

**PROSPECTUS  
INCLUDING  
MANAGEMENT REGULATIONS**

***AAM Fund***

A special investment fund  
(*fonds commun de placement à compartiments multiples*)  
in accordance with Section I of the amended Luxembourg Law of 17 December 2010  
on undertakings for collective investment

The prospectus is only valid in conjunction with the Fund's last annual report if it has already been prepared and if the reporting date for this annual report is longer than eight months ago, in addition to a more recent semi-annual report.

The prospectus with the Management Regulations, in their respective current versions, as well as annual and semi-annual reports are available free of charge from the Management Company and all paying agents.

No one is authorised to make use of information that is not contained in the prospectus or in other documents that are publicly available and to which the prospectus refers.

The German language version is decisive in case of deviations; the English version serves as a convenience translation.

Updated: 1th June 2024

### **Information for investors with links to the United States**

The distribution of units to US citizens is excluded. US citizens are considered to be natural persons such as:

- a) Persons born in the US or in one of its territories or sovereign territories,
- b) Naturalised citizens (or Green Card holders),
- c) Persons born to US parents in a territory outside the US,
- d) Persons who are resident in the US most of the time without being a US citizen,
- e) Persons married to a person with US nationality,
- f) Persons who are liable for tax in the US.

The following are also considered US citizens:

- a) Companies and stock corporations established under the laws of one of the 50 states of the US or the District of Columbia,
- b) A company or partnership incorporated under an Act of Congress,
- c) A pension fund that has been established as a US trust,
- d) A company that is liable for tax in the US.

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**ADMINISTRATION**

**MANAGEMENT COMPANY**

**VP Fund Solutions (Luxembourg) SA**

R.C.S. Luxembourg no. B42828  
2, rue Edward Steichen  
L-2540 Luxembourg

Subscribed capital as of 31/12/2022: CHF 5.0 million

Other funds managed by the Management Company:

An overview of the investment funds managed by VP Fund Solutions (Luxembourg) SA is available at the company's registered office. Interested persons can also obtain information from the website [www.vpfundsolutions.com](http://www.vpfundsolutions.com).

**Board of Directors of the Management Company:**

**Dr Rolf Steiner**

Chairman of the Board of Directors

**Dr Daniel Siepmann**

Member of the Board of Directors

**Jean-Paul Gennari**

Member of the Board of Directors

**Managing Directors of the Management Company:**

**Torsten Ries (CEO)**

**Alexander Ziehl**

**Uwe Stein**

**Anja Richter**

**CUSTODIAN**

**VP Bank (Luxembourg) SA**

2, rue Edward Steichen  
L-2540 Luxembourg

**REGISTRAR AND TRANSFER AGENT**

**VP Fund Solutions (Luxembourg) SA**

2, rue Edward Steichen  
L-2540 Luxembourg

**PAYING AGENT**

**VP Bank (Luxembourg) SA**

2, rue Edward Steichen  
L-2540 Luxembourg

**FUND MANAGER**

**Aquila Asset Management AG**

Bahnhofstrasse 1  
CH-6340 Baar

**AUDITOR**

**PricewaterhouseCoopers, Société coopérative**  
Réviseurs d'entreprise  
2, rue Gerhard Mercator  
L-1014 Luxembourg

## THE FUND

The investment fund described in this prospectus is a special fund consisting of securities and other assets established under Luxembourg law in the form of an umbrella fund (*fonds commun de placement à compartiments multiples*). It was incorporated in accordance with Part I of the Luxembourg Law of 17 December 2010 on undertakings for collective investment, as amended ("Law of 2010") and meets the requirements of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, most recently amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 ("Directive 2009/65/EC").

An integral component of the **AAM Fund** ("Fund") is the following Management Regulations, which last came into effect on 1 February 2024, the filing of which with the Luxembourg Trade and Companies Register ("Trade and Companies Register") has been disclosed in the Recueil électronique des Sociétés et Associations ("RESA").

## MANAGEMENT OF THE FUND

The Management Company is **VP Fund Solutions (Luxembourg) SA** (the "Management Company"), a joint stock company under Luxembourg law with its registered office in Luxembourg. VP Fund Solutions (Luxembourg) SA was established on 28 January 1993 under the name De Maertelaere Luxembourg S.A. and its Articles of Association were published in the *Mémorial* Part C, Recueil Spécial des Sociétés et Associations ("Mémorial") on 30 April 1993.

It is authorised as a management company within the meaning of Chapter 15 of the Law of 17 December 2010 and as an alternative investment fund manager ("AIFM") within the meaning of the Law of 12 July 2013 on alternative investment fund managers ("AIFM Law").

The corporate purpose of the Management Company is to launch and manage undertakings for collective investment in transferable securities ("UCITS") as defined in Directive 2009/65/EC and other undertakings for collective investment ("UCI"), and to act as an AIFM within the meaning of the AIFM Law.

The Management Company performs all the duties associated with the ongoing management of the Fund and the sub-funds and sets the investment policy. The details can be seen from the Management Regulations.

The Management Company carries out the central administration duties, thus making it responsible for fund accounting (incl. net asset valuation) and other administrative duties for the Fund in addition to its role as Registrar and Transfer Agent.

The Management Company has appointed **Aquila Asset Management AG** as the fund manager of the Fund ("Fund Manager") and its sub-funds.

The Fund Manager is authorised to manage assets and is subject to appropriate supervision. In particular, the Fund Manager is responsible for implementing the investment policy of the sub-fund assets independently on a daily basis and for conducting the daily business of asset management under the supervision, responsibility and control of the Management Company, as well as rendering other associated services. These responsibilities are undertaken in compliance with the principles of the investment policy and the investment restrictions of the respective sub-fund as described in this prospectus and the Management Regulations, and in compliance with the statutory investment restrictions. The Fund Manager is authorised to select agents and brokers to conduct transactions in the assets of the respective sub-funds. The investment decision and the placing of the order are the responsibility of the Fund Manager. The Fund Manager has the right to seek advice at its own cost and responsibility from third parties, in particular various investment advisors. With the approval of the Management Company, the Fund Manager is allowed to delegate all or part of its responsibilities to third parties whose remuneration is entirely at its own expense. In the event of comprehensive delegation of responsibilities, the prospectus will be modified in advance.

The Fund Manager shall bear all expenses it incurs in connection with the services it renders. Brokerage commissions, transaction fees and other business costs incurred in connection with the buying and selling of assets are borne by the respective sub-fund.

The Management Company may, under its own responsibility and control, consult other investment advisers or fund managers in connection with the management of the fund assets.

Such investment advisers will have a solely advisory function and not make independent investment decisions. They are authorised, under the general control and responsibility of the Management Company, to make assessments, suggestions and recommendations on the choice of investments and selection of securities to be bought or sold in the Fund in line with the Management Company's daily investment policy. The Management Company will safeguard the day-to-day management of the fund assets; all investment decisions will be taken accordingly by the Management Company.

Only the custodian or paying agents will be entitled to receive customer funds.

## THE CUSTODIAN AND PAYING AGENT

VP Bank (Luxembourg) SA (the "Custodian") was appointed by the Management Company as the Custodian of the Fund and entrusted with (i) the safekeeping of the Fund's assets, (ii) cash monitoring, (iii) control functions and (iv) all other functions agreed from time to time and laid down in the Custodian and Paying Agent Agreement.

The Custodian is a financial institution domiciled in Luxembourg with its registered office in the city of Luxembourg and is registered in the Luxembourg Commercial Register under register number B 29.509.

It has been given permission to carry out banking transactions of any kind within the meaning of the Law of 5 April 1993 on the financial sector, as amended. The Custodian is responsible for the safekeeping of the fund assets.

### Custodian's duties

The Custodian is entrusted with safekeeping the Fund's assets. This may include financial instruments that can be deposited, either directly by the Custodian or, in the scope permitted by law, by any third-party or sub-custodian whose guarantees can be considered as equivalent to those of the Custodian, i.e. in the case of Luxembourg institutions, credit institutions as defined in the Law of 5 April 1993 on the financial sector, as amended, or, in the case of foreign institutions, financial institutions which are subject to supervision considered equivalent to the requirements under Community law. The Custodian shall also ensure that the Fund's cash flows are monitored properly and in particular that the subscription amounts are received and all cash belonging to the Fund is properly registered to accounts which are opened (i) in the name of the Fund or sub-fund, or (ii) in the name of the Custodian acting on behalf of the Fund.

The Custodian shall also ensure that:

- i. the sale, issue, redemption, payout and cancellation of Fund units are carried out in accordance with Luxembourg law and the Fund's Articles of Association;
- ii. the value of the units in the Fund is calculated in accordance with Luxembourg law and the Fund's Articles of Association;
- iii. the instructions of the Fund or the Management Company for the account of the Fund are followed, unless these instructions violate Luxembourg law or the Fund's Articles of Association;
- iv. in the case of Fund asset transactions, the countervalue is transferred to the Fund within the usual time period;
- v. the Fund's income is used in accordance with Luxembourg law and the Fund's Articles of Association.

The Custodian shall provide the Management Company with a complete inventory of all assets owned by the individual sub-funds on a regular basis.

### Delegation of tasks

In accordance with the provisions of Article 34 bis of the Law of 17 December 2010 and the Custodian and Paying Agent Agreement, under certain conditions and to effectively fulfil its duties, the Custodian may delegate its custodian obligations in relation to the assets of the Fund, including the safekeeping of assets and, in the case of assets which cannot be held in custody due to their nature, the verification of the ownership structure and the management of records relating to these assets, in accordance with Article 34(3) of the Law of 17 December 2010 in part or in full to one or more third parties appointed by the Custodian from time to time.

To ensure that each third party has the necessary skills and expertise and maintains these skills and this expertise, the Custodian shall act with due care and diligence when selecting and appointing third parties.

The Custodian shall also regularly check whether the third party fulfils all applicable statutory and regulatory requirements and subjects all third parties to continuous monitoring to ensure that the obligations of the third parties continue to be fulfilled in a competent manner.

The liability of the Custodian remains unaffected by the fact that custody of the Fund's assets is transferred in full or in part to such a third party.

The Custodian has commissioned VP Bank AG, Aeulestrasse 6, LI-9490 Vaduz, (the "Central Sub-custodian"), a credit institution under Liechtenstein law which is subject to the supervision of the Liechtenstein Financial Market Authority (FMA), with the sub-custodianship of all the Fund's assets as far as possible. The Custodian is a wholly owned subsidiary of the Central Sub-custodian. In the context of the safekeeping of the Fund's assets, the Central Sub-custodian shall be deemed a third party with respect to the Custodian. The Central Sub-custodian shall hold the assets entrusted to it by the Custodian in custody at several third-party custodians appointed and supervised by it. The appointment of the Central Sub-custodian does not release the Custodian from the legal or supervisory obligations imposed on it, the performance of which the Custodian must ensure.

In the case of the loss of a financial instrument held in custody, the Custodian shall return a financial instrument of the same type or a corresponding amount to the Fund without delay, unless the loss is based on external events which could not reasonably be controlled by the Custodian and the consequences of which could not be avoided in spite of all reasonable efforts.



Foreign securities that are purchased or sold abroad or which are held by the Custodian domestically or abroad are often subject to a foreign legal system. The rights and duties of the Custodian or the Fund are therefore determined according to this legal system, which may also provide for the disclosure of the investor's name. The investor should be aware when buying Fund shares that the Custodian must provide information to this effect to foreign authorities as required, as it is obligated to do so by legal and/or supervisory regulations.

The list of appointed third parties is available on request free of charge at the registered office of the Custodian and can be accessed at [www.vpbank.com/ssi\\_sub-custody\\_network\\_en](http://www.vpbank.com/ssi_sub-custody_network_en).

#### Conflicts of interest

In performing its tasks, the Custodian shall act honestly, fairly, professionally, independently and exclusively in the interests of the Fund and its investors.

However, potential conflicts of interest may arise from time to time based on the provision of other services by the Custodian and/or its subsidiaries for the Fund and/or other parties (including conflicts of interest between the Custodian and third parties to which it has delegated tasks in accordance with the previous section). These cross-connections, if and insofar as permitted under national law, could lead to conflicts of interest. This presents a risk of fraud (irregularities which are not reported to the competent authorities in order to maintain a good reputation), risk of recourse to legal remedies (denial or avoidance of legal steps against the Custodian), selection bias (selection of the Custodian not based on quality and price), risk of insolvency (lower standards for the special custody of assets or the attention given to the insolvency of the Custodian) or risk within a group (investments within the group of companies). For example, the Custodian and/or one of its subsidiaries may act as a custodian, depository and/or administrator of other funds. It is therefore possible that the Custodian (or one of its subsidiaries) could have conflicts of interest or potential conflicts of interest between the Fund and/or other funds for which the Custodian (or one of its subsidiaries) works in the exercise of its business activities.

If a conflict of interest or potential conflict of interest arises, the Custodian shall carry out its duties and treat the Fund and the other funds for which it works fairly and ensure, to the extent practicable, that each transaction is carried out under conditions based on objective, previously specified criteria and in the sole interests of the UCITS and its investors. The potential conflicts of interest are properly determined, managed and monitored through, inter alia, a functional and hierarchical separation of the execution of the tasks of VP Bank (Luxembourg) SA as Custodian from its other tasks which constitute a potential conflict and through compliance with the Custodian's principles for conflicts of interest.

Further information on the current and potential conflicts of interest identified above is available on request free of charge at the registered office of the Custodian.

#### Miscellaneous

The Custodian, the Fund and the Management Company are all entitled to terminate the appointment of the Custodian at any time within three months in accordance with the Custodian and Paying Agent Agreement (or in the case of certain violations of the Custodian and Paying Agent Agreement, including the insolvency of one of the parties, at an earlier time). In this circumstance, the Fund and the Management Company will make every effort to appoint another bank as Custodian within two months subject to the approval of the competent supervisory authority; until the appointment of a new Custodian, the previous Custodian shall continue to fulfil its obligations as custodian in full in order to protect the interests of Unitholders.

Current information on the description of the tasks of the Custodian, the conflicts of interest which may arise and the custody functions which have been delegated by the Custodian and a list of all relevant third parties and all conflicts of interest which may arise from such delegation is available to the investor at the registered office of the Custodian upon request.

The Custodian has also been appointed as the main paying agent for the Fund, with the obligation to pay out any dividends as well as the redemption price on redeemed units of the Fund and other payments.

## **RISK CLASSIFICATION BY THE MANAGEMENT COMPANY**

The Management Company shall assign an appropriate risk profile to the funds or sub-funds it manages. This is done according to the respective investment policy in conjunction with the investment objectives. The "GENERAL INFORMATION ON RISK" specified in the Prospectus also applies to the respective sub-fund.

The risk profiles are expressly not intended to indicate possible returns. The Management Company may amend the classification if necessary. This will result in the sales documentation being amended too.

### **Risk profile – "Defensive"**

The fund or sub-fund is particularly suitable for investors who accept only low risks while wanting to achieve returns in the short term. Due to the investment policy in conjunction with the investment objectives, the investor is willing to accept capital losses depending on the extent of the possible fluctuations in value. The investor's investment horizon should be rather short-term.

The Management Company shall strive to minimise the risks by way of the quantity and distribution of the investments of the assets.

No assurance can be given, however, that the objectives of the investment policy will be achieved.

### **Risk profile – "Moderate"**

The fund or sub-fund is particularly suitable for investors who accept moderate risks while wanting to participate in moderate returns in the short to medium term. Due to the investment policy in conjunction with the investment objectives, the investor is willing to accept capital losses depending on the extent of the possible fluctuations in value. The investor's investment horizon should be short- to medium-term.

The Management Company shall strive to minimise the risks by way of the quantity and distribution of the investments of the assets.

No assurance can be given, however, that the objectives of the investment policy will be achieved.

### **Risk profile – "Returns-focused"**

The fund or sub-fund is particularly suitable for investors who accept elevated risks while wanting to participate in potential higher returns in the medium to long term. Due to the investment policy in conjunction with the investment objectives, the investor is prepared to accept elevated capital losses in the short term depending on the extent of the fluctuations in the value of the investments of the fund or sub-fund. The investor's investment horizon should be medium- to long-term.

The Management Company shall strive to minimise the risks by way of the quantity and distribution of the investments of the assets.

No assurance can be given, however, that the objectives of the investment policy will be achieved.

### **Risk profile – "Opportunity-focused"**

The fund or sub-fund is particularly suitable for investors who accept high risks while wanting to participate in potential high returns in the long term. Due to the investment policy in conjunction with the investment objectives, the investor is prepared to accept high capital losses in the short term depending on the extent of the fluctuations in the value of the investments of the fund or sub-fund. The investor's investment horizon should be long-term.

The Management Company shall strive to minimise the risks by way of the quantity and distribution of the investments of the assets.

No assurance can be given, however, that the objectives of the investment policy will be achieved.

### **Risk profile – "Speculative"**

The fund or sub-fund is particularly suitable for investors who accept very high risks while wanting to participate in very high potential returns in the long term. Due to the investment policy in conjunction with the investment objectives, the investor is prepared to accept very high capital losses in the short term depending on the extent of the fluctuations in the value of the investments of the fund or sub-fund. The investor's investment horizon should be long-term.

The Management Company shall strive to minimise the risks by way of the quantity and distribution of the investments of the assets.

No assurance can be given, however, that the objectives of the investment policy will be achieved.

## **LEGAL STATUS OF THE UNITHOLDERS**

The Management Company shall invest the respective sub-fund assets in its own name and for the collective account of the Unitholders in accordance with the principle of risk diversification in securities and other permitted assets. The capital provided and the assets acquired with it form the respective sub-fund assets and these are held separately from the Management Company's own assets.

Unitholders participate in the respective sub-fund assets as co-owners in proportion to the number of units held.

In respect of the relationship between the Unitholders, each sub-fund is regarded as an independent investment fund. The rights and obligations of one sub-fund's Unitholders are separate from those of other sub-funds' Unitholders. In relation to third parties, the assets of a sub-fund are only liable for liabilities and payment obligations relating to that sub-fund.

The Management Company refers Unitholders to the fact that a Unitholder can only assert all of his rights directly against the Fund if the Unitholder himself is entered in the Unitholder register of the Fund in his own name. In cases where a Unitholder has invested in a fund via an intermediary which made the investment in its own name but on the Unitholder's behalf, not all the rights may necessarily be directly asserted against the Fund by the Unitholder. Unitholders are advised to inform themselves about their rights.

## **INVESTMENT OBJECTIVES AND INVESTMENT POLICY OF THE SUB-FUND**

### **1. AAM FUND – OPAL II**

The objective of the investment policy of **AAM FUND – OPAL II** is to increase the value of the capital invested by Unitholders. To achieve this investment objective, the sub-fund assets will be invested in accordance with the principle of risk diversification. The investment focus is intended to be generally on non-European investments. In the interest of achieving the best possible performance, different investment focus areas can be established on the respective

international financial markets, whereby the portion of shares, interest-bearing securities or units of investment funds can account for the entire sub-fund assets.

The Fund Manager shall take into account any risks related to sustainability (environmental, social and governance aspects) in the context of investment decisions and on an ongoing basis during the investment period of existing investments of the sub-fund.

No assurance can be given, however, that the above investment policy objectives will be achieved.

This financial product does not promote environmental and/or social characteristics. The investment strategy of the financial product does not apply binding ESG/sustainability criteria in the context of investment decisions; such criteria include both the principal adverse impacts on sustainability factors in accordance with Article 7(1) of Regulation (EU) 2019/2088 and the EU criteria for environmentally sustainable economic activities in accordance with Article 2(1) of Regulation (EU) 2020/852.

