victory, market participants' willingness to undertake risks rose, which was of particular benefit to bonds issued by peripheral states. Shortly before the end of the quarter, however, there was a drastic change when Mario Draghi, president of the European Central Bank (ECB), informed market players of the bank's impending withdrawal from its bond-buying programme. The market's response was severe, and eurozone government bonds lost the best part of their gains. The growth in yields

continued into the summer, followed by a positive phase that lasted until September. Fresh economic data remained upbeat, but did not result in any appreciable pressure as the conflict between North Korea and the USA continued to worsen, resulting in a great demand for German and French bonds, with their reputations for security. Measured against the iBoxx Euro Sovereign Index, eurozone government bonds rose 1.1% during the reporting period.

At the beginning of this period, US government bonds also got off to a good start, but economic figures tended to be worse than expected, a development exacerbated by political and geopolitical events. After a poison gas attack in Syria, US President Donald Trump unexpectedly ordered a retaliatory strike, which put pressure on Washington's relations with Moscow. The USA also made a growing number of threatening statements about North Korea following further missile tests ordered by Pyongyang. The bond market was also bolstered by gathering doubt about Trump's ability to put one of his central campaign promises into action. Repeated attempts to sort out the controversial reforms to Obamacare failed. In June, the Fed again raised its base rate and also announced that it would reduce its balance sheet. Throughout the summer months, trading here was also positive. Towards the end of the reporting period, hopes for tax system reforms caused the mood to pick up. Trump added details to his proposals, which could potentially trigger growth, so yields picked up again. This change partially erased some of the price gains previously generated. US treasury bonds increased by 1.7% in total in the past six months measured against the JP Morgan Global Bond US Index.

The market for European corporate bonds also experienced an upward trend. The ECB's bond purchase programme repeatedly had a supportive effect, and the asset categories as measured by the BofA Merrill Lynch Euro Corporate Index increased in price during the reporting period by 1.5%.

Bonds from emerging markets trended extremely well due to rising commodity prices and the absence of protectionist measures on the part of the US government. High inflows of funds also bolstered yields. Considering the ongoing low interest-rate environment, many investors were active in emerging countries in their search for returns. The palpable rejuvenation of global trade also provided a boost, which ultimately led to a gain of 4.9% measured by the JP Morgan EMBI Global Diversified Index.

Equity markets continue upwards trend

By and large, the international equity markets demonstrated an upward trend over the past six months. Promoted by good business figures from all key economic regions, the MSCI World Index gained 5.6%, calculated in local currency.

In the US, the Dow Jones Industrial Average rose by 8.4%, while the broad-based S&P 500 index moved up by 6.6%. Both market barometers reached a string of record highs. Investors' fantasies were stimulated above all by the infrastructure projects and tax reductions announced by incoming US President Donald Trump. Despite growing misgivings about Trump's ability to see this through, the stock markets continued to surge, largely on the back of positive news from companies. In the late summer of 2017, the weakness of the US dollar also functioned as a stimulus. However, this uptick temporarily lost its drive. Starting in mid-August, the markets were unsettled by the war of words between the USA and North Korea about the latter's nuclear missile programme. All in all, though, the US stock market weathered this period quite well, and the Fed's increasingly restrictive monetary policy caused little difficulty. In September, investors responded favourably to the publication of Trump's new tax change plans, which could potentially provide a boost to the economy.

Despite fluctuations, the EURO STOXX 50 Index improved by 2.7% in total. First, the listings rose sharply as political headwinds abated on the stock markets. The positive outcome of the Dutch election and Macron's win in the French presidential election helped push prices upwards as well. A reporting season with positive news, strong economic figures and the ECB's continued loose monetary policy all added to the overall confidence. In August, ECB president Draghi announced that the bank would shortly start tightening its monetary policy, a statement that resulted in a sharp deflation in prices. In addition, the unexpected strength of the euro had a negative impact on listings, as did turbulence in the European automotive sector and the North Korea conflict. September witnessed another strong comeback thanks to robust economic data, a weaker euro and the hope of a continuation of Germany's pro-business government.

The Japanese stock exchange also saw increases, driven by surprisingly good growth figures and a decline in the strength of the yen. The situation deteriorated in July and August, largely due to North Korea's aggressive actions: at the end of August and in mid-September, the regime fired test missiles that traversed Japanese territory. However, September's good news on the economic front boosted prices once again. All in all, the NIKKEI 225 Index gained 7.7% with fluctuations.

