

**SALES PROSPECTUS**  
(including Annexes and Articles of Association)



**BAKERSTEEL® GLOBAL FUNDS**  
SICAV

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**BAKERSTEEL GLOBAL FUNDS SICAV**

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Sub-funds:

**BAKERSTEEL GLOBAL FUNDS SICAV – Precious Metals Fund**

**BAKERSTEEL GLOBAL FUNDS SICAV – Electrum Fund**

Management Company:

**IPConcept (Luxemburg) S.A. (société anonyme)**

Depositary:

**DZ PRIVATBANK S.A. (société anonyme)**

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# Management, distribution and advisory services

## INVESTMENT COMPANY

### BAKERSTEEL GLOBAL FUNDS SICAV

4, rue Thomas Edison  
L-1445 Strassen, Luxembourg

### Board of Directors of the Investment Company

#### Chairman of the Board of Directors

Richard Goddard  
the Directors Office  
Luxembourg

#### Members of the Board of Directors

Trevor Steel  
Baker Steel Capital Managers LLP  
London

Priya Mukherjee  
Baker Steel Capital Managers LLP  
London

Silvia Mayers  
IPConcept (Luxemburg) S.A.  
Luxembourg

## AUDITORS OF THE INVESTMENT COMPANY

### PricewaterhouseCoopers, Société coopérative

2, rue Gerhard Mercator  
L-2182 Luxembourg

## **Management Company**

**IPConcept (Luxemburg) S.A.**  
4, rue Thomas Edison  
L-1445 Strassen, Luxembourg

E-mail: info@ipconcept.com  
Internet: www.ipconcept.com

Equity capital as at 31 December 2021: EUR 8,000,000

## **Management Company Executives (management body)**

Marco Onischschenko  
(Chairman of the Board)

Silvia Mayers

Nikolaus Rummler

## **Board of Directors of the Management Company**

### **Chairman of the Board of Directors**

Dr. Frank Müller  
Member of the Board of Managing Directors  
DZ PRIVATBANK S.A.

### **Board of Directors**

Bernhard Singer

Klaus-Peter Bräuer

## **Auditor of the Management Company**

**PricewaterhouseCoopers**, Société coopérative  
2, rue Gerhard Mercator  
L-2182 Luxembourg

## **DEPOSITARY**

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

**CENTRAL ADMINISTRATION AGENT AND REGISTRAR AND TRANSFER AGENT**

**DZ PRIVATBANK S.A.**

4, rue Thomas Edison  
L-1445 Strassen, Luxembourg

**INVESTMENT MANAGER**

**Baker Steel Capital Managers LLP**

34 Dover Street London W1S 4NG  
United Kingdom

**PAYING AGENT**

*Grand Duchy of Luxembourg*

**DZ PRIVATBANK S.A.**

4, rue Thomas Edison  
L-1445 Strassen, Luxembourg

The investment company described in this Sales Prospectus (including Articles of Association and Annexes) (the "Sales Prospectus") is a Luxembourg investment company (*société d'Investissement à capital variable*) that has been established for an unlimited period in the form of an umbrella fund ("Investment Company") with one or more sub-funds ("sub-funds") in accordance with Part I of the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment in Transferable Securities, as amended (the "Law of 17 December 2010").

The Sales Prospectus is only valid in conjunction with the most recently published annual report, if available, which may not be more than 16 months old. If more than eight months have elapsed since the date of the annual report, the purchaser will also be provided with the semi-annual report. The legal basis for the purchase of shares is the currently valid Sales Prospectus and the key information document for packaged retail and insurance-based investment products (KID) In purchasing units, the shareholder acknowledges the Sales Prospectus, the KID and any approved amendments published thereto.

The shareholder will be provided with the KID at no charge on a timely basis prior to acquisition of Fund units.

No information or explanations may be given which are at variance with the Sales Prospectus or the KID. Neither the Management Company nor the Investment Company shall be liable if any information or explanations are given which deviate from the terms of the current Sales Prospectus or the KID.

The Sales Prospectus and the KID, as well as the relevant annual and half-yearly reports for the Investment Company are available free of charge at the registered office of the Investment Company, the Depositary, the paying agents and sales agent. The Sales Prospectus and the KID may also be downloaded from [www.ipconcept.com](http://www.ipconcept.com). Upon request by the shareholder, these documents will also be provided in hard copy. For further information, please see the section entitled "Information for shareholders".

## ***Sales Prospectus***

The Investment Company ("Investment Company") described in this Sales Prospectus (plus Articles of Association and Annexes) was established on 10 April 2008. At the initiative of **Baker Steel Capital Managers LLP** it has appointed **IPConcept (Luxembourg) S.A.** as its management company ("Management Company").

At least one sub-fund-specific Annex and the Articles of Association of the Investment Company are attached to this Sales Prospectus.. The Sales Prospectus together with the Annexes and the Articles of Association constitute a whole in terms of their substance and thus supplement each other.

## ***The Investment Company***

The Investment Company is a limited company with variable capital (*société d'investissement à capital variable*), under Luxembourg law with its registered office at 4, rue Thomas Edison, L-1445 Strassen, Luxembourg. It was established on 10 April 2008 for an unspecified period in the form of an umbrella fund with sub-funds.

Its Articles of Association were published on 30 April 2008 in the Mémorial, Recueil des Sociétés et Associations, the official journal of the Grand Duchy of Luxembourg ("Mémorial"). The Mémorial was replaced on 1 June 2016 by the new information platform Recueil électronique des sociétés et associations ("RESA") of the Trade and Companies Register in Luxembourg. Amendments to the Articles of Association of the Investment Company came into effect on 1st of March 2018 and were published in the RESA. The Investment Company is entered in the commercial register in Luxembourg under registration number R.C.S. Luxembourg B 137827. The Investment Company's financial year ends on 31 December of each year.

On formation, the Investment Company's capital amounted to EUR 31,000 made up of 310 shares of no par value and will always be equal to its net asset value. In accordance with the Law of 17 December 2010, the capital of the Investment Company reached an amount of no less than EUR 1,250,000 within six months of its registration by the Luxembourg supervisory authorities.

The exclusive purpose of the Investment Company is the investment in securities and/or other permissible assets in accordance with the principle of risk diversification pursuant to Part I of the Law dated 17 December 2010, with the aim of achieving a reasonable performance for the benefit of the shareholders by following a specific investment policy.

The Board of Directors of the Investment Company ("Board of Directors ") has been authorised to carry out all transactions that are necessary or beneficial for the fulfilment of the Company's purpose. The Board of Directors is responsible for all the affairs of the Investment Company, unless specified in the Law of 10 August 1915 concerning commercial companies (including amendments) or the Articles of Association of the Investment Company as being reserved for decision by the shareholders.

In an agreement dated 19 February, 2015 the Board of Directors delegated the management function in accordance with amended Council Directive 2009/65/EC of 13 July 2009 ("Directive



2009/65/EC") on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities to the Management Company.

## ***The Management Company***

The Board of Directors appointed the Management Company **IPConcept (Luxembourg) S.A.**, a public limited company under the law of the Grand Duchy of Luxembourg with its registered office located at 4, rue Thomas Edison, L-1445 Strassen, Luxembourg, with the duties of asset management, administration and distribution of the shares of the Investment Company. The Management Company was incorporated for an indefinite period on 23 May 2001. Its Articles of Association were published in the Mémorial on 19 June 2001. The latest amendment to the Articles of Association of the Management Company came into effect on 27 November 2019 and was published in the RESA on 20 December 2019. The Management Company is listed in the commercial register in Luxembourg under registration number R.C.S. Luxembourg B 82.183. Each financial year of the Management Company ends on 31 December of each year. The equity capital of the Management Company amounted to EUR 8,000,000 on 31 December 2021.

The purpose of the Management Company is to establish and manage the following on behalf of unitholders: (i) undertakings for collective investment in transferable securities ("UCITS") pursuant to Directive 2009/65/EC, as amended; (ii) alternative investment funds ("AIF") in accordance with Directive 2011/61/EU, as amended, and other undertakings for collective investment which do not fall under the scope of the aforementioned Directives. The Management Company acts in accordance with the provisions of the Law of 17 December 2010 relating to undertakings for collective investment ("Law of 17 December 2010"), the Law of 13 February 2007 on specialised investment funds ("Law of 13 February 2007"), and the provisions of the Law of 12 July 2013 on alternative investment fund managers ("Law of 12 July 2013"), as well as the applicable regulations and the circulars of the Commission de Surveillance du Secteur Financier ("CSSF"), all in their currently valid form. The Management Company complies with the requirements of Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in securities.

The Management Company is obliged to employ a risk-management procedure enabling it to monitor and assess the risk connected with investment holdings as well as their share in the total risk profile of the investment portfolio at any time. It must also resort to a procedure permitting a precise and independent assessment of the value of OTC derivatives. It must provide regular information to the Luxembourg supervisory authorities, in accordance with the procedures that it has laid down, concerning the kinds of derivatives in the portfolio, the risks connected with the underlying instruments, the investment limits and the methods employed to assess the risks bound up with derivative transactions.

The Management Company is responsible for the management and administration of the Investment Company and its sub-funds. On behalf of the Investment Company and/or its sub-funds, it may take all management and administrative measures and exercise all rights directly or indirectly connected with the assets of the Investment Company or its sub-funds.

The Management Company acts honestly, fairly, professionally and independently of the Depositary and solely in the interests of the shareholders when carrying out its tasks.

The Management Company carries out its obligations with the care of a paid authorised agent (*mandataire salarié*). The Supervisory Board of the Management Company appointed Marco Onischchenko, Silvia Mayers and Nikolaus Rummler as Executive Board members and assigned the management of the business to them. Marco Onischchenko was appointed CEO.

The Management Company currently manages the following investment funds: AKZENT Invest Fonds 1 (Lux), Alpen Privatbank, Alpen Privatbank Vermögensfonds, apo Medical Opportunities, apo VV Premium, BAKERSTEEL GLOBAL FUNDS SICAV, Baumann and Partners, BlackPoint, Boerse.de-Aktienfonds, Boerse.de-Weltfonds, BPM, BS Best Strategies UL Fonds, BZ Fine Funds, BIB Sustainable Finance (SICAV), CMT, CONREN, CONREN Fortune, Cresco Partnership, Deutscher Mittelstandsanleihen FONDS, Deutschland Ethik 30 Aktienindexfonds UCITS ETF, DZPB Concept, DZPB II, DZPB Portfolio, DZPB Vario, EB-Öko-Aktienfonds, Entrepreneur Select Multi Strategy, Exklusiv Portfolio SICAV, FG&W Fund, Flowerfield, Fonds Direkt Sicav, Fortezza Finanz, FundPro, FVCM, Galileo, GENOKONZEPT, Global Family Strategy II, GLS Alternative Investments, HELLERICH, Huber Portfolio SICAV, Iron Trust (in Liquidation), Istanbul Equity Fund (in Liquidation), Kapital Konzept, Liquid Stressed Debt Fund, m4, MainSky Active Green Bond Fund, MainSky Macro Allocation Fund, ME Fonds, Mobilitas Global Convertible Fund, MOBIUS SICAV, MPPM, Nachhaltigkeit – Euroland konservativ, Nachhaltigkeitsfonds – ausgewogen, Nachhaltigkeit – Stiftungen, NPB SICAV (in Liquidation), P & R, Phaidros Funds, PRIMA, Pro Fonds (Lux), Pro Select, PTAM Weltportfolio Ausgewogen, PTAM Weltportfolio Defensiv, PVV SICAV, Sauren, Sauren Global, Seahawk Equity Long Short Fund, S.E.A. Funds, Silk (in Liquidation), STABILITAS, StarCapital, StarCapital Long/Short Allocator, STARS, STRATAV Quant Strategie Deutschland, STRATAV Quant Strategie Europa, Stuttgarter-Aktienfonds, Stuttgarter Dividendenfonds, Stuttgarter Energiefonds, Taunus Trust, Thematica, TRIGON, Vermögensbaustein – defensiv, VM, VR Nürnberg (IPC), VR Premium Fonds, VR-PrimaMix, WAC Fonds, WINVEST Direct Fund, WR Strategie und WVB.

The Management Company is entitled, subject to the agreement of the Board of Directors of the Investment Company, at its own responsibility and control, to delegate the activities transferred to it by the Investment Company to third parties. Such delegation must not impair the effectiveness of the supervision by the Management Company in any way. In particular, the delegation of duties must not obstruct the Management Company from acting in the interests of the shareholders and ensuring that the Investment Company is managed in the best interests of its shareholders.

The Management Company may for the purpose of managing the assets of the relevant sub-fund employ investment advisers/fund managers under its own responsibility and control. The investment adviser/fund manager is remunerated for the service provided either from the management fee or directly from the relevant sub-fund assets.

### ***Depositary and paying agent***

The sole Depositary and paying agent of the Investment Company is **DZ PRIVATBANK S.A.** ("Depositary") with its registered office located at 4, rue Thomas Edison, L-1445 Strassen, Luxembourg. The Depositary is a public limited company under the laws of the Grand Duchy of Luxembourg and conducts banking business. The rights and obligations of the Depositary are based on the Law of 17 December 2010, the applicable regulations, the Depositary Agreement and the Sales Prospectus. It acts honestly, fairly, professionally and independently of the Management Company and solely in the interests of the fund and the shareholders.

Pursuant to Article 37 of the Articles of Association, the Depositary may delegate some of its duties to third parties ("sub-custodians").

An up-to-date overview of sub-custodians can be found on the Management Company's website ([www.ipconcept.com](http://www.ipconcept.com)) or requested free of charge from the Management Company.

Upon request, the Management Company will provide investors with the latest information regarding the identity of the Fund's depositary, the Depositary's obligations and any conflicts of interest that could arise and with a description of all depositary functions transferred by the Depositary, the list of sub-custodians and information on any conflicts of interest that could arise from the transfer of functions.

The appointment of the Depositary and/or sub-custodians may cause potential conflicts of interest, which are described in more detail in the section entitled "Potential conflicts of interest".

### ***Registrar and transfer agent***

The registrar and transfer agent ("Relevant Agent") of the Fund is **DZ PRIVATBANK S.A.** with its registered office at 4, rue Thomas Edison, L-1445 Strassen, Luxembourg. The Relevant Agent is a public limited company under the law of the Grand Duchy of Luxembourg. The duties of the Relevant Agent include the processing of applications and orders for the subscription, redemption, exchange and assignment of shares, as well as the keeping of the share register.

### ***Central Administration Agent***

The Central Administration Agent of the Fund is **DZ PRIVATBANK S.A.** with its registered office at 4, rue Thomas Edison, L-1445 Strassen, Luxembourg. The Central Administration Agent is a public limited company under the law of the Grand Duchy of Luxembourg and its duties include accounting and bookkeeping, calculation of the net asset value per share and the drawing up of annual reports.

The Central Administration Agent has delegated, under its own responsibility and control, various administrative tasks, e.g. calculation of net asset values, to Attrax Financial Services S.A. (société anonyme) with its registered office at 3, Heienhaff, L-1736 Senningerberg.

### ***Investment Manager***

The Management Company has appointed **Baker Steel Capital Managers LLP**, with its registered office at 34 Dover Street, London, W1S 4NG, United Kingdom as Investment Manager of the Fund and has delegated investment management to that company.

The Investment Manager is authorised to manage assets and is subject to corresponding supervision.

The Investment Manager is responsible for the independent day-to-day implementation of the investment policy of each sub-fund's assets and for managing the assets of each sub-fund on a day-to-day basis, as well as providing other associated services under the supervision, responsibility and control of the Management Company. The Investment Manager is required to execute these tasks

while adhering to the principles of the investment policy and investment restrictions of each of the sub-funds, as described in this Sales Prospectus.

The Investment Manager is authorised to select brokers and traders to execute transactions using the Fund assets. The Investment Manager is also responsible for investment decisions and the placing of orders.

The Investment Manager has the right to obtain advice from third parties, particularly from various investment advisers, at its own cost and responsibility.

The Investment Manager is authorised, with the prior consent of the Management Company, to delegate some or all of its duties and obligations to a third party, whose remuneration shall be borne by the Investment Manager. In this case the Sales Prospectus will be amended accordingly.

The Investment Manager bears all expenses incurred by it in connection with the services it performs. Broker commission, transaction fees and other transaction related costs arising in connection with the purchase and sale of assets are borne by the relevant sub-fund.

### ***Legal position of shareholders***

The Management Company has appointed the Investment Manager to invest money paid into each sub-fund on behalf of the Investment Company. Investments are made in accordance with the principle of risk diversification, in securities and/or other legally permissible assets in accordance with Article 41 of the Law of 17. December 2010. The monies invested and the assets acquired with such monies form the relevant sub-fund's assets, which are held separately from the Management Company's own assets.

As joint owners, the shareholders own a share of the respective sub-fund pro rata to their shares. The shares of the respective sub-fund shall be issued in the certificates and denominations stated in the Annex to the specific sub-fund. If registered shares are issued, these shall be included by the Relevant Agent in the share register maintained for the Investment Company. In this case, confirmation of entry of the shares in the share register will be sent to the shareholder to the address specified in the share register. The shareholder shall not be entitled to the delivery of physical share certificates.

All shares in a sub-fund shall have the same rights, unless the Investment Company decides to issue different classes of share within the same sub-fund pursuant to Article 11 (7) of the Articles of Association.

If the shares of a sub-fund are admitted for official trading on a stock exchange, this will be announced in the relevant Annex to the Sales Prospectus.

There is no guarantee that the shares of the respective sub-fund will not also be traded on other markets. (For example, inclusion in the unofficial transactions of a stock exchange).

The market price forming the basis for stock market dealings or trading on other markets is not determined exclusively by the value of the assets held in the respective sub-fund but also by supply and demand. The market price may therefore differ from the net asset value per share.

The Investment Company draws the investor's attention to the fact that any investor will only be able to fully exercise its investor rights directly against the Fund notably the right to participate in general shareholder meetings, if the investor is registered individually in his own name in the shareholders' register. In cases where an investor invests in the Fund through an intermediary investing into the Fund in its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights or unit holder rights. Investors are advised to take advice on their rights.

### ***General Information on trading in the sub-fund's shares***

Investing in the sub-funds is regarded as a medium to long-term commitment.

Market timing is understood to mean the technique of arbitrage whereby an investor systematically subscribes, exchanges and redeems units in a sub-fund within a short period by exploiting time differences and/or the imperfections or weaknesses in the valuation system for calculating the Fund's net asset value. The Management Company takes the appropriate protection and/or control measures to avoid such practices. It also reserves the right to reject, cancel or suspend an order from an investor for the subscription or exchange of units if the investor is suspected of engaging in market timing.

The purchase or sale of shares after the close of trading at already established or different closing prices - so called "late trading" - is strictly prohibited by the Management Company. The Management Company ensures that units will be issued on the basis of a unit value previously unknown to the shareholder. If the suspicion nevertheless exists that a shareholder is engaging in "late trading", the Management Company reserves the right to reject the subscription application.

The possibility cannot be ruled out that shares of the respective sub-fund may be traded on an official stock exchange or on other markets.

The market price underlying stock market dealings or trading on other markets is not determined exclusively by the value of the assets held in the respective sub-fund, but also by supply and demand. This market price can therefore differ from the share price.

### ***Investment policy***

The objective of the investment policy of the Investment Company and/or its sub-funds is to invest in transferable securities and other eligible assets in order to provide returns for investors in the respective currency of the sub-fund (as defined in the corresponding Annex). Details of the investment policy of each sub-fund are specified in the relevant Annex to this Sales Prospectus.

The general investment principles and restrictions specified in Article 4 of the Articles of Association apply to all sub-funds, provided no deviations or supplements are specified in the relevant Annex to this Sales Prospectus for a particular sub-fund.

The respective sub-fund's assets are invested pursuant to the principle of risk diversification within the meaning of the provisions of Part I of the Law of 17 December 2010 and in accordance with the

investment policy principles and investment restrictions specified in Article 4 of the Articles of Association.

### ***Information on derivatives and other techniques and instruments***

In accordance with the general provisions governing the investment policy referred to in Article 4 of the Articles of Association, to achieve the investment objectives and ensure efficient portfolio management the Management Company for the respective sub-fund may make use of derivatives, securities financing transactions and other techniques and instruments that correspond to the investment objectives of the sub-fund. The counterparties and/or financial counterparties (as defined in Article 3(3) of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 ("SFTR")) to the aforementioned transactions must be institutions subject to prudential supervision and have their registered office in an EU member state, another signatory state to the EEA Treaty or a third country whose supervisory provisions are considered by the CSSF to be equivalent to those of EU law. The counterparty or the financial counterparty must have at least one rating in the investment grade range, which may be waived in justified exceptions. This may be the case, for example, if the counterparty or the financial counterparty falls under this rating after selection. In this case, the Management Company will conduct a separate audit. They must also specialise in this type of transaction. When selecting counterparties and financial counterparties for securities financing transactions and total return swaps, criteria such as legal status, country of origin and credit rating of the counterparty are taken into account. Details can be viewed free of charge on the Management Company's website referred to in the section entitled "Information for shareholders". The possibility cannot be ruled out that the counterparty or financial counterparty is a company affiliated with the Management Company or the Fund Manager/Investment Advisor. In this context, please see the chapter "Potential conflicts of interest".

Derivatives and other techniques and instruments carry considerable opportunities but also high risks. Due to the leverage effect of these products, the sub-fund may incur substantial losses using relatively little capital. The following is a non-exhaustive list of derivatives, techniques and instruments that can be used for the sub-fund:

#### 1. Options privilege

An option privilege is a right to buy ("call option") or sell ("put option") a particular asset at a predetermined time ("exercise time") or during a predetermined period at a predetermined price ("strike price"). The price of a call or put option is the option premium.

For each respective sub-fund both call and put options may only be bought or sold to the extent that the respective sub-fund is permitted to invest in the underlying assets pursuant to the investment policy specified in the relevant Annex.

#### 2. Financial futures contracts

Financial futures contracts are unconditionally binding agreements for both contracting parties to buy or sell a determined amount of a determined base value at a determined time (the maturity date) at a price agreed in advance.

For each respective sub-fund, financial futures contracts may only be entered into to the extent that the respective sub-fund is permitted to invest in the underlying assets pursuant to the investment policy specified in the relevant Annex.

### 3. Derivatives embedded in financial instruments

Financial instruments with embedded derivatives may be acquired for the respective sub-fund, provided that the underlying of the derivative consists of instruments within the meaning of Article 41(1) of the Law of 17 December 2010, or financial indices, interest rates, foreign exchange rates or currencies, for example. Financial instruments with embedded derivatives may consist of structured products (certificates, reverse convertible bonds, warrant-linked bonds, convertible bonds, credit linked notes, etc.) or warrants. The main feature of products included under "derivatives embedded in financial instruments" is that the embedded derivative components affect the payment flows for the entire product. Alongside risk characteristics of transferable securities, the risk characteristics of derivatives and other techniques and instruments are also decisive.

Structured products may be used on the condition that they are transferable securities within the meaning of Article 2 of the Grand-Ducal Regulation of 8 February 2008.

### 4. Securities financing transactions

Securities financing transactions include, for example:

- Securities Lending Transactions
- Repurchase Agreements

#### 4.1 Transferable securities lending

No securities lending transactions are undertaken for the respective sub-fund.

#### 4.2 Securities repurchase agreements

No repurchase transactions are undertaken for the respective sub-fund.

### 5. Currency futures contracts

The Management Company may enter into currency futures contracts for the respective sub-fund.

Currency futures contracts are unconditionally binding agreements for both contracting parties to buy or to sell a certain quantity of the underlying currency at a certain time - the due date - at a price agreed upon in advance.

### 6. Swaps

The Investment Manager may enter into swap transactions on behalf of the respective sub-fund in accordance with its investment principles.

A swap is an agreement between two parties whose subject is the exchange of cash flows, assets, income or risks. Swap transactions which can be entered into include but are not limited to; interest rate, currency, equity and credit default swaps.

An interest rate swap is a transaction in which two parties swap cash flows which are based on fixed or variable interest payments. The transaction can be compared to the adding of funds at a fixed rate of interest and the simultaneous allocation of funds at a variable interest rate, with the nominal sums of the assets not being swapped.

A currency swap is a swap that involves the exchange of principal and interest in one currency for the same in another currency.