In addition to and taking into account Article 4 of the Management Regulations, in accordance with the principle of risk diversification, shares, bonds, profit participation certificates, units of investment funds, convertible bonds and warrant bonds with warrants denominated in securities, and certificates containing financial indices, shares, interest rates and currencies as underlyings, as well as certificates on other permitted underlyings (that reflect the performance of an underlying 1:1 and that are officially listed or traded on stock exchanges and other regulated markets that are recognised, open to the public and functioning properly, i.e. "regulated markets") can be acquired worldwide for the sub-fund.

The sub-fund will invest at least 25% of its total assets in capital participations in accordance with Article 4 sub-section 1 i) of the Management Regulations.

Depending on the financial market situation, the sub-fund may hold up to 20% in liquid assets. The aforementioned limit may be exceeded temporarily and for a strictly necessary period of time if circumstances so require due to exceptional market conditions and if this exceedance is justified taking into account the interests of investors.

Liquid assets are sight deposits with a credit institution that are available at any time to make routine and non-routine payments and payments in connection with the depositing of admissible assets in accordance with Article 41(1) of the Law of 2010.

In addition, for liquidity management purposes, the sub-fund may hold demand deposits in the form of overnight money and deposits which have the right to be withdrawn within the meaning of Article 4 sub-section 1 f) of the Management Regulations.

The investment policy is not implemented using securities financing transactions as defined in Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse ("SFTR"). If the investment policy changes in relation to the aforementioned instruments, the Prospectus will be amended accordingly in accordance with the SFTR.

For hedging and efficient portfolio management purposes, the sub-fund may use derivatives, certificates with embedded derivative components (discount, bonus, leverage, and knock-out certificates etc.) as well as other techniques and instruments in accordance with Article 4 sub-section 6 of the Management Regulations. If these techniques and instruments relate to the use of derivatives within the meaning of Article 4 sub-section 1 g) of the Management Regulations, the relevant investment restrictions in Article 4 of the Management Regulations must be taken into account. In addition, the provisions of Article 4 sub-section 7 concerning risk management procedures for derivatives are to be respected.

In the context of OTC transactions, the Management Company can accept collateral in the form of bank deposits provided to reduce counterparty risk. For this purpose, certain currencies are defined for each counterparty, which are exchanged. Non-cash collateral is not accepted.

The collateral may be used at any time without reference to the counterparty or approval from the counterparty. When valuing the cash collateral received, the Management Company may make haircuts, which can be found in the overview below.

The amount of collateral will be 100%, taking into account the minimum transfer amount.

The cash collateral received from the counterparty in the context of OTC transactions will be invested solely and in its entirety in one or a combination of the following assets:

- High-quality sovereign bonds;
- Short-term money market funds as defined in the CESR guidelines on a Common Definition of European Money Market Funds (CESR 10-049);
- As deposits with legal entities which are repayable on demand in accordance with Article 50(1)(f) of Directive 2009/65/EC.

When investing the cash collateral, the issuer and/or counterparty limits under Article 4 sub-section 3 of the Management Regulations will apply mutatis mutandis. The investment of cash collateral may expose the sub-fund to risks such as counterparty default risk, interest rate risk and market risk.

The counterparty to the OTC transactions has no influence on portfolio management, i.e. selection is at the sole discretion of the Management Company.

## **2. AAM FUND – EMERGING MARKETS CORPORATE BOND**

**AAM Fund – Emerging Markets Corporate Bond** aims to generate returns and capital growth. In accordance with the principle of risk diversification, the assets of the sub-fund are invested primarily in the asset class of fixed interest-bearing securities through the purchasing of bonds, debentures and similar fixed and variable interest-bearing securities, including distressed securities, convertible bonds and warrant bonds denominated in hard currencies (as defined below) and issued or guaranteed by entities or government, state-owned and supranational issuers whose registered office, operations or exposures are in emerging markets.

At least 51% of the sub-fund's net assets must be invested in bonds (and similar debt securities) of listed companies.

Investments are made in a wide range of rating categories, especially in the high-yield sector, including distressed securities. Up to 10% of the sub-fund's net assets may be invested in distressed securities (securities that typically have a Standard & Poor's rating of below CCC- (or a comparable rating from a different rating agency)). However, up to 30% of the portfolio can be invested in securities that have not received a specific rating from any rating agency. Exposure to the high-yield sector of the fixed interest-bearing asset class can comprise up to 100% of the sub-fund's net assets.

In addition, the sub-fund can be exposed to contingent convertible bonds ("CoCo" bonds) up to a maximum of 20%. CoCo bonds are a form of convertible bond, usually issued by banks and dependent on a specific event (e.g. the bank falling short of the equity ratio). As soon as such an event occurs, the bonds are converted automatically from debt capital to equity capital.

A maximum of 25% of the sub-fund's net assets may be invested in convertible bonds and warrant bonds.

"Hard currency" means the currencies of economically developed and politically stable countries that are members of the OECD.

Emerging markets in connection with this sub-fund are all countries (including China) except Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, Monaco, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom and the United States of America. The above list is not exhaustive and may change at any time. A maximum of 10% of the fund volume can comprise bonds and debt securities of companies that are domiciled in the People's Republic of China (including Hong Kong). These debt securities are listed on international exchanges in US dollars, EUR and CHF. These investments in bonds and debt securities are carried out exclusively in hard currency. These transactions are handled via Bloomberg All Quotes (ALLQ) or comparable platforms.

No investments are made in shares of Chinese companies; nor are there investments in securities denominated in renminbi/yuan.

For the purpose of achieving the investment objective and/or managing liquidity outside the aforementioned investment universe, up to 33% of the sub-fund's net assets may be exposed to other asset classes, other countries and regions and other instruments such as other securities including shares, money market instruments and bank deposits.

Exposure to the above asset classes may also be achieved indirectly through UCITS and/or other UCIs, including exchange-traded funds and collective investment undertakings. The exposure through eligible UCITS and/or other UCIs may not exceed 10% of the sub-fund's net assets.

Currency or credit risk can be actively managed by increasing or decreasing currency or credit risk through the use of derivative financial instruments. Furthermore, interest rate risk can be actively managed by increasing or decreasing interest rate sensitivity (duration) through the use of derivative financial instruments.

The investment policy is not implemented using securities financing transactions as defined in the SFTR. If the investment policy changes in relation to the aforementioned instruments, the Prospectus will be amended accordingly in accordance with the SFTR.

Depending on the financial market situation, the sub-fund may hold up to 20% in liquid assets. The aforementioned limit may be exceeded temporarily and for a strictly necessary period of time if circumstances so require due to exceptional market conditions and if this exceedance is justified taking into account the interests of investors.

Liquid assets are sight deposits with a credit institution that are available at any time to make routine and non-routine payments and payments in connection with the depositing of admissible assets in accordance with Article 41(1) of the Law of 2010. In addition, the sub-fund can also invest in other money market instruments such as longer-term time deposits.

These other money market instruments, including liquid assets plus other asset classes, in which a maximum of 33% may be invested, may not comprise in total more than 49% of the sub-fund's net assets.

Exposure to the aforementioned asset classes can also be indirectly established via derivative financial instruments traded on exchanges or over the counter, which include but are not limited to forward transactions, in particular foreign forward exchange contracts, warrants and swaps. The derivatives may also be used for hedging purposes.

**The sub-fund is a product as defined in Article 8 of the European Disclosure Regulation 2019/2088. For more information, see "Annex III – Sustainability-related disclosures").** The investment strategy of the financial product does not apply binding ESG/sustainability criteria in the context of investment decisions; such criteria include both the principal adverse impacts on sustainability factors in accordance with Article 7(1) of Regulation (EU) 2019/2088 and the EU criteria for environmentally sustainable economic activities in accordance with Article 2(1) of Regulation (EU) 2020/852.

#### Explanation of how certificates work:

Certificates are usually listed debt securities. The price development of certificates depends on the performance of the underlying and the contractual arrangement. The price of the certificate may develop more strongly, more weakly, equally as strongly or completely independently compared to the price of the underlying. A total loss of value may occur depending on the contractual arrangement.

Precise information about the investment limits is included in Article 4 of the following Management Regulations.

The sub-fund has been set up for an indefinite time.

#### **Special risk information vis-à-vis the sub-fund's investments**

##### **Risks associated with contingent convertible bonds (CoCo bonds)**

Unlike with convertible bonds and warrant bonds, CoCo bonds usually require a conversion into shares or a full or partial capital reduction if the issuer falls short of the equity ratio. This conversion can be a negative factor for investors because the shareholder is subordinate to the holder of the fixed interest-bearing security and must bear all losses in a total loss scenario. Investments in CoCo bonds can therefore lead to a **total loss**.

##### Risk of sector concentration

Contingent convertible bonds are issued primarily by financial intermediaries; this can lead to sector-specific risks given that such securities are issued by a limited number of banks.

##### Liquidity risk

There is also a liquidity risk because the issue of CoCos is generally limited due to regulatory requirements, and demand from investors can increase. This kind of development has potential to lead to a limited market volume, and the CoCo bonds held by the sub-fund could be affected by limited liquidity owing to the financial weakness of the issuer, statutory or contractual restrictions on resale or transfer, or political or other factors. One effect of the reduced liquidity of a security is an additional discount on the sale or liquidation price. Moreover, reduced liquidity has potential to affect a sub-fund's ability to honour redemption requests or to comply with liquidity requirements, owing to a particular economic event.

##### Risk of extending the notice period

There is also risk inherent in extending the notice period because certain contingent convertible bonds are issued as perpetual instruments that can only be terminated with the approval of the competent authority on a pre-determined date.

##### Risk of reversal of capital structure

Unlike with a traditional capital hierarchy, investors in conditional contingent bonds could suffer a capital loss; this is not the case for shareholders.

##### Risk of conversion

It could be difficult for the portfolio manager of the sub-fund in question to assess what will happen with the securities during conversion. In the event of conversion into shares, the portfolio manager could be forced to sell these new shareholdings if the investment policy of the fund in question does not allow shares in its portfolio. This forced sale could itself lead to liquidity problems in respect of these shares.

##### Coupon cancellation

For certain contingent mandatory convertible bonds, coupon payments are entirely at the issuer's discretion and can be cancelled at any time, for any reason and for any period of time.

#### Trigger threshold risk

Trigger thresholds vary; they determine exposure in respect of the conversion risk depending on the difference between the capital ratio and the trigger threshold. It could be difficult for the portfolio manager of the sub-fund in question to anticipate the triggering events that would lead to a conversion.

#### Risk of the trigger threshold

Trigger thresholds vary; they determine exposure in respect of the conversion risk depending on the difference between the capital ratio and the trigger threshold. It could be difficult for the portfolio manager of the sub-fund in question to anticipate the triggering events that would lead to a conversion of the debt security into equity capital.

#### Unknown risk

The structure of contingent convertible bonds is new and has not yet been fully tried and tested.

#### Valuation and amortisation risks

In some instances it may be necessary to reduce the value of contingent convertible bonds because there is a risk of the asset class being overvalued on the relevant markets. As a result, a fund could lose its entire investment or be forced to accept cash or securities of a lesser value than its original investment.

#### Return/valuation risk

Investors are attracted by the often attractive yields on CoCo bonds, which can be regarded as a complexity premium.

#### **Special risks arising from investments in non-investment-grade and high-yield bonds**

Non-investment-grade/high-yield bonds are more vulnerable to credit risk due to their lower rating. The repayment rates, i.e. the percentage of capital and interest that investors receive in the event of default, may be lower for bonds without an investment-grade rating than for bonds with an investment-grade rating. Non-investment-grade/high-yield bonds may be more sensitive to interest rate changes due to their higher yields and longer maturities. Non-investment-grade/high-yield bond investments can be more vulnerable to event risk, as issuers are often more vulnerable to changes in their business environment or sector dynamics.

Investments in high-yield bonds are riskier and are generally considered to be speculative. These bonds have a higher credit risk, are subject to greater exchange rate fluctuations and bring a higher risk of the loss of capital outlay and current income than bonds with a higher credit rating. High-yield bonds are generally more sensitive to changes in macroeconomic conditions. As such, the liquidity risk associated with high-yield investments must be taken into account.

#### **Special risks arising from investments in distressed securities**

Distressed securities are debt securities issued by companies or states that are in financial crisis or facing bankruptcy. These securities typically have a Standard & Poor's rating of below CCC- (or a comparable rating from a different rating agency). Investments in distressed securities are highly speculative and the outcome depends strongly on the portfolio manager making a skilful selection of securities. Distressed securities can be an attractive investment option in the event of a positive outcome, benefiting from a company's recovery potential. Debt securities of this kind bring a higher risk than other investments, but also offer a higher return. There remains a risk that the company or the state will continue to experience financial difficulties or even enter bankruptcy, which could lead to the **total loss** of the investment.

The distressed securities market is subject to a higher liquidity risk: Owing to the fact that many investors are unwilling to hold distressed securities or are not permitted to hold them, trading in a security deteriorates dramatically as soon as it is considered distressed. This may cause the market to "dry out", making liquidity risk particularly relevant to this type of security.

#### **Risks associated with investments in the People's Republic of China ("PRC")**

Investors are informed that the securities markets of the People's Republic of China are developing markets that are growing rapidly and are subject to rapid change. Chinese securities and corporate law is relatively new and may be subject to further changes and developments. Such changes could have retroactive effect and could have a negative impact on the sub-fund's investments.

The rights of investors in mainland China are uncertain, government intervention is common and unpredictable, some of the major trading and custody systems are untested, and all types of investment are likely to be associated with comparatively high volatility and greater liquidity and counterparty risks.

In addition, Chinese stock exchanges or authorities may tax or restrict short-term profits, recall eligible shares, set or change quotas (maximum trading volumes at either investor level or market level), or otherwise block, restrict, limit or delay trading, thereby preventing a sub-fund from implementing its intended strategies or impeding its ability to do so. Given the uncertainty about whether and how certain income from investments will be taxed in the PRC, plus the possibility of changes to laws and practices in the PRC and the possibility that taxes may also be levied retrospectively, the tax provisions accrued for the sub-fund, if any, could prove to be either excessive or insufficient to settle the ultimate tax liabilities in the PRC. Consequently, the situation could prove either advantageous or disadvantageous for investors in the sub-fund depending on the ultimate taxation of such income, the actual scope of the provisions and the time of purchase

and/or sale of their units in the sub-fund. In particular, there would be a negative effect on the value of the sub-fund's assets and, consequently, on current investors if there were to be a shortfall between the actual provisions accrued and the ultimate tax liabilities levied on the sub-fund's assets; whatever the scenario, there will be no recalculation of the net asset value of the sub-fund during the period of the absent, insufficient or excessive provisions

## **RISK PROFILES OF THE SUB-FUNDS**

### **1. AAM FUND – OPAL II**

#### **Risk profile – "Opportunity-focused":**

The sub-fund is particularly suitable for investors who accept high risks while wanting to participate in potential high returns in the long term. Due to the investment policy in conjunction with the investment objectives, the investor is prepared to accept high capital losses in the short term depending on the extent of the fluctuations in the value of the investments of the sub-fund. The investor's investment horizon should be long-term.

The Management Company shall strive to minimise the risks by way of the quantity and distribution of the investments of the assets.

No assurance can be given, however, that the objectives of the investment policy will be achieved.

### **2. AAM FUND – EMERGING MARKETS CORPORATE BOND**

#### **Risk profile – "Opportunity-focused":**

The sub-fund is particularly suitable for investors who accept high risks while wanting to participate in potential high returns in the long term. Due to the investment policy in conjunction with the investment objectives, the investor is prepared to accept high capital losses in the short term depending on the extent of the fluctuations in the value of the investments of the sub-fund. The investor's investment horizon should be long-term.

The Management Company shall strive to minimise the risks by way of the quantity and distribution of the investments of the assets.

## **MONITORING THE OVERALL RISK**

#### **Global exposure:**

To monitor market risk, global exposure is calculated using a relative commitment approach.

The commitment approach describes, in accordance with CSSF Circular 11/512, as amended, a method for calculating leverage that takes into account the exposure of a sub-fund to derivative instruments, with the exception of derivative instruments used to mitigate risk. With the commitment approach, the positions of derivative financial instruments are converted into their corresponding positions in the underlyings using the delta approach (for options). In doing so, the netting and hedging effects between derivative financial instruments and their underlyings are taken into account. The sum of these equivalent positions in the underlying assets must not exceed the total net value of the fund portfolio.

#### **Benchmark for the sub-fund AAM FUND – OPAL II:**

A combination of two indexes is used as the benchmark. These two indexes are composed as follows:

- 1.) 50% of the benchmark is a share index that corresponds to the following profile:
  - The share index is broadly diversified in terms of countries, sectors and market capitalisation of the securities it contains.
  - It includes companies with medium to high market capitalisation of international issuers.
  - The index is calculated in USD and the countries included are weighted according to their market capitalisation.
- 2.) 50% of the benchmark is a bond index with the following profile:
  - Global sovereign bonds, Pfandbriefe (German covered bonds) and corporate bonds with a term of at least one year and an investment-grade rating.
  - The bonds included are broadly diversified with regard to term, rating and country of origin.
  - The index is calculated in USD and there is broad diversification in the maturities of the individual bonds.

#### **Benchmark for the sub-fund AAM FUND – EMERGING MARKETS CORPORATE BOND:**

The different sub-fund unit classes use the following benchmark, although an active investment approach is not limited to the target investments contained in a benchmark and the portfolio composition may differ significantly from the benchmark:

- Classes in the base currency USD, the J.P. Morgan Corporate EMBI Broad Diversified Composite Index Level (JBCDCOMP Index)
- Classes in the base currency EUR, the J.P. Morgan CEMBI Broad Diversified Composite Index Level Hedged in EUR (JBCDHECP Index)

- Classes in the base currency CHF, the J.P. Morgan CEMBI Broad Diversified Composite Index Level Hedged in CHF (JBCDHFCP Index).

#### **Leverage:**

It is expected that leverage generated by the use of derivatives and other financial products with derivative components will amount to up to 200% of the sub-fund volume. However, the leverage value is exposed to fluctuations depending on the market situation, so that the expected value may be exceeded short-term. The leverage value is monitored daily by the Management Company.

#### **Sustainability risks:**

Key risk indicators can be used to assess sustainability risks. The key risk indicators can be of a quantitative or qualitative nature, are geared towards environmental, social and governance aspects and serve to measure the risk of the aspects considered.

### **GENERAL INFORMATION ON RISK**

Investing in units of a fund is associated with risks such as share, interest rate, credit and liquidity risks. Prior to investing in units of this Fund, investors should therefore carefully read the risk information described below, together with the other information contained in the Prospectus and the Management Regulations, and take this into account when making investment decisions.

When investing in a sub-fund of the **AAM Fund**, it should be noted that, in our experience, investments can be subject to strong price fluctuations with potential opportunities and risks for the investor. Because of various risk parameters and influencing factors, this can lead to corresponding price increases or price drops within the sub-fund for investors. Furthermore, the increase in value sought by the sub-fund cannot be guaranteed. However, the investor's risk is limited to the sum invested. The list of risks given below in connection with investing in the units of a sub-fund is not exhaustive. The order in which the risks are listed does not pertain to the likelihood of their occurrence or the significance of individual risks.

Potential risk parameters and influencing factors for a sub-fund are:

#### **Risks of a fund investment**

##### Fluctuations in the unit value

The unit value is calculated from the value of the sub-fund divided by the number of units in circulation. The value of the sub-fund corresponds to the sum of the market values of all the assets in the sub-fund assets minus the sum of the market values of all the liabilities in the sub-fund. The unit value is therefore dependent on the value of the assets held in the sub-fund and the amount of liabilities in the sub-fund. If the value of these assets decreases or the value of the liabilities increases, the unit value will fall.

##### Influence of tax aspects on individual results

The tax treatment of capital gains depends on the individual circumstances of the respective investor and may be subject to changes in the future. For specific questions – especially taking into account the individual tax situation – investors should contact their personal tax adviser.