Stock markets in emerging currencies returned a rock-solid performance, and the MSCI Emerging Markets climbed by 12.8% in local currency. This was driven above all by the considerably more favourable economic outlook in every region.

Important information:

Unless otherwise specified, the data source for the financial indices is Datastream. All unit performance data on the following pages is taken from Union Investment's own calculations in accordance with the method applied by the German Investment Funds Association (BVI), unless otherwise specified. The ratios illustrate past performance. Future results may be either higher or lower.

The performance of all the indices referred to in the preface always relates to local currency.

Detailed information on the Management Company and the Depositary of the investment fund (the "Fund") can be found on the last pages of this report.

UnInstitutional CoCo Bonds

Security Ident. No. A117X2
ISIN-Code LU1088284630

Semi-annual report
01.04.2017 - 30.09.2017

Performance in percent ¹⁾

6 months	1 year	3 years	10 years
5.33	11.47	20.72	-

1) Based on published unit values (BVI method).

Breakdown by country ¹⁾

Great Britain	14.74 %
Spain	14.40 %
Sweden	11.75 %
France	9.62 %
Denmark	9.45 %
Germany	9.43 %
Netherlands	8.13 %
Italy	5.78 %
Belgium	4.67 %
Switzerland	3.94 %
Australia	2.24 %
Austria	1.83 %
Jersey	0.45 %
Portfolio assets	96.43 %
Futures	-0.05 %
Bank deposits	5.97 %
Other assets/Other liabilities	-2.35 %
Fund assets	100.00 %

1) Due to rounding differences in each position, the sum may deviate from the actual value.

Breakdown by sector ¹⁾

Banks	89.86 %
Insurance	6.57 %
Portfolio assets	96.43 %
Futures	-0.05 %
Bank deposits	5.97 %
Other assets/Other liabilities	-2.35 %
Fund assets	100.00 %

1) Due to rounding differences in each position, the sum may deviate from the actual value.

UniInstitutional CoCo Bonds

Composition of the fund's assets as at September 30th, 2017

	EUR
Portfolio assets (Cost of securities: EUR 63,897,526.31)	66,314,069.31
Bank deposits	4,104,407.73
Other bank deposits	540,000.00
Interest receivable on securities	826,908.28
	71,785,385.32
Unrealised losses from financial futures	-33,500.00
Unrealised losses from forward exchange transactions	-416,670.19
Interest liabilities	-3,827.79
Liabilities on security trades	-2,500,070.00
Other liabilities	-57,790.29
	-3,011,858.27
Fund assets	68,773,527.05
Units in circulation	656,500.000
Unit value	104.76 EUR

The notes on the report form an integral part of this report.