Asset swaps, also known as "synthetic securities", are transactions that convert the earnings from a particular asset to another rate of interest (fixed or variable) or to another currency, by combining the asset (e.g. bond, floating rate note, bank deposit, mortgage) with an interest rate swap or currency swap.

An equity swap is the exchange of payment flows, value adjustments and/or income from an asset in return for payment flows, value adjustments and/or income from another asset in which at least one of the exchanged payment flows or income from an asset represents a share or a share index. The contracting parties should not be in a position to exert any influence on the composition or management of the sub-Fund's investment portfolio or the underlying assets of the derivatives.

a) Total return swaps or other derivatives with the same characteristics

For the sub-funds, the Management Company will not conduct total return swaps or other derivatives with the same characteristics.

## 7. Swaptions

A swaption is the right, but not the obligation, to enter into a swap based on specified conditions, at a given time or within a given period. In other respects, the principles for swaptions are the same as those for options set out above.

## 8. Techniques for the management of credit risks

The Management Company may also use credit default swaps ("CDS") for the respective sub-fund to ensure the efficient management of the respective sub-fund assets.

Within the market for credit derivatives, CDS represent the most widespread and the most significant instrument. CDS enable the credit risk to be separated from the underlying debtor-creditor relationship. This separate trading of default risks extends the range of possibilities for systematic risk and income management. With a CDS, a secured party (security buyer, protection buyer) can hedge against certain risks from a debtor-creditor relationship by paying a periodic premium for transferring the credit risk calculated on the basis of the nominal amount to a security provider (security seller, protection seller) for a defined period. This premium depends, among other things, on the quality of the underlying reference debtor(s) (i.e. their credit



risk). The transferred risks are defined in advance as so-called "credit events". As long as no credit events occur, the CDS seller does not have to render a performance. If a credit event does occur, the seller pays the predefined amount or the nominal value or an adjustment payment in an amount being the difference between the nominal sum of the reference assets and their market value after the credit event occurs ("cash settlement"). The buyer then has the right to tender an asset of the reference debtor which is specified in the agreement, whilst the buyer's premium payments are stopped as of this point. The respective sub-fund may act as a security provider or a secured party.

CDS are traded off-exchange (OTC market) so that more specific, non-standard requirements can be addressed for both counterparties - at the expense of lower liquidity.

The commitment of the obligations arising from the CDS must not only be in the exclusive interests of the relevant sub-fund but must also be in line with its investment policy. Both the loans underlying the CDS and the particular issuer must be taken into account for the purpose of the investment limits in accordance with Article 4 (5) of the Articles of Association.

CDS must be valued on a regular basis using reasonable and transparent methods. The Management Company and the auditor will monitor the reasonableness and transparency of the valuation methods. The Management Company will rectify any differences ascertained as a result of the monitoring procedure.

## 9. Remarks

The aforementioned techniques and instruments can, where appropriate, be amended by the Management Company if new instruments corresponding to the investment objective are offered on the market, which the respective sub-fund may apply in accordance with regulatory and statutory provisions.

The use techniques and instruments for efficient portfolio management may give rise to various direct/indirect costs, which are charged to the sub-fund's assets or reduce them. These costs may be incurred both in relation to third parties and parties associated with the Management Company or the Depositary Bank.

### ***Calculation of the net asset value per share***

The fund assets of the Investment Company are denominated in Euro (EUR) ("reference currency").

The value of a share ("net asset value per share") is denominated in the currency laid down in the Annex to the Sales Prospectus ("sub-fund currency"), insofar as no other currency is stipulated for this or any other share classes in the respective Annex to the Sales Prospectus ("share class currency").

The net asset value per share is calculated by the Management Company, or a third party commissioned for this purpose, under the supervision of the Depositary Administrator Bank, on each day stated in the Annex to the relevant sub-fund ("Valuation Day"). In order to calculate the net asset value per share, the value of the assets of each (sub-)fund less the liabilities of the respective (sub-

)fund is determined on each valuation date ("net (sub-)fund assets") Further details concerning the calculation of the net asset value per share are specified in Article 12 of the Articles of Association.

### ***Issue of shares***

1. Shares are always issued on the initial issue date of a sub-fund or within the initial issue period of a sub-fund at a set initial issue price, plus the front-load fee (if any), in the manner described in the relevant sub-fund Annex to this Sales Prospectus. In conjunction with this initial issue amount or this initial issue period, shares will be issued on the Valuation Day at the issue price. The issue price is the net asset value per share pursuant to Article 12 (4) of the Articles of Association, plus a front-load fee (if any), the maximum amount of which is stated for each sub-fund in the relevant Annex to this Sales Prospectus. The issue price can be increased by fees or other encumbrances in particular countries where the sub-fund is on sale.
2. Subscription orders for the acquisition of registered shares may be submitted to the Management Company and any sales agent. The receiving agents are obliged to immediately forward all subscription orders to the registrar and transfer agent. Receipt by the registrar and transfer agent is decisive. This agent accepts the subscription orders on behalf of the Management Company.

Purchase orders for the acquisition of units certified in the form of global certificates ("bearer units") are forwarded to the registrar and transfer agent by the entity at which the subscriber holds his investment account ("reference agent"). Receipt by the registrar and transfer agent is decisive.

Completed subscription applications are only deemed as accepted on the date they are received by the Relevant Agent, which accepts the subscription applications on behalf of the Investment Company.

Complete subscription orders for registered shares or purchase orders of bearer shares received by the Relevant Agent no later than 2.00 pm CET/CEST on a Valuation Day are allocated the issue price published on the following Valuation Day, provided the equivalent transaction value for the subscribed shares is available. The Management Company will in all cases ensure that shares will be issued on the basis of a net asset value per share that is previously unknown to the investor or shareholder. If there is suspicion that an investor or shareholder is engaging in late trading, the Management Company reserves the right to reject the subscription order/purchase until the applicant has cleared up any doubts with regard to his subscription order/purchase order. Complete subscription orders for registered shares or purchase orders of bearer shares received by the relevant agent after 2.00 pm CET/CEST on a Valuation Day are rolled over to the following Valuation Day.

If the equivalent value of the registered shares to be subscribed is not available at the Relevant Agent at the time of receipt of the completed subscription application or if the subscription application is incorrect or incomplete, the subscription application shall be regarded as having been received at the Relevant Agent on the date on which the equivalent of the subscribed shares is available and the subscription application is submitted properly.

The bearer shares are transferred step by step by the Registrar and Transfer Agent after accounting through payment/delivery transactions, i.e. against payment of the agreed investment amount to the agent with whom the subscriber holds his custody account.

A Business Day is a day on which banks are normally open for business in Luxembourg and London.

3. The issue price is payable at the Depositary in Luxembourg in the respective (sub-)fund currency or, if there are several share classes, in the respective share class currency, within the number of banking days (specified in the Annex to the respective sub-fund) after the corresponding valuation day.
4. The circumstances under which the issue of shares may be suspended are specified in Article 15 of the Articles of Association.

The Board of Directors may accept full or partial subscriptions in kind at its absolute discretion. Any investments to be transferred for the purpose of any subscription in specie must be in accordance with the investment policy and restrictions of the fund. Any associated transfer costs or fees may be charged to the investor. These investments may also be subject to audit by the auditor assigned by the Board of Directors.

### ***Redemption and exchange of shares***

1. Shareholders are entitled at all times to apply for the redemption of their shares at the net asset value per share, less a redemption charge if applicable, ("redemption price") in accordance with Article 12 (4) of the Articles of Association. Units will only be redeemed on a Valuation Day. If a redemption charge is payable, the maximum amount of this redemption charge for each sub-fund is specified in the relevant Annex to this Sales Prospectus.

In certain countries the redemption price may be reduced by local taxes and other charges. The corresponding share lapses upon payment of the redemption price.

2. Payment of the redemption price and all/any other payments to shareholders are made via the Depositary or the paying agents. The Depositary shall not be obliged to make payment where there are any legal prohibitions, such as exchange control regulations, or other circumstances beyond the Depositary's control forming an obstacle to the transfer of the redemption price to the country of the applicant.

The Management Company may buy back shares unilaterally against payment of the redemption price, provided this is in the interests of or in order to protect the shareholders, the Investment Company or one or more sub-funds.

3. The exchange of all shares or some shares into shares of another sub-fund may take place based on the relevant net asset value per share of the respective sub-fund subject to an exchange fee amounting to a maximum of 1% of the net asset value per share of the shares to be subscribed, the minimum being the difference between the front-load fee of the sub-fund of the shares to be exchanged and the front-load fee of the sub-fund into which there is an exchange. If no

exchange fee is charged, this is specified in the relevant Annex to this Sales Prospectus for the sub-fund in question.

If various share classes are offered within a sub-fund, shares of one class may be exchanged for shares of another class both within the same sub-fund and from one sub-fund into another. No exchange fee is applied if an exchange is made within a single sub-fund.

The Management Company may reject an application by an investor for the exchange of shares within a particular sub-fund, if this is deemed in the interests of the Investment Company or the sub-fund or in the interests of the shareholders.

4. Complete orders for the redemption or exchange of registered shares can be submitted to the Management Company, any sales agent or the paying agents. The receiving agents are obliged to immediately forward the redemption or exchange orders to the Registrar and Transfer Agent.

An order for the redemption or exchange of registered shares shall only be deemed complete if it contains the name and address of the shareholder, the number and/or equivalent value of the shares to be redeemed or exchanged, the name of the (sub-)fund and the signature of the shareholder.

Complete sales orders for the redemption of bearer shares will be forwarded to the Registrar and Transfer Agent by the agent with whom the shareholder holds his custody account.

Complete applications for the redemption and/or exchange of shares received no later than by 2.00 pm CET/CEST on a Valuation Day are allocated the net asset value per share published on the following Valuation Day, less any applicable redemption charge and/or exchange fee. The Management Company shall ensure in all cases that shares are redeemed on the basis of a net asset value per share that is previously unknown to the shareholder. Complete applications for the redemption and/or exchange of shares received after 2.00 pm CET/CEST on a Valuation Day are rolled over to the following valuation day, less any applicable redemption charges and/or exchange fees.

The time of receipt of the redemption/sales order or exchange order by the Registrar and Transfer Agent shall be decisive.

The redemption price is payable in the respective sub-fund currency or, if there are several share classes, in the respective share class currency, within the number of bank working days specified in the Annex to the sub-fund after the relevant valuation day. In the case of registered shares, payment is made to the account specified by the shareholder.

5. The Management Company is obliged to suspend the redemption of shares temporarily due to the suspension of the calculation of the net asset value.
6. The Management Company shall ensure that each sub-fund has sufficient liquid funds so that under normal circumstances the redemption or exchange of shares may take place immediately upon application from investors. Bearing in mind the interests of shareholders, the Management Company is entitled to defer significant volumes of redemptions until corresponding

assets of the relevant sub-fund are sold without delay. In this case, pending redemptions shall occur at the redemption price applicable at the time. The same shall apply to applications to exchange shares.

## ***Risk remarks***

### ***Risk Factors***

#### **Market risk**

Certain investments made by a sub-fund will be subject to normal market fluctuations and the risks inherent in investment in equity securities and similar instruments and there can be no assurance that appreciation will occur.

#### **Taxation**

Any change in taxation legislation in any jurisdiction in which a sub-fund invests or in which portfolio companies operate could affect the value of the investments held by a sub-fund or a sub-fund's ability to achieve its investment objective or alter the post tax returns to Shareholders and Subscription Shareholders.

#### **Transaction Costs**

A sub-fund's investment approach may involve a high level of investment activity which may generate substantial transaction costs that would be borne by a sub-fund.

#### **Undervalued Securities**

A sub-fund may make investments in securities which the Investment Manager believes to be undervalued or the value of which is likely to increase due to the likelihood of the securities being listed; however, there can be no assurance that the securities purchased will in fact be undervalued or that they will be listed on a market. In addition, a sub-fund may be required to hold such securities for a substantial period of time before realising their anticipated value. During this period, a portion of a sub-fund's capital would be committed to the securities purchased, thus possibly preventing a sub-fund from investing in other opportunities.

#### **Valuation uncertainty**

A sub-fund's investments in unquoted investments are valued by the Board of Directors after due consideration of a variety of factors including the investee company's resources, reserve estimates, associated operating and cost projections, market prices for products produced and comparison with comparable transactions and listed companies multiples. A sub-fund's investment valuation method is reliant on the accuracy and completeness of information that is issued by such companies. In particular, the Board of Directors may not be aware of or take into account certain events or circumstances which occur after the information issued by such companies is reported.

Securities and investments that do not have a readily ascertainable value will be valued as the Board of Directors, in their sole discretion, determine in good faith as being fair value in accordance with Luxembourg GAAP having regard to such factors as they deem relevant. This may include the

development of methodologies involving the use of financial models driven by financial inputs from the underlying investments and/or similar quoted investments (such models and inputs may be provided by the Investment Manager). The pricing policy for such securities will be consistently applied over the life of the relevant investment, unless the Board of Directors considers such price does not accurately reflect fair value. Investors should be aware that in these circumstances a possible conflict of interest may arise as, the higher the estimated value of such investments, the higher the fees which may be payable to the Investment Manager.

Companies in which a sub-fund invests may, after they have provided a sub-fund with a financial report or other information, later revise the report or other information. In the event that information accepted by a sub-fund subsequently proves to be incorrect, no retrospective adjustment to any previously announced Net Asset Value or Net Asset Value per Share of a sub-fund will be made.

### **Derivative instruments**

A sub-fund may make use of derivative instruments, such as options, financial futures and contracts for difference, in pursuit of its investment objective and for the management of risk within limits set by the Directors. The use of derivatives gives rise to a number of specific potential risks. Derivative instruments can be highly volatile and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract or the underlying securities may result in a profit or loss which is high in proportion to the amount of funds actually placed as initial margin and may result in further loss exceeding any margin deposited. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses.

Furthermore, the use of derivative instruments involves certain special risks, including: (i) dependence on movements in the price of underlying securities and movements in interest rates; (ii) when used for hedging purposes, an imperfect correlation between the returns on the derivative instruments used for hedging and the returns on the investments or market sectors being hedged; and (iii) credit exposure to the counterparty to the trade or contract.

Trading in derivatives markets may be unregulated or subject to less regulation than in other markets. Derivatives markets are, in general, relatively new markets and there are uncertainties as to how these markets will perform during periods of unusual price volatility or instability, market liquidity or credit distress.

### **Interest rate risk**

Investing in securities at a fixed rate of interest entails the possibility that the current interest rate at the time of issuance of a security could change. If the current interest rate increases as against the interest at the time of issue, fixed rate securities will generally decrease in value. Conversely, if the current interest rate falls, fixed rate securities will increase. These developments mean that the current yield of fixed rate securities roughly corresponds to the current interest rate. However, such fluctuations can have different consequences, depending on the maturity time of fixed rate securities. Fixed rate securities with shorter maturity times carry lower price risks than fixed rate securities with longer maturity times. On the other hand, fixed rate securities with shorter maturity times generally have lower yields than fixed rate securities with longer maturity times.

### **Risk of negative deposit rates**

The Management Company invests the liquid assets of the Fund with the Depository or other financial institutions on behalf of the Fund. An interest rate is agreed for some of these bank balances that corresponds to international interest rates, less an applicable margin. If these interest rates fall below the agreed margin, this leads to negative interest rates on the corresponding account. Depending on the development of the interest rate policy of each of the central banks, short, medium and long-term bank balances may all generate a negative interest rate at banks.

### **General market risk**

The assets in which the Investment Manager invests for the account of each sub-fund involves risks as well as opportunities for growth in value. If a sub-fund invests directly or indirectly in securities and other assets, it is subject to many market uncertainties, which are sometimes attributable to irrational factors, in particular on the securities markets. Losses can occur when the market value of the assets falls below the cost price. If a shareholder sells shares of the sub-fund at a time at which the value of assets in the sub-fund have decreased compared with the time of the share purchase, the shareholder will not receive the full amount invested in the sub-fund. Despite the fact that each sub-fund aspires to achieve constant growth, this cannot be guaranteed. However, the investor's risk is always limited to the amount invested. There is no additional funding obligation concerning the money invested.

### **Credit risk**

The creditworthiness of the issuer (its ability and willingness to pay) of a security or money-market instrument directly or indirectly held by a sub-fund may subsequently fall. This normally leads to a fall in the price of the respective financial instrument greater than that associated with general market fluctuations.

### **Company-specific risk**

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

### **Risk of Counterparty Default**

The issuer of a security held directly or indirectly by a sub-fund or the debtor of a claim belonging to a sub-fund may become insolvent. The corresponding assets of the sub-fund may become worthless as a result of this.

### **Counterparty risk**

In the case of transactions not conducted via a stock exchange or a regulated market (OTC transactions) or securities financing transactions, there is, in addition to the default risk, the risk that the counterparty to the transaction may fail to meet its obligations or fail to do so to the fullest extent. This applies in particular to transactions that use techniques and instruments. In order to reduce the counterparty risk associated with OTC derivatives and securities financing transactions, the

Management Company is authorised to accept collateral. This shall be carried out in accordance with the requirements of the ESMA Guidelines 2014/937. This collateral may take the form of cash, government bonds, bonds issued by public international bodies to which one or more EU Member States belong or covered bonds. Collateral in the form of cash may not be invested anew. All other collateral received is neither sold, reinvested nor pledged. The Management Company implements incremental valuation discounts (a "haircut strategy") for the collateral received, taking into account the specific characteristics of the collateral and the issuer. Details of the minimum haircuts applied depending on the type of collateral are shown in the following table:

<b>Collateral</b>	<b>Minimum haircut</b>
Cash (fund currency)	0%
Cash (foreign currency)	8%
Government bonds	0.50%
Bonds of of multilateral development banks	0.50%
Covered bonds	0.50%

Further details of the haircuts applied may be requested from the Management Company free of charge at any time.

Collateral received by the Management Company within the framework of OTC derivatives and securities financing transactions must, inter alia, meet the following criteria:

- i) Non-cash collateral should be sufficiently liquid and traded on a regulated market or a multilateral trading system.
- ii) The collateral will be monitored and valued daily in accordance with market value.
- iii) Securities which high price volatility should not be accepted without adequate haircuts (discounts).
- iv) The creditworthiness of the issuer should be high.
- v) Collateral must be sufficiently diversified by countries, markets and issuers. Collateral must be sufficiently diversified by countries, markets and issuers. Correlations between the collateral are not taken into account.
- vi) Any collateral which is not provided in cash must be issued by a company which is not affiliated with the counterparty.

There are no specifications for restricting the residual maturity of securities.

Information on the haircut strategy used may be requested from the Management Company free of charge at any time. The provision of collateral is based on individual contractual agreements between the counterparty and the Investment Company, in which, inter alia, the type and quality of collateral, haircuts, allowances and minimum transfer amounts are defined. The value of OTC



derivatives and received collateral is calculated on a daily basis. If, due to individual contractual agreements, an increase or decrease in collateral is necessary, this collateral shall be requested or claimed back from the counterparty. Information on the contractual arrangements may be requested from the Management Company free of charge at any time.

On behalf of the Fund, the Management Company may accept securities as collateral in the framework of derivatives and securities financing transactions. If these securities were pledged as collateral, they must be held in custody by the Depositary. If the Management Company has pledged the securities as collateral within the framework of derivative transactions, custody is at the discretion of the secured party.

### **Currency risk**

If a sub-fund directly or indirectly holds assets which are denominated in foreign currencies, unless the foreign currency positions are hedged, it shall be subject to currency risk. In the event of a devaluation of the foreign currency against the reference currency of the sub-fund, the value of the assets held in foreign currencies shall fall.

Unit classes that are not denominated in the relevant sub-fund currency may therefore be subject to a different currency risk. This currency risk may be hedged against the sub-fund currency on a case-by-case basis.

### **Industry risk**

If a sub-fund focuses its investments on specific industries (e.g. natural resources) this shall reduce the benefits of diversification. As a result, the sub-fund shall be particularly dependent on both the general development and the development of the company profits of individual industries or influential industries.

Natural Resources are extremely vulnerable to unpredictable fluctuations of supply and demand, and hence the market price can be affected, possibly adversely. Examples of potentially influential factors on market price include periods of political, economic or financial instability.

### **Country and regional risk**

If a sub-fund focuses its investment on specific countries or regions, this shall also reduce the risk diversification. Accordingly, the sub-fund shall be particularly dependent on the development of individual or mutually interlinking countries and regions, and on companies which are located and/or are active in these countries or regions.

The production of some commodities can be concentrated in geographic regions or specific countries, and as such the impact of natural, political or social factors can have a significant effect.

### **Risk due to force majeure**

Force majeure is defined as events that cannot be controlled by the persons affected. These include serious road traffic accidents, pandemics, earthquakes, floods, hurricanes, nuclear accidents, war and terrorism, design and construction defects beyond the Fund's control, environmental

legislation, general economic circumstances or industrial disputes. If a sub-fund is affected by one or more events of force majeure, this may result in losses to or even total loss of that sub-fund.

### **Legal and tax risk**

The legal and tax treatment of the Fund may change in unforeseeable and uncontrollable ways.

### **Country and transfer risk**

Economic or political instability in countries in which the sub-fund invests may mean that a sub-fund does not receive, in whole or in part, the monies owing to it due to the insolvency of the issuer of the respective security or other form of assets. The reasons for this may include, for example, currency or transfer restrictions or other forms of legal restriction.

### **Emerging Markets Risk**

A sub-fund is likely to invest in natural resources companies which are located in emerging markets. It should be noted that some governments exercise substantial influence over the private sector, and the political risk for many developing countries is a significant factor. In adverse social and political circumstances, governments have been involved in policies of expropriation, confiscatory taxation, nationalisation, intervention in the securities market and trade settlement, and imposition of foreign investment restrictions and exchange controls, and these could be repeated in the future.

Generally accepted accounting, auditing and financial reporting practices in emerging markets may be significantly different from those in developed markets. These markets are often less rigorously regulated than more mature markets and, as such, the accuracy of this information may not be as reliable. Trading volumes in these markets, when compared with more mature markets, can be lower, which could result in lack of liquidity and greater price volatility.

Practices in relation to settlement of listed securities transactions in emerging markets involve higher risks than those in developed markets, in part because a sub-fund may need to use brokers and counterparties that are less well capitalised, and custody, registration and title of assets in some countries may be less reliable.

### **Liquidity risk**

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

### **Custody risk**

A risk of loss is associated with the custody of assets, which may result from insolvency or violations of due diligence on the part of the Depositary or a sub-depositary, or by external events.

### **Inflation risk**

Inflation risk involves the risk of asset losses as a result of the devaluation of the currency. Inflation will reduce the income of a sub-fund as well as the value of the asset in terms of its purchasing power. A number of currencies are subject to inflation risk to varying degrees.

### **Concentration risk**

Additional risks may be incurred if the investments are concentrated in certain assets or markets. In these cases, events affecting these assets or markets may have a greater impact on the Fund's assets and cause comparably greater losses than would be the case with a more diversified investment policy.

### **Performance risk**

Positive performance cannot be ensured without a guarantee issued by a third party. Furthermore, assets acquired for a (sub-)fund may perform differently than anticipated upon acquisition.

### **Settlement risk**

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

### **Risk of liquidation**

Particularly relevant to unlisted securities, there is a risk of non-settlement or settlement not taking place as expected due to a delay in payment or delivery of securities or the payment or delivery not taking place in the agreed manner.

### **Risks arising from the use of derivatives and other techniques and instruments**

The leverage effect of option privilege may result in a greater impact on the value of the respective sub-fund's assets - both positive and negative - than would otherwise be the case with the direct use of securities and other assets and the use of derivatives creates special risks.

Financial futures which are used for purposes other than hedging involve considerable opportunities and risks, as only a fraction of the contract value (the margin) needs to be put down.

Price changes may therefore lead to substantial profits or losses. As a result, the risk and the volatility of the relevant sub-fund may increase.

Depending on the structure of swaps, the value thereof can be affected by any future change in the market interest rate (interest rate risk), counterparty insolvency (counterparty risk) or changes in the underlying reference security. Any future (value) changes to the underlying payment flows, assets, income or risks may lead to gains as well as losses for the relevant sub-fund.

Techniques and instruments are associated with specific investor risks and liquidity risks.

Since the use of derivatives embedded in financial instruments can be associated with a leverage effect, the use thereof can lead to strong fluctuations – both positive and negative – in the value of the sub-fund/Fund assets.