##### Changes to the investment strategy or the investment conditions

The Management Company may modify the Management Regulations with the approval of the CSSF. The Management Company may also modify the investment strategy within the legally and contractually permissible investment spectrum and therefore without changing the Management Regulations and having them approved by the CSSF.

##### Suspension of redemption of units

The Management Company may suspend the redemption of the units temporarily, provided that there are exceptional circumstances that make suspension appear necessary, taking account of the interests of the Unitholders. Extraordinary circumstances as defined above may be, for example, economic or political crises, an extraordinary level of redemption orders, observing Article 9 sub-section 2 of the Management Regulations, and the closure of stock exchanges or markets, trading restrictions or other factors that adversely affect the calculation of the net asset value per unit. CSSF may also order the Management Company to suspend the redemption of units if this is required in the interests of Unitholders or the public. Unitholders cannot redeem their units during this period. The net asset value per unit may also fall in the event of suspension of redemptions, e.g. if the Management Company is forced to sell assets below market value during the suspension of redemptions. The net asset value per unit following the resumption of redemptions may be lower than that before the suspension of redemptions.

A suspension may be followed directly by a dissolution of the Fund without resumption of redemptions, e.g. if the Management Company terminates the management of the Fund in order to dissolve the Fund. There is therefore a risk



for Unitholders that they may not be able to realise the planned investment horizon and that significant portions of the invested capital will not be available to them for an indefinite period.

#### Dissolution or merging of the Fund or sub-fund

The Management Company has the right to dissolve the Fund or sub-fund at its own discretion at any time. Furthermore, the Management Company may merge the Fund or sub-fund with another fund or sub-fund managed by it or by another management company. Unitholders are therefore exposed to the risk that they will not be able to realise their planned investment horizon. If the Fund's units are removed from the Unitholder's securities account after the winding up process ends, the Unitholder may be subject to income tax.

#### Risks associated with the range of investments

In consideration of the investment principles and limits which are defined by Luxembourg law and the Management Regulations, and which provide for a very broad scope for the respective sub-fund, the actual investment policy may also focus primarily on acquiring assets in, for example, only a few sectors, markets or regions/countries. This focus on a few specific investment sectors may be associated with risks (e.g. narrow market, high degree of fluctuation in certain economic cycles). The annual report retrospectively provides information on the content of the investment policy for the past financial year.

#### Performance risk

There is no guarantee that investors will achieve the investment success they desire. The unit value of the sub-fund may fall and lead to losses for the investor. There are no guarantees from the Management Company or third parties with regard to a certain minimum payment commitment upon redemption or a certain investment performance of the sub-fund. Furthermore, assets acquired for the sub-fund may perform differently from the expectation at the time of purchase. Investors could therefore get back a lower amount than they originally invested. In addition, an issue premium paid on the purchase of units or a redemption fee paid on the sale of units may reduce or even erode the success of an investment, especially if the investment period is short.

### **Risks related to the performance of the sub-funds or arising from the investment spectrum**

#### Market risk

The assets in which the Management Company or Fund Manager invests on behalf of the sub-fund are subject to risk. The price or market performance of financial products depends above all on developments on the capital markets which are affected by the overall situation of the global economy and the economic and political situation in the relevant countries. Very few funds can escape the effects of price falls on the international stock exchanges. The more specific the investment focus of the sub-fund, the greater the market risk may be, as this is often associated with a narrower distribution of risk. Valuation losses may occur as the market value of the assets falls relative to the purchase price or as spot prices and forward prices develop differently.

#### Price change risk of shares

Experience has shown that shares are subject to strong price fluctuations and therefore also to the risk of price declines. These price fluctuations are influenced in particular by the development of the profits of the issuing company, as well as developments in the sector and the overall economic development. The confidence of market participants in the respective company can also have an effect on price development. This is particularly true for companies whose shares are only admitted to the stock exchange or another organised market for a very short period of time; for these companies, even minor changes in forecasts can cause strong price movements. If the proportion of freely tradable shares held by numerous shareholders ("freefloat") is low for a share, even very small purchase and sales orders can have a big impact on the market price and consequently lead to higher price fluctuations.

#### Price change risk of convertible bonds and warrant bonds

Convertible bonds and warrant bonds guarantee the right to change the bond into shares or to acquire shares. The development of the value of convertible bonds and warrant bonds is therefore dependent on the price performance of the share as the underlying. The risks related to the performance of the underlying shares may therefore also affect the performance of the convertible bonds and warrant bonds. Warrant bonds, which grant the issuer the right to offer the investor a predetermined number of shares instead of repaying a nominal amount (reverse convertibles), are heavily dependent on the corresponding share price.

#### Interest rate risk

Investing in fixed-interest securities is associated with the possibility that the market interest rate level that exists at the time when a security is issued changes. If the market interest rate rises compared to the interest rate at the time of issue, the price of fixed-interest securities generally falls. If the market interest rate falls, on the other hand, the price of fixed-interest securities rises. As a result of this price development, the current return of the fixed-interest security is roughly the same as the current market interest rate. However, these price fluctuations vary widely depending on the (remaining) term of the fixed-interest securities. Fixed-interest securities with shorter terms have lower price risks than fixed-interest securities with longer terms. By contrast, fixed-interest securities with shorter terms generally have lower returns than fixed-interest securities with longer terms. Money market instruments tend to have lower price risks due to their short term of a maximum of 397 days. Furthermore, the interest rates of different interest-related financial instruments denominated in the same currency with comparable residual terms may develop differently.

#### Risks in connection with target funds (UCITS/UCI)

The risks associated with the target funds purchased for the sub-fund are closely related to the risks of the assets contained in these target funds and to the investment strategies pursued by them. However, these risks can be reduced through diversification of the investments within the target funds whose units are purchased, and through diversification within the sub-fund itself. Since the fund managers of the individual target funds act independently of each other, several target funds could potentially pursue the same or opposing investment strategies. This may give rise to the accumulation of existing risks, and any opportunities may cancel each other out.

In general, it is not possible to control the management of the target funds. Their investment decisions do not always have to align with the assumptions or expectations of the Management Company or the Fund Manager. The current composition of the target funds often will not be known on a timely basis. If the composition does not match the assumptions or expectations, the response may only be significantly delayed where appropriate by redeeming units in target funds.

Target funds in which the sub-fund acquires units may also temporarily suspend the redemption of units. In such cases, the Management Company or Fund Manager will be prevented from selling the units in the target fund by returning them to the Management Company or Custodian of the target fund against payment of the redemption price.

In the case of investments in target funds, a front-end load and an exit charge may also be charged at target fund level. In general when acquiring units in target funds, a management fee may be charged at target fund level. This can result in being charged twice.

#### Risks in connection with debentures on assets not contained in the sub-fund assets

The risks from debentures (certificates, structured products etc.) that are acquired for the sub-fund and are related to assets not contained in the fund assets as underlyings are closely connected with the special risks of such underlyings and/or the investment strategies that may be pursued by these underlyings, e.g. commodities as underlyings (see for example the section below on risks in connection with units in target funds (UCITS/UCI)). The aforementioned risks can, however, be reduced by the distribution of the assets within the sub-fund.

#### Particular risks when investing in certificates

When investing in certificates there is a risk that, even if they are listed on a stock exchange or traded on a regulated market, a regulated market price for these certificates will not be available due to a certain degree of illiquidity. This is more likely to be the case if the certificates are held by the sub-fund to a significant extent and in OTC transactions. To mitigate the associated valuation risk, the Management Company may, at its own discretion, use the valuation of an independent market maker. Furthermore, it cannot be ruled out that higher discounts on the actual price will need to be accepted when selling certificates for the aforementioned reasons. Certificates also carry a default risk (see paragraph "Default risk, counterparty risk").

#### Risks from using derivatives

For sub-funds that use derivative financial instruments, it cannot be guaranteed that the performance of the derivative financial instruments will have a positive impact on the sub-fund and its Unitholders. The leverage effect of derivatives may cause more marked changes in the value of the sub-fund assets (both positive and negative) than would otherwise be seen in the case of direct purchasing of securities and other assets. Accordingly their use is associated with particular risks. Unlike traditional securities, the associated leverage can influence the value of the net sub-fund assets far more strongly, both positively and negatively. Financial futures contracts which are used for purposes other than hedging are also associated with significant opportunities and risks as only a fraction of the contract value (margin) must be paid immediately. Therefore, price changes can lead to considerable profits or losses within the sub-fund assets. As a result, the risk and the volatility of the sub-fund may increase.

#### Risks in connection with OTC transactions

In principle, a sub-fund may conclude transactions (in particular derivatives) in the OTC market (providing this is mentioned in the respective investment policy for the specific sub-fund). These transactions are individual over-the-counter agreements. Transactions in OTC markets are less regulated than those on an organised stock exchange. OTC derivatives are executed directly with the counterparty and not via a recognised stock exchange or clearing office. Counterparties in OTC derivatives do not enjoy the same level of protection as those on recognised stock exchanges (e.g. performance guarantee of a clearing office). Concluding OTC transactions exposes the respective sub-fund to the risk that the contractual partner will fail to meet their payment obligation entirely or will not meet it in full or will meet it late (counterparty risk). Furthermore, investments in OTC derivatives may be exposed to the risk of different valuations due to different valuation methods. Moreover, in contrast to exchange-traded derivatives that have standardised contractual terms, OTC derivatives generally expire through negotiations with the other party. There is therefore a risk that the parties will not agree on the interpretation of the contractual terms (legal or documentation risk).

This may have an effect on the performance of the respective sub-fund and, in certain circumstances, result in the partial or complete loss of an unrealised profit.

#### Inflation risk

Inflation poses a depreciation risk for all assets. This also applies to assets held in the sub-fund. The inflation rate may be above the increase in the sub-fund's value.

#### Risks relating to currencies

A sub-fund may invest in securities or cash denominated in currencies other than the sub-fund currency. As a result, fluctuations in the value of such currencies against the sub-fund currency have a corresponding effect on the value of the sub-fund. Currency losses can also occur, and there is a transfer risk associated with such investments. Economic or political instability in countries in which the sub-fund may invest means there is a risk that a sub-fund will not receive, in whole or in part, the monies owed to it in spite of the solvency of the issuer of the respective security or other form of assets, or will not receive them on time, or will receive them but only in another currency.

#### Concentration risk

Further risks may arise from a concentration of investments in particular types of asset or particular markets. If a sub-fund holds only a limited number of securities and is considered concentrated, the value of the sub-fund may fluctuate more than that of a diversified fund that holds a larger number of securities. The selection of securities in a concentrated portfolio may also result in sector-specific and geographical concentration. In the case of funds or sub-funds with a geographical concentration, the value of the sub-fund may be more vulnerable to adverse economic, political, foreign exchange, liquidity, tax, legal or regulatory events affecting the relevant market.

#### Risk of negative interest

For the investment of liquid funds of the sub-fund at the Custodian or other credit institutions, an interest rate that corresponds to international interest rates less a certain margin is generally agreed. If these interest rates fall below the agreed margin, this results in negative interest for the corresponding account. Depending on the development of the interest rate policy of the relevant central banks, short-term, medium-term and long-term balances at financial institutions may produce a negative return.

#### Company-specific risk

The performance of the securities directly or indirectly held by a sub-fund also depends on company-specific factors, such as the business position of the issuer. If the company-specific factors deteriorate, the market value of a given security may fall substantially and permanently even if stock market developments are otherwise generally positive.

#### Risk associated with smaller businesses

Shares of smaller companies can be less liquid and more volatile than those of companies with higher market capitalisation, and tend to involve a comparatively higher financial risk.

#### Risk associated with excluding securities/assets

Excluding companies that do not meet certain criteria (e.g. social or sustainability factors) or that are not considered socially responsible from the portfolio of a sub-fund may result in the sub-fund performing differently to similar funds that do not apply such principles.

#### Hedging risk

A sub-fund may take measures aimed at offsetting certain risks. These could fall short, sometimes be impractical, or even fail entirely. The sub-fund may use hedging in its portfolio to mitigate currency, duration, market or credit risks and to hedge the currency risk or the effective duration of the unit class in relation to certain unit classes. Hedging is associated with costs that affect the performance of the investment. Since hedging transactions can sometimes only partially protect the sub-fund assets or only safeguard them against exchange rate losses to a limited extent, it cannot be ruled out that changes in the exchange rate may have an adverse effect on the performance of a sub-fund's assets.

#### Downgrade risk

A sub-fund may invest in investment-grade bonds and hold them even after a subsequent downgrade in order to avoid an emergency sale. If the sub-fund holds such downgraded bonds, there is an increased risk of non-payment, which in turn entails the risk of the sub-fund losing capital. Investors are advised that the returns or unit value of the sub-fund (or both) may fluctuate.

#### Risks associated with investing in emerging markets

There are various risks associated with potentially investing in target funds and/or securities from emerging markets. These risks are linked mainly to the rapid economic development that these countries are in many cases experiencing. In this context, assurance cannot be given that this development will continue in the years to follow. These markets also tend to have lower market capitalisation, and are likely to be volatile and less liquid. Other factors (such as political changes, exchange rate fluctuations, stock exchange controls, taxes, restrictions on foreign capital investment and repatriation etc.) may also affect the marketability of the securities and the resulting returns.

Moreover, legislation in these countries is relatively unsophisticated and companies may be subject to a significantly lower level of state supervision. Their accounting and auditing procedures do not always meet Luxembourg standards.

### **Liquidity risks**

#### Liquidity risk

The liquidity of a sub-fund may be affected by various factors that may cause the sub-fund to be temporarily unable to process redemption requests and, in exceptional situations, may even lead to a reduction in the value of the sub-fund assets and consequently to liquidation under the conditions prescribed by law. Liquidity risks may arise, for example, if

liquid securities are difficult to sell under certain market conditions, although the sub-fund may in principle invest only in instruments that can be sold at any time without significant price reductions. The possibility of the transaction volume being exposed to significant price fluctuations depending on the market situation therefore cannot be ruled out. In addition, in the event of increased purchase and sales orders from investors, the sub-fund may be forced to buy or sell assets on less favourable terms than planned in order to maintain the liquidity of the sub-fund, which may in turn have a negative impact on the sub-fund assets.

#### Risk associated with loans

The Management Company may take out loans on behalf of the sub-fund. Loans with variable interest rates may have a negative impact on the sub-fund assets due to rising interest rates. If the Management Company is required to repay a loan and is unable to offset this using follow-on funding or liquidity present in the sub-fund, it may be forced to sell assets early or on worse terms than planned.

#### Risks associated with increased redemptions or subscriptions

The purchase and sale orders made by Unitholders result respectively in inflows or outflows of liquidity to/from the respective sub-fund assets. The inflows and outflows can lead to a net inflow or net outflow of the sub-fund's liquid assets. This net inflow or outflow may cause the Management Company or the Fund Manager to buy or sell assets and this may result in transaction costs. This applies in particular if the inflows or outflows exceed or do not reach a liquid assets quota set for the sub-fund by the Management Company. The resulting transaction costs are charged to the sub-fund and may adversely affect the performance of the sub-fund. In the case of inflows, increased sub-fund liquidity may adversely affect the sub-fund's performance if the funds cannot be invested on adequate terms.

#### Public holiday risk in specific regions/countries

The sub-fund may make investments in different regions/countries. Due to local public holidays in these regions/countries, there may be discrepancies between trading days on the stock exchanges of these regions/countries and the sub-fund's valuation days. The sub-fund may not be able to react to market developments in the regions/countries on the same day on non-valuation days or may not be able to trade on the local market on valuation days that are not trading days in these regions/countries. This may prevent the sub-fund from selling assets in the required time. This may adversely affect the sub-fund's ability to fulfil redemption requests or other payment obligations.

### **Operational and other risks of the sub-funds**

#### Risks associated with criminal acts, maladministration or natural disasters

A sub-fund may fall victim to fraud or other criminal acts. It may suffer losses from misunderstandings or mistakes by employees of the Management Company or external third parties or be harmed by external events such as natural disasters.

#### Default risk, counterparty risk

A sub-fund conducts transactions through or with brokers, clearing houses, counterparties and other agents. Accordingly, the sub-fund is subject to the risk that such counterparties will not be able to meet their obligations due to insolvency, bankruptcy or other causes. Default risk (credit risk) is the general risk that the other party to a contract will fail to fulfil its obligation on maturity with respect to a receivable even though the return consideration has already been paid. This applies to all mutual agreements that are entered into on behalf of the Fund. In addition to the general capital market trends, the specific developments of the respective issuers also affect the price of a security. Even if securities are selected carefully, losses due to issuer default, for instance, cannot be ruled out. The extent of the losses due to issuer default is proportional to the extent to which the sub-fund has acquired securities from that issuer.

#### Cyber risk notice

The Management Company and its service providers may be vulnerable to threats to operational and information security from cyber security incidents and related risks. In general, cyber security incidents may be the result of deliberate attacks or unintentional events involving third parties. Cyber attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g. by hacking or using malware) for the purpose of stealing assets or sensitive information, corrupting data, or causing operational disruption. Cyber attacks can also be carried out by other means, i.e. without obtaining unauthorised access, such as by preventing access to services on websites (i.e. attempts to paralyse online services so that they are no longer available to the intended users). Cyber security incidents that affect data subjects can cause disruption and impair business operations, which can potentially lead to financial losses, including by preventing a sub-fund from calculating its net asset value, making it harder to carry out trading activities for a sub-fund portfolio, rendering Unitholders unable to conduct transactions with the sub-fund, violating applicable data protection and data security laws or other laws, being subject to fines and penalties by regulatory authorities, suffering reputational damage, or incurring costs for reimbursement, any other compensation or remedial action, legal fees, or costs arising from other compliance requirements. Similar adverse consequences may arise from cyber security incidents that lead to adverse effects on issuers of securities in which a sub-fund invests, on counterparties with which a sub-fund enters into transactions, on government and other supervisory authorities, on stock exchanges and other financial market participants, banks, brokers and traders, insurance companies, and other financial institutions and other parties. Information risk management systems and contingency plans have indeed been designed to reduce the risks associated with cyber security. Nevertheless, risk management systems for cyber security or contingency plans are inherently subject to limitations, including the possibility that certain risks cannot be identified or have not been identified. In addition, the cyber security plans and systems of the

Management Company's service providers or the issuers of securities in which a particular sub-fund invests are outside the Management Company's control.

#### Country/region and industry risk

The value of the sub-fund assets may also be adversely affected by unforeseeable events such as international political developments, changes in government policy, restrictions on foreign investment and currency repatriation, and other developments and applicable laws or regulations. If a sub-fund focuses on specific countries, regions or industries as part of its investment, this reduces risk diversification. As a result, the sub-fund is particularly dependent on the development of individual or interdependent countries and regions and/or the companies located and/or operating in these, as well as on general development and the development of corporate earnings of individual industries or of mutually influencing industries.

#### Legal and political risks

Investments may be made for a sub-fund in legal systems where Luxembourg law does not apply or where, in the event of legal disputes, the place of jurisdiction is outside Luxembourg. The resulting rights and duties of the Management Company for the account of the Fund may vary from those in Luxembourg to the disadvantage of a sub-fund or Unitholders. Political or legal developments including changes to the legal framework in these legal systems may not be recognised by the Management Company or recognised too late or result in restrictions relating to assets that can be or have already been purchased. These consequences may also arise if the legal framework for the Management Company and/or the management of the Fund in Luxembourg changes.

#### Key personnel risk

When a sub-fund achieves very positive investment results over a certain time period, this success may also be due to the abilities of the persons involved and thus the correct management decisions. The composition of the fund management personnel can change, however. New decision-makers may act less successfully.

#### Custody risk

There is a risk of loss associated with the custody of assets if the Custodian or Sub-custodian becomes insolvent or breaches due diligence or engages in improper conduct.