UnInstitutional CoCo Bonds

Schedule of assets as at September 30th, 2017

ISIN	Securities	Additions	Disposals	Volume	Price	Market Value	Per cent of fund assets % ¹⁾
						EUR	
Bonds							
Stock-exchange-traded securities							
EUR							
DE000A1TNDK2	7.625 % Aareal Bank AG Reg.S. Fix-to-Float Perp.	0	0	600,000	107.0000	642,000.00	0.93
XS1278718686	5.750 % ABN Amro BANK NV Reg.S. Fix-to-Float Perp.	0	1,300,000	1,000,000	107.8750	1,078,750.00	1.57
XS1693822634	0.000 % ABN AMRO Bank NV Reg.S. Fix-to-Float Perp.	2,500,000	0	2,500,000	99.9500	2,498,750.00	3.63
XS1242413679	3.375 % Aviva Plc. Fix-to-Float Reg.S. v.15(2045)	0	0	500,000	105.6880	528,440.00	0.77
XS1134541306	3.941 % AXA S.A. Fix-to-Float EMTN Perp.	0	0	1,000,000	111.1250	1,111,250.00	1.62
XS1678372472	0.750 % Banco Bilbao Vizcaya Argentaria S.A. EMTN Reg.S. 17(2022)	800,000	0	800,000	99.6030	796,824.00	1.16
XS1394911496	8.875 % Banco Bilbao Vizcaya Argentaria S.A. Fix-to-Float Perp.	0	0	1,800,000	116.0000	2,088,000.00	3.04
XS1033661866	7.000 % Banco Bilbao Vizcaya Argentaria S.A. Reg.S. Fix-to-Float Perp.	0	0	1,000,000	104.2500	1,042,500.00	1.52
XS1692931121	5.250 % Banco Santander S.A. Reg.S. Fix-to-Float Perp.	1,000,000	0	1,000,000	100.2000	1,002,000.00	1.46
ES0213307046	3.375 % Bankia S.A. EMTN Reg.S. Fix-to-Float v.17(2027)	0	0	300,000	104.0480	312,144.00	0.45
ES0213307004	4.000 % Bankia S.A. Reg.S. Fix-to-Float v.14(2024)	1,000,000	0	1,000,000	104.1700	1,041,700.00	1.51
ES0840609004	6.750 % CaixaBank S.A. Fix-to-Float Perp.	1,000,000	0	1,000,000	106.3750	1,063,750.00	1.55
FR0013066388	4.500 % CNP Assurances S.A. Fix-to-Float v.15(2047)	0	0	900,000	113.0000	1,017,000.00	1.48
FR0012444750	4.250 % Credit Agricole S.A. EMTN Fix-to-Float Perp.	0	0	700,000	108.3750	758,625.00	1.10
XS1044578273	5.750 % Danske Bank A/S FRN Perp.	0	0	2,500,000	107.5000	2,687,500.00	3.91
DE000DB7XHP3	6.000 % Dte. Bank AG Reg.S. Fix-to-Float Perp.	0	0	1,000,000	101.7500	1,017,500.00	1.48
XS1111123987	5.250 % HSBC Holdings Plc. Fix-to-Float Perp.	0	0	2,000,000	107.7500	2,155,000.00	3.13
XS1346815787	7.000 % Intesa Sanpaolo S.p.A. EMTN Fix-to-Float Perp.	0	0	1,000,000	106.8720	1,068,720.00	1.55
XS1577953331	4.750 % Jyske Bank AS Reg.S. Perp. Fix-To-Float	1,500,000	0	1,500,000	101.7500	1,526,250.00	2.22
BE0002463389	5.625 % KBC Groep NV Reg.S. Fix-to-float Perp.	0	0	3,100,000	103.6250	3,212,375.00	4.67
DE000A0E4657	5.500 % Main Capital Funding L.P. Perp.	0	0	300,000	103.8800	311,640.00	0.45
XS1651453729	2.000 % Nationwide Building Society Reg.S. FRN v.17(2029)	1,000,000	0	1,000,000	100.3690	1,003,690.00	1.46
XS1550988643	4.625 % NN Group NV EMTN Reg.S. Fix-to-Float v.17(2048)	0	0	400,000	111.5000	446,000.00	0.65
XS1028950290	4.500 % NN Group NV Fix-to-Float Perp.	0	0	600,000	109.3750	656,250.00	0.95
XS1195632911	6.250 % Nykredit Realkredit AS Reg.S. Fix-to-Float Perp.	0	0	2,100,000	108.7500	2,283,750.00	3.32
XS1640667116	6.125 % Raiffeisen Bank International AG Fix-to-Float Reg.S. Perp.	1,200,000	0	1,200,000	105.0000	1,260,000.00	1.83
XS0867620725	6.750 % Société Générale S.A. Fix-to-float Perp.	1,000,000	1,600,000	1,000,000	110.1250	1,101,250.00	1.60
XS1426039696	4.375 % UniCredit S.p.A. EMTN Fix-to-Float v.16(2027)	0	0	500,000	107.6160	538,080.00	0.78
XS1107890847	6.750 % UniCredit S.p.A. Reg.S. Fix-to-Float Perp.	0	0	1,000,000	104.5000	1,045,000.00	1.52
						35,294,738.00	51.31
GBP							
XS1571333811	7.250 % Barclays Plc. Reg.S. Fix-to-Float Perp.	0	0	500,000	107.5000	610,171.42	0.89
XS1043550307	7.000 % Lloyds Banking Group Plc. Fix-to-Float Perp.	0	0	1,600,000	104.1250	1,891,247.59	2.75
XS1043181269	6.875 % Nationwide Building Society EMTN Fix-to-Float Perp.	0	0	1,000,000	103.3750	1,173,515.72	1.71
						3,674,934.73	5.35
USD							
US06738EAB11	6.625 % Barclays Plc. Fix-to-Float Perp.	0	0	1,000,000	102.5500	867,523.90	1.26
XS1481041587	7.875 % Barclays Plc.Fix-To-Float Perp.	0	0	900,000	109.0000	829,879.03	1.21
USF1058YHX97	7.195 % BNP Paribas S.A. Fix-to-Float Perp.	0	0	200,000	117.7500	199,221.72	0.29
USF1R15XK441	7.625 % BNP Paribas S.A. Reg.S. Fix-to-Float Perp.	0	0	400,000	109.8750	371,795.96	0.54
CH0352765157	7.125 % Credit Suisse Group AG Perp. Fix-To-Float	0	0	500,000	107.7500	455,756.70	0.66
XS1497755360	6.875 % ING Groep NV Fix-to-Float Reg.S. Perp.	0	0	1,000,000	107.8750	912,570.85	1.33
US65557DAL55	6.125 % Nordea Kredit Realkreditaktieselskab Fix-to-float Reg.S. Perp.	0	0	500,000	107.2500	453,641.82	0.66
XS1136391643	5.750 % Skandinaviska Enskilda Banken AB Fix-to-Float Perp.	0	0	4,000,000	103.3500	3,497,166.06	5.09
XS1584880352	5.625 % Skandinaviska Enskilda Banken AB Reg.S. Fix-to-Float Perp.	0	0	400,000	104.0000	351,916.08	0.51
XS1194054166	5.250 % Svenska Handelsbanken AB Reg.S. Fix-to-Float Perp.	0	0	2,100,000	102.5800	1,822,333.14	2.65
XS1190655776	5.500 % Swedbank AB Fix-to-Float Perp.	0	0	1,200,000	103.7500	1,053,210.39	1.53
XS1535953134	6.000 % Swedbank AB Reg.S. Fix-to-Float Perp.	0	0	1,000,000	106.1250	897,766.69	1.31
CH0271428317	7.125 % UBS Group AG Fix-to-Float Perp.	0	0	2,000,000	106.4708	1,801,383.98	2.62
CH0331455318	7.125 % UBS Group AG Reg.S. Fix-to-Float Perp.	0	0	500,000	108.1250	457,342.86	0.66
						13,971,509.18	20.32
Stock-exchange-traded securities						52,941,181.91	76.98