### **Risks related to receiving and providing collateral**

The Management Company receives or provides collateral for OTC derivatives and securities financing transactions. The value of OTC derivatives and securities financing transactions is subject to change. There is a risk that the collateral received may no longer be enough to fully cover the entitlement of the Management Company against the counterparty for delivery or return. To minimise this risk, as part of collateral management, the Management Company shall, on a daily basis, reconcile the value of the collateral with the value of the OTC derivatives and securities financing transactions and request additional collateral in agreement with the counterparty.

This collateral may take the form of cash, government bonds, bonds issued by public international bodies to which one or more EU Member States belong or covered bonds. However, the credit institution where the cash is held might default. Government bonds and bonds issued by international bodies can decrease in value. If the transaction is cancelled, the invested collateral could no longer be fully available, despite taking haircuts into account and despite the Management Company's obligation to return it in the original amount on behalf of the Fund. To minimise this risk, as part of collateral management, the Management Company shall, on a daily basis, determine the value of the collateral and agree additional collateral if there is increased risk.

### **Risks associated with target funds**

The risks of units of target funds acquired for each sub-fund are closely connected with the risks of the assets in such target funds and/or the investment strategies pursued by them. However, these risks may be reduced by diversifying the assets in the investment funds whose units are acquired, as well as through diversification within this (sub-)fund itself.

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

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

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

Open-end investment funds, units of which are acquired for the Fund, may also temporarily suspend the redemption of units. The Management Company would then be prevented from disposing of the units in the target fund by returning them to the Management Company or depository of the target fund against payment of the redemption price.

Furthermore, fees may be incurred at the level of the target fund upon the acquisition of target fund units. This would result in double charging when investing in target funds.

### **Risk of redemption suspension**

Shareholders may, in principle, request the redemption of their shares from the Management Company, in accordance with the provisions outlined above for the redemption of shares. The Investment Company may temporarily suspend the redemption of the units in the event of exceptional circumstances and then redeem the units at a later point at the price applicable at that time (see also Article 13 of the Articles of Association, "Suspension of the calculation of the net asset value per share" and Article 16 of the Articles of Association "Redemption and exchange of shares"). This redemption price may be lower than the price before the suspension of the redemption.

The Investment Company in particular may be forced to suspend redemptions if one or more funds whose units have been acquired by a sub-fund suspend(s) the redemption of their units, and such units make up a significant proportion of the sub-fund's net assets.

### **Sustainability risks**

Sustainability risk is defined as the materialisation of an environmental, social or governance (hereinafter "ESG") event or condition which could have a material adverse effect – whether actual or potential – on the value of the investment and therefore on the performance of the sub-fund. Sustainability risks can have a significant impact on other types of risk, such as market price risks or counterparty default risks, and can substantially influence the risk within these risk types. Failure to take ESG risks into account could have a negative impact on returns in the long term.

### **Risks arising from the ESG strategy**

Where ESG criteria are made a component of the investment decision-making process for a sub-fund in accordance with its investment strategy, the choice of target investments may be limited, as may the performance of the sub-fund compared with funds that disregard ESG criteria. The decision as to which component is decisive from the point of view of overall risk and return is subject to the Fund management's subjective assessment.

### **Potential conflicts of interest**

The Management Company, its employees, representatives and/or associated companies may act as a member of the Board of Directors, Investment Adviser, Fund Manager, Central Administration Agent, registrar and transfer agent or as any other service provider on behalf of the Fund/sub-funds. The role of the Depositary or sub-custodian entrusted with depositary functions can also be carried out by an associated company of the Management Company. If there is an association between the Management Company and the Depositary, they shall have appropriate structures to avoid any conflicts of interest arising from this association. If conflicts of interest cannot be avoided, the Management Company and the Depositary shall identify, manage, monitor and disclose these conflicts. The Management Company is aware that conflicts of interest may arise as a result of the various activities it carries out with respect to the management of the Fund/sub-fund. In accordance with the Law of 17 December 2010 and the applicable administrative provisions of the CSSF, the Management Company has put in place adequate and appropriate organisational structures and control

mechanisms. In particular, it acts in the best interest of the funds/sub-funds. The potential conflicts of interest arising from the delegation of tasks are described in the *principles for handling conflicts of interest*. These can be found on the Management Company's website ([www.ipconcept.com](http://www.ipconcept.com)). If a conflict of interest arises that adversely affects the interests of the investors, the Management Company shall disclose the general nature and/or sources of the existing conflict of interest on its website. When outsourcing tasks to third parties, the Management Company ensures that the third parties have taken the necessary measures for complying with all requirements pertaining to organisational structure and the prevention of conflicts of interest, as set forth in the applicable Luxembourg laws and regulations, and that these third parties monitor compliance with these requirements.

## ***Risk profile***

The investment funds managed by the Management Company are classified into one of the following risk profiles. The risk profile for each sub-fund can be found in the Annex for the respective sub-fund. The descriptions of the following profiles have been prepared under the assumption of normally functioning markets. In unforeseen market situations, non-functioning markets may result in additional risks beyond those listed below.

### Risk profile - Safety-oriented

The sub-fund is appropriate for safety-oriented investors. Due to the composition of the net sub-fund assets, there is a relatively low degree of risk but also a correspondingly lower degree of profit potential. The risks may consist in particular of currency risk, credit risk and price risk, as well as market interest rate risks.

### Risk profile - Conservative

Such a sub-fund is appropriate for conservative investors. Due to the composition of the sub-fund's assets, there is a moderate degree of risk but also a moderate degree of profit potential. The risks may consist in particular of currency risk, credit risk and price risk, as well as market interest rate risks.

### Risk profile - Growth-oriented

Such a sub-fund is appropriate for growth-oriented investors. Due to the composition of the sub-fund's assets, there is a high degree of risk but also a high degree of profit potential. The risks may consist in particular of currency risk, credit risk and price risk, as well as market interest rate risks.

### Risk profile - Speculative

Such a sub-fund is appropriate for speculative investors. Due to the composition of the sub-fund's assets, there is a very high degree of risk but also a very high profit potential. The risks may consist in particular of currency risk, credit risk and price risk, as well as market interest rate risks.

## ***Risk-management procedures***

The Management Company employs a risk-management procedure enabling it to monitor and assess the risk connected with investment holdings as well as their share in the total risk profile of the investment portfolio of the funds it manages at any time. In accordance with the Law of 17 December 2010 and the applicable supervisory requirements of the CSSF, the Management Company reports regularly to the CSSF about the risk-management procedures used. Within the framework of the risk-management procedure and using the necessary and appropriate methods, the Management Company ensures that the overall risk of the funds attributable to derivatives transactions in respect of any sub-fund does not exceed the equivalent net value of the sub-fund's portfolio. To this end, the Management Company makes use of the following methods:

- Commitment approach:

With the "commitment approach", the positions from derivative financial instruments are converted into their corresponding (possibly delta-weighted) underlying equivalents or nominal values. In doing so, the netting and hedging effects between derivative financial instruments and their corresponding underlying instruments are taken into account. The total of these underlying equivalents may not exceed the total net value of the relevant sub-fund's portfolio.

- VaR approach:

The value-at-risk (VaR) figure is a mathematical-statistical concept and is used as a standard risk measure in the financial sector. VaR indicates the possible loss of a portfolio that will not be exceeded during a certain period (the holding period) with a certain probability (the confidence level).

- Relative VaR approach:

With the relative VaR approach, the VaR of the Fund must not exceed the VaR of a reference portfolio by more than a factor dependent on the amount of the Fund's risk profile. The maximum permissible factor specified by the supervisory authority is 200%. The reference portfolio is essentially an accurate reflection of the Fund's investment policy.

- Absolute VaR approach:

With the absolute VaR approach, the VaR (99% confidence level, 20-day holding period) of the Fund may not exceed a portion of the Fund's assets dependent on the Fund's risk profile. The maximum permissible factor specified by the supervisory authority is 20% of the Fund assets.

For funds whose total risk is determined using the VaR approach, the Management Company estimates the anticipated leverage effect. Depending on market conditions, this degree of leverage may deviate from the actual value and may either exceed or be less than that value. Investors should note that no conclusions about the risk content of any sub-fund may be drawn from this data. In addition, the published expected degree of leverage is explicitly not to be considered an investment limit. The method used to determine the total risk and, if applicable, the disclosure of the benchmark portfolio and of the anticipated leverage effect, as well as its method of calculation, will be indicated in the specific Annex of the relevant sub-fund.

## ***Liquidity management***

The Management Company has drawn up written policies and procedures for the sub-fund to enable it to monitor the sub-fund's liquidity risks and ensure that the liquidity profile of the sub-fund's investments covers the sub-fund's underlying liabilities. On the basis of the investment strategy, the sub-fund's liquidity profile is as follows: A sub-fund's liquidity profile is determined in its entirety by its structure with regard to the sub-fund's assets and liabilities, as well as the investor structure and the redemption conditions set out in the sales prospectus.

The policies and procedures include the following:

- The Management Company monitors the liquidity risks that may arise at sub-fund or asset level. In doing so, it assesses the liquidity of the assets held in the sub-fund in relation to the sub-fund's assets and determines liquidity classes for this purpose. The assessment of liquidity includes analysing the trading volume, the complexity or other typical characteristics and, if necessary, assessing the quality of an asset.
- The Management Company monitors the liquidity risks that may arise as a result of increased investor demand for unit redemption or large-scale calls. In doing so, it forms expectations about net changes in funds, taking into account available information about past values from historical net changes in funds.
- The Management Company monitors the sub-fund's ongoing receivables and liabilities and assesses their impact on the sub-fund's liquidity situation.
- The Management Company has determined adequate limits for liquidity risks for the Fund. It monitors compliance with these limits and has established procedures in the event that the limits have been or may be exceeded.
- The procedures put in place by the Management Company ensure consistency between liquidity classes, liquidity risk limits and expected net changes in funds.

The Management Company regularly reviews these policies and updates them as appropriate.

The Management Company conducts regular stress tests, which it can use to assess the sub-fund's liquidity risks. The Management Company bases these stress tests on reliable, up-to-date quantitative information or – if required – qualitative information. This includes the investment strategy, redemption periods, payment obligations and periods during which assets may be sold, as well as specific information about historical events or hypothetical assumptions. The stress tests simulate a situation where the sub-fund assets lack liquidity or where there are an atypical number of redemption requests. They cover market risks and their effects, including margin calls and requirements for collateral or credit lines. They are performed at a frequency appropriate for the sub-fund and take account of the sub-fund's investment strategy, liquidity profile, investor profile and redemption policies.

## ***Taxation of the Investment Company and its sub-funds***

The Company's assets are not subject to taxation on their income and profits in the Grand Duchy of Luxembourg. The Company's assets are only subject to the "taxe d'abonnement" currently amounting to 0.05% p.a. A reduced "taxe d'abonnement" of 0.01% p.a. is applied to (i) the sub-funds or share classes, the shares of which are issued exclusively to institutional shareholders within the meaning of Article 174 of the Law of 17 December 2010, (ii) sub-funds whose sole purpose is to



invest in money market instruments, in time deposits with credit institutions or both. If the sub-fund invests in sustainable economic activities in accordance with Article 3 of Regulation (EU) 2020/852 (EU Taxonomy), a reduction of the "taxe d'abonnement" may be applied in accordance with Article 174(3) of the Law of 17 December 2010. The taxe d'abonnement is payable quarterly, based on the Company's net assets reported at the end of each quarter. The amount of the taxe d'abonnement is specified for each sub-fund or share class in the relevant Annex to the Sales Prospectus. An exemption from the "taxe d'abonnement" applies, inter alia, to the extent that the fund assets are invested in other Luxembourg investment funds, which in turn are already subject to the taxe d'abonnement.

Income received by the Fund (in particular interest and dividends) may be subject to withholding or investment tax in the countries in which the relevant (sub-)fund assets are invested. The Fund may also be taxed on realised or unrealised capital gains of its investments in the source country. Neither the Depositary nor the Management Company are obliged to collect tax certificates.

Interested parties and investors are recommended to find out about laws and regulations which are applied to the taxation of corporate assets, the subscription, the purchase, the ownership, the redemption or the transfer of shares and to call on the advice of external third parties, especially a tax adviser.

### ***Taxation of income from shares in the Investment Company held by the shareholder***

Shareholders who are or were not resident in the Grand Duchy of Luxembourg for tax purposes and have no permanent establishment or permanent representative there are not subject to Luxembourg income tax on their income or capital gains from their shares in the Fund.

Natural persons who are resident in the Grand Duchy of Luxembourg for tax purposes are subject to progressive Luxembourg income tax.

Companies that are resident in the Grand Duchy of Luxembourg for tax purposes are subject to corporation tax on the income from the fund units.

Interested parties and investors are recommended to find out about laws and regulations which are applied to the taxation of corporate assets, the subscription, the purchase, the ownership, the redemption or the transfer of shares and to call on the advice of external third parties, especially a tax adviser.

### ***Publication of the net asset value per share and the issue and redemption price***

The current net asset value per share and the issue and redemption price, as well as any other shareholder information, may be requested at any time from the registered office of the Investment Company, the Management Company, the Depositary and from the paying agents. The issue and redemption prices are also published on each Valuation Day on the Management Company's website ([www.ipconcept.com](http://www.ipconcept.com)).

## ***Disclosure of information to shareholders***

Shareholder information, particularly shareholder announcements, is published on the Management Company's website ([www.ipconcept.com](http://www.ipconcept.com)). In addition, announcements shall also be published in Luxembourg in the "RESA" and in the "Tageblatt" where there is a legal requirement to do so. Where units are sold in countries outside the Grand Duchy of Luxembourg, announcements will also be published in the appropriate required media where there is a legal requirement to do so.

The following documents are available for inspection free of charge during normal business hours on business days in Luxembourg at the registered office of the Management Company:

- Management Agreement;
- Articles of Association of the Management Company,
- Depositary Agreement;
- Agreement for the assumption of Central Administration, Registrar and Transfer Agent and Paying Agent functions;
- Investment Management Agreement;

The current Sales Prospectus, the KID as well as the annual and semi-annual reports for the Fund can be obtained free of charge from the Management Company's website ([www.ipconcept.com](http://www.ipconcept.com)). Hard copies of the current Sales Prospectus, the KID as well as the relevant annual and semi-annual reports for the Fund are also available free of charge from the registered office of the Management Company, the Depositary, the paying agents and any sales agents.

Shareholders can find information free of charge on the principles and strategies of the Management Company regarding the exercise of voting rights based on the assets held for the Fund at [www.ipconcept.com](http://www.ipconcept.com).

When implementing decisions regarding the acquisition or sale of assets for a sub-fund, the Management Company acts in the best interests of the investment fund. Information on the principles set by the Management Company in this regard can be found on [www.ipconcept.com](http://www.ipconcept.com).

If the loss of a deposited financial instrument is determined, the Management Company shall inform the investor immediately through the use of a durable medium. Refer to Article 37(12) of the Articles of Association for more information.

Shareholders may send questions, comments and complaints to the Management Company by post or via e-mail. Information on the complaint procedure can be downloaded free of charge from the Management Company's website ([www.ipconcept.com](http://www.ipconcept.com)).

Information on payments the Management Company receives from third parties or pays to third parties may be requested from the Investment Company or the Management Company free of charge at any time.

The Fund Manager shall take into account the principal adverse impacts of investment decisions on sustainability factors (Principal Adverse Impact – "PAI") as defined in Article 4(1)(a) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019.

Insofar as a consideration of the principal adverse effects on sustainability factors within the meaning of Article 7(1) of Regulation (EU) 2019/2088 is carried out for the relevant sub-fund, corresponding information on this is presented in the relevant Annex for the specific sub-fund. For further information, please visit the Fund Manager's website at [www.bakersteelcap.com](http://www.bakersteelcap.com)

The Management Company has determined and applies remuneration policies and practices that comply with the legal requirements, in particular the principles listed in Article 111ter of the Law of 17 December 2010. These practices and policies are compatible and consistent with the risk-management process defined by the Management Company and neither encourage the acceptance of risks that are incompatible with the risk profiles and the Articles of Association of the funds under its management nor prevent the Management Company from acting at its own discretion in the best interests of the Fund.

The remuneration policies and practices include fixed and variable portions of salaries and voluntary pension benefits.

The remuneration policies and practices apply to categories of employees, including senior management, risk bearers, employees with oversight functions and employees whose overall remuneration places them in the same income bracket as senior management and risk bearers, whose activities have a material influence on the risk profiles of the Management Company or the funds under its management.

The remuneration policies and practices are compatible with sound and effective risk management and are consistent with the business strategy, the objectives, values and interests of the Management Company and of the UCITS under its management and investors in such UCITS, as well as with any sustainability risks. Compliance with the remuneration principles, including the implementation thereof, shall be verified once a year. Fixed and variable components of the total remuneration are appropriately balanced, whereby the proportion of the fixed component of the total remuneration is high enough to provide complete flexibility with regard to the variable remuneration components, including the possibility of waiving the payment of a variable component. Performance fees are based on employees' qualifications and skills as well as their level of responsibility and contribution towards the Management Company's added value. Where applicable, performance is assessed under a multi-year framework that is appropriate for the holding period recommended to investors in the UCITS managed by the Management Company. This ensures that the assessment is based on the longer-term performance of the UCITS and its investment risks and that the actual payment of performance-related remuneration components is spread over the same period. The pension scheme is consistent with the business strategy, the objectives, values and long-term interests of both the Management Company and the UCITS under its management.

Details of the up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identities of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists, may be downloaded free of charge from the Management Company's website

(www.ipconcept.com). A hard copy will be made available free of charge to shareholders on request.

### ***Information for shareholders in the United States of America***

The Fund's units are not, have not and will not be authorised in accordance with the *U.S. Securities Act of 1933* (the "**Securities Act**") in its latest version or under the stock market regulations of individual Federal States or local authorities of the United States of America or its territories or possessions either in the ownership or under the jurisdiction of the United States of America, including the Commonwealth of Puerto Rico (the "**United States**"), or otherwise registered or transferred, offered or sold directly or indirectly to or in favour of a U.S. person, as defined in the Securities Act.

The Fund is and will not be authorised or registered under the *Investment Company Act of 1940* (the "**Investment Company Act**") in its latest version or in accordance with the laws of individual Federal States of the USA and investors have no claim to the benefit of registration under the Investment Company Act.

In addition to the other requirements set out in the prospectus, management regulations/articles of association or the subscription form, investors must (a) not be "U.S. persons" within the meaning of the definition of Regulation S of the Securities Act, (b) not be "Specified U.S. persons" as defined in the *Foreign Account Tax Compliance Act* ("**FATCA**"), (c) be "non-U.S. persons" within the meaning of the Commodity Exchange Act and (d) not be U.S. persons within the meaning of the *US Internal Revenue Code* of 1986 in its latest version (the "**Code**") and in accordance with the *Treasury Regulations* enacted pursuant to the Code. If you require further information, please contact the Management Company.

Persons who wish to acquire shares must give written confirmation that they meet the requirements of the previous paragraph.

FATCA was passed as part of the *Hiring Incentives to Restore Employment Act* of March 2010 in the United States. FATCA requires financial institutions outside the United States of America ("foreign financial institutions" or "FFIs") to provide information on an annual basis on *financial accounts*, which are directly and indirectly operated by *Specified U.S. persons* to the *US Internal Revenue Service (IRS)*. A withholding tax of 30% will be deducted from certain types of US income from FFIs which do not meet this obligation.

On 28 March 2014 the Grand Duchy of Luxembourg entered into an Intergovernmental Agreement ("**IGA**"), in accordance with model 1, and a related *Memorandum of Understanding* with the United States of America.

The Management Company and the Fund meet FATCA requirements.

The Fund's unit classes may be subscribed to by:

- (i) investors via a FATCA-compliant independent intermediary (*nominee*), or
- (ii) directly and indirectly by a sales agent (which only serves as an intermediary and does not act as a nominee) with the exception of:

- *Specified U.S. persons*

This investor group includes those U.S. persons who are classified by the United States government as at risk with regard to tax avoidance and tax evasion practices. However this does not affect, inter alia, listed companies, tax-exempt organisations, real estate investment trusts (REIT), trusts, US securities dealers or similar.

- *Passive non-financial foreign entities (or passive NFFE)*

This investor group generally refers to all NFFE, which do not qualify as excepted NFFE.

This includes, for example, non-US family trusts whose assets consist exclusively of financial investments, which are derived from passive assets and are managed by a person, rather than an external services company.

- *Non-participating Financial Institutions*

The United States of America grants this status due to the non-compliance of a financial institution which has not fulfilled stated conditions due to the breach of the terms of the respective country-specific IGAs within 18 months of first being advised.

If the Fund were to become subject to a withholding tax or reporting requirements or suffer other damages due to the absence of FATCA compliance by an investor, the Fund reserves the right, notwithstanding other rights, to enforce damages claims against the respective investor.

For any questions concerning FATCA and the FATCA status of the Fund, investors and potential investors are advised to contact their financial, tax and/or legal advisers.

## ***Information for investors with respect to the automatic exchange of information***

The automatic exchange of information pursuant to intergovernmental agreements and Luxembourg regulations (Law of 18 December 2015 transposing the automatic exchange of financial account information in tax matters) is transposed via Council Directive 2014/107/EU of 9 December 2014 as regards mandatory automatic exchange of information in the field of taxation, and the Common Reporting Standard, a reporting and due diligence process developed by the Organisation for Economic Co-operation and Development (OECD) for the international, automatic exchange of financial account information. The automatic exchange of information is transposed into Luxembourg law for the first time in the 2016 tax year.

For this purpose, reportable financial institutions provide information on applicants and reportable registers annually to the Luxembourg tax authorities (Administration des Contributions Directes in Luxembourg), which in turn forwards it to the tax authorities of the countries in which the applicant(s) is/are resident for tax purposes.

In particular, this involves the notification of:

- the name, address, tax identification number, country of domicile, date and place of birth of the each person subject to reporting obligations,
- register number,
- register balance or value,
- credited capital gains, including sales proceeds.

Reportable information for a specific tax year, which must be submitted to the Luxembourg tax authority by 30 June of the following year, shall be exchanged by 30 September of that year between the relevant financial authorities and for the first time in September 2017, based on the data for 2016.

Information for investors on tax disclosure obligations (DAC – 6)

According to the Sixth Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards the mandatory automatic exchange of information in the field of taxation on reportable cross-border arrangements ("DAC-6"), so-called intermediaries and, on a subsidiary basis, taxpayers are in principle obliged to report to their respective national tax authorities certain cross-border arrangements which exhibit at least one of the "hallmarks". The hallmarks describe tax features of a cross-border arrangement that make the arrangement reportable. EU Member States will exchange the reported information among themselves.

DAC 6 was to be transposed into national law by EU member states by 31 December 2019, with first application from 1 January 2021. All reportable cross-border arrangements implemented since the entry into force of DAC-6 on 25 June 2018 must be reported retroactively.

The Management Company intends to comply with any reporting obligation that may exist in this respect with regard to the sub-funds or its direct or indirect investments. This reporting obligation may include information on the tax arrangements and the investors with regard to their identity, in particular the name, residence and tax identification number of the investors. Investors may also be directly subject to this reporting obligation themselves. If investors wish to obtain advice on this subject, they are advised to consult a legal or tax advisor.

## ***Combating money laundering***

Pursuant to international regulations and the Luxembourg laws and regulations and including, but not limited to, the Law of 12 November 2004 on combating money laundering and the financing of terrorism, the Grand-Ducal Regulation of 1 February 2010, CSSF Regulation 12-02 of 14 December 2012 and CSSF circulars CSSF 13/556, CSSF 15/609, CSSF 17/650 and CSSF 17/661 relating to combating money laundering and the financing of terrorism, as well as all amendments thereto or subsequent regulations, all obligated parties are required to prevent undertakings for collective investment from being misused for the purposes of money laundering and financing terrorism. The Management Company or a third party commissioned by it may require an applicant to provide any document it considers necessary for establishing identity. The Management Company (or a third party commissioned by it) may also request any other information it needs to comply with the applicable statutory and regulatory provisions, including, but not limited to, the CRS and FATCA Law.

If an applicant does not provide the required documents in good time, in full or at all, the subscription order shall be rejected. With redemptions, incomplete documentation can delay payment of the redemption price. The Management Company is not responsible for delayed processing or failed transactions if the applicant has not provided the documents, in good time, in full or at all.