#### Settlement risk

In particular, when acquiring unlisted securities or in the case of settlement of derivative instruments, there is a risk that settlement does not take place as expected, because a counterparty does not pay or deliver on time or as agreed.

### **Sustainability risks**

#### Sustainability risks of assets

As a matter of principle, the Fund Manager makes investment decisions taking sustainability risks into account. Sustainability risks can arise from environmental and social influences on a potential asset, and from the corporate governance practices of the issuer of an asset.

The sustainability risk can either constitute a separate risk type or have a compounding effect on other risk types relevant to the sub-fund, such as market risk, liquidity risk, credit risk or operational risk, and in this context may contribute significantly to the overall risk of the sub-fund.

If sustainability risks arise, they can have a significant impact – up to and including a total loss – on the value and/or returns of the relevant assets. Such effects on an asset may adversely affect the returns of the sub-fund.

The objective of the Fund Manager taking sustainability risks into account is to identify the occurrence of these risks as early as possible and to take appropriate measures to minimise the impact on the relevant assets or the overall portfolio of the sub-fund.

The sustainability aspects that may have an adverse impact on the sub-fund's returns are divided into environmental, social and governance aspects (hereinafter referred to as "ESG"). While environmental aspects include factors such as climate change mitigation, social aspects include facets such as complying with safety regulations in the workplace. Governance aspects include, for example, taking compliance with employee rights and data protection into account. Sustainability also takes account of aspects such as climate change, including physical climate events or conditions such as heat waves, rising sea levels and global warming.

#### Issuer-specific risk associated with sustainability

The risks associated with ESG aspects can have a negative impact on the market price of an asset investment.

The market value of financial instruments issued by companies that do not comply with ESG standards and/or do not (also) commit to implementing ESG standards in the future can be negatively affected by materialising sustainability risks. Such influences on the market value can be caused, for instance, by damage to reputation and/or sanctions; further examples include physical risks and transitional risks that are caused by factors such as climate change.

#### Operational risks associated with sustainability

The sub-fund or Management Company may suffer losses due to environmental disasters, social-induced aspects in relation to employees or third parties, and failures in the management of a company. These events can be caused or exacerbated by failure to consider sustainability aspects.

#### **CONFLICTS OF INTEREST**

The Management Company and/or employees, representatives or affiliated companies may act as investment advisers, fund managers, central administration agents, registrars and transfer agents or in any other capacity as service providers for the Fund or sub-fund. The function of the Custodian may also be performed by a company affiliated with the Management Company. The Management Company is aware that conflicts of interest may arise on the basis of the various functions that are fulfilled regarding the management of the fund or sub-fund. In accordance with the Law of 2010 and the applicable management regulations of the CSSF, the Management Company has sufficient and appropriate structures and control mechanisms, and, in particular, it acts in the best interests of the Fund or sub-fund and ensures that conflicts of interest are avoided. The Management Company has established principles for dealing with conflicts of interest, the latest version of which is available to interested investors online at <https://vpfundsolutions.vpbank.com/de/kundeninformationen/umgang-mit-interessenskonflikten>. In the event of outsourcing of tasks to third parties and the commissioning of third parties, conflicts of interest may arise both in the cooperation with the third party and within the third party's company.

#### **PERFORMANCE**

An overview of the performance of the respective sub-fund is provided in the respective PRIIPS-KID (*Key Information Document*).

#### **UNITS**

Units in the **AAM Fund** are units in the respective sub-funds.

#### **ISSUE OF UNITS**

Fund units in the aforementioned sub-funds are issued at the issue price, which comprises the unit value and, where applicable, the sales commission shown in the overview. The issue price is increased accordingly to cover any stamp duty or other expenses that are incurred in a country in which the Units are issued.

The Management Company is entitled to issue new units on an ongoing basis. However, the Management Company reserves the right to temporarily or permanently suspend the issue of units within the scope of the provisions of the Management Regulations printed below; payments already made will be reimbursed immediately in this case.

Units may be acquired from the Management Company, the Custodian and the paying agent named in this Prospectus.

**The times stated in the provisions of the Management Regulations determine the definition of acceptance times for applications to subscribe.**

#### **RULES ON THE PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING**

The Management Company is responsible for implementing measures to combat money laundering and terrorist financing in accordance with the laws of Luxembourg and the circulars published by the CSSF in that regard.

In accordance with international regulations and the Luxembourg laws and regulations, including but not limited to the Luxembourg Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended, and any amendments or successor laws thereto, and the relevant regulations and circulars of the Luxembourg financial supervisory authority (CSSF), as amended, all persons and companies operating in the financial sector are subject to obligations to prevent abuse for money laundering and/or terrorist financing purposes.

These measures generally require the identity of an investor and the beneficial owners to be identified and verified in accordance with anti-money laundering legislation.

Information that is provided in this context is to be collected solely for the purpose of complying with provisions on combatting money laundering and the financing of terrorism.

The Management Company is obliged to have certain information concerning those investors who qualify as beneficial owners within the meaning of the Law of 2004 entered in the Luxembourg Beneficial Owner Register in accordance with

the Law of 13 January 2019 establishing the Beneficial Owner Register ("Law of 2019"), whereby certain information is then publicly accessible in the Beneficial Owner Register.

Any person considered to be a beneficial owner of the Fund within the meaning of the Law of 2019 is legally required to provide the information required in this context upon request.

## **UNIT VALUATION**

In order to calculate the unit value, the value of the assets, less liabilities ("net fund assets"), is calculated on each valuation date within the meaning of the provisions of the Management Regulations and divided by the number of units in circulation and rounded to two decimal places.

Further details on the calculation of the unit value are set out in the Management Regulations, in particular in Article 7 thereof.

## **REDEMPTION AND CONVERSION OF UNITS**

Unitholders are entitled at any time to redeem or convert their units via one of the paying agents, the Custodian or the Management Company at the redemption price defined in the Management Regulations of the Fund. Applications for the conversion of units may only be submitted to the Registrar and Transfer Agent as orders for a specific amount.

**The times stated in the provisions of the Management Regulations determine the definition of acceptance times for redemption applications.**

## **APPROPRIATION OF INCOME AND OTHER PAYMENTS**

The appropriation of income is defined for each unit class of the sub-fund.

If income from the unit class in question may be distributed in principle, the provisions of Article 11 of the Management Regulations shall apply.

Any distributions on Fund units shall be made through the paying agents, the Custodian or the Management Company. The same also applies to any other payments made to the Unitholders.

## **SWING PRICING**

The actual price that a sub-fund obtains when buying or selling assets may be higher or lower than the market price or any other probable realisation value used when calculating the net asset value of the sub-fund. If subscriptions, redemptions and/or conversions in a sub-fund cause the sub-fund to buy and/or sell underlying investments, the value of these investments may be affected by bid-ask spreads, trading costs and related expenses, including transaction fees, brokerage fees and taxes. As a result, the net asset value per unit of a sub-fund may be diluted as a result of subscriptions, redemptions or conversions of units of the sub-fund at a price that does not reflect the actual price obtained in the transactions carried out on behalf of the sub-fund with the underlying assets, in order to take the resulting inflows or outflows into account.

This investment and divestment activity may have a negative impact on the net asset value per unit, which is known as "dilution". To protect existing or remaining investors from the potential effects of dilution, the Fund may use a "swing pricing" method as described in more detail in the Management Regulations.

## **PUBLICATIONS AND CONTACT PERSONS**

The applicable issue and redemption price of the units and all other information intended for the Unitholders may be requested at any time at the registered office of the Management Company, the Custodian and the paying agents and distribution agents.

At those same locations, the current Prospectus and Management Regulations and the annual and semi-annual reports may also be obtained, as well as the Articles of Association of the Management Company.

The PRIIPS-KID (*Key Information Document*) can be downloaded from the following website of the Management Company: <https://vpfundsolutions.vpbank.com/de/fondsinformationen/fondsdocumentationen>. In addition, a paper version will be provided on request by the Management Company or distribution agents.

The applicable issue and redemption price is generally published on the Management Company's website [www.vpfundsolutions.com](http://www.vpfundsolutions.com) and may also be published in a national daily newspaper or online medium.

Other important information to Unitholders is generally published on the Management Company's website <https://vpfundsolutions.vpbank.com/de/mitteilungen>. A notice in a Luxembourg daily newspaper will also be published in Luxembourg in cases prescribed by law.

Investor complaints may be directed to the Management Company, the Custodian, or any paying agents or distribution agents, where they will be duly processed within 14 days.

## **COSTS**

For the management of the Fund and its sub-funds, the Management Company shall receive remuneration from the respective net sub-fund assets, the amount, calculation and payment of which are set out in the following sections '**AAM Fund – OPAL II: Overview**' and '**AAM Fund – EMERGING MARKETS CORPORATE BOND: Overview**'.

The Custodian shall receive remuneration from the respective net sub-fund assets, the amount of which is also set out in the following overviews '**AAM Fund – OPAL II: Overview**' and '**AAM Fund – EMERGING MARKETS CORPORATE BOND: Overview**'.

The aforementioned fees are determined and paid out in accordance with the provisions of the respective sub-fund.

In addition to the costs associated with the acquisition and sale of assets from the fund assets, the Management Company and/or the Custodian may also be reimbursed for additional expenses listed in the Fund's Management Regulations.

These costs are also listed in the annual reports.

In addition, the respective sub-fund assets may be subject to additional costs in accordance with Article 14 of the Management Regulations.

## **REMUNERATION POLICY**

The Management Company applies remuneration policies and practices that are consistent with and promote sound and effective risk management and do not encourage the assumption of risks that are incompatible with the risk profile and the Articles of Association.

Furthermore, the remuneration policy is in line with the business strategy, objectives, values and interests of the Management Company and of the UCITS under its management, as well as investors in these UCITS, and it includes measures for avoiding conflicts of interest.

The remuneration policy reflects the Management Company's objectives with regard to good corporate governance and sustained and long-term value creation for investors. The fixed and variable components of the total remuneration are proportionate to each other and the share of fixed remuneration in the total remuneration is high enough to allow for a fully flexible policy on the variable remuneration components, including the possibility of not paying variable remuneration. Where and to the extent applicable, performance evaluation is carried out within a multi-annual framework that corresponds to the investment horizon recommended to the fund's investors so as to ensure that the evaluation process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-related remuneration components is spread over the same period.

The Management Company shall comply with the remuneration principles described above in a manner and to an extent appropriate to its size, internal organisation and the nature, scope and complexity of its activities.

The principles of the remuneration policy are regularly reviewed and adapted to the evolving regulatory framework.

Further information on the Management Company's remuneration policy can be found on the Management Company's website at <https://vpfundsolutions.vpbank.com/de/kundeninformationen/verguetungspolitik>, which contains, in particular, a description of the methods used to calculate the remuneration and benefits of certain categories of employees as well as a list of the persons responsible for allocation, including, where appropriate, the members of the Remuneration Committee. Upon request, the Management Company shall provide the Unitholders of the Fund with this information in paper form free of charge.

## **TAXATION OF FUND ASSETS AND INCOME**

The income of the Fund and its sub-funds is not taxed in the Grand Duchy of Luxembourg. It can, however, be subject to possible withholding taxes or other taxes in countries in which the respective sub-fund assets are invested. Neither the Management Company nor the Custodian will obtain receipts for such taxes for individual or all Unitholders.

In the Grand Duchy of Luxembourg, the fund assets are subject to a *taxe d'abonnement* of currently no more than 0.05% p.a. This *taxe d'abonnement* is payable per quarter on the relevant net fund assets reported at the end of each quarter.

On 10 November 2015, the Council of the European Union adopted Directive (EU) 2015/2060 repealing the EU Savings Directive (Directive 2003/48/EC). As a consequence, full tax transparency has existed within the EU since 2018 and the



EU withholding tax became obsolete from this date. In this context, Luxembourg applies the automatic exchange of information on financial accounts. Before the EU Savings Directive was repealed, all EU Member States were obliged to provide information to the competent authorities of the Member States on interest payments and equivalent payments made in the information-giving Member State to a person resident in another Member State. However, some states have been granted a transitional period to impose a withholding tax instead.

Potential investors should regularly check the taxes applicable to buying, holding and selling units and on distributions in accordance with the laws of their country of nationality, residence or domicile before subscribing to units. Investors should consult their tax adviser with regard to the impact of their investments in the sub-funds under the tax law applicable to them, in particular the tax law of the country in which they are domiciled or reside.

## **AUTOMATIC INFORMATION EXCHANGE – OECD COMMON REPORTING STANDARD (CRS)**

The OECD has developed a Common Reporting Standard (CRS) to address the problem of offshore tax evasion at a global level. Based on this standard, participating countries have undertaken to exchange financial information from persons resident abroad for tax purposes by means of a multilateral international treaty and, in the European Union, by means of the Mutual Assistance Directive. Domestic financial institutions are therefore legally obliged to automatically transmit identified reportable accounts of foreign taxpayers to the Luxembourg tax authorities annually on the basis of the common due diligence and reporting procedure. The Grand Duchy of Luxembourg implemented the CRS by means of the Law of 18 December 2015 on the automatic exchange of financial information in the field of taxation.

Data collection in the context of the exchange of information may also include information relating to sub-funds. Accordingly, the Management Company is obliged to comply with the due diligence and reporting procedures in accordance with the CRS as provided for in the Luxembourg Implementation Law of 2015.

Investors may therefore be requested to provide the Management Company or an authorised third party with additional information to enable the Management Company or a third party to fulfil its obligations under the CRS. Failure to provide the requested information may result in the investor being liable for taxes, fines or other payments. The Management Company reserves the right to carry out a compulsory redemption of the units of such investors.

## **FATCA – FOREIGN ACCOUNT TAX COMPLIANCE ACT**

Sections 1471 to 1474 of the US Internal Revenue Code of 1986 as amended (FATCA) impose reporting obligations and potentially a 30% withholding tax ("FATCA withholding tax") on payments:

- to all non-US financial institutions – in each case a foreign financial institution (FFI) – unless they are a "participating FFI", i.e. an FFI that
  - enters into a contractual arrangement with the US Internal Revenue Service (IRS) to provide the IRS with certain information regarding its account holders or investors; or
  - is otherwise exempt from the FATCA provisions; or
  - has registered deemed-compliant FFI status; or
- to investors (recalcitrant holders) who are not otherwise exempt from the FATCA provisions and who do not provide sufficient information to determine
  - whether these investors are "US persons"; or
  - whether they should otherwise be treated as holders of a corresponding "US account".

The FATCA withholding tax system applies to payments originating from sources within the United States and could enter into force at a later (currently undefined) date for foreign passthru payments.

The United States has agreed intergovernmental agreements (IGA) with numerous other countries to simplify the implementation of the FATCA requirements. In accordance with FATCA and the "Model 1" and "Model 2" IGAs, an FFI in an IGA signatory country may be treated as a "reporting FI" (or, in the case of various excluded entities, a "non-reporting FI") and would therefore not be subject to withholding tax on payments it makes or receives. Under both IGA models, a reporting financial institution is always required to report certain information regarding its account holders or investors to either the authorities of its jurisdiction or the IRS.

The United States and the Grand Duchy of Luxembourg signed an intergovernmental agreement on 28 March 2014 (the "Luxembourg IGA"), which is largely based on the "Model 1" IGA. The regulations of the Luxembourg IGA were transposed into national law by the Law of 24 July 2015. The Management Company expects that the Fund will be treated as a reporting financial institution in accordance with the regulations of the Luxembourg IGA and that, accordingly, FATCA withholding tax should not in principle be deducted on payments made by the Fund in connection with its units. The obligation to pay such a tax, however, cannot be entirely excluded. Nonetheless, payment in excess of the deducted FATCA withholding tax should be excluded.

Investors may be requested to provide the Management Company or a commissioned third party with additional information to enable the Management Company or a third party to fulfil its obligations under the FATCA regulations.

The above description of the highly complex FATCA system is based on the existing regulations, the official guidelines, the IGA models and the Luxembourg IGA. All of these documents may be subject to change.

Potential investors should consult their own tax advisers as to what extent these regulations are relevant to payments that they might receive in connection with investment in the Fund's units. Furthermore, under certain circumstances, other tax regulations of the United States or its local authorities that are not discussed in this section may apply.

**ANNEX 1  
SUB-FUND "AAM FUND – OPAL II":  
OVERVIEW**

<b>Sub-fund founded:</b>	18 January 2016
<b>Initial subscription period:</b>	
Unit class L	None
Unit class R EUR	None
Unit class CHF	05/06 -21/06/2024
<b>Initial issue price (plus sales commission):</b>	
Unit class L	The initial issue price corresponds to the unit price of the Rubin Fund – Rubin II unit class L as determined on the date of the merger
Unit class R EUR	The initial issue price corresponds to the unit price as determined on the date of the merger <sup>1</sup>
Unit class CHF	CHF 100
<b>Date of first issue:</b>	
Unit class L	See information under "Initial issue price"
Unit class R EUR	See information under "Initial issue price"
Unit class CHF	100 CHF
<b>Sales commission:</b> (as a % of the unit value accruing to the relevant intermediary)	
Unit class L	Up to 5%
Unit class R EUR	Up to 5%
Unit class CHF	Up to 5%
<b>Conversion commission:</b>	None
<b>Redemption fee:</b>	None
<b>Minimum investment<sup>2</sup>:</b>	
Unit class L	None
Unit class R EUR	None
Unit class CHF	None
<b>Savings plans:</b>	None on the part of the Management Company Investors shall receive additional information from the respective Custodian.
<b>Withdrawal plans:</b>	None on the part of the Management Company Investors shall receive additional information from the respective Custodian.
<b>Management fee (as a % of the net sub-fund assets):</b>	
Unit class L	
Unit class R EUR	Up to 0.25% p.a. <sup>3</sup>
Unit class CHF	Up to 0.25% p.a.
The management fee is calculated daily on the basis of the net assets of the sub-fund of the respective unit class on the previous valuation date and is paid monthly in arrears. However, the management fee will be at least EUR 24,000.00 p.a. for all the unit classes listed above. The management fee shall be exclusive of any VAT.	
<b>Custodian fee (as a % of the net sub-fund assets):</b>	
Unit class L	
Unit class R EUR	Up to 0.10% p.a. <sup>4</sup>
Unit class CHF	Up to 0.10% p.a.

<sup>1</sup> With effect from 18 December 2020, unit class L (LU0370363748) of the OPAL Fund OPAL III sub-fund was merged with unit class R EUR of the OPAL Fund – OPAL II sub-fund.

<sup>2</sup> In exceptional cases, the Management Company may authorise subscriptions that deviate from the specified minimum investment without stating reasons.

<sup>3</sup> The provision is reported in EUR

<sup>4</sup> The provision is reported in EUR

The custodian fee is calculated daily on the basis of the net assets of the sub-fund of the respective unit class on the previous valuation date and is paid monthly in arrears. However, the custodian fee will be at least EUR 10,000.00 p.a. for all the unit classes listed above. The custodian fee shall be exclusive of any VAT payable

<b>Fund management fee</b> (as a % of the net sub-fund assets):							
Unit class L	Up to 1.25% p.a. <sup>5</sup>						
Unit class R EUR	Up to 1.25% p.a.						
Unit class CHF	Up to 1.25% p.a.						
The fund management fee is calculated daily on the basis of the net assets of the sub-fund of the respective unit class on the previous valuation date and is paid monthly in arrears. This is subject to VAT, if applicable.							
<b>Performance fee (in favour of the Fund Manager):</b>	Up to 10% <sup>6</sup>						
Calculation examples of the performance fee for unit classes L, R EUR and CHF:							
Accounting period	Unit value at the start of the accounting period	Unit value at the end of the accounting period	Performance fee in %	High-water mark for the accounting period	Payment of a performance fee	Outperformance (absolute)	Performance fee to be paid
1	100	110	10%	100	Yes	10.00	1.00
2	110	105	10%	110	No	-5.00	0.00
3	105	95	10%	110	No	-15.00	0.00
4	95	100	10%	110	No	-10.00	0.00
5	100	115	10%	110	Yes	5.00	0.50
<b>Effective total cost burden (as a % of the net sub-fund assets)</b>		Reported in the Fund's annual report					
<b>Performance:</b>		Reported in the Key Investor Information Document					
<b>Currency of the sub-fund:</b>		USD					
<b>Unit class currency:</b>		USD					
Unit class L		EUR					
Unit class R EUR		EUR					
Unit class CHF		CHF					
<b>Banking day:</b>		Every day that is also a banking day and stock exchange day in Luxembourg and Frankfurt am Main					

<sup>5</sup> The provision is reported in EUR

<sup>6</sup> The Fund Manager receives a performance fee for unit classes L, R EUR and CHF of the **AAM Fund – OPAL II** sub-fund.