The notes on the report form an integral part of this report.

UnInstitutional CoCo Bonds

ISIN	Securities	Additions	Disposals	Volume	Price	Market Value	Per cent of fund assets % ¹⁾
						EUR	

Securities listed or included on organised markets

EUR

XS1107291541	6.250 % Banco Santander Bank S.A. Fix-to-Float Perp.	0	0	700,000	106.2500	743,750.00	1.08
XS1645651909	6.000 % BANKIA S.A. Fix-to-Float Perp.	1,800,000	0	1,800,000	100.5500	1,809,900.00	2.63
DE000DL40SR8	4.500 % Dte. Bank AG EMTN v.16(2026)	0	0	800,000	112.0090	896,072.00	1.30
XS1637926137	2.875 % Dte. Pfandbriefbank Reg.S. Fix-to-Float v.17(2022)	3,000,000	0	3,000,000	100.1670	3,005,010.00	4.37
						6,454,732.00	9.38

USD

US20259DAA54	8.125 % Commerzbank AG Reg.S. v.13(2023)	0	0	900,000	121.5710	925,589.21	1.35
USF22797YK86	6.625 % Credit Agricole S.A. Reg.S. Fix-to-float Perp.	0	0	1,300,000	103.6250	1,139,603.25	1.66
US404280BL25	6.000 % HSBC Holdings Plc. Reg.S. Perp. Fix-to-Float	700,000	0	700,000	105.0625	622,144.91	0.90
US46115HAU14	7.700 % Intesa Sanpaolo S.p.A. 144A Fix-to-Float Perp.	0	0	1,500,000	104.3750	1,324,443.79	1.93
US55608YAC93	6.125 % Macquarie Bank Ltd. (London Branch) Reg.S. Perp. Fix-to-Float	0	0	500,000	103.5000	437,780.22	0.64
USF43628C734	7.375 % Societe Generale S.A. Reg.S. Fix-to-Float Perp.	0	0	1,000,000	108.1250	914,685.73	1.33
USG84228CQ91	7.500 % Standard Chartered Plc. Reg.S. Fix-to-Float Perp.	0	0	500,000	107.3750	454,170.54	0.66
US96122UAA25	5.000 % Westpac Banking Corporation (New Zealand Branch) Fix-to-Float Perp.	1,300,000	0	1,300,000	100.0000	1,099,737.75	1.60