The Management Company (or a third party commissioned by it) may from time to time require investors to provide additional or updated documents relating to their identity in accordance with the applicable laws and provisions relating to their obligations to continuously monitor and check their customers. If these documents are not produced promptly, the Management Company is obliged and entitled to block the Fund units of the investors in question.

In order to implement Article 30 of Directive (EU) 2015/849 of the European Parliament and of the Council, what is referred to as the 4th EU Money Laundering Directive, the Law of 13 January 2019 on the establishment of a register of beneficial owners was adopted. This requires registered legal entities to report their beneficial owners to the register set up for this purpose.

As a "registered legal entity", investment companies and investment funds are also legally defined in Luxembourg.

For example, the beneficial owner as defined in the Law of 12 November 2004 is usually any natural person who holds or otherwise controls more than 25% of the shares or units of a legal entity.

Depending on the specific situation, this could lead to the end investors of the investment company or the investment fund having to be reported to the register of beneficial owners by name and further personal details. The following data of a beneficial owner can be viewed free of charge by anyone on the website of the "Luxembourg Business Registers" from 1 September 2019: Name, surname(s), nationality (nationalities), date and place of birth, country of residence and nature and extent of economic interest. The public inspection can only be limited after a case-by-case examination subject to a fee in exceptional circumstances.

## ***Data protection***

Personal data will be processed in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) and data protection laws applicable in Luxembourg (including, but not limited to, the Law of 2 August 2002 on the protection of personal data during data processing, as amended).

Thus, personal data provided in connection with investment in the Fund may be stored and processed on a computer by the Management Company on behalf of the Fund and by the Depositary acting as data controllers.

Personal data will be processed to process subscription and redemption orders, maintain the unit register, carry out the tasks of the above-mentioned parties and comply with applicable laws and regulations, in Luxembourg and other jurisdictions, including, but not limited to, applicable company law, laws and regulations to combat money laundering and the financing of terrorism, and tax law, such as FATCA (Foreign Account Tax Compliance Act), (CRS) Common Reporting Standard or similar laws and regulations (e.g. at OECD level).

Personal data shall only be made available to third parties if this is necessary for justified business interests, to exercise or defend legal claims before the courts, or if laws or regulations make such transmission compulsory. This can include disclosure to third parties such as government or supervisory authorities, including tax authorities and auditors in both Luxembourg and other jurisdictions.

Apart from the above-mentioned cases, in principle no personal data shall be transmitted to countries outside the European Union or the European Economic Area.

In subscribing to and/or holding units, investors – at least implicitly – give their consent to their personal data being processed as described above, and in particular to such data being disclosed to and processed by the above-mentioned parties, including affiliated companies in countries outside the European Union which may not provide the same protection as Luxembourg data protection law.

In this respect, investors acknowledge and accept that failure to transmit personal data required by the Management Company as part of their existing relationship with the Fund can prevent their continued involvement with the Fund and can lead to the Management Company reporting them to the competent Luxembourg authorities.

In this respect, investors acknowledge and accept that the Management Company will report all relevant information related to their investment in the Fund to the Luxembourg tax authorities, which will share this information with the competent authorities of the relevant countries or other approved jurisdictions pursuant to the CRS Law or corresponding European and Luxembourg legislation as part of an automatic procedure.

Where the personal data provided in relation to investment in the Fund include the personal data of the investor's (deputy) representatives, signatories or financial beneficiaries, it will be assumed that the investor has obtained the consent of those affected to their personal data being processed as described above, and in particular to their data being disclosed to and processed by the above-mentioned parties, including parties in countries outside the European Union which may not provide the same protection as Luxembourg data protection law.

In accordance with applicable data protection law, investors may request access to and rectification and deletion of their personal data. Such requests must be sent in writing to the Management Company. It will be assumed that investors will have informed the (deputy) representatives, signatories or financial beneficiaries whose personal data is processed of these rights.

Since the personal data are transmitted electronically and are available outside Luxembourg, the same level of confidentiality and protection as currently afforded by applicable data protection law in Luxembourg cannot be guaranteed as long as the personal data is located abroad, even if the above-mentioned parties have taken appropriate measures to ensure the confidentiality of such data.

Personal data will only be kept until the reason for processing the data is fulfilled, all the while observing the applicable statutory minimum retention periods.



## **Annex 1 A**

### **BAKERSTEEL GLOBAL FUNDS SICAV – Precious Metals Fund**

Supplementing and in derogation of Article 4 of the Articles of Association, the following provisions apply to the sub-fund:

#### **Investment objectives**

The investment objective of **BAKERSTEEL GLOBAL FUNDS SICAV – Precious Metals Fund** (“sub-fund” or “financial product”) is to achieve an appropriate return commensurate with the investment risk.

As a result of its specific investment policy, the sub-fund may be subject to pronounced cycles and widely varying conditions in stock markets. Based on the Investment Manager’s view of global supply and demand factors, the weightings within the portfolio may vary and, from time to time, a substantial portion of the Sub-Fund’s assets may be invested in any one country and/or in securities providing exposure to a specific category of precious metals.

The Investment Manager may use techniques such as fundamental analysis to assess growth and value potential. This means evaluating the financial condition and management of a company, its industry and the overall economy. As part of this evaluation, the Investment Manager may:

- analyse financial data and other information sources;
- assess the quality of management; and
- conduct company interviews, where possible.

The sub-fund is actively managed. The composition of the portfolio is established, regularly reviewed and adjusted where appropriate by the Investment Manager solely in accordance with the criteria set in the investment objectives / the investment policy. The sub-fund may be subject to performance fees, which are calculated by reference to the MSCI ACWI Select Gold Miners IMI Index [Bloomberg code: MXWDS1MI, Price Index] (the "Index"). The sub-fund’s investment universe is not limited to the index components. The sub-fund's performance may therefore differ significantly from that of the benchmark index.

In compliance with the Investment Manager's strategy sustainability risks, are taken into account in the investment decision-making process for this sub-fund. Where the sub-fund invests in corporate securities, these may only be acquired if the companies apply good corporate governance practices and do not fall under the general exclusion criteria.

Article 8 of Regulation (EU) 2019/2088 and Article 6 of Regulation (EU) 2020/852 (EU taxonomy) apply to this sub-fund.

**Further information in relation to the promotion of environmental and/or social characteristics and, where applicable, sustainable investment objectives by the Investment Manager in accordance with Article 8(1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6(1) of Regulation (EU) 2020/852 (EU Taxonomy) for this sub fund can be found in Annex 1.B of the Sales Prospectus.**

The performance of the individual share classes of the sub-fund can be viewed on the website of the Management Company.

**Past results offer no guarantee as to future performance. It cannot be guaranteed that the investment objective of the sub-fund will be achieved.**

### **Investment policy**

Subject to Article 4 of the Articles of Association, the following provisions shall apply to the sub-fund:

The sub-fund is an equity fund.

The sub-fund invests at least two thirds of its total assets in equity securities of businesses engaged in precious metals activities.

The sub-fund can invest up to one third of its total assets in other transferable securities which do not meet the above criteria, such as equities, bonds, money market, certificates, other structured products (e.g. reverse convertible bonds, warrant-linked bonds or convertible bonds. Contingent convertible bonds are excluded) and in units of UCITS and/or other UCIs as well as in liquid funds and fixed-term deposits. These certificates are for legally permitted underlyings such as equities, bonds, investment fund units, financial indices and currencies.

In general, the investment in liquid funds is limited to 20% of the net sub-fund assets, however, if considered appropriate due to exceptionally unfavourable market conditions, the net sub-fund assets may also be held in liquid funds within the legally permissible and tax-related investment restrictions in accordance with Article 4 of the Management Regulations (in the short term), and this means that this investment limit can be deviated from in the short-term. In addition, the net (sub-)fund assets may deviate (in the short term) from the above-mentioned investment focus, if considered appropriate due to exceptionally unfavourable market conditions, if in this case the investment focus is adhered to overall, including liquid funds.

Units in UCITS or other UCIs ("target funds") may be acquired up to a maximum limit of 10% of the sub-fund assets, making the sub-fund eligible as a target fund. There is no restriction on the permitted types of eligible target funds in terms of the target funds to be acquired for the sub-fund.

The sub-fund is able to acquire assets in a foreign currency and may therefore be subject to foreign currency exposure.

The sub-fund may use derived financial instruments ("derivatives") in order to achieve the aforementioned investment objectives as well as for investment and hedging purposes. In addition to option rights, this includes swaps and futures contracts on securities, money market instruments, financial indices within the meaning of Article 9 (1) of Directive 2007/16/EC and Article XIII of the ESMA Guidelines 2014/937, interest rates, exchange rates, currencies and investment funds pursuant to Article 41 (1) (e) of the Law of 17 December 2010. The tax restrictions on investments pursuant to Article 4 of the Articles of Association are taken into account. Derivatives may only be used within the limits specified in Article 4 of the Articles of Association. Further details on techniques and instruments can be found in the Sales Prospectus in the chapter entitled "Information on derivatives and other techniques and instruments"

For the sub-fund, the Management Company will not conduct total return swaps or other derivatives transactions with the same characteristics.

### Risk profile of the sub-fund

Speculative

The sub-fund is appropriate for speculative investors. Due to the composition of the sub-fund's assets, there is a very high degree of risk but also a very high profit potential. The risks may consist in particular of currency risk, credit risk and price risk, as well as market interest rate risks.

### Risk approach

Commitment approach:

The commitment approach methodology to calculate the global exposure will be used for the current sub-fund.

### Share Class information

ISIN	A USD A EUR A CHF A SGD D USD D EUR D GBP D CHF I USD I EUR I GBP S GBP S USD A2 EUR I2 EUR D2 EUR D3 EUR Incrementum D EUR D2 USD D3 USD D3 CHF X USD X EUR X GBP Z USD	LU1128909121 LU1128909394 LU1128909477 LU1128909717 LU1128909980 LU1128910137 LU1128910566 LU2294852020 LU1128910723 LU1128911291 LU1128912851 LU1278882136 LU1128913586 LU0357130854 LU0357130771 LU1672565543 LU1672644330 LU1923360660 LU2149392826 LU2149393121 LU2149393394 LU2547923495 LU2547923578 LU2547923651 LU2547923735
Securities No	A USD A EUR A CHF A SGD D USD D EUR D GBP D CHF I USD	A12FTZ A12FT0 A12FT1 A12FT3 A12FT4 A12FT5 A12FT7 A2QNK4 A12FT8

	I EUR I GBP S GBP S USD A2 EUR I2 EUR D2 EUR D3 EUR Incrementum D EUR D2 USD D3 USD D3 CHF X USD X EUR X GBP Z USD	A12FT9 A12FUB A14YJZ A12FUC A1CXBS A0Q2FR A2DWM9 A2DWNA A2PB5C A2P2C5 A2P2C6 A2P2C7 A3EZ0N A3EZ0P A3EZ0Q A3EZ0R
Initial subscription period:	A USD A EUR A CHF A SGD D USD D EUR D GBP D CHF I USD I EUR I GBP S GBP S USD D2 EUR D3 EUR Incrementum D EUR D2 USD D3 USD D3 CHF X USD X EUR X GBP Z USD	18 February, 2015 18 February, 2015 18 February, 2015 18 February, 2015 18 February, 2015 18 February, 2015 18 February, 2015 15 February, 2021 18 February, 2015 18 February, 2015 18 February, 2015 1 December 2015 18 February, 2015 12 October 2017 12 October 2017 8 March 2019 17 April 2020 30 April 2020 30 April 2020 30 January 2023 30 January 2023 30 January 2023 30 January 2023
First unit value: (plus front-load fee)	A USD A EUR A CHF A SGD D USD D EUR D GBP D CHF I USD I EUR I GBP S GBP S USD D2 EUR D3 EUR Incrementum D EUR D2 USD D3 USD	100.- USD 100.- EUR 100.- CHF 100.- SGD 100.- USD 100.- EUR 100.- GBP 100.- CHF 100.- USD 100.- EUR 100.- GBP 100.- GBP 100.- USD 100.- EUR 100.- EUR 100.- EUR 100.- EUR 100.- USD 100.- USD

	D3 CHF X USD X EUR X GBP Z USD	100.- CHF 100.- USD 100.- EUR 100.- GBP 100.- USD
Payment of the initial issue price	A USD A EUR A CHF A SGD D USD D EUR D GBP D CHF I USD I EUR I GBP S GBP S USD D2 EUR D3 EUR Incrementum D EUR D2 USD D3 USD D3 CHF X USD X EUR X GBP Z USD	24 February, 2015 24 February, 2015 24 February, 2015 24 February, 2015 24 February, 2015 24 February, 2015 24 February, 2015 24 February, 2015 18 February, 2021 24 February, 2015 24 February, 2015 24 February, 2015 7 December 2015 24 February, 2015 17 October 2017 17 October 2017 13 March 2019 22 April 2020 6 May 2020 6 May 2020 2 February 2023 2 February 2023 2 February 2023 2 February 2023
Payment of the issue and redemption prices	Within 3 Business days	
Share class currency	A USD A EUR A CHF A SGD D USD D EUR D GBP D CHF I USD I EUR I GBP S GBP S USD A2 EUR I2 EUR D2 EUR D3 EUR Incrementum D EUR D2 USD D3 USD D3 CHF X USD X EUR X GBP Z USD	USD EUR CHF SGD USD EUR GBP CHF USD EUR GBP GBP USD EUR EUR EUR EUR EUR USD USD CHF USD EUR GBP USD
Sub-fund currency	EUR	

Calculation of the share value	Every Business day in the Grand Duchy of Luxembourg and London, with the exception of 24 and 31 December	
Type of certificates	Bearer shares are exclusively certificated by global certificates; registered shares are entered in the share register.	
Denominations	Bearer and registered shares will be issued with up to three decimal places	
Application of income	Reinvesting	
Minimum initial investment	A USD	0.- USD
	A EUR	0.- EUR
	A CHF	0.- CHF
	A SGD	0.- SGD
	D USD	0.- USD
	D EUR	0.- EUR
	D GBP	0.- GBP
	D CHF	0.- CHF
	I USD	10,000,000.- USD*
	I EUR	10,000,000.- EUR*
	I GBP	10,000,000.- GBP*
	A2 EUR	0.- EUR
	D2 EUR	0.- EUR
	D3 EUR	1,000,000.- EUR*
	Incrementum D EUR	250,000.- EUR*
	D2 USD	0.- USD
	D3 USD	1,000,000.- USD*
D3 CHF	1,000,000.- CHF*	
X USD	50,000,000.- USD*	
X EUR	50,000,000.- EUR*	
X GBP	50,000,000.- GBP*	
Z USD	0 USD*	
Minimum subsequent investment	A USD	0.- USD
	A EUR	0.- EUR
	A CHF	0.- CHF
	A SGD	0.- SGD
	D USD	0.- USD
	D EUR	0.- EUR
	D GBP	0.- GBP
	D CHF	0.- CHF
	I USD	10,000.- USD*
	I EUR	10,000.- EUR*
	I GBP	10,000.- GBP*
	A2 EUR	0.- EUR
	D2 EUR	0.- EUR
	D3 EUR	10,000.- EUR*
	Incrementum D EUR	0.- EUR
	D2 USD	0.- USD
	D3 USD	10,000.- USD*
D3 CHF	10,000.- CHF*	
X USD	10,000,000.- USD*	
X EUR	10,000,000.- EUR*	
X GBP	10,000,000.- GBP*	
Z USD	0 USD*	
Savings plans for registered shares which are recorded in the unit register	not allowed	
Savings plans for bearer shares which are contained in a bank custody account	You can obtain information from the institution that maintains your custody account	

Withdrawal plans for registered shares which are recorded in the unit register	not allowed
Withdrawal plans for bearer shares which are contained in a bank custody account	You can obtain information from the institution that maintains your custody account
Financial year end of the Investment Company	31. December
First financial year end of the sub-fund	31. December 2008
Semi-annual report (unaudited)	30. June
Annual report (audited)	31. December
Taxe d'abonnement	0.05% p.a.

\* The Management Company is authorised to accept lower amounts at its discretion.

### Special features for the unit classes listed below – Authorisation to subscribe

Share class Z USD is only intended for investors who have entered into an agreement with Baker Steel Capital Managers LLP and/or the Management Company and to investors subscribing via Distributors selected by the Management Company. Any investor/distributor has to register shares directly with the TA. All other subscription applications for the purchase of shares of the class are rejected in line with article 15(1) of the Articles of Association.

Share classes I2 EUR, S USD and S GBP are closed for subscriptions for new investors.

The sub-fund is established for an indefinite period of time.

### Costs which are reimbursed from the sub-fund's assets

#### 1. Management Company fee

In consideration for the management of the sub-fund, the Management Company receives a fee of up to 0.10% p.a. of the net assets of the sub-fund. This fee is calculated on a pro rata basis based on the Fund's average net assets during the calendar month and paid in arrears at the end of each month. The Management Company also receives a fixed fee of up to EUR 1,000.00 per month (reduced to EUR 500.00 during the first 18 months).

In consideration for the handling of sales agreements and portfolio commissions, the Management Company receives a fee of up to EUR 300.00 per month per share class plus up to 0.0075% of commissionable holdings of the sub-fund only.

Value added tax will be added to these fees as applicable.

#### 2. Investment Management fee

For share classes A USD, A EUR, A CHF, A SGD:

The Investment Manager receives a total fee of up to 1.75% p.a. of the net assets of the sub-fund. This fee is calculated on a pro rata basis based on the Fund's average net assets during the calendar month and paid in arrears at the end of each month.

For share classes D USD, D EUR, D GBP, D CHF:

The Investment Manager receives a total fee of up to 1.25% p.a. of the net assets of the sub-fund. This fee is calculated on a pro rata basis based on the Fund's average net assets during the calendar month and paid in arrears at the end of each month.

For share classes I USD, I EUR, I GBP:

The Investment Manager receives a total fee of up to 0.90% p.a. of the net assets of the sub-fund. This fee is calculated on a pro rata basis based on the Fund's average net assets during the calendar month and paid in arrears at the end of each month.

For share class S USD, S GBP:

The Investment Manager receives a total fee of up to 0.85% p.a. of the net assets of the sub-fund. This fee is calculated on a pro rata basis based on the Fund's average net assets during the calendar month and paid in arrears at the end of each month.

For share class A2 EUR:

The Investment Manager receives a total fee of up to 2.40% p.a. of the net assets of the sub-fund. This fee is calculated on a pro rata basis based on the Fund's average net assets during the calendar month and paid in arrears at the end of each month.

For share class I2 EUR:

The Investment Manager receives a total fee of up to 1.20% p.a. of the net assets of the sub-fund. This fee is calculated on a pro rata basis based on the Fund's average net assets during the calendar month and paid in arrears at the end of each month.

For share class D2 EUR, D2 USD:

The Investment Manager receives a total fee of up to 1.50% p.a. of the net assets of the sub-fund. This fee is calculated on a pro rata basis based on the Fund's average net assets during the calendar month and paid in arrears at the end of each month.

For share class D3 EUR, D3 USD, D3 CHF:

The Investment Manager receives a total fee of up to 1.15% p.a. of the net assets of the sub-fund. This fee is calculated on a pro rata basis based on the Fund's average net assets during the calendar month and paid in arrears at the end of each month.

For share classes Incrementum D EUR:

The Investment Manager receives a total fee of up to 1.40% p.a. of the net assets of the sub-fund. This fee is calculated on a pro rata basis based on the Fund's average net assets during the calendar month and paid in arrears at the end of each month.

For share classes X USD; X EUR; X GBP:



The Investment Manager receives a total fee of up to 0.75% p.a. of the net assets of the sub-fund. This fee is calculated on a pro rata basis based on the Fund's average net assets during the calendar month and paid in arrears at the end of each month.

For share classes Z USD:

The Investment Manager receives no fee.

Performance Fee for share classes A USD, A EUR, A CHF, A SGD, D USD, D CHF, D EUR, D GBP, I USD, I EUR, I GBP, D3 EUR, Incrementum D EUR, D3 USD, D3 CHF, X USD; X EUR; X GBP:

The Investment Manager shall receive a performance fee of up to 15%, which shall be calculated using the methodology set out below.

For the purposes of the Performance Fee, the terms set out below shall have the following meanings:

**Benchmark** - the MSCI ACWI Select Gold Miners IMI Index [Bloomberg code: MXWDS1MI, Price Index].

**Share Class Currency** - The Out-/Underperformance against the Benchmark is calculated in share class Currency (for example Share class currency GBP, Benchmark in GBP)

**Calculation Period** - each financial year except where a share class is launched during the financial year, the first Calculation Period will be the period from the date of launch of the share class to the end of the following financial year in which the share class was launched.

**Crystallisation Date** – each financial year end date. If a shareholder redeems their units during a Calculation Period, any Performance Fee accrued in respect of the units being redeemed will crystallise on the redemption date and will be payable to the Investment Manager. Any such Performance Fee paid to the Investment Manager will not be repaid even if at the end of the relevant Calculation Period a Performance Fee would otherwise not be payable in respect of such units if they had continued to be held to the end of such Calculation Period.

**Crystallisation Frequency** – the frequency at which the accrued Performance Fee, if any, becomes payable. This has been set at annual intervals running to the end of each financial year, other than at launch of the share class, when the Crystallisation Frequency for the first year will run from the date of launch of the share class, to the end of the following financial year end.

**Performance Reference Period** – this has been set at 5 years on a rolling basis, and is the time horizon over which the performance of the units is measured and compared to the Benchmark, at the end of which the mechanism for the compensation for past underperformance (or negative performance) can be reset. Performance Fees can therefore crystallise and be paid during the Performance Reference Period of 5 years.

**Gross Unit Value** - for the purposes of calculation of any Performance Fee, Gross Unit Value is based on the Net Asset Value of the units calculated net of all costs (e.g. management fees and administration costs) but before deduction of any Performance Fee itself, and adjusted appropriately for

dividend distributions. If there is no Performance Fee accrual, the Gross Unit Value is identical to the Net Asset Value.

### ***Gross Unit Value performance calculation methodology***

Gross Unit Value performance is calculated on each valuation day by comparing the actual unit value (before deduction of any Performance Fee), with the Net Asset Value of the units at the previous financial year end. If there are different unit classes in the sub-fund, the unit value for each unit class is used as a basis for the calculation of Gross Unit Value performance for that class. To determine Gross Unit Value performance, any dividend payments made are added to the actual unit value, from which these distributions have been deducted.

### ***Benchmark performance calculation methodology***

The performance of the Benchmark is calculated on each valuation day by comparing the benchmark's actual score on the valuation day and its score at the end of the previous financial year end. For the first Calculation Period of the share class, the performance of the Benchmark is calculated as the difference between the benchmark's score on the valuation day, and its score at launch.

### ***Performance Fee Criteria***

In respect of each Calculation Period, the Investment Manager will receive a Performance Fee of up to 15% of the Gross Unit Value performance which exceeds the performance of the Benchmark provided both of the following conditions are met:

- (i) the Gross Unit Value performance during the Calculation Period exceeds the performance of the Benchmark during the Calculation Period (Outperformance); and
- (ii) any underperformance of the units previously incurred against the Benchmark during the Performance Reference Period has been clawed back.

If the Gross Unit Value performance at the end of an accounting period is below that of the Benchmark, then the Investment Manager will not receive a performance fee. This calculated underperformance as a percentage will now be carried forward to the next accounting period as a negative amount ("negative carry forward").

For the next accounting period, the Investment Manager will only receive a performance fee if the positive relative outperformance, as a percentage, at the end of this accounting period exceeds the negative carry forward. In this case, the Performance Fee entitlement is calculated from the percentage difference of both amounts. If the relative outperformance as a percentage from the current accounting period does not exceed the negative carry forward, both percentage amounts are netted off. The remaining underperformance percentage amount will then be carried forward to the next accounting period as a new "negative carry forward". If there is another negative benchmark deviation at the end of the following accounting period, then the existing negative carry forward as a percentage will be added to the underperformance as a percentage calculated from this negative benchmark deviation. Any out- and underperformance percentage amounts carried over from the previous four accounting periods, in addition to the current accounting period, together comprising the Performance Reference Period, shall be taken into account when calculating the annual entitlement to performance fees. This means that underperformance from accounting

periods arising from accounting periods five years or earlier than at the prevailing year end is disregarded when calculating Performance Fee entitlement. If less than five previous accounting periods exist for the share class, all previous accounting periods will be taken into account.