The amount of the performance fee is up to 10% of the amount by which the unit value per unit class exceeds the high-water mark at the end of an accounting period (absolute value increase). The initial high-water mark of unit class L corresponds to the unit value as of 31 January 2019. The initial high-water mark of unit class R EUR corresponds to the unit value as of 18 December 2020. The initial high-water mark of unit class CHF corresponds to the unit value as of the initial issue value as of 24/06 2024.

The reference period for the high-water mark of unit class L began on 1 February 2019 and consequently corresponds to the overall term of the unit class. The reference period for the high-water mark of unit class R EUR began on 18 December 2020 and consequently corresponds to the overall term of the unit class. The reference period for the high-water mark of unit class CHF begins on 24/06 2024 and consequently corresponds to the overall term of the unit class. The accounting period generally corresponds to the financial year of the Fund. The first accounting period for unit class L began on 1 February 2019 and ended on the balance sheet date of the following financial year-end. The first accounting period for unit class R EUR began on 18 December 2020 and ended on the balance sheet date of the following financial year-end. The first accounting period for unit class CHF begins on 24/06 2024 and ends on the balance sheet date of the next financial year-end. In the future, it will be possible to make a payment no earlier than 12 months after the start of the accounting period. Entitlement to the performance fee is determined daily (review date) and is taken into account accordingly in the respective calculated unit value. The calculation will be made less of all costs and taking subscriptions and redemptions into account. Entitlement to the performance fee determined during the accounting period will not necessarily result in payment at the end of the accounting period.

The high-water mark of unit class L is the unit value as of 31 January 2019 or the unit value at the end of the accounting period when a performance fee was last paid, whichever is higher. The high-water mark of unit class R EUR is the unit value as of 18 December 2020 or the unit value at the end of the accounting period when a performance fee was last paid, whichever is higher. The high-water mark of unit class CHF is the unit value as of 24/06 2024 or the unit value at the end of the accounting period when a performance fee was last paid, whichever is higher. If the unit value exceeds the current high-water mark on a review date, entitlement to the performance fee is accrued and a provision is made. If the unit value on a review date is below the current high-water mark, the performance fee is not calculated. If the unit value falls below the high-water mark, positive provisions are reversed in favour of the respective unit class.

Positive accrued entitlement to the performance fee is paid at the end of an accounting period only if the unit value exceeds the high-water mark. In this case, the high-water mark is adjusted to the unit value at the end of the previous accounting period. If the sub-fund or a unit class is liquidated or merged during the accounting period, or if the investors fully redeem or convert unit certificates and a performance fee is incurred for the relevant units, this fee is usually paid pro rata as of the date of liquidation or merger or as of the date of the full redemption or full conversion of the unit certificates.

Any negative provision balance that may have accrued at the end of the accounting period is taken into account accordingly in the subsequent analysis. There is no entitlement to a refund for performance fees that have already been paid. The performance fee will be paid at the expense of and in the currency of the relevant unit class at the end of the financial year.

This fee is subject to VAT, if applicable.

<b>Valuation date:</b>	Any banking day
<b>End of the financial year:</b>	31 January; (first as of 31 December 2016)
<b>Semi-annual report:</b>	31 July
<b>Annual report:</b>	31 January
<b>Closing date for subscriptions and redemptions:</b>	12.00 the day before
<b>Payment of issue and redemption prices:</b>	Within two banking days
<b>Division of shares</b>	Book entry registered
<b>Disposal of income:</b>	
Unit class L	Reinvestment
Unit class R EUR	Reinvestment
Unit class CHF	Reinvestment
<b>Stock exchange listing:</b>	n/a
<b>Securities number/ISIN:</b>	
Unit class L	A0H1RX/LU0237783195
Unit class R EUR	A2QFM5/LU2234579592
Unit class CHF	A40471/LU2769552097
<b>Publication of prices:</b>	Daily on the Management Company's website <a href="http://www.vpfundsolutions.com">www.vpfundsolutions.com</a> or also in a national newspaper or online medium

**ANNEX 2**  
**"AAM Fund – Emerging Markets Corporate Bond" sub-fund**  
**OVERVIEW**

<b>Sub-fund founded:</b>	1 June 2024
<b>Initial subscription period:</b>	
Unit class CHF H	05/06–21/06/2024
Unit class CHF HD	05/06–21/06/2024
Unit class CHF HI	05/06–21/06/2024
Unit class EUR H	05/06–21/06/2024
Unit class EUR HD	05/06–21/06/2024
Unit class EUR HI	05/06–21/06/2024
Unit class GBP H	05/06–21/06/2024
Unit class USD	05/06–21/06/2024
Unit class USD D	05/06–21/06/2024
Unit class USD I	05/06–21/06/2024
Unit class USD N	05/06–21/06/2024
Unit class USD ND	05/06–21/06/2024
Unit class USD UO	05/06–21/06/2024
Unit class USD UOD	05/06–21/06/2024
Unit class USD X	05/06–21/06/2024
<b>Initial issue price (plus sales commission):</b>	
Unit class CHF H	CHF 100
Unit class CHF HD	CHF 100
Unit class CHF HI	CHF 100
Unit class EUR H	EUR 100
Unit class EUR HD	EUR 100
Unit class EUR HI	EUR 100
Unit class GBP H	GBP 100
Unit class USD	USD 100
Unit class USD D	USD 100
Unit class USD I	USD 100
Unit class USD N	USD 100
Unit class USD ND	USD 100
Unit class USD UO	USD 100
Unit class USD UOD	USD 100
Unit class USD X	USD 100
<b>Date of first issue:</b>	
Unit class CHF H	24/06/2024
Unit class CHF HD	24/06/2024
Unit class CHF HI	24/06/2024
Unit class EUR H	24/06/2024
Unit class EUR HD	24/06/2024
Unit class EUR HI	24/06/2024
Unit class GBP H	24/06/2024
Unit class USD	24/06/2024
Unit class USD D	24/06/2024
Unit class USD I	24/06/2024
Unit class USD N	24/06/2024
Unit class USD ND	24/06/2024
Unit class USD UO	24/06/2024
Unit class USD UOD	24/06/2024
Unit class USD X	24/06/2024

<b>Sales commission:</b> (as a % of the unit value accruing to the relevant intermediary)		<b>Max.</b>
Unit class CHF H		5%
Unit class CHF HD		5%
Unit class CHF HI		5%
Unit class EUR H		5%
Unit class EUR HD		5%
Unit class EUR HI		5%
Unit class GBP H		5%
Unit class USD		5%
Unit class USD D		5%
Unit class USD I		5%
Unit class USD N		5%
Unit class USD ND		5%
Unit class USD UO		5%
Unit class USD UOD		5%
Unit class USD X		0%
<b>Conversion commission:</b>		<b>Max.</b>
Unit class CHF H		5%
Unit class CHF HD		5%
Unit class CHF HI		5%
Unit class EUR H		5%
Unit class EUR HD		5%
Unit class EUR HI		5%
Unit class GBP H		5%
Unit class USD		5%
Unit class USD D		5%
Unit class USD I		5%
Unit class USD N		5%
Unit class USD ND		5%
Unit class USD UO		5%
Unit class USD UOD		5%
Unit class USD X		0%
<b>Redemption fee:</b>		<b>Max.</b>
Unit class CHF H		0%
Unit class CHF HD		0%
Unit class CHF HI		0%
Unit class EUR H		0%
Unit class EUR HD		0%
Unit class EUR HI		0%
Unit class GBP H		0%
Unit class USD		0%
Unit class USD D		0%
Unit class USD I		0%
Unit class USD N		0%
Unit class USD ND		0%
Unit class USD UO		0%
Unit class USD UOD		0%
Unit class USD X		0%



<b>Minimum investment<sup>7</sup>:</b>	
Unit class CHF H	None
Unit class CHF HD	None
Unit class CHF HI	2,000,000.00
Unit class EUR H	None
Unit class EUR HD	None
Unit class EUR HI	2,000,000.00
Unit class GBP H	None
Unit class USD	None
Unit class USD D	None
Unit class USD I	2,000,000.00
Unit class USD N	None
Unit class USD ND	None
Unit class USD UO	None
Unit class USD UOD	None
Unit class USD X	None
<b>Hedging:</b>	<b>Max.</b>
Unit class CHF H	[Hedging 100%*]
Unit class CHF HD	[Hedging 100%*]
Unit class CHF HI	[Hedging 100%*]
Unit class EUR H	[Hedging 100%*]
Unit class EUR HD	[Hedging 100%*]
Unit class EUR HI	[Hedging 100%*]
Unit class GBP H	[Hedging 100%*]
Unit class USD	None
Unit class USD D	None
Unit class USD I	None
Unit class USD N	None
Unit class USD ND	None
Unit class USD UO	None
Unit class USD UOD	None
Unit class USD X	None
<b>Savings plans:</b>	None on the part of the Management Company Investors shall receive additional information from the respective Custodian.
<b>Withdrawal plans:</b>	None on the part of the Management Company Investors shall receive additional information from the respective Custodian.
<b>Management fee (as a % of the net sub-fund assets)<sup>8</sup>:</b>	
Unit class CHF H	Up to 0.3% p.a.
Unit class CHF HD	Up to 0.3% p.a.
Unit class CHF HI	Up to 0.3% p.a.
Unit class EUR H	Up to 0.3% p.a.
Unit class EUR HD	Up to 0.3% p.a.

<sup>7</sup> In exceptional cases, the Management Company may authorise subscriptions that deviate from the specified minimum investment without stating reasons.

<sup>8</sup> The management fee is calculated daily on the basis of the net assets of the sub-fund of the respective unit class on the previous valuation date and is paid monthly in arrears. However, the management fee will be at least EUR 24,000.00 p.a. for all the unit classes listed above. The management fee shall be exclusive of any VAT.

Unit class EUR HI	Up to 0.3% p.a.
Unit class GBP H	Up to 0.3% p.a.
Unit class USD	Up to 0.3% p.a.
Unit class USD D	Up to 0.3% p.a.
Unit class USD I	Up to 0.3% p.a.
Unit class USD N	Up to 0.2% p.a.
Unit class USD ND	Up to 0.2% p.a.
Unit class USD UO	Up to 0.2% p.a.
Unit class USD UOD	Up to 0.2% p.a.
Unit class USD X	Up to 0.1% p.a.
<b>Custodian fee (as a % of the net sub-fund assets)<sup>9</sup>:</b>	
Unit class CHF H	Up to 0.06% p.a.
Unit class CHF HD	Up to 0.06% p.a.
Unit class CHF HI	Up to 0.06% p.a.
Unit class EUR H	Up to 0.06% p.a.
Unit class EUR HD	Up to 0.06% p.a.
Unit class EUR HI	Up to 0.06% p.a.
Unit class GBP H	Up to 0.06% p.a.
Unit class USD	Up to 0.06% p.a.
Unit class USD D	Up to 0.06% p.a.
Unit class USD I	Up to 0.06% p.a.
Unit class USD N	Up to 0.06% p.a.
Unit class USD ND	Up to 0.06% p.a.
Unit class USD UO	Up to 0.06% p.a.
Unit class USD UOD	Up to 0.06% p.a.
Unit class USD X	Up to 0.06% p.a.
<b>Fund management fee (as a % of the net sub-fund assets)<sup>10</sup>:</b>	
Unit class CHF H	Up to 1.20% p.a.
Unit class CHF HD	Up to 1.20% p.a.
Unit class CHF HI	Up to 0.60% p.a.
Unit class EUR H	Up to 1.20% p.a.
Unit class EUR HD	Up to 1.20% p.a.
Unit class EUR HI	Up to 0.60% p.a.
Unit class GBP H	Up to 1.20% p.a.
Unit class USD	Up to 1.20% p.a.
Unit class USD D	Up to 1.20% p.a.
Unit class USD I	Up to 0.60% p.a.
Unit class USD N	Up to 2.00% p.a.
Unit class USD ND	Up to 2.00% p.a.
Unit class USD UO	Up to 1.20% p.a.
Unit class USD UOD	Up to 1.20% p.a.
Unit class USD X	None
<b>Effective total cost burden (as a % of the net sub-fund assets)</b>	
	Reported in the Fund's annual report
<b>Performance:</b>	Reported in the Key Investor Information Document
<b>Currency of the sub-fund:</b>	USD

<sup>9</sup> The custodian fee is calculated daily on the basis of the net assets of the sub-fund of the respective unit class on the previous valuation date and is paid monthly in arrears. However, the custodian fee will be at least EUR 10,000.00 p.a. for all the unit classes listed above. The custodian fee shall be exclusive of any VAT payable.

<sup>10</sup> The fund management fee is calculated daily on the basis of the net assets of the sub-fund of the respective unit class on the previous valuation date and is paid monthly in arrears. This is subject to VAT, if applicable.

<b>Unit class currency:</b>	
Unit class CHF H	CHF
Unit class CHF HD	CHF
Unit class CHF HI	CHF
Unit class EUR H	EUR
Unit class EUR HD	EUR
Unit class EUR HI	EUR
Unit class GBP H	GBP
Unit class USD	USD
Unit class USD D	USD
Unit class USD I	USD
Unit class USD N	USD
Unit class USD ND	USD
Unit class USD UO	USD
Unit class USD UOD	USD
Unit class USD X	USD
<b>Banking day:</b>	Every day that is also a banking day and stock exchange day in Luxembourg
<b>Valuation date:</b>	Any banking day
<b>End of the financial year:</b>	31 January
<b>Semi-annual report:</b>	31 July
<b>Annual report:</b>	31 January
<b>Closing date for subscriptions and redemptions:</b>	12.00 the day before
<b>Payment of issue and redemption prices:</b>	Within two banking days
<b>Division of shares</b>	Book entry registered
<b>Disposal of income:</b>	
Unit class CHF H	Reinvestment
Unit class CHF HD	Distributing
Unit class CHF HI	Reinvestment
Unit class EUR H	Reinvestment
Unit class EUR HD	Distributing
Unit class EUR HI	Reinvestment
Unit class GBP H	Reinvestment
Unit class USD	Reinvestment
Unit class USD D	Distributing
Unit class USD I	Reinvestment
Unit class USD N	Reinvestment
Unit class USD ND	Distributing
Unit class USD UO	Reinvestment
Unit class USD UOD	Distributing
Unit class USD X	Reinvestment
<b>Stock exchange listing:</b>	n/a
<b>Securities number/ISIN:</b>	
Unit class CHF H	LU2734731735
Unit class CHF HD	LU2734731818
Unit class CHF HI	LU2734731909
Unit class EUR H	LU2734732113
Unit class EUR HD	LU2734732204
Unit class EUR HI	LU2734732386
Unit class GBP H	LU2734732543
Unit class USD	LU2734732899
Unit class USD D	LU2734732972
Unit class USD I	LU2734733277
Unit class USD N	LU2734733434

Unit class USD ND	LU2734733517
Unit class USD UO	LU2734733608
Unit class USD UOD	LU2734733780
Unit class USD X	LU2734733863
<b>Publication of prices:</b>	Daily on the Management Company's website at <a href="http://www.vpfundsolutions.com">www.vpfundsolutions.com</a> or also in a national newspaper or online medium

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

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

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

**ANNEX 3**

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

**Sustainability-related disclosures**

**AAM Fund – Emerging Markets Corporate Bond**

**Product name: AAM Fund – Emerging Markets Corporate Bond**  
**Legal entity identifier: 529900SQASI2A4NCEN41**

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

**Yes**

   **No**

<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ____% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : ____%	<input checked="" type="checkbox"/> It promotes E/S characteristics, <b>but will not make any sustainable investments.</b>



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

The sub-fund takes into account environmental and social characteristics and aspects of good governance by setting minimum requirements for the ESG rating and exclusion criteria for business activities. Investments that do not meet these requirements must not be purchased. No reference benchmark is used in relation to the environmental and/or social characteristics.

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

The sub-fund uses the following sustainability indicators:

- ESG rating
- Exclusion criteria for business activities

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

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

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

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

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



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

- Yes
- No



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

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

This sub-fund integrates environmental, social and governance information (the "ESG factors") into the investment decision-making process (ESG integration) by setting minimum requirements for the ESG rating and exclusion criteria for business activities. In addition, the sub-fund interacts with the company in which it invests (active ownership) as necessary.

Minimum criteria are applied in the following two areas: ESG rating and business activity.

#### **ESG rating**

The ESG rating consists of the most important environmental, social and governance factors. CSRHub ESG ratings range from AAA (best) to CCC (worst).

#### **Business activities**

The business activities aspect relates to the products and services that a company offers. "Critical" areas of business activity include tobacco, armaments, alcoholic beverages, and casinos and gaming. Companies that belong to one of these industry groups are excluded.

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

The binding elements are the minimum criteria mentioned for the ESG rating and business activity.

The Management Company shall use the data provided by an independent rating agency to check the investment limits and all calculations or analyses of pre-contractual and periodic disclosures as well as those for other ESG-related reports. Due to the lack or insufficient availability of ESG data for individual companies, only estimates may be available in certain areas. The regulatory market of ESG data providers is also challenging, as there are currently few or even no standardised processing requirements and each data provider has its own ESG methodology. This makes it difficult to compare ESG data. However, due to the increasing degree of regulation in the field of sustainability, it can be assumed that data quality and quantity will steadily increase.

The following investment restrictions are checked on the basis of CSRHub ESG data. The Management Company reserves the right to include other data sources or to allow a qualitative assessment in individual cases if no official CSRHub ESG data is available.

Definition: "Securities" within the meaning of the following investment restrictions include individual securities (bonds, shares, convertible bonds, certificates etc.). "Securities" do not include derivatives (DTGs, options, futures etc.) or liquid assets (current account, call/term money).

### **ESG rating**

The share of securities that have an ESG rating of "B" or lower in accordance with CSRHub may not exceed 15%.

### **Business activities**

The sub-fund does not invest in companies classified under the Bloomberg Industry Classification System (BICS) in the controversial "Tobacco", "Armaments", "Alcoholic Beverages" and "Casinos & Gaming" sectors.

A minimal inclusion of companies that violate the abovementioned minimum criteria or exclusion criteria in target funds cannot be completely ruled out.

AAM monitors its ESG process through various checks performed by its ESG analyst and risk manager. Temporary violations caused by a negative change in the ESG rating of an investment are corrected as soon as possible, which is why it is assumed that the restrictions have no influence on the environmental or social characteristics promoted.

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

This sub-fund is not committed to reducing the scope of investments by a minimum rate.

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

Principles of good governance form an integral part of the ESG rating. The assessment of governance consists of the areas of corporate governance (management structure, remuneration policy, ownership structure, accounting) and corporate behaviour (ethics, bribery and corruption, tax transparency).