Securities listed or included on organised markets

Bonds

Portfolio assets

Futures

Short positions

EUR

EUX 10YR Euro-Bund Future Dezember 2017	290	340	-50			-33,500.00	-0.05
						-33,500.00	-0.05
						-33,500.00	-0.05
						-33,500.00	-0.05
						4,104,407.73	5.97
						-1,611,449.99	-2.35
						68,773,527.05	100.00

1) Due to rounding differences in each position, the sum may deviate from the actual value.

Forward exchange transactions

On the 30th of september, 2017 the following open forward exchange transactions were outstanding:

Currency		Monetary amount	Market Value	Per cent of fund assets %
				EUR
EUR/GBP	Currency sales	3,700,000.00	4,198,686.38	6.11
EUR/USD	Currency sales	25,600,000.00	21,635,180.16	31.46

Exchange rates

For the valuation of assets in a foreign currency, the following exchange rate for September 30th, 2017 was used for conversion into Euro.

British pound	GBP	1	0.8809
US dollar	USD	1	1.1821

The notes on the report form an integral part of this report.

UnInstitutional CoCo Bonds

Purchases and sales from April 1st, 2017 to September 30th, 2017

Purchases and sales of securities, loans evidenced by promissory notes and derivatives, including changes without money movements, made during the reporting period insofar as they are not specified in the schedule of assets.

ISIN	Securities	Additions	Disposals
Bonds			
Stock-exchange-traded securities			
EUR			
XS1180651587	4.250 % Achmea BV Fix-to-Floating EMTN Perp.	0	500,000
XS1594368539	0.268 % Banco Bilbao Vizcaya Argentaria S.A. Reg.S. EMTN FRN v.17(2022)	600,000	600,000
XS1602466424	6.750 % Banco Santander S.A. Fix-to-Floating Perp.	800,000	800,000
XS1592168451	2.500 % Bankinter S.A. Reg.S. Fix-to-Floating v.17(2027)	0	800,000
XS1247508903	6.125 % BNP Paribas S.A. Fix-to-Floating Perp.	0	500,000
XS0989061345	5.000 % CaixaBank S.A. EMTN Reg.S. v.13(2023)	0	1,000,000
FR0013264066	1.250 % Compagnie Plastic Omnium S.A. v.17(2024)	500,000	500,000
DE000DB5DCW6	5.000 % Dte. Bank AG EMTN v.10(2020)	0	1,000,000
DE000A2G5FF1	2.125 % Evonik Industries Reg.S. Fix-to-Floating v.17(2077)	600,000	600,000
XS1590568132	1.125 % Gas Natural Capital Markets S.A. EMTN Reg.S. v.17(2024)	0	400,000
XS1140860534	4.596 % Generali Finance BV Fix-to-Floating EMTN Perp.	0	1,000,000
XS1587893451	3.375 % Helvetia Schweizerische Versicherungsgesellschaft AG Reg.S. FRN v.17(2047)	600,000	600,000
IT0005273013	3.450 % Italian Reg.S. v.17(2048)	1,900,000	1,900,000
DE000A19HCX8	2.000 % JAB Holdings BV Reg.S. v.17(2028)	300,000	300,000
XS1405765659	5.625 % SES S.A. Fix-to-Floating Perp.	0	300,000
XS1591694481	2.995 % TenneT Holding BV Reg.S. Green Bond Fix-to-Floating Perp.	0	600,000
XS1117293107	6.000 % Uniqua Fix-to-Floating v.15(2046)	0	1,100,000
USD			
US45604HAD98	3.900 % Industrial Bank of Korea Reg.S. Fix-to-Floating Perp.	1,000,000	1,000,000
Securities listed or included on organised markets			
EUR			
DE000A14J9N8	2.241 % Allianz SE Reg.S. Fix-To-Floating v.15(2045)	0	200,000
USD			
US98105HAF73	5.250 % Woori Bank Reg.S. Fix-to-Floating Perp.	1,200,000	1,200,000
Unquoted securities			
USD			
US65557CAM55	5.500 % Nordea Kredit Realkreditaktieselskab Reg.S. Perp.	0	700,000
Futures			
EUR			
EUX 10YR Euro-Bund Future Juni 2017		360	320
EUX 10YR Euro-Bund Future September 2017		200	200