Beginning with the start of each Calculation Period, the Performance Fee is calculated on each valuation day on the basis of the aforementioned Gross Unit Value performance, the Benchmark performance and the units in circulation during the Calculation Period. As a basis of calculation, data from the previous valuation day (at financial year-end on the same day) is used. An increase in the Performance Fee accrual caused by subscription of new shares will be eliminated. Any decrease in the Performance Fee accrual caused by redemptions of existing shares will be crystallised.

On valuation days during the Calculation Period on which the Gross Unit Value performance is greater than the Benchmark performance and any negative carry forward has been offset, a Performance Fee will accrue (and the accrued total amount changes pursuant to the method presented above). On valuation days on which the Gross Unit Value is lower than the benchmark performance, the accrued total Performance Fee amount is eliminated. In this regard, the difference between Gross Unit Value performance is considered with respect to the performance of the benchmark, respectively. The amount calculated on the last valuation day of the accounting period may, if a performance fee is accrued, be paid out from the relevant unit class of the sub-fund within 10 business days of the end of the financial year. If the performance of the benchmark is negative, the Investment Manager has agreed that it will only be entitled to a performance fee based on the positive performance of the Gross Unit Value. For the avoidance of doubt, if the performance of the Gross Unit Value is negative during the Calculation Period, the Investment Manager will not earn a performance fee.

The accounting period begins on 1 January and ends on 30 December of each calendar year. A shortening of the accounting period, and therefore the Calculation Period, is possible, for example in the event of a merger or dissolution of the sub-fund.

The Performance Fee will always be calculated for share classes in the relevant currency of the units and then converted into the sub-fund's base currency of euros, using the exchange rate on the valuation day. Because of currency fluctuations, the performance of the different currency share classes may differ.

VAT shall be added to these fees, as applicable.

#### **Calculation example year 1:**

Units in issue at the end of the previous accounting period  
1,000

Units in issue at the end of the current accounting period  
1,000

Performance Fee rate: 15%

Net asset value at the end of the previous accounting period: EUR  
100.00

Gross Unit value performance at the end of the current accounting period: EUR  
120.00

(Gross Unit Value performance of EUR 120.00 is based on the net asset value of the units calculated net of all costs at the end of the current accounting period (e.g. management fees and administration costs) but before deduction of any Performance Fee itself)

=>Unit Value performance in % (EUR 120/EUR 100)	+20%
Benchmark at the end of the previous accounting period: points	10,000
Benchmark at the end of the current accounting period: points	12,600
=>Benchmark performance in % (12,600/10,000)	+26%

Gross Unit Value performance compared to benchmark performance is -6% (i.e. 20%-26%)

No performance fee is payable in the current accounting period 1 due to the underperformance of -6% during the accounting period. The Underperformance to be compensated in the following year 2 is -6%.

Performance Fee calculation at the end of accounting period 1:

$$\left( \frac{\text{Current Gross Unit Value performance (EUR 120)} - \text{net asset value at the previous period end (EUR 100)}}{\text{net asset value at the previous period end (EUR 100)}} - \left( \frac{\text{Current Benchmark (12,600 points)} - \text{Benchmark at the end of the last period end (10,000 points)}}{\text{Benchmark at the last period end (10,000 points)}} - \text{negative carry forward of previous four years 0\%} \right) * (\text{net asset value of the previous period end (EUR 100)}) * \text{units currently in circulation (1,000)} * \text{Perf. fee rate (15\%)} = - \text{EUR 900}$$
i.e. no Performance Fee

### Calculation example 2:

Units at the end of the previous accounting period

1,000

Units at the end of the current accounting period

1,000

Performance fee rate: 15%

Net asset value at the end of the previous accounting period: EUR 120.00

Gross Unit Value performance at the end of the current accounting period: EUR 120.00

(Gross Unit Value performance of EUR 120.00 is based on the net asset value of the units calculated net of all costs at the end of the current accounting period (e.g. management fees and administration costs) but before deduction of any Performance Fee itself)

=>Gross Unit Value performance in % (EUR 120/EUR 120) +0%

Benchmark at the end of the previous accounting period: 12,600 points

Benchmark at the end of the current accounting period: 12,348 points

=>Benchmark performance in % (12,348/12,600)

-2%

Gross Unit value performance compared to benchmark performance (+0%-(-2%))

+2%

In Year 2 there is a relative outperformance of +2% (Performance NAV Price 0%, Performance Benchmark -2%). No performance fee is payable in the current accounting period 2 due to the underperformance of -6% in year 1, which must be offset first. The resulting Underperformance to be compensated in the following year 3 is -4%. (-6%+2%)

Performance fee calculation at the end of accounting period 2:

$$\left( \frac{\text{Current Gross Unit Value performance (EUR 120)} - \text{net asset value at the previous period end (EUR 120)}}{\text{net asset value at the previous period end (EUR 120)}} - \left( \frac{\text{Current benchmark (12,348 points)} - \text{Benchmark of the last period end (12,600 points)}}{\text{Benchmark of the last period end (12,600 points)}} - \text{Negative carry forward of -6\%} \right) \right) \times (\text{net asset value of the previous period end (EUR 120)}) \times \text{average units currently in circulation (1,000)} \times \text{Perf. fee rate (15\%)} = - \text{EUR 720 i.e. no Performance Fee}$$

### Calculation example 3:

Units at the end of the previous accounting period

1,000

Units at the end of the current accounting period

1,000

Performance fee rate:

15%

Net asset value at the end of the previous accounting period:

120.00

EUR

Gross Unit Value at the end of the current accounting period:

124.80

EUR

(Gross Unit Value of EUR 124.80 is based on the net asset value of the units calculated net of all costs at the end of the current accounting period (e.g. management fees and administration costs) but before deduction of any Performance Fee itself

=>Gross Unit Value performance in % (EUR 124.80/EUR 120)

+4%

Benchmark at the end of the previous accounting period:  
points

12,348

Benchmark at the end of the current accounting period:

12,594.96 points

=>Benchmark performance in % (12,594.96/12,348)

+2%

Outperformance of Gross Unit Value compared to benchmark performance (+4%-2%)

+2%

In Year 3 there is a relative outperformance of +2% (Performance NAV Price +4%, Performance Benchmark +2%). No performance fee is payable in the current accounting period 3 due to the underperformance of -4% in year 2, which must be offset first. The resulting Underperformance to be compensated in the following year 4 is -2%. (-4%+2%)

Calculation at the end of accounting period 3:

$$\frac{((\text{Current Gross Unit Value (EUR 124.80)} - \text{Last unit value of the previous period (EUR 120)}) / \text{Last unit value of the previous period (EUR 120)}) - ((\text{Current benchmark (12,594.96 points)} - \text{Benchmark of the last period end (12,348 points)}) / \text{Benchmark of the last period end (12,348 points)}) - \text{Negative carry forward of previous years -4\%}}{\text{Last unit value of the previous period (EUR 120)}} \times \text{Units currently in circulation (1,000)} \times \text{Perf. fee rate (15\%)} = - \text{EUR 360}$$

#### Calculation example 4:

Units at the end of the previous accounting period

1,000

Units at the end of the current accounting period

1,000

Performance fee rate:

15%

Net asset value at the end of the previous accounting period:

EUR

124.80

Gross Unit Value at the end of the current accounting period:

EUR

117.31

(Gross Unit Value of EUR 124.80 is based on the net asset value of the units calculated net of all costs at the end of the current accounting period (e.g. management fees and administration costs) but before deduction of any Performance Fee itself

=>Gross Unit Value performance in % (EUR 117.31/EUR 124.80)

-6%

Benchmark at the end of the previous accounting period:

12,594.96 points

Benchmark at the end of the current accounting period:

12,343.07 points

=>Benchmark performance in % (12,343.07/12,594.96)

-2%

Outperformance of Gross Unit Value compared to benchmark performance (-6%-(-2%))

-4%

In Year 4 there is a relative underperformance of -4% (Performance NAV Price -6%, Performance Benchmark -2%). No performance fee is payable in the current accounting period 4 due to the current underperformance and the underperformance of -2% in year 3, which must be offset first. The resulting Underperformance to be compensated in the following year 5 is -6%. (-4%-2%)

Calculation at the end of accounting period 4:

$$\frac{(((\text{Current Gross Unit Value (EUR 117.31)} - \text{Last unit value of the previous period (EUR 124.80)}) / \text{Last unit value of the previous period (EUR 124.80)}) - ((\text{Current benchmark (12,343.07 points)} - \text{Benchmark of the last period end (12,594.96 points)}) / \text{Benchmark of the last period end (12,594.96 points)}) - \text{Negative carry forward of previous years -2\%}) * (\text{Last unit value of the previous period (EUR 124.80)}) * \text{Units currently in circulation (1,000)} * \text{Perf. fee rate (15\%)}}{- \text{EUR 1123.20}}$$

#### Calculation example 5:

Units at the end of the previous accounting period

1,000

Units at the end of the current accounting period

1,000

Performance fee rate:

15%

Net asset value at the end of the previous accounting period:

117.31

EUR

Gross Unit Value at the end of the current accounting period:

117.31

EUR

(Gross Unit Value of EUR 117.31 is based on the net asset value of the units calculated net of all costs at the end of the current accounting period (e.g. management fees and administration costs) but before deduction of any Performance Fee itself

=>Gross Unit Value performance in % (EUR 117.31/EUR 117.31)

0%

Benchmark at the end of the previous accounting period:

12,343.07 points

Benchmark at the end of the current accounting period:

12,343.07 points

=>Benchmark performance in % (12,343.07/12,343.07)

0 %

Outperformance of Gross Unit Value compared to benchmark performance (0%-0%)

0%

In Year 5 there is neither outperformance nor underperformance (0%). No performance fee is payable in the current accounting period 5 due to the cumulative underperformance of -6% in year 4, which must be offset first. The resulting Underperformance to be compensated in the following year 6 is -4%, because the underperformance of Year 4 (-4%) must be taken forward to the following year 6. The residual underperformance coming from Year 1 that was not yet compensated (-6%+2%+2%=-2%) is no longer relevant as the 5-year period has elapsed (the underperformance of Year 1 is compensated until Year 5)

Performance:  
 Year 1: -6%  
 Year 2: +2%  
 Year 3: +2%  
 Year 4: -4%  
 Current Year 5: 0%

Calculation at the end of accounting period 5:

$((\text{Current Gross Unit Value (EUR 117.31)} - \text{Last unit value of the previous period (EUR 117.31)}) / \text{Last unit value of the previous period (EUR 117.31)}) - ((\text{Current benchmark (12,343.07 points)} - \text{Benchmark of the last period end (12,343.07 points)}) / \text{Benchmark of the last period end (12,343.07 points)}) - \text{Negative carry forward of previous years -6\%}) * (\text{Last unit value of the previous period (EUR 117.31)}) * \text{Units currently in circulation (1,000)} * \text{Perf. fee rate (15\%)} = - \text{EUR 1055.79}$

**Calculation example 6:**

Units at the end of the previous accounting period	1,000
Units at the end of the current accounting period	900
Subscriptions in the middle of the accounting period	200 units
Redemption in the middle of the accounting period units	300

Performance fee rate: 15%

Net asset value at the end of the previous accounting period: EUR 117.31

Gross Unit Value in the middle of the current accounting period: (Performance +8%)  
 EUR 126.69

Gross Unit Value at the end of the current accounting period: EUR 123.18

=>Gross Unit Value performance at the end of the current accounting period in %

$(\text{EUR 123.18} / \text{EUR 117.31})$  +5%

Benchmark at the beginning of the accounting period: 12,343.07 points

Benchmark in the middle of the accounting period 12,343.07 points

Benchmark at the end of the accounting period: 12.343.07 points

=>Benchmark performance in %  $(12.343.07 / 12.343.07)$   
 +0%

Outperformance of Gross Unit Value compared to benchmark performance (+5% -0%)  
 +5%

In Year 6 there is a relative outperformance of +5% (Performance NAV Price +5%, Performance Benchmark +0%). Performance fee is payable in the current accounting period 6 due to the current



outperformance of +5% and the underperformance of -4% in year 5, which is offset. The overall outperformance is therefore +1% to calculate the Performance Fee. The resulting Underperformance to be compensated in the following year 7 is 0 %.

Calculation at the end of accounting period 6:

$$\left( \frac{((\text{Current Gross Unit Value (EUR 123.18)} - \text{net asset value of the previous period end (EUR 117.31)}) / \text{net asset value of the previous period end (EUR 117.31)}) - ((\text{Current benchmark (12,343.07 points)} - \text{Benchmark of the last period end (12,343.07 points)}) / \text{Benchmark of the last period end (12,343.07 points)}) - \text{Negative carry forward of previous years -4\%}}{\text{net asset value of the previous period end (EUR 117.31)}} \right) * \text{Units currently in circulation (900)} * \text{Perf. fee rate (15\%)} = + \text{EUR 158,37}$$

Calculation of the crystallisation amount on the redemption date: (redeemed units)

$$\left( \frac{((\text{Current Gross Unit Value (EUR 126.69)} - \text{net asset value of the previous period end (EUR 117.31)}) / \text{net asset value of the previous period end (EUR 117.31)}) - ((\text{Current benchmark (12,343.07 points)} - \text{Benchmark of the last period end (12,343.07 points)}) / \text{Benchmark of the last period end (12,343.07 points)}) - \text{Negative carry forward of previous years -4\%}}{\text{net asset value of the previous period end (EUR 117.31)}} \right) * \text{redeemed units (300)} * \text{Perf. fee rate (15\%)} = + \text{EUR 211.16}$$

Calculation of the elimination amount on the subscription date: (subscribed units)

$$\left( \frac{((\text{Current Gross Unit Value (EUR 126.69)} - \text{net asset value of the previous period end (EUR 117.31)}) / \text{net asset value of the previous period end (EUR 117.31)}) - ((\text{Current benchmark (12,343.07 points)} - \text{Benchmark of the last period end (12,343.07 points)}) / \text{Benchmark of the last period end (12,343.07 points)}) - \text{Negative carry forward of previous years -4\%}}{\text{net asset value of the previous period end (EUR 117.31)}} \right) * \text{subscribed units (200)} * \text{Perf. fee rate (15\%)} = + \text{EUR 140,77}$$

Calculated performance fee eligibility during and at the end of the accounting period equates to EUR+158.37 - Elimination amount subscriptions during the accounting period (EUR 140.77) + Crystallisation amount redemptions during the accounting period (EUR 211.16)

A performance fee amount of EUR 228,76 (158,37-140,77+211,16) will be paid out ten business days after the year end.

### 3. Depositary fee

In consideration for its duties, the Depositary receives from the net assets of the sub-fund a fee amounting to up to 0.075% p.a. of the net assets of the sub-fund with a minimum of EUR 750.00 per month (minimum fee effective after 12 months). This fee is calculated on a pro rata basis based on the Fund's average net assets during the calendar month and paid in arrears at the end of each month.

Value added tax shall be added to these fees as applicable.

### 4. Central Administration Agent fee

For the fulfilment of its responsibilities, the Central Administration Agent receives a fee of up to 0.02% p.a. of the net sub-fund assets. This fee is calculated on a pro rata basis based on the Fund's

average net assets during the calendar month and paid in arrears at the end of each month. In addition, the Central Administration Agent receives a monthly basic fee of up to EUR 1,750.00 payable at the end of the month (reduced to EUR 1,625.00 for the first 18 months).

Value added tax shall be added to these fees as applicable.

#### 5. Registrar and transfer agent fee ("Relevant Agent" fee)

In consideration for its duties as stated in the registrar and transfer agent agreement, the registrar and transfer agent receives a fee of up to EUR 25.00 p.a. per investment account or EUR 40.00 p.a. per account with a savings plan and/or withdrawal plan, plus a basic annual fee of up to EUR 3,000.00 (reduced by 25% for the first 18 months). These fees are calculated and paid in arrears at the end of each calendar year.

Value added tax shall be added to these fees as applicable.

#### 6. Further Costs

In addition the costs set out in Article 35 of the Articles of Association may also be charged against the sub-fund assets.

#### *Costs to be borne by the shareholders include*

	A USD A EUR A CHF A SGD I USD I EUR I GBP S GBP S USD A2 EUR I2 EUR X USD X EUR X GBP	D USD D EUR D GBP D CHF D2 EUR D3 EUR Incrementum D EUR D2 USD D3 USD D3 CHF Z USD
Front-load fee: (To the relevant agent)	Up to 5%	None
Redemption charge: (To the respective sub-fund's assets)	None	None
Exchange fee: (based on the net asset value of the shares to be acquired)	None	None

### **Note on cost identification**

If third parties advise the investor during acquisition of the units or if the third parties broker the purchase, they shall identify any costs or cost rates that are not congruent with the cost information in this Sales Prospectus and in the KID. This may occur in particular when the third party adds costs for its own services (such as brokering, consulting or securities account management). In addition, the third party may add one-off costs for front-load fees, for example, and will usually use different calculation methods or different estimates for costs applicable at sub-fund level, which in particular include the sub-fund's transaction costs.

Deviations may occur in the identification of costs both in information before contract closure and in regular cost information on the existing sub-fund investment as part of a long-term customer relationship.

### **Information on the benchmark used**

The administrator of the aforementioned benchmark is listed in the ESMA List of EU benchmark administrators and third country benchmarks pursuant to Regulation (EU) No 2016/1011 (the "Benchmarks Regulation").

If the benchmark index significantly changes or is no longer available, the Management Company shall, on the basis of a sound written plan listing the measures it will adopt, determine another appropriate index to replace the one in question or refrain from using a benchmark index. Shareholders may obtain a copy of the plan free of charge upon request from the registered office of the Management Company.

### **Use of income**

The income on all classes will be reinvested.

## Annex 1 B

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

**Product name:** BAKERSTEEL GLOBAL FUNDS SICAV - Precious Metals Fund  
**Legal entity identifier:** 529900GCPGDL74TU3W75

**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.

### Environmental and/or social characteristics

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

**Yes**

It will make a minimum of **sustainable investments with an environmental objective:** %

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** %

**No**

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 25 % of sustainable investments

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments.**



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

The sub-fund invests in the equities of precious metals mining companies, with a primary focus on gold and silver, and preferentially allocates capital to companies who operate in a sustainable way and who minimise GHG emissions, energy and water use and who minimise environmental and social harm and, where reasonable to do so, promote positive social impact on their surrounding communities.

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

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

The sub-fund collects, assesses and records 45 sustainability indicators and collates these into a consolidated ESG score for each investee company. The primary sustainability indicators used by the sub-fund to measure and assess the attainment of the ESG characteristics promoted are greenhouse gas emissions intensity (scope 1 and scope 2 GHG emissions in metric tonnes of CO<sub>2</sub> equivalent/revenue); water use intensity (cubic metres/revenue); energy use intensity (gigawatt hours/revenue); and the level of compliance with the environmental management system (EMS) ISO 14001 standard (percentage of operations certified). This information is obtained either directly from the issuer or from reputable data providers such as Sustainalytics. In order to qualify for inclusion in the portfolio, an investee company must have an ESG score of 50% or above. Additional filters are applied to investee companies in order to qualify as a sustainable investment, which constitute at least 25% of the portfolio (see below for details).

- **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?**

The objective of the sub-fund's sustainable investments is to encourage a reduction of greenhouse gas emissions intensity in the precious metals mining industry, along with a reduction in water use intensity, energy use intensity and an increase in the usage of renewable energy sources. The sub-fund contributes to this objective by preferentially investing in companies that exhibit good ESG practices and behaviours and to thereby encourage the promulgation of these good ESG practices across the industry. The sub-fund defines a good company as one that scores 65% or higher in our proprietary ESG scoring system, which as described above directly measures and assesses these sustainability indicators, along with over 40 other sustainability indicators, and produces a blended ESG score that represents the company's ESG score with respect to sustainability.

- **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?**

The principle adverse impact indicators set out in Annex I of the Regulatory Technical Standards (the "PAI indicators") are collected, assessed and recorded for all investee companies and feed into our proprietary ESG scoring system as described above. As noted above, in order to qualify for inclusion in the portfolio as a sustainable investment, an investee company must score at least 65%, where this scoring incorporates several similar indicators to the PAI and is designed to prevent any company that causes significant harm to any environmental or social sustainable investment objective from being included. The PAI indicators are also separately collated, tracked and periodically reported on at portfolio level to confirm that no significant harm is being caused at the aggregated level.

Manual checks are also undertaken and where any significant harm is identified to any environmental or social sustainable investment objective the investment would not qualify for inclusion in the portfolio as a sustainable investment. This may be necessary for example where there is any negative publicity relating to an investee company, as a result of press releases made by the company or where issues are identified through our direct engagement with senior management. The nature of any assessment here would

depend on the nature of the issues identified, but would consist of the investment team assessing the issue and gaining sufficient comfort that no significant harm is being caused by our investment.

With regard to selected PAI indicators the sub-fund targets positive impact and with respect to the remaining PAI indicators the sub-fund seeks to mitigate or minimise any adverse impacts by identifying where these are occurring and excluding the companies to which they relate from the portfolio.

**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.

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

As noted above, the PAI indicators set out in Annex I of the Regulatory Technical Standards are collected, assessed and recorded where available for all investee companies. This information is obtained from third party data provider – Sustainalytics combined with other data sources. Where this is the case, these are treated as exclusion factors at investment level. These scores are also weighted, with water use, energy use and emissions intensity being the most heavily weighted environmental PAI indicators and health and safety metrics being most heavily weighted of the social PAI indicators. This is on the basis that these PAI indicators are the most relevant indicators for the natural resources sector.

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

As part of our ESG due diligence process, we obtain information on whether investee companies commit to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. In addition, any identified violations of these standards are recorded. Where companies do not commit to adhere to these standards or where violations are identified then the company is excluded from consideration as a sustainable investment. This information can be obtained from Sustainalytics and in many cases can be established by direct review of information published by the investee companies.

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

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

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



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

**Yes**, the Investment Manager commits to consider principle adverse impacts at entity level under Article 4 of the Sustainable Finance Disclosure Regulation (EU) 2019/2088 ("SFDR"). As an integral part of this, the sub-fund considers principal adverse impacts on sustainability factors at sub-fund level in accordance with Article 7 of SFDR and will publish information on the principal adverse impacts on sustainability factors in its periodic reports in accordance with Article 11. Further, as noted above, the sub-fund uses the PAI indicators to assess whether the sustainable investments in the portfolio cause significant harm to any environmental or social sustainable investment objective. This is done for all PAI indicators listed in Annex 1 of the Regulatory Technical Standards, and these indicators are tracked at both investment level and at portfolio level. See above for further details.

**No**,



## What investment strategy does this financial product follow?

The investment objective of the sub-fund is to achieve an appropriate return commensurate with the investment risk, while investing at least two thirds of the sub-fund's total assets in equity securities of businesses engaged in precious metals activities.

The investment strategy to achieve this investment objective is to invest at least 85% of the portfolio on the basis of fundamental analysis in companies that promote environmental and/or social characteristics and that have passed our ESG due diligence process. A sub-set of these investments consisting of at least 25% of the portfolio will be invested in companies that have been classified as sustainable investments on the basis of contributing to the sub-fund's sustainable investment objectives of encouraging a reduction of greenhouse gas emissions intensity in the precious metals mining industry, reducing the intensity of water use, energy use, and increasing the usage of renewable energy sources.

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

### ● 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?

A multi-component exclusion strategy shortlists the investible universe and this is integrated within the investment strategy. The initial exclusion factor screening consists of 3 stages: market capitalisation screening (only companies with a market capital exceeding \$100M USD are usually considered), stock exchange screening (only companies listed on major primary stock exchanges in Europe, North America, Japan, Hong Kong, Australia and South Africa are presently considered) and ESG factor screening. The ESG factor screening incorporates key sustainability metrics that are non-

negotiable (including the presence of policies covering the following: ethics, human rights, anti-bribery and corruption, and anti-child labour). The Investment Manager applies additional exclusion criteria and metrics covering weapons, including white phosphorus; fossil fuels, including coal (threshold of 30% of revenue from the production of coal); tobacco; alcoholic beverages; adult entertainment; and serious violations to the UN Global Compact principles. These exclusion criteria are aligned with and enable the sub-fund to comply with accepted industry standards including LuxFLAG and BVI. The ESG performance of companies shortlisted within the investible universe is screened and scored to ensure a minimum acceptable standard of ESG performance is maintained. The ESG scores generated for the companies will be incorporated into the stock selection process within an ESG integration strategy. At least 85% of the sub-fund's assets are invested in securities whose issuers have been selected on the basis of environmental, social and governance criteria and who have scored at least 50% on our proprietary ESG scoring.