#### **Good governance**

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

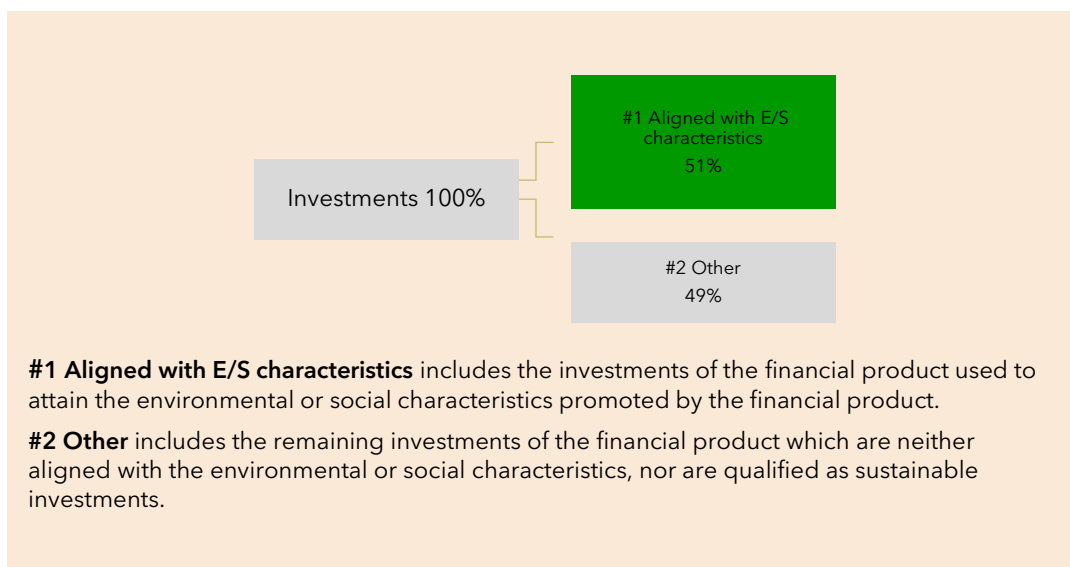




## What is the asset allocation planned for this financial product?

### Asset allocation

describes the share of investments in specific assets.



Taxonomy-aligned activities are expressed as a share of:

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

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

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

Definition: "Securities" within the meaning of the following investment restrictions include individual securities (bonds, shares, convertible bonds, certificates etc.). "Securities" do not include derivatives (DTGs, options, futures etc.) or liquid assets (current account, call/term money). The planned minimum proportion of investments used to attain the environmental or social characteristics (category 1) promoted by this sub-fund, in relation to investments in securities, is 50%.

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

Derivatives are not necessarily used to attain the environmental or social characteristics of the sub-fund.



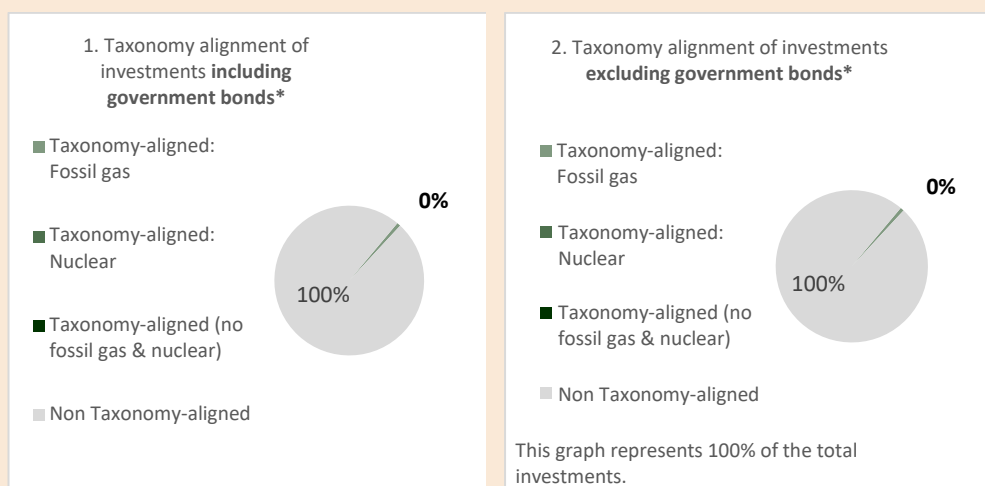
### **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

0% This sub-fund does not undertake to make investments aligned with the EU Taxonomy. However, some of the sub-fund's investments may be aligned with the EU Taxonomy.

## Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>11</sup>?

Yes  
 In fossil gas                       In nuclear energy  
 No

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



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

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

The sub-fund does not define a minimum share of investments in transitional activities and enabling activities.



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

The sub-fund does not define a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

<sup>11</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



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

The sub-fund does not define a minimum share of socially sustainable investments.



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

Investments such as cash, derivatives and structured products may fall under "#2 Other", as such instruments do not contribute to the ESG characteristics promoted by this sub-fund. There are no minimum environmental or social safeguards for such investments.

Investments may also be classified under "#2 Other" if sufficient ESG-related information is not available. This applies in particular to asset classes for which ESG factors are currently insufficiently defined or for which sufficient ESG information is not available. As far as possible, minimal environmental or social safeguards apply to the underlying securities by ensuring that the ESG exclusions are observed.



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

No reference benchmark has been designated.

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

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



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

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

<https://www.vpbank.com/de/vpfundsolutions/fondsinformationen/fonstdokumentationen>

**Annex 4**  
**specific information for individual distribution countries**

**Information for investors in Switzerland**  
**AAM Fund – Emerging Markets Corporate Bond**

**1. Representative**

The representative in Switzerland is LLB Swiss Investment AG, Claridenstrasse 20, 8002 Zürich.

**2. Paying Agent**

The paying agent in Switzerland is NPB Neue Privat Bank AG, Limmatquai 1/ an Bellevue, P.O. Box CH-8024 Zurich.

**3. Place of reference of the relevant documents**

The prospectus, the key information document (PRIIPS KID) or the basic information sheet as well as the annual and semi-annual reports can be obtained free of charge from the representative as well as from the paying agent in Switzerland.

**4. Publications**

Publications relating to foreign collective investments schemes are made in Switzerland on the Internet platform [www.fundinfo.com](http://www.fundinfo.com).

The issue and redemption prices or the net asset value with the note "excluding commissions" of all unit classes are published daily on the internet platform [www.fundinfo.com](http://www.fundinfo.com).

**5. Payments of retrocessions and rebates**

The Management Company and its agents shall not pay any retrocessions to third parties as compensation for the distribution of Fund units in Switzerland.

The Management Company and its agents shall not pay any rebates in the distribution of units in Switzerland to reduce the fees and costs charged to the fund and attributable to the investor.

**6. Place of Performance and jurisdiction**

For units offered in Switzerland, the place of performance is at the registered office of the representative. The place of jurisdiction shall be at the registered office of the representative or at the registered office or domicile of the investor.

**Information for investors in Germany**  
**AAM Fund – OPAL II**  
**AAM Fund – Emerging Markets Corporate Bond**

Facilities for German investors

in accordance with the Directive 2009/65/EG, Article 92 (1) a to b, as adapted by Directive (EU) 2019/1160:

Hauck Aufhäuser Lampe Privatbank AG ("HAUCK")  
Kaiserstraße 24  
DE-60311 Frankfurt am Main  
DEPOTBANK-HAF@hal-privatbank.com

provides facilities for the fulfilment of the following tasks:

- Processing of subscription, issue and redemption orders and payments to German investors. Applications for the issue, redemption and conversion of units can be submitted to HAUCK. All payments to investors, i.e. redemption proceeds, any distributions and other payments, can be processed via HAUCK.
- to inform investors about how redemption and conversion of units can be submitted and how redemption proceeds can be paid out.
- provide investors with relevant information on the functions performed by the institutions on a durable medium.
- ensure the management of information and access to procedures and arrangements for the exercise of investors' rights arising from the investments (investor complaints).

Investors can address their complaints directly to the fund's management company at [CFI.Luxembourg@vpbank.com](mailto:CFI.Luxembourg@vpbank.com). A detailed description of the complaints procedure for investor complaints is available on the website <https://vpfundsolutions.vpbank.com/en/client-information/complaint-management>.

The "Vertragsbedingungen", the prospectus, the management and special regulations, the key information documents and the annual and semi-annual reports of the Fund are available to German investors free of charge from HAUCK.

In addition, the above mentioned documents are available on the following website: [www.vpfundsolutions.com](http://www.vpfundsolutions.com).

The issue, redemption and exchange prices can be viewed or requested from HAUCK free of charge. They are also published at [www.vpfundsolutions.com](http://www.vpfundsolutions.com).

Any notices to unitholders in the Federal Republic of Germany will be published on the following website: <https://vpfundsolutions.vpbank.com/en/notifications>

In the following cases, investors in Germany will also be informed in German by means of a durable medium in accordance with Section 167 KAGB:

- (i) Suspension of the redemption of units of the fund;
- (ii) cancellation of the management of the fund or its liquidation;
- (iii) changes to the investment conditions that are not compatible with the previous investment principles or changes to material investor rights that are detrimental to investors or changes that are detrimental to investors that affect the remuneration and reimbursement of expenses that can be withdrawn from the fund, including the background to the changes and the rights of investors in a comprehensible manner; information must be provided on where and how this information can be obtained;
- (iv) merger of a sub-fund in the form of merger information to be drawn up in accordance with Article 43 of Directive 2009/65/EC;
- (v) conversion of a sub-fund into a feeder fund or changes to a master fund in the form of information to be prepared in accordance with Article 64 of Directive 2009/65/EC.

## MANAGEMENT REGULATIONS AAM FUND

The Management Regulations set out general principles for the **AAM Fund** ("Fund") and entered into force in their current version on 1 February 2024. The record at the Luxembourg Trade and Companies Register ("Trade and Companies Register") has been disclosed in the Recueil électronique des Sociétés et Associations ("RESA").

The Management Regulations form the contractual conditions applicable to the Fund.

### Article 1 THE FUND

1. The **AAM Fund** is a legally dependent special fund (*fonds commun de placement*) consisting of securities and other approved assets ("fund assets") that is managed in accordance with the principle of risk diversification. The fund assets less liabilities attributable to the Fund ("net fund assets") must reach at least the monetary equivalent value of EUR 1,250,000 within 12 months of approval of the Fund. The Fund is managed by the Management Company. The assets in the Fund shall be kept in safe custody by the Custodian within its network of custodians.
2. The contractual rights and obligations of the holders of units ("Unitholders"), the Management Company and the Custodian are regulated in the Management Regulations of the Fund, which are prepared by the Management Company with the approval of the Custodian.

In purchasing a unit, each Unitholder recognises the Management Regulations of the Fund and all approved amendments to them.

3. The Fund may consist of one or more sub-funds within the meaning of Article 181 of the Law of 17 December 2010 on collective investment undertakings, as amended ("Law of 2010"). The total of the sub-funds make up the fund. Every investor holds a stake in the Fund through their holding in a sub-fund. The Management Company may launch new sub-funds at any time. The respective sub-funds are listed in the Prospectus.
4. In respect of the relationship between the Unitholders, each sub-fund is regarded as an independent investment fund. The rights and obligations of one sub-fund's Unitholders are separate from those of other sub-funds' Unitholders. In relation to third parties, the assets of a sub-fund are only liable for liabilities and payment obligations relating to that sub-fund.
5. The unit value is calculated separately for each sub-fund/unit class in accordance with the rules defined in Article 7 of the Management Regulations.
6. The investment restrictions set out in the Management Regulations apply separately to each sub-fund, with the exception of the provisions in Article 4 sub-section 3 l) of the Management Regulations. The total assets of the Fund resulting from the addition of the net sub-fund assets must be taken into account when calculating the minimum limit (EUR 1,250,000.00) for the net fund assets in accordance with Article 1 sub-section 1 of the Management Regulations.

### Article 2 THE MANAGEMENT COMPANY

1. The Management Company is VP Fund Solutions (Luxembourg) SA.
2. The Management Company manages the Fund in its own name, but in the sole interest and for the collective account of the Unitholders. The administrative authority extends to the exercise of all rights connected directly or indirectly with the assets of the respective sub-fund.
3. The Management Company defines the investment policy of the Fund taking into account the statutory and contractual investment restrictions. The Management Company's Board of Management may entrust one or more of its members with the implementation of its daily investment policy. It may also outsource under its own responsibility and control and at the expense of the respective sub-fund the implementation of its daily investment policy to third parties, insofar as they are permitted or are registered for the purposes of asset management and are subject to a supervisory authority. If the implementation of the daily investment policy is outsourced to third parties, this will be stated in the Fund's Prospectus. Furthermore, the Management Company will ensure that the third parties have taken the required measures for complying with all requirements for organisation and prevention of conflicts of interest as set forth in the applicable Luxembourg laws and regulations and monitor compliance with these requirements.
4. The Management Company may, under its own responsibility, use investment advisers or fund managers and, in particular, be advised by an investment committee. The costs for this may be charged to the Fund in accordance with the provisions of these Management Regulations and shall be mentioned in the Prospectus.
5. The Management Company shall prepare a Prospectus and a PRIIPs-KID (*Key Information Document*) for the Fund.

### **Article 3 THE CUSTODIAN**

1. The Custodian for the Fund is VP Bank (Luxembourg) S.A., a bank as defined in the amended Luxembourg Law of 5 April 1993 on the financial sector (the "Custodian").
2. The Custodian is tasked with safeguarding the assets of the Fund. The rights and obligations of the Custodian are determined by law, the Management Regulations, the Special Regulations of the Fund, and the Custodian and Main Paying Agent Agreement for the Fund, as amended, respectively.
3. All securities and other assets of the Fund shall be held by the Custodian in blocked accounts and securities accounts, which may only be disposed of in accordance with the provisions of the Fund's Management Regulations and Special Regulations. The Custodian can, on its own responsibility and with the agreement of the Management Company, engage third parties, particularly other banks and central depositories, to have custody of securities and other assets.
4. If permissible by law, the Custodian is entitled and obliged to do the following in its own name
  - a. to assert claims of the Unitholders against the Management Company or a former custodian and
  - b. to object to and take action against enforcement measures of third parties in the case of enforcement of a claim for which the fund assets are not liable.

In the performance of its duties, the Custodian shall act independently of the Management Company and exclusively in the interests of the Unitholders.

5. Insofar as the Fund places demand deposits or deposits subject to call with a maximum term of twelve months (hereinafter referred to collectively as "deposits") with the Custodian, the interest rate periodically defined between the Management Company and the Custodian for the Fund will apply to such deposits. With regard to these deposits, the Custodian is entitled to act as a trustee in accordance with the Law of 27 July 2003 on trusts and trustee agreements (as amended). In this case, the Custodian is obliged to credit the Fund only with the amounts which are returned to it by the correspondent banks with which it placed the monies corresponding to the deposits. The Custodian must however take all reasonable steps which it deems necessary to enforce the rights of the Fund with respect to said placed deposits.
6. The Custodian is bound by the instructions of the Management Company, provided that such instructions do not contradict the law, the Management Regulations or the Prospectus for the Fund, as amended, respectively.
7. The Management Company and Custodian are entitled to terminate the appointment of the Custodian at any time in accordance with the Custodian and Main Paying Agent Agreement. In the event of termination of the Custodian's appointment, the Management Company is obliged to appoint another bank as Custodian within two months with the approval of the competent supervisory authority, failing which the termination of the Custodian's appointment will necessarily entail winding up of the Fund; until such time, the previous Custodian shall fulfil its duties completely as a Custodian in order to safeguard the interests of the Unitholders.

### **Article 4 GENERAL INVESTMENT POLICY GUIDELINES**

The following general principles and restrictions of the investment policy apply in principle to all sub-funds of the Fund. The respective sub-funds may also provide for additions or derogations. These are stated in the Prospectus.

The following definitions apply:

"Directive 2009/65/EC":

Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to certain undertakings for collective investment in transferable securities (as amended).

"Law of 2010":

Law of 17 December 2010 on undertakings for collective investment, as amended

"Member State":

a Member State of the European Union. The Contracting States of the Agreement on the European Economic Area are equivalent to the Member States of the European Union within the limits of this Agreement and any related legal acts.

"Money market instruments":

Instruments which are usually traded on the money market, are liquid and have a value that can be precisely determined at any time.

"Regulated market":

a market in accordance with Article 4(14) of Directive 2004/39/EC of 21 April 2004 on markets for financial instruments (as last amended).

"Securities":

- Shares and other securities equivalent to shares ("shares")
- Debentures and other securitised debt ("debt securities")
- Any other negotiable securities which carry the right to acquire securities by subscription or exchange, with the exception of the techniques and instruments stated below in sub-section 5 of this Article.

"Third Country":

A Third Country within the meaning of these Management Regulations is any state that is not an EU Member State.

"UCI":

Undertaking for collective investment. Any UCI that is subject to Part II of the Law of 2010 generally qualifies as an AIF within the meaning of the Law of 12 July 2013 on alternative investment fund managers.

"UCITS":

Undertaking for collective investment in transferable securities subject to Directive 2009/65/EC.

The investment policy of the respective sub-fund is subject to the following regulations and investment restrictions. The respective net sub-fund assets are invested in accordance with the principle of risk diversification. The investment policy of the individual sub-funds may include investments in securities, money market instruments, units in funds, derivative financial instruments and any other assets permitted under Article 4 of the Management Regulations. It may differ in particular by the region in which the sub-funds invest, by the assets to be acquired, by the currency in which they are denominated or by their term. A detailed description of the investment policy of each individual sub-fund can be found in the Prospectus.

1. Investments in the respective sub-fund may consist of the following assets:

Owing to the specific investment policy of the respective sub-funds, some of the investment options mentioned below may not apply to the respective sub-fund. This is stated in the Prospectus.

- a) securities and money market instruments which are listed or traded on a regulated market;
- b) securities and money market instruments which are traded in a Member State of the European Union on another market which operates regularly and is recognised, regulated and open to the public;
- c) securities and money market instruments admitted to official listing on a stock exchange in a Third Country or traded on another regulated market there which operates regularly and is recognised and open to the public;
- d) securities and money market instruments from new issues, provided that the terms of issue include an undertaking that an application will be made for admission to official listing on a stock exchange or to trading on a regulated market within the meaning of the terms of sub-sections 1 a) to c) above and provided that such admission is secured at the latest within one year of issue;
- e) units of UCITS authorised under Directive 2009/65/EC and/or other UCIs within the meaning of Article 1(2)(a) and (b) of Directive 2009/65/EC with their registered office in a Member State or a Third Country, provided that
  - such other UCIs were authorised under laws which stipulate that they are subject to official supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
  - the level of protection for Unitholders in the other UCIs is equivalent to that provided for Unitholders of a UCITS, and in particular the rules on asset segregation, borrowing, lending, and uncovered sales of securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
  - the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to its management regulations or instruments of incorporation, be invested in aggregate in units of other UCITS or other UCIs.



- f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the credit institution has its registered office in a third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law.
- g) financial derivative instruments, i.e. in particular options and futures as well as swaps ("derivatives"), including equivalent cash-settled instruments, dealt in on a regulated market referred to in points (a), (b) and (c) or financial derivative instruments dealt in over-the-counter (OTC) derivatives, provided that
  - the underlyings consist of instruments covered by this sub-section 1 a) to h), financial indices (including bond, equity and commodity indices that meet all the criteria of a financial index that must be recognised and sufficiently diversified, among other things), interest rates, foreign exchange rates or currencies;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;

and

  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative.
- h) money market instruments other than those dealt in on a regulated market, which fall under the above definition, if the issuer or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, provided that they are
  - issued or guaranteed by a central, regional or local authority or central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a third country or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
  - issued by an undertaking any securities of which are dealt in on regulated markets referred to in points (a), (b) or (c) above; or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law; or
  - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, second or third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euros (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with Fourth Council Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- i) Capital participations as defined in Section 2(8) of the Investmentsteuergesetz (German Investment Tax Act). Capital participations as defined therein are:
  - units in stock corporations that have been admitted to official trading on a stock exchange or admitted to or included in another organised market;
  - units in stock corporations that are based in a Member State of the European Union or in another signatory state to the Agreement on the European Economic Area and are subject there to taxation on earnings of stock corporations and are not exempt from it;
  - units in stock corporations that are based in a Third Country and are subject there to taxation on earnings of stock corporations to an amount of at least 15% and are not exempt from said tax;
  - units in other investment funds (target funds) in the amount of the ratio of their value published on the valuation date at which they actually invest in the aforementioned units in stock corporations; where no actual ratio is published, in the amount of the minimum ratio set out in the investment conditions of the other investment fund.