Notes on the report as at the end of September 2017

The fund's accounts are kept in Euro.

The fund's semi-annual accounts were prepared based on the applicable classification and valuation principles in the country of domicile.

The price of securities and other exchange-listed derivatives reflects the relevant stock exchange or market value at the end of September 2017. Securities traded on a regulated market are valued at the market prices published for the relevant market.

If the fund holds OTC derivatives on the closing date, these are valued daily on the basis of indicative quotes from brokers or mathematical valuation models.

If the fund has pending forward exchange transactions, these are valued based on the forward rates applicable to the residual maturity.

Securities whose prices are not in line with market conditions and all assets for which no representative market value can be obtained are valued at a price established by the Management Company in good faith using recognised valuation rules.

Bank deposits were estimated at par value.

Assets and liabilities denominated in a currency other than that of the fund are converted at the latest available mean rate of exchange into Euro. Transactions in foreign currencies are converted into the fund currency at the time of compiling the accounts. Realised and unrealised currency gains and losses are included as income or expenses.

The deferred interest includes accrued interest as at the end of the reporting period.

If the fund has the position interest on bonds, it also includes pro rata income from issue yields, where applicable.

The issue or redemption price of the fund units are determined from the net asset value per unit on the respective valid trading days and, if relevant, plus any initial sales charge and/or redemption fee as defined in the sales prospectus. The initial sales charge shall be levied in favour of the Management Company and the sales agent and can be scaled according to the size of the order. The redemption fee is credited to the fund.

The fees of the Management Company and the all-in fee are calculated based on the net fund assets per calendar day and paid out on a monthly basis. The all-in fee covers the depositary fee, general custody and bearing fees for holding assets in custody, auditors' fees, costs of appointing proxies and costs of principal management activities, such as fund accounting and reporting. The calculation is based on a contractual agreement.

If profit and loss includes other expenses, these expenses consist of the costs referred to in the prospectus, such as government fees, collateral management fees, or cost of changes to the prospectus.

Earnings and expense adjustments have been charged to the ordinary net income. These include net income generated during the reporting period, which purchasers of units pay as part of the issue price, and sellers of units receive in the redemption price.

Fund assets are currently subject to a "taxe d'abonnement" of 0.05 % p.a. in Luxembourg, payable quarterly and based on the respective reported net fund assets at the end of the quarter. Insofar as fund assets are invested in other Luxembourg investment funds that are already subject to the taxe d'abonnement, the portion of fund assets invested in such Luxembourg investment funds is exempt from this tax.

Income from the investments of the fund's assets will not be taxed in Luxembourg. However, it may be subject to withholding or other tax in the countries in which the fund assets are invested. Neither the Management Company nor the Depositary will obtain individual or collective receipts for such taxes.

In conjunction with transactions in listed and/or OTC derivatives, the fund is required to provide or receive collateral in the form of bank deposits or securities.

The positions "Other bank deposits/bank liabilities" include collateral provided/received by the fund in the form of bank deposits for listed derivatives and/or collateral provided for OTC derivatives. Collateral provided in the form of securities is recorded in the schedule of assets. Collateral received in the form of securities as well as collateral for OTC derivatives in the form of bank deposits are not recorded in the composition of the fund's assets and the schedule of assets.

The performance of the fund's units is calculated based on the unit values published on the closing dates, according to the BVI formula. In individual cases, it may vary slightly from the performance of the units as shown in the fund report.

The Management Company, in its role as the management company of the fund, may benefit from "soft commissions" (e.g. broker research, financial analyses, market and price information systems) in connection with trade transactions. Said commissions are used in the interests of unitholders when making investment decisions. Transactions of this type cannot be conducted with natural persons; the service providers concerned may trade only in the interests of the fund and the services provided must be directly associated with fund activities.