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

Environmental and social characteristics are promoted by the sub-fund, but no commitment is made to reduce the scope of the investments considered.

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

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

The sub-fund shall only invest in listed companies ensuring an appropriate standard of transparency on governance. Furthermore, the Investment Manager aims to invest only in listed companies which maintain a majority of independent directors so as to ensure a higher standard of corporate governance.

The Investment Manager assesses Board structure, competence and independence; sustainability governance; gender diversity; compensation; nomination; audit risk and oversight; and shareholder rights. This information is generally obtained directly from information published by the investee company and through interactions with that company.



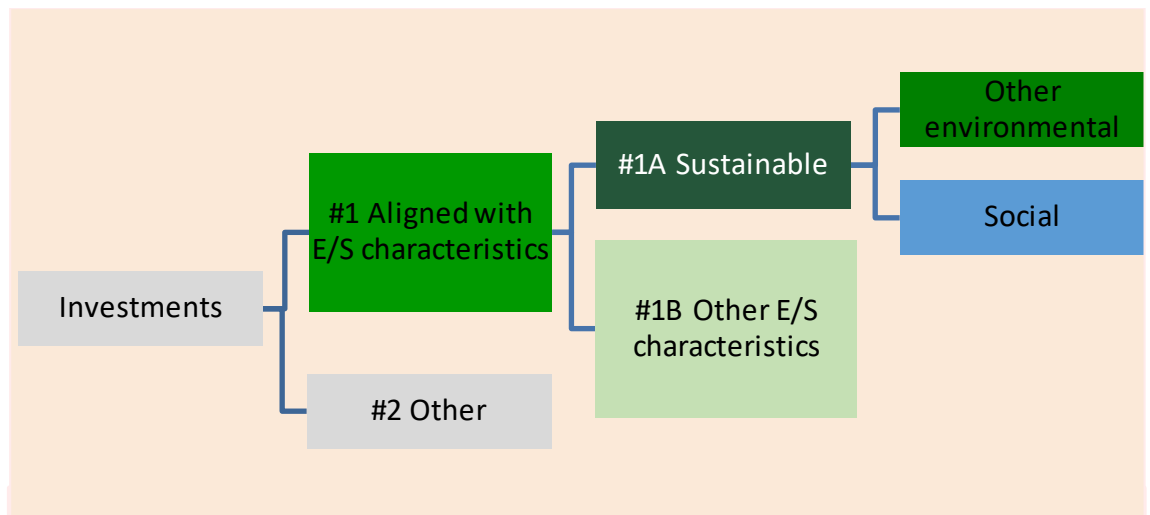
**What is the asset allocation planned for this financial product?**

**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,





**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product. The minimum share of these investments is 85%.

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

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives. The minimum share of these investments is 25%.

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

- How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?  
The sub-fund does not use derivatives for investment or hedging purposes.



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

Environmental and social characteristics are promoted by the sub-fund and sustainable investments are made, but the sub-fund does not currently commit to invest a minimum proportion of its total assets in environmentally sustainable economic activities as defined in Article 3 of the EU Taxonomy. This also applies to investments in economic activities that are classified as enabling or transitional activities pursuant to Article 16 or 10(2) of the EU Taxonomy.

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

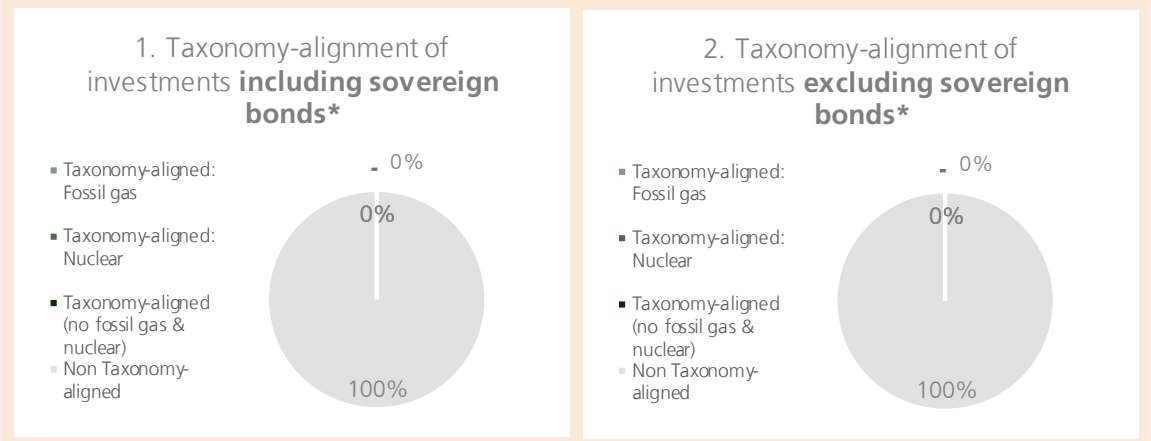
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

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

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

- Yes
- In fossil gas                       In nuclear energy
- No

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



Taxonomy-aligned: Fossil gas	0%	Taxonomy-aligned: Fossil gas	0%
Taxonomy-aligned: Nuclear	0%	Taxonomy-aligned: Nuclear	0%
Taxonomy-aligned (no fossil gas & nuclear)	0%	Taxonomy-aligned (no fossil gas & nuclear)	0%
Non Taxonomy-aligned	100%	Non Taxonomy-aligned	100%

\* 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?**

- Transitional activities: 0%
- Enabling activities: 0%

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

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

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

At least 25% of the sub-fund's assets are invested in sustainable investments, although these do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy. The sub-fund's sustainable investments may be classified as having either environmentally sustainable objectives, social objectives or both environmentally sustainable and social objectives.

**The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 1%**



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

At least 25% of the sub-fund's assets are invested in sustainable investments, although these do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy. The sub-fund's sustainable investments may be classified as having either environmentally sustainable objectives, social objectives or both environmentally sustainable and social objectives.

**The minimum share of socially sustainable investments is 1%**



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

At least 85% of the sub-fund's assets are invested in investments that have been subject to our proprietary ESG due diligence process and which have received an ESG score of 50% or more. The purpose of the remaining 15% is to cover situations where the ESG screening and scoring process cannot be completed at the time of investment. This includes situations such as corporate actions, including spin-offs, which may result in portfolio holdings arising outside the immediate control of the Investment Manager. Such holdings would then be ESG screened and scored as soon as is reasonably practicable. Additional situations that may not permit ESG screening and scoring to take place, or for meaningful results to be obtained, include cash holdings and physical commodity holdings. There may also be situations where illiquid assets are held that cannot easily be disposed of, even where their ESG status changes or where an ESG screening cannot be undertaken. The minimum environmental and social safeguard in place with respect to this remaining 15% is the fact that they will be subject to ESG screening at the earliest opportunity and where this screening process is not passed then efforts will be made to dispose of the asset or to engage with the issuer.



### **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?**

- Yes,
- No

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

- How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?  
The sub-fund's reference benchmark is not constructed based on ESG characteristics, and no separate ESG reference benchmark has been specified at this time.
- How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?  
The sub-fund's reference benchmark is not constructed based on ESG characteristics, and no separate ESG reference benchmark has been specified at this time.
- How does the designated index differ from a relevant broad market index?  
The sub-fund's reference benchmark is not constructed based on ESG characteristics, and no separate ESG reference benchmark has been specified at this time.
- Where can the methodology used for the calculation of the designated index be found?  
The sub-fund's reference benchmark is not constructed based on ESG characteristics, and no separate ESG reference benchmark has been specified at this time.



**Where can I find more product specific information online?**  
**More product-specific information can be found on the website:** <https://www.ip-concept.com/ipc/de/fondsueberblick.html>

## **Annex 2 A**

### **BAKERSTEEL GLOBAL FUNDS SICAV – Electrum Fund**

#### **Investment objectives**

The objective of the investment policy of **BAKERSTEEL GLOBAL FUNDS SICAV – Electrum Fund** (“sub-fund” or “financial product”) is to achieve, with observance of the investment risk, an appropriate value growth in the sub-fund currency through a globally diversified portfolio of investments.

The sub-fund is actively managed. The composition of the portfolio is established, regularly reviewed and adjusted where appropriate by the Investment Manager solely in accordance with the criteria set in the investment objectives / the investment policy. The sub-fund may be subject to performance fees, which are calculated by reference to the MSCI ACWI Metals & Mining Index [Bloomberg code: MXWD0MM, Price Index]. The sub-fund’s investment universe is not limited to the index components. The sub-fund's performance may therefore differ significantly from that of the benchmark index.

In compliance with the Investment Manager's strategy sustainability risks, are taken into account in the investment decision-making process for this sub-fund. Where the sub-fund invests in corporate securities, these may only be acquired if the companies apply good corporate governance practices and do not fall under the general exclusion criteria.

Article 8 of Regulation (EU) 2019/2088 and Article 6 of Regulation (EU) 2020/852 (EU taxonomy) apply to this sub-fund.

**Further information in relation to the promotion of environmental and/or social characteristics and, where applicable, sustainable investment objectives by the Investment Manager in accordance with Article 8(1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6(1) of Regulation (EU) 2020/852 (EU Taxonomy) for this sub-fund can be found in Annex 1.B of the Sales Prospectus.**

The performance of the sub-fund's various unit classes can be viewed on the website of the Management Company..

**Past results offer no guarantee as to future performance. It cannot be guaranteed that the investment objective of the sub-fund will be achieved.**

#### **Investment policy**

Subject to Article 4 of the Articles of Association, the following provisions shall apply to the sub-fund:

The sub-fund invests its assets largely in shares of companies, whose business objective is the extraction, processing and marketing of primary RESOURCES. “Primary RESOURCES” refers to those resources that are physically present, e.g. water, precious and industrial metals, oil, natural gas and agricultural commodities.

The sub-fund generally has the option of investing in equities, money market instruments, certificates, target funds and fixed-term deposits, depending on the market situation and assessment by the Investment Management. These certificates are for legally permitted underlying assets such as: shares, bonds, investment fund units, financial indices and currencies.

The sub-fund is an equity fund.

Investment in shares will constitute at least 51%.

In general, the investment in liquid funds is limited to 20% of the net sub-fund assets, however, if considered appropriate due to exceptionally unfavourable market conditions, the net sub-fund assets may also be held in liquid funds within the legally permissible and tax-related investment restrictions in accordance with Article 4 of the Management Regulations (in the short term), and this means that this investment limit can be deviated from in the short-term. In addition, the net (sub-)fund assets may deviate (in the short term) from the above-mentioned investment focus, if considered appropriate due to exceptionally unfavourable market conditions, if in this case the investment focus is adhered to overall, including liquid funds.

Units in UCITS or other UCIs ("target funds") may be acquired up to a maximum limit of 10% of the sub-fund assets, making the sub-fund eligible as a target fund. There is no restriction on the permitted types of eligible target funds in terms of the target funds to be acquired for the sub-fund.

The use of derivative financial instruments (derivatives) is permitted in order to achieve the stated investment objectives, both for investment and hedging purposes. In addition to option rights, this includes, inter alia, swaps and futures contracts on securities, money market instruments, financial indices within the meaning of Article 9(1) of Directive 2007/16/EC and Article XIII of the ESMA Guidelines 2014/937, interest rates, exchange rates, currencies and investment funds pursuant to Article 41(1) e) of the Law of 17 December 2010. These derivatives may be used only within the limits of Article 4 of the Articles of Association. Further details on techniques and instruments can be found in the Sales Prospectus in the section entitled "Information on derivatives and other techniques and instruments".

For this sub-fund, the Management Company will not conclude total return swaps or other derivatives with the same characteristics.

All **investments stipulated in Article 4(3)** of the Articles of Association, along with investment in Delta 1 certificates on commodities, precious metals and indices thereto, provided these are not financial indices within the meaning of Article 9(1) of Directive 2007/16/EC and Article XIII of ESMA Guideline 2014/937, are limited to a total of 10% of the net sub-fund assets.

### **Risk profile of the sub-fund**

Risk profile – Speculative

The Fund is suitable for speculative investors. Due to the composition of the net sub-fund assets, there is a very high degree of overall risk, but also a very high degree of profit potential. The risks may consist in particular of currency risk, credit risk and price risk, as well as risks resulting from changes in market interest rates.

By concentrating on certain industries (gold and resources) investments of the sub-fund assets may, depending on the political and economic factors of a country as well as the global economic situation or demand for resources, be subject to more extreme fluctuations than the performance of general stock market trends, which may lead to an increased investment risk.

Therefore, the unit value may, in comparison to broadly diversified funds, fluctuate disproportionately and develop independently from general stock market trends. Shares of smaller and mid-sized entities (micro-, small and mid-caps), particularly growth-oriented second-tier securities, contain, in addition to the opportunity for increased share values, also special risks; they are subject to the unpredictable influence of developments in capital markets and the special developments of the respective issuers, as well as to their comparatively low market capitalization and low liquidity. When investing in the shares of these market segments, unit value may fluctuate disproportionately relative to funds that invest in highly capitalized enterprises. Non-listed transferable securities contain a high liquidity risk because the assets committed to these investments are not fungible, or fungible only with difficulty, and can be divested only at an unpredictable price and time.

### Risk management method of the sub-fund

#### Commitment approach

The commitment approach is used for monitoring and measuring the total risk associated with derivatives.

ISIN	I2 EUR A2 EUR S EUR I EUR I USD I GBP D EUR D2 EUR D2 USD D3 EUR D3 USD A EUR D GBP S USD A USD D USD X USD X EUR X GBP Z USD	LU0229009781 LU0229009351 LU1923360744 LU1923360827 LU2296188738 LU2296188811 LU1923361049 LU1923361122 LU2296188902 LU1923361395 LU2296189033 LU1923361478 LU1923361551 LU1923361635 LU1923361718 LU1923361981 LU2547923818 LU2547923909 LU2547924030 LU2547924113
Securities No	I2 EUR A2 EUR S EUR I EUR I USD I GBP D EUR D2 EUR D2 USD D3 EUR	A0F6BQ A0F6BP A2PB5D A2PB5E A2QNK7 A2QNK8 A2PB5F A2PB5N A2QNK5 A2PB5G

	D3 USD A EUR D GBP S USD A USD D USD X USD X EUR X GBP Z USD	A2QNK6 A2PB5H A2PB5J A2PB5K A2PB5L A2PB5M A3EZ0S A3EZ0T A3EZ0U A3EZ0V
Initial subscription period:	I2 EUR A2 EUR S EUR I EUR I USD I GBP D EUR D2 EUR D2 USD D3 EUR D3 USD A EUR D GBP S USD A USD D USD X USD X EUR X GBP Z USD	10 Oct. 2005 – 14 Oct. 2005 10 Oct. 2005 – 14 Oct. 2005 8 March 2019 8 March 2019 15 February 2021 15 February 2021 8 March 2019 8 March 2019 15 February, 2021 8 March 2019 15 February 2021 8 March 2019 8 March 2019 8 March 2019 8 March 2019 8 March 2019 30 January 2023 30 January 2023 30 January 2023 30 January 2023
First unit value: (plus front-load fee)	I2 EUR A2 EUR S EUR I EUR I USD I GBP D EUR D2 EUR D2 USD D3 EUR D3 USD A EUR D GBP S USD A USD D USD X USD X EUR X GBP Z USD	100 EUR 100 EUR 100 EUR 100 EUR 100 USD 100 GBP 100 EUR 100 EUR 100 USD 100 USD 100 EUR 100 USD 100 EUR 100 GBP 100 USD 100 USD 100 USD 100 EUR 100 GBP 100 USD
Payment of the initial issue price	I2 EUR A2 EUR S EUR I EUR I USD I GBP D EUR	20 Oct. 2005 20 Oct. 2005 13 March 2019 13 March 2019 18 February 2021 18 February 2021 13 March 2019



	D2 EUR D2 USD D3 EUR D3 USD A EUR D GBP S USD A USD D USD X USD X EUR X GBP Z USD	13 March 2019 18 February 2021 13 March 2019 18 February 2021 13 March 2019 13 March 2019 13 March 2019 13 March 2019 13 March 2019 2 February 2023 2 February 2023 2 February 2023 2 February 2023
Payment of the issue and redemption prices	Within 3 Business days	
Share class currency	I2 EUR A2 EUR S EUR I EUR I USD I GBP D EUR D2 EUR D2 USD D3 EUR D3 USD A EUR D GBP S USD A USD D USD X USD X EUR X GBP Z USD	EUR EUR EUR EUR USD GBP EUR EUR USD EUR USD EUR GBP USD USD USD USD EUR GBP USD
Sub-fund currency	EUR	
Calculation of the share value	Every Business day in the Grand Duchy of Luxembourg with the exception of 24 and 31 December	
Type of certificates	Bearer units are securitised in the form of global certificates. Registered units are issued exclusively for institutional investors and are entered into the unit register.	
Denominations	Bearer and registered units will be issued with up to three decimal places.	
Application of income	Reinvesting	
Minimum initial investment	I2 EUR A2 EUR S EUR	90,000 EUR 1,000 EUR 500,000 EUR

	I EUR I USD I GBP D EUR D2 EUR D2 USD D3 EUR D3 USD A EUR D GBP S USD A USD D USD X USD X EUR X GBP Z USD	10,000,000 EUR 10,000,000 USD 10,000,000 GBP 0 EUR 0 EUR 0 USD 1,000,000 EUR 1,000,000 USD 0 EUR 0 GBP 500,000 USD 0 USD 0 USD 50,000,000 USD 50,000,000 EUR 50,000,000 GBP 0 USD*
Minimum subsequent investment	I2 EUR A2 EUR S EUR I EUR I USD I GBP D EUR D2 EUR D2 USD D3 EUR D3 USD A EUR D GBP S USD A USD D USD X USD X EUR X GBP Z USD	0 EUR 0 EUR 0 EUR 0 EUR 0 USD 0 GBP 0 EUR 0 EUR 0 USD 0 EUR 0 USD 0 EUR 0 EUR 0 GBP 0 USD 0 USD 0 USD 10,000,000 USD 10,000,000 EUR 10,000,000 GBP 0 USD*
Savings plans for registered shares which are recorded in the unit register	not allowed	
Savings plans for bearer shares which are contained in a bank custody account	You can obtain information from the institution that maintains your custody account	
Withdrawal plans for registered shares which are recorded in the unit register	not allowed	
Withdrawal plans for bearer shares which are contained in a bank custody account	You can obtain information from the institution that maintains your custody account	
Financial year end of the Investment Company	31 December	
First financial year end of the sub-fund	31 December 2006	
Semi-annual report (unaudited)	30 June 2006	
Annual report (audited)	31 December	
Taxe d'abonnement	0,05% p.a.	

\* The Management Company is authorised to accept lower amounts at its discretion.

### **Special features for the unit classes listed below – Authorisation to subscribe**

Share class Z USD is only intended for investors who have entered into an agreement with Bakersteel Capital Managers LLP and/or the Management Company and to investors subscribing via Distributors selected by the Management Company. Any investor/distributor has to register shares directly with the TA. All other subscription applications for the purchase of shares of the class are rejected in line with article 15(1) of the articles of association.

Share classes I2 EUR, A2 EUR, S EUR, S USD are closed for subscriptions for new investors.

The sub-fund is established for an indefinite period.

### **Costs which are reimbursed from the sub-fund's assets:**

#### **1. Management fee**

In consideration for the management of the sub-fund, the Management Company receives a fee of up to 0.10% p.a. of the net assets of the sub-fund. This fee is calculated on a pro rata basis based on the Fund's average net assets during the calendar month and paid in arrears at the end of each month. The Management Company also receives a fixed fee of up to EUR 1,000.00 per month.

In consideration for the handling of sales agreements and portfolio commissions, the Management Company receives a fee of up to EUR 300.00 per month per share class plus up to 0.0075% of commissionable holdings of the sub-fund only.

Value added tax will be added to these fees as applicable.

#### **2. Investment Management fee**

The Investment Manager receives a total fee of the net assets of the sub-fund as follows:

- For share class I2 EUR: 1.40% p.a.
- For share classes A2 EUR, A EUR, A USD: 1.75% p.a.
- For share classes S EUR, S USD: 0.80% p.a.
- For share class I EUR, I USD, I GBP: 0.90% p.a.
- For share classes D EUR, D GBP, D USD: 1.40% p.a.
- For share class D2 EUR, D2 USD: 1.60% p.a.
- For share class D3 EUR, D3 USD: 1.20% p.a.
- For share class X USD, X EUR, X GBP: 0.75% p.a.
- For share class Z USD: 0.0% p.a.

This fee is calculated on a pro rata basis based on the Fund's average net assets during the calendar month and paid in arrears at the end of each month.

Performance Fee for share classes I2 EUR, A2 EUR, S EUR, I EUR, I USD, I GBP, D EUR, D3 EUR, D3 USD, A EUR, D GBP, S USD, A USD, D USD, X USD, X EUR, X GBP:

The Investment Manager shall receive a performance fee of up to 15%, which shall be calculated using the methodology set out below.

For the purposes of the Performance Fee, the terms set out below shall have the following meanings:

**Benchmark** - the MSCI ACWI Metals & Mining Index [Bloomberg code: MXWD0MM Price Index].

**Share Class Currency** - The Out-/Underperformance against the Benchmark is calculated in share class Currency (for example Share class currency GBP, Benchmark in GBP)

**Calculation Period** - each financial year except where a share class is launched during the financial year, the first Calculation Period will be the period from the date of launch of the share class to the end of the following financial year in which the share class was launched.

**Crystallisation Date** – each financial year end date. If a shareholder redeems their units during a Calculation Period, any Performance Fee accrued in respect of the units being redeemed will crystallise on the redemption date and will be payable to the Investment Manager. Any such Performance Fee paid to the Investment Manager will not be repaid even if at the end of the relevant Calculation Period a Performance Fee would otherwise not be payable in respect of such units if they had continued to be held to the end of such Calculation Period.

**Crystallisation Frequency** – the frequency at which the accrued Performance Fee, if any, becomes payable. This has been set at annual intervals running to the end of each financial year, other than at launch of the share class, when the Crystallisation Frequency for the first year will run from the date of launch of the share class, to the end of the following financial year end.

**Performance Reference Period** – this has been set at 5 years on a rolling basis, and is the time horizon over which the performance of the units is measured and compared to the Benchmark, at the end of which the mechanism for the compensation for past underperformance (or negative performance) can be reset. Performance Fees can therefore crystallise and be paid during the Performance Reference Period of 5 years.

**Gross Unit Value** - for the purposes of calculation of any Performance Fee, Gross Unit Value is based on the Net Asset Value of the units calculated net of all costs (e.g. management fees and administration costs) but before deduction of any Performance Fee itself, and adjusted appropriately for dividend distributions. If there is no Performance Fee accrual, the Gross Unit Value is identical to the Net Asset Value.

#### ***Gross Unit Value performance calculation methodology***

Gross Unit Value performance is calculated on each valuation day by comparing the actual unit value (before deduction of any Performance Fee), with the Net Asset Value of the units at the

previous financial year end. If there are different unit classes in the sub-fund, the unit value for each unit class is used as a basis for the calculation of Gross Unit Value performance for that class. To determine Gross Unit Value performance, any dividend payments made are added to the actual unit value, from which these distributions have been deducted.

### ***Benchmark performance calculation methodology***

The performance of the Benchmark is calculated on each valuation day by comparing the benchmark's actual score on the valuation day and its score at the end of the previous financial year end. For the first Calculation Period of the share class, the performance of the Benchmark is calculated as the difference between the benchmark's score on the valuation day, and its score at launch.

### ***Performance Fee Criteria***

In respect of each Calculation Period, the Investment Manager will receive a Performance Fee of up to 15% of the Gross Unit Value performance which exceeds the performance of the Benchmark provided both of the following conditions are met:

- (i) the Gross Unit Value performance during the Calculation Period exceeds the performance of the Benchmark during the Calculation Period (Outperformance); and
- (ii) any underperformance of the units previously incurred against the Benchmark during the Performance Reference Period has been clawed back.

If the Gross Unit Value performance at the end of an accounting period is below that of the Benchmark, then the Investment Manager will not receive a performance fee. This calculated underperformance as a percentage will now be carried forward to the next accounting period as a negative amount ("negative carry forward").