2. The respective sub-fund may also:

- a) invest up to 10% of its respective net sub-fund assets in investments other than the securities and money market instruments referred to in sub-section 1;
- b) hold up to 20% of its respective net sub-fund assets in liquid assets;

- c) take out loans for a short period up to an amount equivalent to 10% of its net assets. These loans may be the subject of a pledge or provision of collateral. Hedging transactions in connection with the sale of options or the purchase or sale of forward contracts and futures are not considered borrowing within the meaning of this investment restriction;
- d) acquire currencies within the framework of a "back-to-back" transaction.

3. In addition, the respective sub-fund must observe the following restrictions concerning asset investment:

a) The Fund may invest a maximum of 10% of its respective net sub-fund assets in securities or money market instruments of any single issuer; the securities held directly in the portfolio and the underlyings of structured products are jointly considered. The respective sub-fund may only invest up to 20% of its net sub-fund assets in deposits of a single institution. The counterparty default risk for transactions of the sub-fund with OTC derivatives may not exceed 10% of its net assets where the counterparty is a credit institution within the meaning of sub-section 1 f). In other instances, the limit is a maximum of 5% of the net sub-fund assets.

b) The total value of the securities and money market instruments of issuers in which the sub-fund invests respectively more than 5% of its net assets may not exceed 40% of the value of its net sub-fund assets. This restriction does not apply to deposits and OTC derivative transactions carried out with financial institutions which are subject to official supervision.

Notwithstanding the individual limits laid down in sub-section 3 a), the Fund may invest a maximum of 20% of its net sub-fund assets in one and the same entity in a combination of the following:

- investments in securities or money market instruments issued by that body,
- deposits made with that body; or
- exposures arising from OTC derivative transactions undertaken with that body.

c) The upper limit laid down in the first sentence of sub-section 3 a) shall be a maximum of 35% if the securities or money market instruments are issued or guaranteed by a Member State, by its local authorities, by a Third Country or by a public international body to which one or more Member States belong.

d) The upper limit laid down in the first sentence of sub-section 3 a) is a maximum of 25 % specific debentures where they are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect debenture-holders. In particular, sums deriving from the issue of those debentures must be invested in accordance with the law in assets which, during the whole period of validity of the debentures, are capable of covering claims attaching to the debentures 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.

Where a sub-fund invests more than 5% of its net assets in the debentures referred to in the previous subparagraph which are issued by a single issuer, the total value of these investments may not exceed 80% of the value of the net assets of the sub-fund.

e) The securities and money market instruments referred to in sub-sections 3 c) and d) shall not be taken into account for the purpose of applying the limit of 40% referred to in sub-section 3 b).

The limits provided for in sub-sections 3 a), b), c) and d) may not be combined, and thus investments in securities or money market instruments issued by the same body or in deposits or derivative instruments made with this body carried out in accordance with sub-sections 3 a), b), c) and d) may not exceed in total 35 % of the net assets of the sub-fund.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in Directive 83/349/EEC or in accordance with recognised international accounting rules, shall be regarded as a single body for the purpose of calculating the limits contained in points a) to e).

The sub-fund may invest up to 20% cumulatively of its net assets in securities or money market instruments within the same group of companies.

f) Without prejudice to the limits laid down in sub-sections 3 k), l) and m) below, the limits laid down in sub-sections 3 a) to e) are a maximum of 20% for investment in shares and/or debt securities issued by the same body when the aim of the sub-fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, on the following basis:

- its composition is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it refers; and
- it is published in an appropriate manner.

- g) The limit laid down in sub-section 3 f) is a maximum of 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain securities or money market instruments are highly dominant. The investment up to that limit is permitted only for a single issuer.
- h) Irrespective of the provisions of sub-sections 3 a) to e), the respective sub-fund may invest in accordance with the principle of risk-spreading up to 100% of its net sub-fund assets in different securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, an OECD country, or a public international body to which one or more Member States belong, provided that (i) said securities have been issued within the framework of at least six different issues and (ii) no more than 30% of the net assets of the respective sub-fund are invested in securities from a single issue.**
- i) The respective sub-fund may acquire units in other UCITS and/or other UCIs within the meaning of sub-section 1 e) provided that it does not invest more than 20% of its net sub-fund assets in a single UCITS or other UCI.

In applying this investment limit, each sub-fund within an umbrella fund as described in Article 181 of the Law of 2010 is to be considered to be an independent issuer, provided that the principle of individual liability per sub-fund vis-à-vis third parties is applied.

- j) Investments made in units of UCIs other than UCITS may not exceed, in aggregate, 30% of the net sub-fund assets of the respective sub-fund.

Where the sub-fund has acquired units in a UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs are not required to be combined for the purposes of the limits laid down in sub-sections 3 a) to e).

Where the sub-fund invests in the units of another UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company shall not charge subscription or redemption fees on account of the sub-fund's investment in the units of the other UCITS and/or other UCIs.

If, however, the sub-fund invests in shares of target funds which are launched and/or managed by other companies it must be taken into consideration that sales commissions and redemption fees may be charged for these target funds if applicable. The sales commissions and redemption commissions paid by the sub-fund are indicated in the annual reports.

If the sub-fund invests in target funds, the sub-fund assets will also incur fees for fund administration and fund management of the target funds in addition to fees for fund administration and fund management of the investing sub-fund. To this extent double burdens with regard to fees for fund administration and management cannot be ruled out.

In general when acquiring units in target funds, a management fee may be charged at target fund level. The respective sub-fund will therefore not invest in target funds that are subject to a management fee of more than 3%. The Fund's annual report will contain information on the maximum proportion of the management fee that must be borne by the respective sub-fund and the target fund.

- k) The respective sub-fund may not acquire voting shares to an extent that allows it to exert a significant influence on the management of the issuer.
- l) Furthermore, the sub-fund may acquire no more than:
- 10% of the non-voting shares of a single issuing body;
  - 10% of the debentures of a single issuing body;
  - 25% of the units of a single individual UCITS or other UCI within the meaning of Article 2(2) of the Law of 2010;
  - 10% of the money market instruments of a single issuing body.

The limits laid down in the second, third and fourth indents may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue, cannot be calculated.

- m) The above provisions detailed in sub-sections 3 k) and l) do not apply with regard to the following:
- aa) securities and money market instruments issued or guaranteed by a Member State or its local authorities;
  - bb) securities and money market instruments issued or guaranteed by a Third Country;

cc) securities and money market instruments issued by a public international body to which one or more Member States belong;

dd) shares in companies incorporated under the law of a Third Country, provided that (i) the company invests its assets mainly in the securities from issuing bodies from that country, (ii) under the legislation of that country a holding of the Fund in the capital of such a company represents the only way to acquire securities of issuing bodies of that country and (iii) that company observes the investment restrictions pursuant to sub-sections 3 a) to e) and sub-sections 3 i) to l) when investing its assets;

ee) shares held in the capital of subsidiary companies pursuing only the business of management, advice or marketing in the country where they are established, in regard to the repurchase of units at unit-holders' request.

n) The respective sub-fund may not acquire any commodities or precious metals, with the exception of certificates that qualify as securities and are recognised as permitted assets in the context of management practice.

o) The respective sub-fund may not invest in immovable property, whereby investments in immovable-property-backed securities or interest thereon or investments in securities issued by companies that invest in immovable property and the interest thereon are permitted.

p) No loans or guarantees may be issued for third parties at the expense of the assets of the respective sub-fund, whereby this investment restriction does not prevent the respective sub-fund from investing its net assets in non-fully paid up securities, money market instruments or other financial instruments within the meaning of sub-sections 1 e), g) and h) above, provided that the sub-fund concerned has sufficient cash or other liquid funds to be able to meet the call-off of remaining incoming payments; such reserves may not be taken into consideration in the context of a sale of options.

q) Uncovered sales of securities, money market instruments or other financial instruments referred to in sub-sections 1 e), g) and h) above may not be entered into.

#### 4. Notwithstanding provisions to the contrary contained herein:

a) The respective sub-fund is not required to comply with the investment limits laid down above in sub-sections 1 to 3 when exercising subscription rights attaching to securities or money market instruments which form part of its sub-fund assets.

b) The respective sub-fund is permitted to derogate from the provisions laid down in sub-sections 3 a) to j) above for a period of six months following the date of its authorisation.

c) If these limits are exceeded for reasons beyond the control of the Fund or as a result of subscription rights, the respective sub-fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Unitholders.

d) Where an issuer forms a single legal entity with several sub-funds whereby the assets of one sub-fund are liable exclusively in relation to the claims of the investors of such sub-fund as well as the creditors whose claims arose on the occasion of the launch, maturity or liquidation of the sub-fund, then each sub-fund shall be viewed as a separate issuer for the purpose of application of the rules on risk diversification in sub-sections 3 a) to g) and 3 i) and j).

The Management Company of the Fund is entitled to impose additional investment restrictions if this is required in order to comply with the statutory and administrative rules in countries in which units of the respective sub-fund are offered for sale or sold.

#### 5. A sub-fund may subscribe, acquire and/or hold units of another sub-fund or of several other sub-funds of the Fund ("target sub-funds"), provided that:

- the target sub-funds, for their part, do not invest in the sub-funds; and
- the proportion of the assets that the target sub-funds themselves may invest in units of other target sub-funds of the Fund does not exceed 10% in total; and
- the voting rights, which may attach to the respective units, are suspended for as long as the target sub-fund units are held, without prejudice to proper accounting and regular reports; and
- the value of these units is not included in the calculation of the net assets of the Fund, as long as those units are held by the sub-fund, provided that the review of the minimum net assets of the Fund provided for by the Law of 2010 is concerned.

## 6. Techniques and instruments

For the purpose of hedging, efficient portfolio management, duration and risk management or to achieve returns, i.e. for speculative purposes, the respective sub-fund may employ derivatives and other techniques and instruments. If these transactions relate to the use of derivatives then the terms and limits must be in keeping with the provisions of sub-sections 1 to 4 of this Article above. Furthermore, the terms of sub-section 7 of this article below regarding risk management procedures for derivatives are to be taken into account.

## 7. Risk management procedures for derivative instruments

When operations concern derivative instruments, the respective sub-fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty default risk, future market movements and the time available to liquidate the positions. This also applies to the following paragraphs.

- The respective sub-fund may invest, as part of its investment policy and within the limits laid down in sub-section 3 e) above of this Article, in derivative instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in sub-sections 3 a) to e) above of this article. When the sub-fund invests in index-based derivative instruments, the investment limits laid down in sub-sections 3 a) to e) of this Article need not apply.
- A derivative that is embedded in a security or a money market instrument must be taken into account with respect to the investment limits set out in sub-section 3 e) above of this Article.

The Management Company shall regularly inform the CSSF of the types of derivatives in the portfolio, the risks associated with the respective underlyings, the investment limits and the methods used to measure the risks associated with the derivative transactions with regard to the respective sub-fund.

The investment restrictions stated in this Article 4 essentially refer to the time of the purchase of the respective assets. If the aforementioned limits are exceeded after acquisition due to increases in value, the Management Company shall, taking into account the interests of the investors, ensure that compliance with the investment restrictions is restored.

## Article 5 UNITS

1. Unless otherwise specified in the Prospectus, units in the respective sub-fund are securitised by unit certificates (with associated coupons where applicable) made out to the holder.
2. All units of the respective sub-funds have essentially the same rights and are freely transferable.
3. Units are issued to the respective sub-fund and are made out to the holder. They are issued in any denomination to be determined by the Management Company. If securitisation is carried out in global certificates, there is no entitlement to the delivery of physical certificates. This is stated in the Prospectus. If the units are issued in book form by transfer to securities deposits, the Management Company may issue fractions of units of up to 0.001 units.
4. The Management Company may establish several unit classes per sub-fund for the Fund. If different unit classes are established, this will likewise be laid down in the Prospectus.

The unit classes may differ as follows:

- a) in terms of the cost structure with respect to the sales commissions, the redemption fee and, where applicable, the distributor's fee;
- b) in terms of the cost structure with respect to the fee for the Management Company, Custodian and investment adviser and/or fund manager;
- c) in terms of the rules on distribution and the minimum subscription amount or minimum contribution;
- d) in terms of the appropriation of income;
- e) in terms of the currency in which the unit classes are denominated;
- f) in terms of any other criteria specified by the Management Company.

All units are entitled to returns, price gains and liquidation proceeds for their unit class from the date of issue.

5. Issue and redemption of the shares and the payments on shares and/or coupons are undertaken by the Management Company, Custodian or any paying agent.
6. The Management Company may carry out a split or a merger of the units within a unit class.
7. In accordance with the provisions of Articles 12 and 13 of the Management Regulations, existing unit classes may be dissolved by the Management Company or combined within the Fund or merged with another UCITS or sub-fund/unit class managed by the same Management Company or by another management company; that other UCITS or sub-fund/unit class may be established either in Luxembourg or another EU Member State.

#### **Article 6 ISSUE OF UNITS**

1. Units are issued on each valuation date at the unit value plus a sales commission. The amount of the sales commission for the respective sub-fund is defined in the Prospectus. The sales commission is charged on behalf of the relevant broker. Fees and other costs incurred in the countries in which the Fund is distributed may be added to the issue price.
2. The Management Company can reject a subscription application for the respective sub-fund or temporarily limit, suspend or permanently stop the issue of units at any time at its own discretion if this is deemed to be necessary in the interests of all the Unitholders, for the protection of the Management Company, for the protection of the Fund or sub-fund, in the interests of the investment policy or if the specific investment objectives of the respective sub-fund are at risk. In particular, in the interests of protecting investors, the Management Company shall not allow any practices associated with market timing and reserves the right to refuse subscription applications from an investor who the Management Company suspects of using such practices and shall take the necessary measures where applicable.
3. The Management Company may issue units in return for the delivery of securities in accordance with the statutory regulations of the Grand Duchy of Luxembourg if a subscriber requests this procedure and provided that these securities comply with the investment policy and investment restrictions for the sub-fund concerned. In connection with the issue of units in return for the delivery of securities, the auditor of the Fund must prepare an expert opinion on the valuation of the securities to be contributed. The costs of issuing units as described above are borne by the corresponding subscriber.
4. Units are acquired in principle at the issue price on the valuation date in accordance with Article 7 sub-section 1 of the Management Regulations. Applications for subscription that are received by the Management Company by 12.00 (Luxembourg time) on a valuation date will be settled on the basis of the unit value of the next valuation date. Applications for subscription that are received by the Management Company after 12.00 (Luxembourg time) on a valuation date will be settled at the unit value of the next-but-one valuation date.

The issue price is payable within two banking days after the corresponding valuation date.

5. The units will be allocated by the Custodian on behalf of the Management Company immediately on receipt of the issue price by the Custodian.
6. The Custodian shall repay payments received for non-executed applications for subscription without interest or delay.
7. Savings plans can be offered for the Fund. Where savings plans are offered, this will be mentioned in the Prospectus. Insofar as the issue takes place within the scope of the savings plans offered, a maximum of one third of all payments agreed for the first year shall be used to cover costs. The remaining costs are distributed evenly across all later payments.

#### **Article 7 CALCULATION OF UNIT VALUE**

1. The value of a unit ("unit value") is denominated in the currency of the unit class ("unit class currency") specified in the overview of the respective sub-fund in the Prospectus. Calculations are performed under the supervision of the Custodian of the Management Company or a third party commissioned by the latter on every day ("valuation date") stipulated in the respective sub-fund's prospectus. The value of the sub-fund and its unit classes is calculated by dividing the net sub-fund assets in the respective unit class by the number of units in this unit class in circulation on the valuation date. Insofar as information on the Fund's overall asset situation must be provided in annual and semi-annual reports and other financial reports on the basis of statutory provisions or pursuant to the Management Regulations, these figures will be stated in euro ("reference currency") and the values of the assets of the respective sub-funds will be converted to the reference currency.
2. The respective net sub-fund assets are calculated according to the following basic principles:
  - a) Target fund units held in the respective sub-fund will be valued at their most recently determined and obtainable unit value and/or redemption price.

- b) The value of cash holdings and bank balances, certificates of deposit and outstanding receivables, prepaid expenses, cash dividends, and declared or accrued – but as yet not received – interest shall correspond to the respective full amount, unless this is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such deduction as may be considered appropriate to reflect the true value thereof.
- c) The value of financial assets which are listed or traded on a stock exchange or other regulated market is determined on the basis of the last available price, unless otherwise stated in the following.
- d) If an asset is not listed or traded on a stock exchange or other regulated market or if, for assets listed or traded on a stock exchange or other market as mentioned above, the prices do not adequately reflect the actual market value of the corresponding assets in accordance with the rules in c), the value of such assets is determined on the basis of the reasonably foreseeable sales price according to a prudent estimate.
- e) The liquidation value of futures, forwards or options which are not traded on stock exchanges or other organised markets is equivalent to the respective net liquidation value as defined, in accordance with the Management Board's guidelines, on a basis applied consistently to all different kinds of contracts. The liquidation value of futures, forwards or options that are traded on stock exchanges or other organised markets is calculated on the basis of the last available liquidation price of such contracts on the stock exchanges or organised markets on which these futures, forwards or options are traded by the Fund; if a future, forward or option cannot be liquidated on a day for which the net asset value is determined then the valuation basis for such a contract is to be determined by the Board in a fair and reasonable manner.
- f) Swaps are valued at their market value.  
It must be ensured that swap contracts are concluded under normal market conditions in the exclusive interests of the respective sub-fund.
- g) Money market instruments can be valued at their respective market value as determined by the Management Company in good faith using generally accepted valuation principles that can be verified by auditors.
- h) All other securities or other assets are valued at their fair market value, to be determined in good faith and according to the procedure to be issued by the Management Company.
- i) The pro rata interest attributable to securities will be included if this has not been taken into account in the market value (dirty pricing).

The value of all assets and liabilities not denominated in the currency of the sub-fund is converted to this currency using the latest available exchange rate. If such rates are not available, the exchange rate will be determined in good faith and in accordance with the procedure issued by the Management Company's board of management.

At its discretion, the Management Company can allow other valuation methods which it deems appropriate in the interests of a more appropriate valuation of an asset in the Fund.

If the Management Company believes that the calculated unit value on a particular valuation date does not reflect the actual value of the sub-fund units, or if there have been considerable movements on the relevant stock exchanges and/or markets since calculating the unit value, the Management Company may decide to update the unit value again that same day. Under such circumstances, all subscription and redemption applications which are received for such valuation date are processed on the basis of the unit value which has been updated in good faith.