Note on the Law of 17 December 2010

The fund was set up in accordance with Part I of the Luxembourg Law of 17 December 2010 relating to undertakings for collective investment ("Law of 17 December 2010") and fulfils the conditions laid down by Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of legal and administrative provisions relating to undertakings for collective investment in transferable securities ("Directive 2009/65/EC").

Other information of the Management Company

Disclosures in accordance with Regulation (EU) 2015/2365

During the period under review, no transactions were entered in accordance to Regulation (EU) 2015/2365 on securities finance transactions and overall yield swaps.

Other information

Securities transactions are only ever carried out with counterparties included in a list of approved parties by the fund management. The list is reviewed on an ongoing basis. Criteria such as quality of execution, level of transaction costs, quality of research and reliability in the settlement of securities transactions are given precedence. Furthermore, the annual reports of the counterparties are examined.

Management Company and Main Management Company

Union Investment Luxembourg S.A.
308, route d'Esch
L-1471 Luxembourg
Grand Duchy of Luxembourg
R.C.S.L. B 28679

Equity capital as at 31/12/2016:
Euro 162.737 million
after profit appropriation

Management body of Union Investment Luxembourg S.A.:

Board of Directors

Chairman of the Board of Directors

Hans Joachim REINKE
Chairman of the Executive Board of
Union Asset Management Holding AG
Frankfurt / Main

Deputy Chairman of the Board of Directors

Giovanni GAY
Member of the Board of Management of
Union Investment Privatfonds GmbH
Frankfurt / Main

Other Members of the Board of Directors

Björn JESCH
Member of the Management Board of
Union Investment Privatfonds GmbH
Frankfurt / Main

Nikolaus SILLEM
Member of the Management Board of
Union Investment Institutional GmbH
Frankfurt / Main

Maria LÖWENBRÜCK
Member of the Management Board of
Union Investment Luxembourg S.A.
Luxembourg

Rudolf KESSEL (until 20.04.2017)
Member of the Management Board of
Union Investment Luxembourg S.A.
Luxembourg

Dr. Joachim VON CORNBERG
Member of the Management Board of
Union Investment Luxembourg S.A.
Luxembourg

Karl-Heinz MOLL (since 01.07.2017)
Member of the Board of Directors

Bernd SCHLICHTER
Independent member of the
Board of Directors

Klaus Peter STRÄBER (since 01.07.2017)
Independent member of the
Board of Directors

Chief Executive of Investment Luxembourg S.A.

Maria LÖWENBRÜCK
Rudolf KESSEL (until 30.06.2017)
Dr. Joachim VON CORNBERG

Shareholders of Union Investment Luxembourg S.A.

Union Asset Management Holding AG
Frankfurt / Main

Outsourcing of portfolio management to the following companies belonging to the Union Investment Group:

Union Investment Privatfonds GmbH
Weißfrauenstraße 7
D-60311 Frankfurt / Main

Union Investment Institutional GmbH
Weißfrauenstraße 7
D-60311 Frankfurt / Main

Auditor (Réviseur d'entreprises agréé)

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

also the auditor of
Union Investment Luxembourg S.A.

Depositary and Main Paying Agent

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

Paying and sales agent in the Grand Duchy of Luxembourg

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

Paying Agents, Distributors and Information Agents in the Federal Republic of Germany

DZ BANK AG
Deutsche Zentral-Genossenschaftsbank
Platz der Republik
D-60265 Frankfurt / Main
Registered Office: Frankfurt / Main

BBBank eG
Herrenstraße 2-10
D-76133 Karlsruhe
Registered Office: Karlsruhe

Deutsche Apotheker- und Ärztebank eG
Richard-Oskar-Mattern-Str. 6
D-40547 Düsseldorf
Registered Office: Düsseldorf

Further Distributors in the Federal Republic of Germany

Banks affiliated to the abovementioned banks and cooperative central banks are additional distributors in the Federal Republic of Germany.

Paying Agent and Distributor in Austria

VOLKSBANK WIEN AG
Kolingasse 14-16
A-1090 Vienna

Union Investment Luxembourg S.A.
308, route d'Esch
L-1471 Luxembourg
service@union-investment.com
institutional.union-investment.de