For the next accounting period, the Investment Manager will only receive a performance fee if the positive relative outperformance, as a percentage, at the end of this accounting period exceeds the negative carry forward. In this case, the Performance Fee entitlement is calculated from the percentage difference of both amounts. If the relative outperformance as a percentage from the current accounting period does not exceed the negative carry forward, both percentage amounts are netted off. The remaining underperformance percentage amount will then be carried forward to the next accounting period as a new "negative carry forward". If there is another negative benchmark deviation at the end of the following accounting period, then the existing negative carry forward as a percentage will be added to the underperformance as a percentage calculated from this negative benchmark deviation. Any out- and underperformance percentage amounts carried over from the previous four accounting periods, in addition to the current accounting period, together comprising the Performance Reference Period, shall be taken into account when calculating the annual entitlement to performance fees. This means that underperformance from accounting periods arising from accounting periods five years or earlier than at the prevailing year end is disregarded when calculating Performance Fee entitlement. If less than five previous accounting periods exist for the share class, all previous accounting periods will be taken into account.

Beginning with the start of each Calculation Period, the Performance Fee is calculated on each valuation day on the basis of the aforementioned Gross Unit Value performance, the Benchmark

performance and the units in circulation during the Calculation Period. As a basis of calculation, data from the previous valuation day (at financial year-end on the same day) is used. An increase in the Performance Fee accrual caused by subscription of new shares will be eliminated. Any decrease in the Performance Fee accrual caused by redemptions of existing shares will be crystallised.

On valuation days during the Calculation Period on which the Gross Unit Value performance is greater than the Benchmark performance and any negative carry forward has been offset, a Performance Fee will accrue (and the accrued total amount changes pursuant to the method presented above). On valuation days on which the Gross Unit Value is lower than the benchmark performance, the accrued total Performance Fee amount is eliminated. In this regard, the difference between Gross Unit Value performance is considered with respect to the performance of the benchmark, respectively. The amount calculated on the last valuation day of the accounting period may, if a performance fee is accrued, be paid out from the relevant unit class of the sub-fund within 10 business days of the end of the financial year. If the performance of the benchmark is negative, the Investment Manager has agreed that it will only be entitled to a performance fee based on the positive performance of the Gross Unit Value. For the avoidance of doubt, if the performance of the Gross Unit Value is negative during the Calculation Period, the Investment Manager will not earn a performance fee.

The accounting period begins on 1 January and ends on 30 December of each calendar year. A shortening of the accounting period, and therefore the Calculation Period, is possible, for example in the event of a merger or dissolution of the sub-fund.

The Performance Fee will always be calculated for share classes in the relevant currency of the units and then converted into the sub-fund's base currency of euros, using the exchange rate on the valuation day. Because of currency fluctuations, the performance of the different currency share classes may differ.

VAT shall be added to these fees, as applicable.

### Calculation example year 1:

Units in issue at the end of the previous accounting period  
1,000

Units in issue at the end of the current accounting period  
1,000

Performance Fee rate: 15%

Net asset value at the end of the previous accounting period: EUR  
100.00

Gross Unit value performance at the end of the current accounting period: EUR  
120.00

(Gross Unit Value performance of EUR 120.00 is based on the net asset value of the units calculated net of all costs at the end of the current accounting period (e.g. management fees and administration costs) but before deduction of any Performance Fee itself)

=>Unit Value performance in % (EUR 120/EUR 100) +20%

Benchmark at the end of the previous accounting period: 10,000  
points

Benchmark at the end of the current accounting period: 12,600 points

=>Benchmark performance in % (12,600/10,000) +26%

Gross Unit Value performance compared to benchmark performance is -6% (i.e. 20%-26%)

No performance fee is payable in the current accounting period 1 due to the underperformance of -6% during the accounting period. The Underperformance to be compensated in the following year 2 is -6%.

Performance Fee calculation at the end of accounting period 1:

$$\left( \frac{((\text{Current Gross Unit Value performance (EUR 120)} - \text{net asset value at the previous period end (EUR 100)}) / \text{net asset value at the previous period end (EUR 100)}) - ((\text{Current Benchmark (12,600 points)} - \text{Benchmark at the end of the last period end (10,000 points)}) / \text{Benchmark at the last period end (10,000 points)}) - \text{negative carry forward of previous four years 0 \%}}{\text{net asset value of the previous period end (EUR 100)}} \right) * \text{units currently in circulation (1,000)} * \text{Perf. fee rate (15\%)} = - \text{EUR 900}$$
  
i.e. no Performance Fee

### Calculation example 2:

Units at the end of the previous accounting period  
1,000

Units at the end of the current accounting period  
1,000

Performance fee rate: 15%

Net asset value at the end of the previous accounting period: EUR 120.00

Gross Unit Value performance at the end of the current accounting period: EUR 120.00

(Gross Unit Value performance of EUR 120.00 is based on the net asset value of the units calculated net of all costs at the end of the current accounting period (e.g. management fees and administration costs) but before deduction of any Performance Fee itself)

=>Gross Unit Value performance in % (EUR 120/EUR 120) +0%

Benchmark at the end of the previous accounting period: 12,600 points

Benchmark at the end of the current accounting period: 12,348 points

=>Benchmark performance in % (12,348/12,600)  
-2%

Gross Unit value performance compared to benchmark performance (+0% -(-2%))  
+2%

In Year 2 there is a relative outperformance of +2% (Performance NAV Price 0%, Performance Benchmark -2%). No performance fee is payable in the current accounting period 2 due to the underperformance of -6% in year 1, which must be offset first. The resulting Underperformance to be compensated in the following year 3 is -4%. (-6%+2%)

Performance fee calculation at the end of accounting period 2:

$$\begin{aligned} &(((\text{Current Gross Unit Value performance (EUR 120)} - \text{net asset value at the previous period end (EUR 120)}) / \text{net asset value at the previous period end (EUR 120)}) - ((\text{Current benchmark (12,348 points)} \\ &- \text{Benchmark of the last period end (12,600 points)}) / \text{Benchmark of the last period end (12,600 points)}) - \text{Negative carry forward of -6\%}) * (\text{net asset value of the previous period end (EUR 120)})) \\ &* \text{average units currently in circulation (1,000)} * \text{Perf. fee rate (15\%)} = - \text{EUR 720 i.e. no Performance Fee} \end{aligned}$$

### Calculation example 3:

Units at the end of the previous accounting period  
1,000  
Units at the end of the current accounting period  
1,000

Performance fee rate: 15%

Net asset value at the end of the previous accounting period: EUR 120.00

Gross Unit Value at the end of the current accounting period: EUR 124.80

(Gross Unit Value of EUR 124.80 is based on the net asset value of the units calculated net of all costs at the end of the current accounting period (e.g. management fees and administration costs) but before deduction of any Performance Fee itself

=>Gross Unit Value performance in % (EUR 124.80/EUR 120)  
+4%

Benchmark at the end of the previous accounting period: 12,348 points

Benchmark at the end of the current accounting period:  
12,594.96 points

=>Benchmark performance in % (12,594.96/12,348) +2%

Outperformance of Gross Unit Value compared to benchmark performance (+4% -2%)  
+2%

In Year 3 there is a relative outperformance of +2% (Performance NAV Price +4%, Performance Benchmark +2%). No performance fee is payable in the current accounting period 3 due to the underperformance of -4% in year 2, which must be offset first. The resulting Underperformance to be compensated in the following year 4 is -2%. (-4%+2%)

Calculation at the end of accounting period 3:



$((((\text{Current Gross Unit Value (EUR 124.80)} - \text{Last unit value of the previous period (EUR 120)}) / \text{Last unit value of the previous period (EUR 120)}) - ((\text{Current benchmark (12,594.96 points)} - \text{Benchmark of the last period end (12,348 points)}) / \text{Benchmark of the last period end (12,348 points)}) - \text{Negative carry forward of previous years -4\%}) * (\text{Last unit value of the previous period (EUR 120)})) * \text{Units currently in circulation (1,000)} * \text{Perf. fee rate (15\%)} = - \text{EUR 360}$

#### Calculation example 4:

Units at the end of the previous accounting period  
1,000

Units at the end of the current accounting period  
1,000

Performance fee rate: 15%

Net asset value at the end of the previous accounting period: EUR  
124.80

Gross Unit Value at the end of the current accounting period: EUR  
117.31

(Gross Unit Value of EUR 124.80 is based on the net asset value of the units calculated net of all costs at the end of the current accounting period (e.g. management fees and administration costs) but before deduction of any Performance Fee itself

=>Gross Unit Value performance in % (EUR 117.31/EUR 124.80)  
-6%

Benchmark at the end of the previous accounting period:  
12,594.96 points

Benchmark at the end of the current accounting period:  
12,343.07 points

=>Benchmark performance in % (12,343.07/12,594.96)  
-2%

Outperformance of Gross Unit Value compared to benchmark performance (-6%-(-2%))  
-4%

In Year 4 there is a relative underperformance of -4% (Performance NAV Price -6%, Performance Benchmark -2%). No performance fee is payable in the current accounting period 4 due to the current underperformance and the underperformance of -2% in year 3, which must be offset first. The resulting Underperformance to be compensated in the following year 5 is -6%. (-4%-2%)

Calculation at the end of accounting period 4:

$((((\text{Current Gross Unit Value (EUR 117.31)} - \text{Last unit value of the previous period (EUR 124.80)}) / \text{Last unit value of the previous period (EUR 124.80)}) - ((\text{Current benchmark (12,343.07 points)} - \text{Benchmark of the last period end (12,594.96 points)}) / \text{Benchmark of the last period end (12,594.96 points)}) - \text{Negative carry forward of previous years -2\%}) * (\text{Last unit value of the previous period (EUR 124.80)})) * \text{Units currently in circulation (1,000)} * \text{Perf. fee rate (15\%)} = - \text{EUR 1123.20}$

### Calculation example 5:

Units at the end of the previous accounting period

1,000

Units at the end of the current accounting period

1,000

Performance fee rate:

15%

Net asset value at the end of the previous accounting period:

117.31

EUR

Gross Unit Value at the end of the current accounting period:

117.31

EUR

(Gross Unit Value of EUR 117.31 is based on the net asset value of the units calculated net of all costs at the end of the current accounting period (e.g. management fees and administration costs) but before deduction of any Performance Fee itself

=>Gross Unit Value performance in % (EUR 117.31/EUR 117.31)

0%

Benchmark at the end of the previous accounting period:

12,343.07 points

Benchmark at the end of the current accounting period:

12,343.07 points

=>Benchmark performance in % (12,343.07/12,343.07)

0 %

Outperformance of Gross Unit Value compared to benchmark performance (0%-0%)

0%

In Year 5 there is neither outperformance nor underperformance (0%). No performance fee is payable in the current accounting period 5 due to the cumulative underperformance of -6% in year 4, which must be offset first. The resulting Underperformance to be compensated in the following year 6 is -4%, because the underperformance of Year 4 (-4%) must be taken forward to the following year 6. The residual underperformance coming from Year 1 that was not yet compensated (-6%+2%+2%=-2%) is no longer relevant as the 5-year period has elapsed (the underperformance of Year 1 is compensated until Year 5)

Performance:

Year 1: -6%

Year 2: +2%

Year 3: +2%

Year 4: -4%

Current Year 5: 0%

Calculation at the end of accounting period 5:

$$\frac{((\text{Current Gross Unit Value (EUR 117.31)} - \text{Last unit value of the previous period (EUR 117.31)}) / \text{Last unit value of the previous period (EUR 117.31)}) - ((\text{Current benchmark (12,343.07 points)} - \text{Benchmark of the last period end (12,343.07 points)}) / \text{Benchmark of the last period end (12,343.07 points)})}{1}$$

– Negative carry forward of previous years -6%) \* (Last unit value of the previous period (EUR 117.31))) \* Units currently in circulation (1,000) \* Perf. fee rate (15%) = - EUR 1055.79

### Calculation example 6:

Units at the end of the previous accounting period	1,000
Units at the end of the current accounting period	900
Subscriptions in the middle of the accounting period	200 units
Redemption in the middle of the accounting period units	300

Performance fee rate: 15%

Net asset value at the end of the previous accounting period: EUR 117.31

Gross Unit Value in the middle of the current accounting period: (Performance +8%)  
EUR 126.69

Gross Unit Value at the end of the current accounting period: EUR 123.18

=>Gross Unit Value performance at the end of the current accounting period in %

(EUR 123.18/EUR 117.31) +5%

Benchmark at the beginning of the accounting period: 12,343.07 points

Benchmark in the middle of the accounting period 12,343.07 points

Benchmark at the end of the accounting period: 12.343.07 points

=>Benchmark performance in % (12.343.07/12.343.07)  
+0%

Outperformance of Gross Unit Value compared to benchmark performance (+5% -0%)  
+5%

In Year 6 there is a relative outperformance of +5% (Performance NAV Price +5%, Performance Benchmark +0%). Performance fee is payable in the current accounting period 6 due to the current outperformance of +5% and the underperformance of -4% in year 5, which is offset. The overall outperformance is therefore +1% to calculate the Performance Fee. The resulting Underperformance to be compensated in the following year 7 is 0 %.

Calculation at the end of accounting period 6:

((Current Gross Unit Value (EUR 123.18) – net asset value of the previous period end (EUR 117.31)) / net asset value of the previous period (EUR 117.31)) – ((Current benchmark (12,343.07 points) –

Benchmark of the last period end (12,343.07 points) / Benchmark of the last period end (12,343.07 points) – Negative carry forward of previous years -4% \* ( net asset value of the previous period (EUR 117.31))) \* Units currently in circulation (900) \* Perf. fee rate (15%) = + EUR 158,37

Calculation of the crystallisation amount on the redemption date: (redeemed units)

((((Current Gross Unit Value (EUR 126.69) – net asset value of the previous period end (EUR 117.31)) / net asset value of the previous period end (EUR 117.31)) – ((Current benchmark (12,343.07 points) – Benchmark of the last period end (12,343.07 points)) / Benchmark of the last period end (12,343.07 points) – Negative carry forward of previous years -4% \* ( net asset value of the previous period end (EUR 117.31))) \* redeemed units (300) \* Perf. fee rate (15%) = + EUR 211.16

Calculation of the elimination amount on the subscription date: (subscribed units)

((((Current Gross Unit Value (EUR 126.69) – net asset value of the previous period end (EUR 117.31)) / net asset value of the previous period end (EUR 117.31)) – ((Current benchmark (12,343.07 points) – Benchmark of the last period end (12,343.07 points)) / Benchmark of the last period end (12,343.07 points) – Negative carry forward of previous years -4% \* (net asset value of the previous period (EUR 117.31))) \* subscribed units (200) \* Perf. fee rate (15%) = + EUR 140,77

Calculated performance fee eligibility during and at the end of the accounting period equates to EUR+158.37 - Elimination amount subscriptions during the accounting period (EUR 140.77) + Crystallisation amount redemptions during the accounting period (EUR 211.16)

A performance fee amount of EUR 228,76 (158,37-140,77+211,16) will be paid out ten business days after the year end.

### **3. Depositary fee**

In consideration for its duties, the Depositary receives from the net assets of the sub-fund a fee amounting to up to 0.075% p.a. of the net assets of the sub-fund with a minimum of EUR 750.00 per month. This fee is calculated on a pro rata basis based on the Fund's average net assets during the calendar month and paid in arrears at the end of each month.

Value added tax shall be added to these fees as applicable.

### **4. Central Administration Agent fee**

For the fulfilment of its responsibilities, the Central Administration Agent receives a fee of up to 0.02% p.a. of the net sub-fund assets. This fee is calculated on a pro rata basis based on the Fund's average net assets during the calendar month and paid in arrears at the end of each month. In addition, the Central Administration Agent receives a monthly basic fee of up to EUR 1,750.00 payable at the end of the month.

Value added tax shall be added to these fees as applicable.

## 5. Registrar and transfer agent fee ("Relevant Agent" fee)

In consideration for its duties as stated in the registrar and transfer agent agreement, the registrar and transfer agent receives a fee of up to EUR 25.00 p.a. per investment account or EUR 40.00 p.a. per account with a savings plan and/or withdrawal plan, plus a basic annual fee of up to EUR 3,000.00. These fees are calculated and paid in arrears at the end of each calendar year.

Value added tax shall be added to these fees as applicable.

## 6. Further Costs

In addition the costs set out in Article 35 of the Articles of Association may also be charged against the sub-fund assets.

### Costs to be borne by investors

	I2 EUR A2 EUR S EUR I EUR I USD I GBP A EUR S USD A USD X USD X EUR X GBP	D USD D GBP D EUR D2 EUR D2 USD D3 EUR D3 USD Z USD
Front-load fee: (To the relevant agent)	Up to 5%	None
Redemption charge: (To the respective sub-fund's assets)	None	None
Exchange fee: (based on the net asset value of the shares to be acquired)	None	None

### Information on the benchmark used

The administrator of the aforementioned benchmark is listed in the ESMA List of EU benchmark administrators and third country benchmarks pursuant to Regulation (EU) No 2016/1011 (the "Benchmarks Regulation").

If the benchmark index significantly changes or is no longer available, the Management Company shall, on the basis of a sound written plan listing the measures it will adopt, determine another appropriate index to replace the one in question or refrain from using a benchmark index. Shareholders may obtain a copy of the plan free of charge upon request from the registered office of the Management Company.

## **Use of income**

The income on all classes will be reinvested.

## Annex 2 B

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

**Product name:** BAKERSTEEL GLOBAL FUNDS SICAV - Electrum Fund  
**Legal entity identifier:** 529900UTJA840AOUKN83

**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.

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

### Environmental and/or social characteristics

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

Yes

- It will make a minimum of **sustainable investments with an environmental objective:** %
  - in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

- It will make a minimum of **sustainable investments with a social objective:** %

No

- It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 25 % of sustainable investments
  - with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
  - with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
  - with a social objective
- It promotes E/S characteristics, but **will not make any sustainable investments.**



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

The sub-fund invests in the equities of primary resources companies, and preferentially allocates capital to companies that operate in a sustainable way; minimise GHG emissions, energy and water use; minimise environmental & social harm; and, where reasonable to do so, promote positive social impact on their surrounding communities. The term "primary resources companies" refers to businesses whose objective is the extraction, processing and marketing of resources that are physically present, e.g. water, precious and industrial metals and agricultural commodities.

- 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 collects, assesses and records 45 sustainability indicators and collates these into a consolidated ESG score for each investee company. The primary sustainability indicators used by the sub-fund to measure and assess the attainment of the ESG characteristics promoted are greenhouse gas emissions intensity (scope 1 and scope 2 GHG emissions in metric tonnes of CO<sub>2</sub>equivalent/revenue); water use intensity (cubic metres/revenue); energy use intensity (gigawatt hours/revenue); and the level of compliance with the environmental management system (EMS) ISO 14001 standard (percentage of operations certified). This information is obtained either directly from the issuer or from reputable data providers such as Sustainalytics. In order to qualify for inclusion in the portfolio, an investee company must have an ESG score of 50% or above. Additional filters are applied to investee companies in order to qualify as a sustainable investment, which constitute at least 25% of the portfolio (see below for details).

- 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?

The objective of the sub-fund's sustainable investments is to promote CO<sub>2</sub> emissions reduction by allocating capital to companies whose products enable carbon reduction technologies to be adopted on a mass scale. We measure this impact by looking at the investee companies scope 4 emissions profile.

A minimum of 25% of the portfolio will be allocated to companies that have a positive scope 4 emissions profile. This minimum allocation will at any time be sufficient to ensure a better positive scope 4 score for the portfolio than the benchmark index and in most circumstances a positive scope 4 for the portfolio is achieved.

The objective of these sustainable investments is to enable CO<sub>2</sub> reduction technologies to be built. We quantify the impact of each investment in this regard as well as the companies direct and indirect emissions via estimating its scope 4 emissions score.

The Investment Manager has undertaken significant proprietary analysis to establish the scope 4 emissions profiles of the primary resources companies within its investment universe

- 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?

The principle adverse impact indicators set out in Annex I of the Regulatory Technical Standards (the "PAI indicators") are collected, assessed and recorded for all investee companies and feed into our proprietary ESG scoring system as described above. In order to qualify for inclusion in the portfolio, an investee company must score at least 50%, where this scoring incorporates several similar indicators to the PAI and is designed to prevent any



company that causes significant harm to any environmental or social sustainable investment objective from being included. The PAI indicators are also separately collated, tracked and periodically reported on at portfolio level to confirm that no significant harm is being caused at the aggregated level.

Manual checks are also undertaken and where any significant harm is identified to any environmental or social sustainable investment objective the investment would not be eligible for inclusion in the portfolio. This may be necessary for example where there is any negative publicity relating to an investee company, as a result of press releases made by the company or where issues are identified through our direct engagement with senior management. The nature of any assessment here would depend on the nature of the issues identified, but would consist of the investment team assessing the issue and gaining sufficient comfort that no significant harm is being caused by our investment.

**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.

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

As noted above, the PAI indicators set out in Annex I of the Regulatory Technical Standards are collected, assessed and recorded where available for all investee companies. This information is obtained from third party data provider – Sustainalytics combined with other data sources. Where this is the case, these are treated as exclusion factors at investment level. These scores are also weighted, with water use, energy use and emissions intensity being the most heavily weighted environmental PAI indicators and health and safety metrics being most heavily weighted of the social PAI indicators. This is on the basis that these PAI indicators are the most relevant indicators for the natural resources sector.

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

As part of our ESG due diligence process, we obtain information on whether investee companies commit to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. In addition, any identified violations of these standards are recorded. Where companies do not commit to adhere to these standards or where violations are identified then the company is excluded from consideration as a sustainable investment. This information can be obtained from Sustainalytics and in many cases can be established by direct review of information published by the investee companies.

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

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

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



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

Yes, the Investment Manager commits to consider principle adverse impacts at entity level under Article 4 of the Sustainable Finance Disclosure Regulation (EU) 2019/2088 (“SFDR”). As an integral part of this, the sub-fund considers principal adverse impacts on sustainability factors at sub-fund level in accordance with Article 7 of SFDR and will publish information on the principal adverse impacts on sustainability factors in its periodic reports in accordance with Article 11. Further, as noted above, the sub-fund uses the PAI indicators to assess whether the sustainable investments in the portfolio cause significant harm to any environmental or social sustainable investment objective. This is done for all PAI indicators listed in Annex 1 of the Regulatory Technical Standards, and these indicators are tracked at both investment level and at portfolio level. See above for further details

No,



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

The objective of the investment policy of the sub-fund is to achieve, with observance of the investment risk, an appropriate value growth in the sub-fund currency through a globally diversified portfolio of investments. The sub-fund invests its assets largely in shares of companies, whose business objective is the extraction, processing and marketing of primary resources. “Primary resources” refers to those resources that are physically present, e.g. water, precious and industrial metals, and agricultural commodities. In compliance with the Investment Manager’s ESG strategy, ESG criteria, in particular sustainability risks, are taken into account in the investment decision-making process for this sub-fund.

The sub-fund aims to outperform its index while taking on a similar level of risk (as measured by volatility) while maintaining a better scope 4 emissions profile than the index and in most circumstances a positive scope 4 score for the portfolio. By maintaining a positive scope 4 score we hope to ensure that overall, our portfolio of companies is contributing to CO<sub>2</sub> reduction primarily by producing products that enable carbon reduction technologies to be adopted on a mass scale. Examples of this are investing in lithium companies which enable electric vehicles to be built, rare earth companies for wind turbines and silver companies to enable mass adoption of solar power. As well as investing in primary producers we also invest in recycling companies which typically account for c. 10% of the portfolio.

While maintaining a portfolio with a better scope 4 score than the index and usually a positive scope 4 score.

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

- 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?

A multi-component exclusion strategy shortlists the investible universe and this is integrated within the investment strategy. The initial exclusion factor screening consists of 3 stages: market capitalisation screening (only companies with a market capital exceeding \$100M USD are usually considered), stock exchange screening (only companies listed on major primary stock exchanges in Europe, North America, Japan, Hong Kong, Australia and South Africa are presently considered) and ESG factor screening. The ESG factor screening incorporates key sustainability metrics that are non-negotiable (including the presence of policies covering the following: ethics, human rights, anti-bribery and corruption, and anti-child labour). The Investment Manager applies additional exclusion criteria and metrics covering weapons, including white phosphorus; fossil fuels, including coal (threshold of 30% of revenue from the production of coal); tobacco; alcoholic beverages; adult entertainment; and serious violations to the UN Global Compact principles. These exclusion criteria are aligned with and enable the sub-fund to comply with accepted industry standards including LuxFLAG and BVI. The ESG performance of companies shortlisted within the investible universe is screened and scored to implement a best-in class strategy. The ESG scores generated for the companies will be incorporated into the stock selection process within an ESG integration strategy. At least 85% of the sub-fund's assets are invested in securities whose issuers have been selected on the basis of environmental, social and governance criteria and who have scored at least 50% on our proprietary ESG scoring.