3. If two or more unit classes have been set up for the respective sub-fund as per Article 5 sub-section 3 of these Management Regulations, then the unit value is calculated as follows:
  - a) The unit value shall be calculated separately for each unit class in accordance with the criteria laid down in sub-section 2 of this Article.
  - b) The inflow of funds as a result of the issue of units increases the percentage share of the respective unit class in the total value of the net sub-fund assets. Cash outflow as a result of the redemption of units decreases the participation share of the respective unit class in the total value of the net sub-fund assets.
  - c) If a distribution is made, the unit value of the units in the unit class eligible for distribution decreases by the amount of the distribution. This also reduces the percentage share of that unit class in the total value of the net sub-fund assets, while the percentage share of one or more other unit classes not eligible for distributions in the total net sub-fund assets increases.
4. An income equalisation procedure can be carried out for the respective sub-fund.
5. For extensive redemption applications, which cannot be met out of the liquid funds and permissible borrowing of the respective sub-fund, the Management Company can define the unit value on the basis of the prices on the valuation date on which they undertake the securities sales necessary for the sub-fund; this then also applies to subscription applications received for the sub-fund at the same time.

6. If a sub-fund uses the swing pricing method, the net asset value per unit will be adjusted to take into account the total cost of buying and/or selling the underlying investments. The price adjustment is applied to capital activities at sub-fund level and therefore does not take into account the specific circumstances of each individual investor transaction.
7. When using the swing pricing method, the net asset value per unit will be adjusted to take into account the total cost of buying and/or selling the underlying investments. The price adjustment is applied to capital activities at sub-fund level and therefore does not take into account the specific circumstances of each individual investor transaction.
8. The net asset value per unit will be adjusted by a specific percentage set periodically by the Fund for each sub-fund and referred to as the "swing factor". The swing factor corresponds to the estimated bid-ask spread of the assets in which the sub-fund invests and the estimated taxes, trading costs and related expenses that the sub-fund may incur from buying and/or selling the underlying investments. As certain equity markets and jurisdictions may have different fee structures on the buying and selling side, the swing factor for net subscriptions and net redemptions in a sub-fund may be different. In general, the swing factor will not exceed two percent (2%) of the net asset value per unit unless otherwise specified in the supplement to each sub-fund. Under exceptional market conditions, such as the description of one or more relevant circumstances that lead to higher volatility, this maximum value may be increased to up to five percent (5%) to protect the interests of Unitholders. Regular reviews will be carried out to verify the adequacy of the swing factor in light of the market conditions.
9. If the threshold is not reached, price adjustments will not be made and the transaction costs will be borne by the sub-fund. This will result in dilution (reduction in net asset value per unit) for the existing Unitholders.
10. As a partial swing method is used, the net asset value per unit will be adjusted up or down when the net subscriptions or net redemptions in a sub-fund exceed a certain threshold set periodically by the Fund for each sub-fund ("swing threshold").
11. The swing factor affects subscriptions and redemptions as follows:
  - If a sub-fund registers net subscriptions on a valuation date (i.e. the value of the subscriptions is higher than that of the redemptions) that exceed the swing threshold, the net asset value per unit will be adjusted upwards by the swing factor; and
  - If a sub-fund registers net redemptions on a valuation date (i.e. the value of the redemptions is higher than that of the subscriptions and therefore exceeds the swing threshold), the net asset value per share will be adjusted downwards by the swing factor.
12. The volatility of the sub-fund's net asset value may not reflect the actual portfolio performance (and may therefore deviate from the sub-fund's benchmark, if applicable) due to the application of swing pricing. The performance fee will be calculated, where applicable, on the basis of the sub-fund's non-switched net asset value.
13. It should be noted that the Management Company may decide not to apply the swing pricing approach to purchases when attempting to attract assets to enable a sub-fund to reach a certain size. In this case, the Management Company will pay the trading costs and other costs from its own assets in order to prevent dilution of the value for the shareholders.

#### **Article 8      SUSPENSION OF UNIT VALUE CALCULATION**

1. The Management Company is entitled to temporarily suspend the calculation of the unit value for the Fund or sub-fund if, and for as long as, circumstances prevail that make this suspension necessary and if the suspension is justified taking into account the interests of the Unitholders, in particular:
  - a) during the time when a stock exchange or a regulated market where a significant portion of the assets of the relevant sub-fund are officially listed or traded is closed (except regular weekends or public holidays) or when trading on this stock exchange or on the relevant market has been suspended or restricted;
  - b) in emergencies, if the Management Company cannot dispose of the relevant sub-fund's assets or is unable to freely transfer the countervalue of asset purchases or sales nor to calculate the unit value in a due and orderly fashion;
  - c) in the circumstances provided for by law.
2. The Management Company shall publish the suspension and/or resumption of the unit value calculation without delay in an appropriate manner in the countries in which units of the Fund are admitted for public distribution, and shall inform all Unitholders who have offered units for redemption.



## **Article 9 REDEMPTION OF UNITS**

1. Unitholders of the sub-fund are entitled at any time to request redemption of their units at the redemption price laid down in Article 7 of the Fund's Management Regulations and under the terms and conditions determined therein. Units will only be redeemed on a valuation date. The redemption price shall be paid against return of the units. If a redemption fee is required, this shall be mentioned in the Prospectus.
2. As a rule, redemption takes place at the redemption price on the valuation date in question. Applications for redemption that are received by the Management Company by 12.00 (Luxembourg time) on a valuation date will be settled at the redemption price of the next valuation date. Applications for redemption that are received by the Management Company after 12.00 (Luxembourg time) on a valuation date will be settled at the unit value of the next-but-one valuation date. The redemption price is paid within two banking days after the corresponding valuation date.
3. The Management Company is entitled, with the prior approval of the Custodian, to only process large redemptions which cannot be satisfied from the liquid funds and permissible borrowings of the relevant sub-fund once the appropriate assets of the sub-fund have been sold without delay. Investors who have offered their units for redemption will be informed immediately in an appropriate manner if the redemption is not to be serviced (suspension) and if the redemption is to be serviced (resumption).
4. The Management Company may decide to temporarily suspend the redemption of units for the Fund. The suspension may only take place in exceptional cases if the circumstances require such a suspension and if the suspension is justified, taking account of the interests of the Unitholders.
5. The Custodian shall only be obliged to make payment insofar as there are no legal provisions, such as exchange control regulations, or other circumstances beyond the Custodian's control which represent an obstacle to the transfer of the redemption price to the country of the applicant.
6. The Management Company can repurchase units for the respective sub-fund unilaterally against payment of the redemption price if this appears to be necessary in the interests of all the Unitholders or for the protection of the Management Company or the Fund or sub-fund.

## **Article 10 ACCOUNTING YEAR AND AUDIT OF THE ANNUAL ACCOUNTS**

1. The Fund's accounting year begins 1 February and ends on 31 January of the following year.
2. The financial statements of the Fund are audited by an external auditor appointed by the Management Company.

## **Article 11 DISTRIBUTIONS**

1. For each sub-fund, the Management Company shall determine whether or not, in principle, distributions will be made to the Unitholders from the respective sub-fund assets. This is stated in the Prospectus.
2. Notwithstanding the above, the Management Company may from time to time decide to distribute dividends.
3. Ordinary income from interest and/or dividends may be distributed less costs ("ordinary net income") as well as any net realised price gains.

Furthermore, non-realised price gains and other assets can be paid out in dividends if the net fund assets do not fall below the minimum limit according to Article 1 sub-section 1 of the Management Regulations as a result of the payout.

4. Dividends are paid out on the units that have been issued on the dividend date. Distribution payments that have not been claimed within five years from the publication date of the dividend notice lapse and revert to the relevant sub-fund.
5. Where two or more unit classes are formed pursuant to Article 5, sub-section 3 of these Management Regulations, the specific appropriation of income of the respective unit class is laid down in the prospectus of the respective sub-fund.

## **Article 12 TERM AND LIQUIDATION OF THE FUND**

1. The Fund is established for an indefinite period.
2. Notwithstanding the provisions of sub-section 1 of this Article, the Management Company may dissolve existing sub-funds at any time, insofar as the relevant net sub-fund assets of a sub-fund fall below an amount that the Management Company regards as the minimum amount for ensuring efficient management of this sub-fund – this amount has been set at 5 million euro – as well as in the event of a change in the economic and/or political framework. The dissolution of existing sub-funds will be announced in advance.

3. After a sub-fund is dissolved, the Management Company will liquidate this sub-fund. The assets attributable to this sub-fund will be sold and the liabilities attributable to this sub-fund will be repaid. The liquidation proceeds shall be returned to the Unitholders in proportion to their ownership of units. The proceeds on liquidation not used for liabilities after the liquidation of a sub-fund shall be deposited for all remaining and unclaimed amounts in accordance with the rules contained in Article 12 sub-section 5 of the Management Regulations.
4. The Fund must be dissolved in the following circumstances:
  - a) if the term defined in the Management Regulations of the Fund has expired;
  - b) if the appointment of the Custodian is terminated without a new one being appointed within the statutory or contractual time limits;
  - c) if insolvency proceedings are opened with regard to the Management Company or if the Management Company is dissolved for any reason;
  - d) if the fund assets remain below a quarter of the minimum limit according to Article 1 sub-section 1 of the Management Regulations for more than six months;
  - e) in other cases provided for in the Law of 2010 or in the Management Regulations of the Fund.
5. If circumstances occur that lead to the dissolution of the Fund or sub-fund, the issue of units will be suspended. The redemption of units in the Fund is still possible, provided that equal treatment of the investors is guaranteed. The Custodian, on instruction from the Management Company or, where appropriate, from the liquidators appointed by the same or by the Custodian, will distribute the liquidation proceeds less the liquidation costs and fees ("net liquidation proceeds") among the Unitholders of the respective Fund or sub-fund according to their entitlement. The net liquidation proceeds that have not been collected by Unitholders upon conclusion of the liquidation procedure will, to the extent required by law, be converted into euros and deposited by the Depositary with the *Caisse de Consignations* in Luxembourg for the account of the Unitholders upon conclusion of the liquidation procedure, whereby this amount will be forfeited if it is not claimed there within the statutory period.
6. The Unitholders, their heirs or legal successors or creditors may not apply for the dissolution or division of the Fund or sub-fund.

### **Article 13 MERGING OF THE FUND AND OF SUB-FUNDS**

The Management Company may, by resolution of the Management Board and in accordance with the conditions and procedures referred to in the Law of 2010, decide to merge the Fund or a sub-fund with another undertaking for collective investment in securities ("UCITS") or sub-fund thereof which is managed by the same Management Company or by another management company, whereby that other UCITS or sub-fund may be established in Luxembourg or in another Member State.

If the extinguishing UCITS or sub-fund of a UCITS is an investment fund (FCP) that expires in the context of a merger, the Management Company of that UCITS shall make the decision on the effectiveness of the merger, unless the Management Regulations stipulate otherwise. For each investment fund (FCP) that ceases to exist, the decision on the effectiveness shall be the subject of a record filed in the Trade and Companies Register and its publication in the RESA with the reference to the recording of the decision in the Trade and Companies Register in accordance with the provisions of the Law of 2010.

The communication to the investors concerning the merger of the Fund or sub-fund shall be published in Luxembourg, and in the countries in which the Fund or sub-fund units are distributed, in a manner suitable for the Management Company.

The Unitholders of the absorbing fund or sub-fund and the absorbed fund or sub-fund also have the right for 30 days to redeem their units at the relevant unit value at no additional cost or, to request that their units be exchanged for units of another fund or sub-fund with a similar investment policy that is managed by the same Management Company or a different company with which the Management Company is affiliated by way of joint management or control or by way of a significant direct or indirect participation. This right takes effect from the time at which the Unitholders in the absorbing fund or sub-fund and the absorbed fund or sub-fund are informed about the planned merger and lapses five banking days before the date on which the exchange ratio is calculated.

The units of the Unitholders that have not requested the redemption or exchange of their units shall be replaced by units in the absorbing UCITS or sub-fund based on the unit value on the date the merger comes into effect. Where required, the Unitholders will receive a settlement of fractional shares.

In the event of a merger between funds or sub-funds, the relevant Funds or sub-funds may temporarily suspend the subscription or redemption of units where this appears justified in the interests of the investors.

Legal, consulting or management fees associated with the preparation and execution of a merger shall not be charged to the Fund or sub-fund or its Unitholders.

## Article 14 COSTS

The following costs may be charged to the respective sub-fund:

1. The Management Company will receive a fee from the respective net sub-fund assets which is calculated daily on the net sub-fund assets for the respective unit class on the previous valuation date and paid monthly in arrears. The amount of the fee, including any minimum fee with regard to the individual sub-funds, is stated in the Prospectus. This fee is subject to VAT, if applicable.
2. The investment adviser or Fund Manager may receive a fee from the respective net sub-fund assets which is calculated daily on the net sub-fund assets for the respective unit class on the previous valuation date and paid out monthly in arrears. The amount of the fee, including any minimum fee with regard to the individual sub-funds, is stated in the Prospectus. This fee is subject to VAT, if applicable.
3. In addition to the above-mentioned fees, a performance fee may be paid from the respective sub-fund assets. The amount applicable to the respective sub-fund, the calculation and payment methods of the performance fee and the recipients of the performance fee are set out in the Prospectus. This fee is subject to VAT, if applicable.
4. The Custodian shall receive a fee from the respective net sub-fund assets calculated daily on the net sub-fund assets for the respective unit class of the previous valuation date and paid out monthly in arrears. The amount of the fee, including any minimum fee with regard to the individual sub-funds, is stated in the Prospectus. This fee is subject to VAT, if applicable.
5. Any potential distributors may receive a fee from the respective net sub-fund assets which is calculated daily on the net sub-fund assets for the respective unit class on the previous valuation date and paid out monthly in arrears. The amount of the fee, including any minimum fee with regard to the individual sub-funds, is stated in the Prospectus. This fee is subject to VAT, if applicable.
6. At the time of calculating the aforementioned fees, individual assets may be disregarded if this is necessary and in the interests of the investors.
7. In addition to the aforementioned fees, the respective sub-fund may in particular be charged with the following costs:
  - a) all costs in connection with the acquisition, sale and ongoing management of assets;
  - b) a standard market fee for the provision of direct and indirect operational expenses of the Custodian or Management Company, arising in particular from the use of OTC transactions, including the costs of collateral management, the costs incurred in the context of OTC transactions, for securities lending transactions and for securities repurchase transactions and other costs incurred as part of OTC derivatives trading;
  - c) taxes and similar charges which are levied on the fund assets or on their income or the expenses charged to the Fund;
  - d) costs for legal advice incurred by the Management Company or the Custodian if they have acted in the interests of the Unitholders of the Fund;
  - e) fees and costs for the auditors of the Fund;
  - f) costs for the creation of unit certificates and coupons;
  - g) costs for encashment of coupons and for the renewal of coupon sheets;
  - h) costs of creating and depositing and publishing the Management Regulations and other documents such as prospectuses relating to the Fund, including costs of applications for registration or written explanations to all registration authorities, stock exchanges (including local securities dealers' associations) and other establishments which must be made in connection with the Fund or the offering of its units;
  - i) costs for the preparation of the Key Investor Information Document;
  - j) printing and distribution costs for the annual and semi-annual reports for the Unitholders in all necessary languages, as well as the printing and distribution costs for all other reports and documents which are necessary in accordance with the applicable laws and directives of the named authorities;
  - k) costs of the publications intended for Unitholders, including the costs for informing Unitholders of the respective sub-fund using a durable medium;
  - l) a reasonable proportion of the costs for advertising, marketing support, implementation of the marketing strategy and other marketing activities, and of those costs incurred directly in connection with the offering and sale of shares;

- m) costs for risk control and management;
- n) all costs and fees in connection with the processing of unit certificate transactions as well as sales services;
- o) costs of the credit rating of the Fund or sub-fund by nationally and internationally recognised rating agencies;
- p) costs in connection with any admission to stock market listing;
- q) fees, disbursements and other costs incurred by paying agents, any distributors and any other agencies which need to be set up abroad;
- r) disbursements of any investment committee or ethics committee;
- s) expenses of a management board or supervisory board;
- t) costs of establishing the Fund or individual sub-funds and the initial issue of units;
- u) other administrative costs including costs for interest groups;
- v) any licensing costs for the use of indexes;
- w) costs for performance attribution;
- x) insurance costs;
- y) interest incurred on loans that are taken out in accordance with Article 4 of the Management Regulations; and
- z) costs in connection with implementing regulatory requirements/reforms.
- a1) internal and external expenses for the creation, procurement and validation of sustainability-related disclosures (for example, the creation of ESG-related pre-contractual and periodic disclosures, the procurement of distribution documents such as the "European ESG Template", the procurement of sustainability ratings or analyses such as ESG research, the procurement of indicators such as the principal adverse impacts on sustainability factors, the procurement and validation of taxonomy-related calculations etc.).

All the aforementioned costs, charges, professional fees and expenses do not include any applicable VAT.

8. All costs will be charged first against the Fund's ordinary income, then against capital gains, and finally against the fund assets.
9. The costs of the individual sub-funds will be calculated separately, insofar as they concern the respective sub-fund alone.
10. The Management Company, the Custodian, the fund manager and investment adviser may use their revenues to support sales and marketing activities of the brokers and to pay recurring sales commissions and follow-up sales commissions. The amount of such commissions is generally calculated on the basis of the sub-fund volume brokered.
11. The foundation costs may be amortised in equal instalments in the fund assets of the sub-funds existing at the time of foundation within the first financial year. The foundation costs will be debited to the sub-funds established at the time of foundation. Costs associated with launching additional sub-funds will be amortised in the respective sub-fund assets to which they are attributable within the first financial year following the launch of the respective sub-fund.
12. The total cost burden with regard to the respective sub-fund or its unit classes is stated in the Prospectus.

#### **Article 15    LIMITATION**

Claims made by the Unitholders against the Management Company or the Custodian cannot be brought before a court more than five years after the claim's date of origin; the regulation set out in Article 12 sub-section 5 of the Management Regulations is not affected by this.

#### **Article 16    AMENDMENTS**

The Management Company can at any time amend the Management Regulations partly or totally with the approval of the Custodian.

## **Article 17 PUBLICATIONS**

1. Versions of the Management Regulations that are provisionally valid and changes to the Management Regulations shall be recorded in the Trade and Companies Register. Its publication in the RESA is carried out by publishing a reference to the depositing of the relevant document in the Trade and Companies Register in accordance with the provisions of the Law of 2010.
2. Issue and redemption prices can be requested from the Management Company, the Custodian and any paying agents.
3. The Management Company shall prepare a prospectus, a PRIIPs-KID (*Key Information Document*), an audited annual report and a semi-annual report for the Fund in accordance with the statutory regulations of the Grand Duchy of Luxembourg.
4. The documents of the Fund listed under sub-section 3 of this Article are available to the Unitholders at the registered office of the Management Company, the Custodian and each paying agent and any distributors.
5. The dissolution of the Fund in accordance with Article 12 of the Management Regulations shall be recorded by the Management Company in the Trade and Companies Register in accordance with the statutory provisions, as well as in RESA and at least two national daily newspapers, of which one will be a Luxembourg paper.

## **Article 18 APPLICABLE LAW, PLACE OF JURISDICTION AND LANGUAGE OF CONTRACT**

1. The Management Regulations of the Fund are governed by Luxembourg law. In particular, the regulations of the Law of 2010 apply in addition to the rules of the Management Regulations of the Fund. The same applies to legal relations between the Unitholders, the Management Company and the Custodian Bank.
2. Any legal dispute between Unitholders, the Management Company and the Custodian is subject to the jurisdiction of the competent court in the Grand Duchy of Luxembourg. With regard to matters relating to the Fund, the Management Company and Custodian are entitled to subject themselves and the Fund to the jurisdiction and law of every country in which units of the Fund are publicly sold, provided that this relates to claims of investors domiciled in the country concerned.
3. The German wording of the Management Regulations shall prevail unless a provision to the contrary is expressly given in the Management Regulations.

## **Article 19 ENTRY INTO FORCE**

These Management Regulations shall enter into force on the day on which they are signed, unless otherwise specified. Amendments to the Management Regulations shall enter into force on the day on which they are signed, unless otherwise agreed.