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

Environmental and social characteristics are promoted by the sub-fund, but no commitment is made to reduce the scope of the investments considered.

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

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

The sub-fund shall only invest in listed companies ensuring an appropriate standard of transparency on governance. Furthermore, the Investment Manager aims to invest only in listed companies which maintain a majority of independent directors so as to ensure a higher standard of corporate governance.

The Investment Manager assesses Board structure, competence and independence; sustainability governance; gender diversity; compensation; nomination; audit risk and oversight; and shareholder rights. This information is generally obtained directly from information published by the investee company and through interactions with that company.



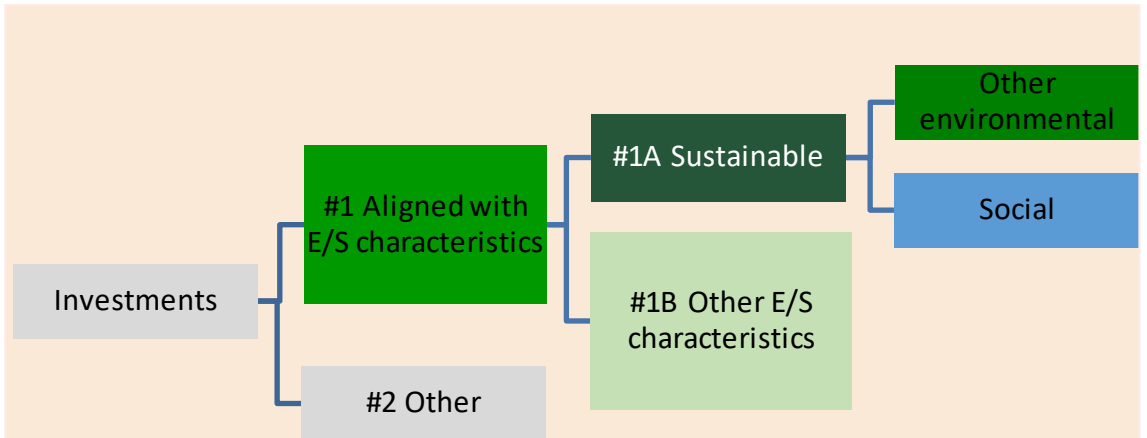
## What is the asset allocation planned for this financial product?

### 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.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product. The minimum share of these investments is 85%.

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

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives. The minimum share of these investments is 25%.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?  
The sub-fund does not use derivatives for investment or hedging purposes.



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

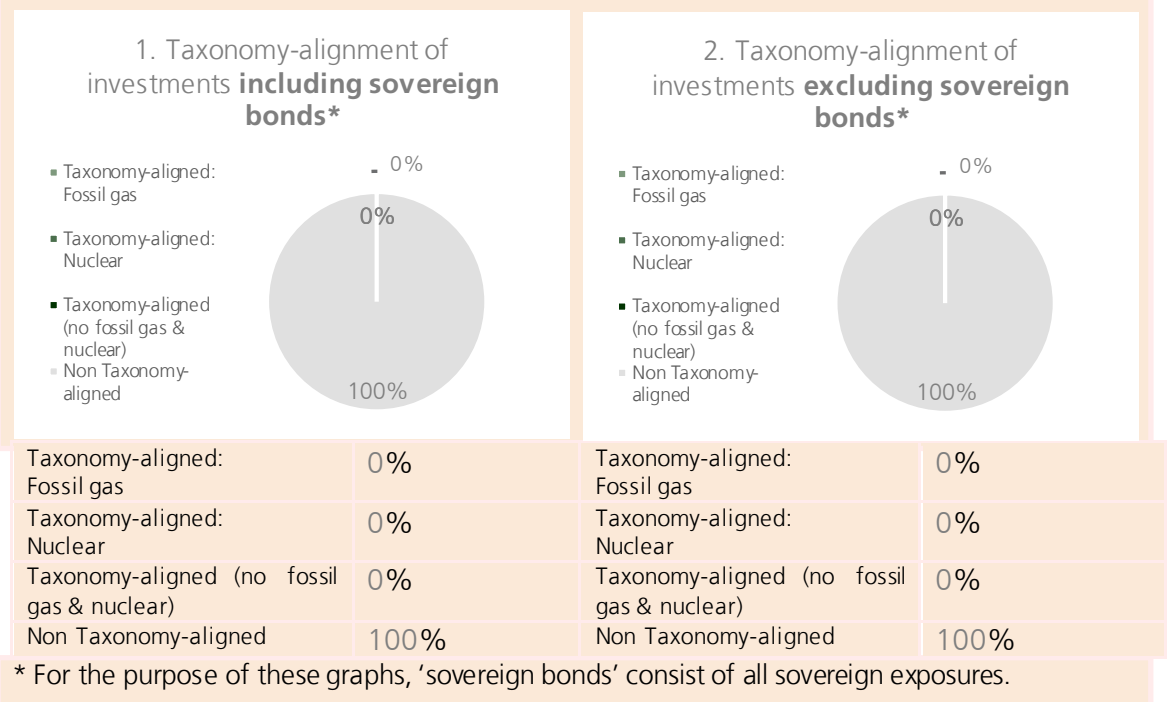
Environmental and social characteristics are promoted by the sub-fund and sustainable investments are made, but the sub-fund does not currently commit to invest a minimum proportion of its total assets in environmentally sustainable economic activities as defined in Article 3 of the EU Taxonomy. This also applies to investments in economic activities that are classified as enabling or transitional activities pursuant to Article 16 or 10(2) of the EU Taxonomy.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>2</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.



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

Transitional activities: 0%  
 Enabling activities: 0%

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



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

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

At least 25% of the sub-fund's assets are invested in sustainable investments, although these do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy. The sub-fund's sustainable investments may be classified as having either environmentally sustainable objectives, social objectives or both environmentally sustainable and social objectives. The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 1%



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

At least 25% of the sub-fund's assets are invested in sustainable investments, although these do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy. The sub-fund's sustainable investments may be classified as having either environmentally sustainable objectives, social objectives or both environmentally sustainable and social objectives. The minimum share of socially sustainable investments is 1%



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

At least 85% of the sub-fund's assets are invested in investments that have been subject to our proprietary ESG due diligence process and which have received an ESG score of 50% or more. The purpose of the remaining 15% is to cover situations where the ESG screening and scoring process cannot be completed at the time of investment. This includes situations such as corporate actions, including spin-offs, which may result in portfolio holdings arising outside the immediate control of the Investment Manager. Such holdings would then be ESG screened and scored as soon as is reasonably practicable. Additional situations that may not permit ESG screening and scoring to take place, or for meaningful results to be obtained, include cash holdings and physical commodity holdings. There may also be situations where illiquid assets are held that cannot easily be disposed of, even where their ESG status changes or where an ESG screening cannot be undertaken. The minimum environmental and social safeguard in place with respect to this remaining 15% is the fact that they will be subject to ESG screening at the earliest opportunity and where this screening process is not passed then efforts will be made to dispose of the asset or to engage with the issuer.



### **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?**

- Yes,
- No

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

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

The sub-fund's reference benchmark is not constructed based on ESG characteristics, and no separate ESG reference benchmark has been specified at this time.

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

The sub-fund's reference benchmark is not constructed based on ESG characteristics, and no separate ESG reference benchmark has been specified at this time.

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

The sub-fund's reference benchmark is not constructed based on ESG characteristics, and no separate ESG reference benchmark has been specified at this time.

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

The sub-fund's reference benchmark is not constructed based on ESG characteristics, and no separate ESG reference benchmark has been specified at this time.



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

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

<https://www.ipconcept.com/ipc/de/fondsueberblick.html>

**Articles of Association  
of  
BAKERSTEEL GLOBAL FUNDS SICAV**

## **I. Name, registered office and purpose of the Investment Company**

### ***Article 1 Name***

An Investment Company in the form of a company limited by shares shall herewith be formed as a "Société d'investissement à capital variable" under the name **BAKERSTEEL GLOBAL FUNDS SICAV** ("Investment Company"). The Investment Company is an umbrella company that shall contain several sub-funds ("sub-funds").

### ***Article 2 Registered office***

The registered office is in Strassen in the Grand Duchy of Luxembourg.

On the basis of a simple decision by the Board of Directors, the registered office of the Company may be relocated to another place within the Grand Duchy of Luxembourg. Furthermore, the Company may set up branches and other offices in other locations both within the Grand Duchy of Luxembourg and abroad.

In the event of an existing or the impending threat of a political or military nature or any other emergency brought about by force majeure outside the control, responsibility and sphere of influence of the Investment Company and if this situation has a detrimental impact on the daily business of the company or influences transactions between the location of the registered office of the company and other locations abroad, the Board of Directors shall be entitled by way of majority decision to temporarily relocate the registered office of the company abroad for the purpose of re-establishing normal business relations. However, in this case the Investment Company shall retain the Luxembourg nationality.

### ***Article 3 Purpose***

1. The exclusive purpose of the Investment Company is the investment in securities and/or other permissible assets in accordance with the principle of risk diversification pursuant to Part I of the Law of the Grand Duchy of Luxembourg dated 17 December 2010 relating to undertakings for collective investment ("Law of 17 December 2010"), with the aim of achieving a reasonable performance to the benefit of the shareholders by following a specific investment policy.
2. Taking into consideration the principles set out in the Law dated 17. December 2010 and the Law dated 10 August 1915 concerning commercial companies (including subsequent amendments and supplements) ("Law of 10 August 1915"), the Investment Company may carry out all transactions that are necessary or beneficial for the fulfilment of the Company's purpose.



## ***Article 4 General investment principles and restrictions***

The objective of the investment policy of the individual sub-funds is to achieve reasonable capital growth in the respective currency of the sub-fund (as defined in Article 12 (2) of the Articles of Association in conjunction with the relevant Annex to this Sales Prospectus). Details of the investment policy of each sub-fund are specified in the relevant Annexes to the Sales Prospectus.

The following general investment principles and restrictions apply to all sub-funds, provided no deviations or supplements are specified in the relevant Annex to this Sales Prospectus for a particular sub-fund.

The respective sub-fund assets are invested pursuant to the principle of risk diversification within the meaning of the provisions of Part I of the Law of 17. December 2010 and in accordance with the following investment policy principles and investment restrictions.

Each sub-fund may buy and sell only those assets that can be valued in accordance with the general valuation criteria set out in Article 12 of the Articles of Association.

### 1. Definitions:

#### a) "regulated market"

A "regulated market" refers to a market for financial instruments in the sense of Article 4(14) of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC.

#### b) "securities"

The term "securities" includes:

- shares and other securities equivalent to shares (hereinafter "shares"),
- bonds, debentures and other securitised debt instruments (hereinafter "debt instruments"),
- all other marketable securities that entitle the purchase of securities via subscription or exchange.

Excluded are the techniques and instruments specified in Article 42 of the Law of 17. December 2010.

c) "money market instruments"

The term "money market instruments" refers to instruments that are normally traded on the money markets, that are liquid and the value of which can be determined at any time.

d) "UCI"

Undertaking for collective investment

e) "Undertakings for collective investment in transferable securities ("UCITS")"

For each UCITS that consists of multiple sub-funds, each sub-fund is considered to be its own UCITS for the purposes of applying the investment limits.

2. Only the following categories of securities and money market instruments may be purchased:

- a) those that have been admitted to a regulated market as defined in Directive 2004/39/EC or are traded on it;
- b) securities and money market instruments that are traded on another regulated market in an EU Member State ("Member State") which is recognised, open to the public and whose manner of operation is in accordance with the regulations;
- c) those that are officially quoted on a stock exchange in a non-Member State of the European Union or on another regulated market of a non-Member State of the European Union which is recognised, open to the public and whose manner of operation is in accordance with the regulations,
- d) securities and money market instruments from new issues, provided the issue conditions contain the obligation that admission to official listing on a stock exchange or on another regulated market which is recognised, open to the public and whose manner of operation is in accordance with the regulations be applied for and that this will take place no later than one year from the date of issue.

The securities and money market instruments referred to in No. 2 c) and d) shall be officially quoted or traded in North America, South America, Australia (including Oceania), Africa, Asia and/or Europe.

- e) units in undertakings for collective investment in transferable securities ("UCITS"), which have been admitted in accordance with Directive 2009/65/EC, and/or other undertakings for collective investment ("UCI") in the sense of Article 1(2) a) and b) of Directive 2009/65/EC, irrespective of whether their registered office is in a Member State or a non-Member State, purchased provided
  - these UCIs have been admitted in accordance with such legal provisions which subject them to supervision that, in the opinion of the Luxembourg supervisory authorities, is equivalent to supervision in keeping with EU law and that there are sufficient guarantees for cooperation between the authorities,

- the degree of protection of the shareholders of these UCI is equivalent to that of the shareholders of a UCITS, and particularly the provisions concerning the separated custody of assets, borrowing, granting credit and short sales of securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC,
  - the business activities of the UCIs are the subject of semi-annual and annual reports which permit a judgement to be made concerning the assets and the liabilities, income and transactions in the reporting period,
  - the UCITS or other UCIs whose shares are to be acquired can, in accordance with its terms of agreement or its Articles of Association, invest a maximum of 10% of its assets in shares of other UCITS or UCIs,
- f) sight deposits or other callable deposits with a maturity period of 12 months at the most, transacted at credit institutions, provided the institution concerned has its registered office in a Member State of the EU, the OECD or the FATF or, if the registered office is in a third country, it is subject to supervisory provisions which are, in the opinion of the Luxembourg supervisory authorities, equivalent to those of EU law;
- g) derivative financial instruments (“derivatives”), including equivalent instruments settled in cash, which are traded on one of the regulated markets stated in subparagraphs a), b) or c) above, and/or derived financial instruments that are not traded on a stock exchange (“OTC derivatives”), provided
- the underlying assets are instruments within the meaning of Article 41 (1) of the Law of 17 December 2010 or financial indexes, interest rates, exchange rates or currencies in which each sub-fund may invest in accordance with the investment policy stated in each Annex of the prospectus,
  - the counterparties to OTC derivative transactions are institutions subject to official prudential supervision, and belonging to the categories approved by the CSSF; and
  - the OTC derivatives are subject to a reliable and verifiable assessment on a daily basis and can at any time, at the Investment Company’s initiative, be sold, liquidated or closed-out by a transaction at a reasonable current value.
- h) money market instruments which are not traded on a regulated market and which come under the definition of Article 1 of the Law of 17. December 2010, if the issue or the issuer of those instruments is already subject to provisions governing the protection of deposits and investors, and provided they are
- issued or guaranteed by a central, regional or local corporation or the central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non-member state or, insofar as a Federal state, a constituent state of the Federation, or by an international sales agency under by public law, to which at least one Member State belongs, or

- negotiated by a company whose securities are traded on the regulated markets indicated in letters a), b) or c) of this Article, or
  - issued or guaranteed by an institute which is, in accordance with the criteria set out in EU law, subordinated to a supervisory authority, or an institute which, in the opinion of the Luxembourg supervisory authority, is subject to supervisory provisions which are at least as rigorous as those of EU law and which complies with them, or
  - issued by other issuers which belong to a category that has been approved by the Luxembourg supervisory authorities, insofar as, for investments in such instruments, regulations for investor protection are in force that are equivalent to those of the first, second or third bullet points, and insofar as this involves an issuer which is either a company with equity of at least EUR 10 million, which provides and publishes its annual financial statements in keeping with Directive 78/660/EEC, or a legal entity which is, within a group encompassing one or more companies quoted on the stock exchange, responsible for financing that group, or else a legal entity whose task is to collateralize liabilities through the provision of a credit line granted by a bank.
3. However, up to 10% of the particular net sub-fund assets can be invested in other securities and money market instruments other than those mentioned in no. 2 of this Article;
4. Techniques and instruments
- a) Under the conditions and within the limits set out by the Luxembourg supervisory authority, each sub-fund may employ techniques and instruments stated in the Sales Prospectus, provided that such techniques and instruments are used to ensure the efficient management of the respective sub-fund's assets. If these operations concern the use of derivative instruments, the conditions and limits must comply with the Law of 17 December 2010.

Furthermore, when making use of techniques and instruments, it is not permitted for the relevant net sub-fund assets to depart from the investment policy set out in each Annex of the Prospectus.

- b) The Management Company is required to employ a risk management process in accordance with Article 42(1) of the Law of 17 December 2010 enabling it to monitor and measure at any time the risk connected with the investment holdings as well as their contribution to the overall risk profile of the investment portfolio. The Management Company must ensure that the overall risk of managed funds associated with derivatives does not exceed the total net value of their portfolios. In particular, it shall not solely or mechanically rely on credit ratings issued by credit rating agencies as defined in Article 3(1)(b) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, for assessing the creditworthiness of the Fund assets. The process used for the corresponding sub-fund/Fund to measure risk, as well as any additional, more detailed information is stated in the relevant Annex for the respective fund/sub-fund.

As part of its investment policy and within the limits laid down by Article 43(5) of the Law of 17 December 2010, the sub-fund may be invested in derivatives as long as the exposure to the underlying assets does not exceed in aggregate the investment limits in Article 43 of the Law

of 17 December 2010. Should the Fund invest in index-based derivatives, such investments will not be taken into account in connection with the investment limits referred to in Article 43 of the Law of 17 December 2010. If a derivative is embedded in a security or money market instrument, it must be taken into account with regard to compliance with Article 42 of the Law of 17 December 2010.

The Management Company may, on behalf of the Investment Company, make all necessary arrangements and, with the consent of the Depositary, impose all necessary additional investment restrictions in order to comply with the conditions in countries in which shares are to be sold.

## 5. Risk diversification

- a) A maximum of 10% of net sub-fund assets may be invested in securities or money market instruments of a single issuer. The sub-fund may not invest more than 20% of its assets with a single institution.

The default risk in transactions of the Investment Company or its sub-funds involving OTC derivatives must not exceed the following rates:

- 10% of the net sub-fund assets, if the counterparty is a credit institution in the sense of Article 41(1) f) of the Law of 17 December 2010, and
- 5% of the net sub-fund assets in all other cases.

- b) The total value of the securities and money market instruments of issuers in whose securities and money market instruments more than 5% of the net assets of a particular sub-fund are invested, must not exceed 40% of the net sub-fund assets in question. This restriction does not apply to investments and transactions in OTC derivatives carried out with financial institutions that are subject to supervision.

Irrespective of the individual upper limits in a), a maximum of 20% of the sub-fund's assets may be invested in a single institution in a combination of

- Securities or money-market instruments issued by such establishment and/or
- deposits in that institution and/or
- OTC derivatives acquired from that institution

- c) The investment limit of 10% of the net sub-fund assets referred to in point 5 a), sentence 1 of this Article shall be increased to 35% of the net assets of the respective sub-fund in cases where the securities or money market instruments to be purchased are issued or guaranteed by a Member State, its local authorities, a non-member state or other international organisations under public law, to which one or more Member States belong.

- d) The investment limit of 10% of the net sub-fund assets referred to in point 5 a), sentence 1 of this Article shall be increased to 25% of the net assets of the respective sub-fund in cases

where the bonds to be purchased are issued by a credit institution which has its registered office in an EU Member State and is by law subject to a specific public supervision, via which the bearers of such bonds are protected. In particular, the proceeds arising from the issue of such debt instruments must, by law, be invested in assets which, up to the maturity of the debt instruments, provide adequate cover for the resulting obligations and which, by means of preferential rights, are available as security for the reimbursement of the principal and the payment of accrued interest in the event of default by the issuer.

If more than 5% of the respective net sub-fund assets are invested in bonds issued by such issuers, the total value of the investments in those bonds must not exceed 80% of the respective net sub-fund assets.

- e) The restriction of the total value to 40% of the respective net sub-fund assets set out in point 5 b), first sentence, of this Article does not apply in the cases referred to in c), d) and e).
- f) The investment limits of 10%, 35% or 25% of net sub-fund assets, as set out in no. 5 a) to d) of this Article, must not be regarded cumulatively but rather in total a maximum of 35% of the net sub-fund assets may be invested in securities and money market instruments of the same issuer or in investments or derivatives at the same issuer.

Companies which, with respect to the preparation of consolidated financial statements, within the meaning of Directive 83/349/EEC of the European Council of 13 June 1983, on the basis of Article 54(3) g) of the Agreement on Consolidated Financial Statements (OJ L 193 of 18 July 1983, p. 1) or recognised international accounting rules, belong to the same company group are to be regarded as a single issuer when calculating the investment limits stated in point 6 a) to f) of this Article.

Each sub-fund is permitted to invest cumulative 20% of its sub-fund net assets in securities and money market instruments of one and the same company group.

- g) Without prejudice to the investment limits laid down in Article 48 of the Law of 17 December 2010, the Management Company may raise the limits laid down in Article 43 of the Law of 17 December 2010 to a maximum of 20% of the net sub-fund assets for investments in shares or debt securities issued by the same body when the aim of the respective sub-fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the Luxembourg supervisory authority, on the following basis:
- the composition of the index is sufficiently diversified,
  - the index presents an adequate base level for the market to which it refers, and
  - the index is published in a reasonable manner.

The above-mentioned investment limit is increased to 35% of the net assets of the respective sub-fund under exceptional market conditions, particularly on regulated markets on which certain securities or money market instruments strongly dominate. This investment limit applies only to the investment in a single issuer.

It will be stated in the corresponding Annex to the Investment Company's Sales Prospectus whether use has been made of this possibility for each sub-fund.

- h) Notwithstanding the conditions set forth in Article 43 of the Law of 17 December 2010 and whilst simultaneously observing the principle of risk diversification, up to 100% of the net sub-fund assets may be invested in securities and money market instruments that are issued or guaranteed by an EU Member State, its local authorities, an OECD Member State or international organisations to which one or more EU Member States belong. In all cases the securities in a particular sub-fund must originate from at least six different issues and the value of securities originating from one and the same issue must not exceed 30% of the net sub-fund assets.**
- i) A sub-fund may not invest more than 10% of its net assets in UCITS or UCI pursuant to sub-paragraph 2 e) of this Article, unless otherwise stipulated in the specific Annex to the Sales Prospectus for the respective sub-fund. Insofar as the investment policy of the respective sub-fund provides for an investment of more than 10% of the respective net sub-fund assets in UCITS or UCI pursuant to sub-paragraph 2 e) of this Article, the following letters j) and k) shall apply.
- j) The sub-fund may not invest more than 20% of its net sub-fund assets in units of one and the same UCITS or one and the same UCI, pursuant to Article 41(1) (e) of the Law of 17 December 2010. For the purposes of applying this investment restriction, each sub-fund of a UCI with several sub-funds is treated as a separate issuer, provided that the principle of separation of the liabilities of the individual sub-funds is ensured with regard to third parties.
- k) The sub-fund may not invest more than 30% of the net sub-fund assets in other UCIs than UCITS. If the sub-fund has acquired units of another UCITS and/or other UCI, the assets of the UCITS or other UCI in question are not taken into account in respect of the upper limits referred to 5(a)-(f).
- l) If a UCITS acquires shares of another UCITS and/or another UCI which are managed, directly or on the basis of a transfer, by the same management company as the Investment Company (if this applies) and its sub-funds, or a company with which this management company is connected through common management or control or an essentially direct or indirect participation of more than 10% of the capital or votes, no fees may be charged for the subscription or redemption of the shares of this other UCITS and/or UCI by the UCITS (including front-load fees and redemption charges).

In general, a management fee may be charged upon acquisition of units in target funds at the level of the target fund, and allowance must be made for any front-load fee or redemption charges, if applicable. The Investment Company and/or its sub-funds will not invest in target funds which are subject to a management fee of more than 3%. The Investment Company's annual report will contain information for each sub-fund on the maximum amount of the management fee incurred by the sub-fund and the target funds.

m) A sub-fund of an umbrella fund may also invest in other sub-funds of the same umbrella fund. In addition to the conditions for investing in target funds mentioned above, the following conditions apply to investments in target funds that are also sub-funds of the same umbrella fund:

- Circular investments are not permitted. This means that the target sub-funds cannot themselves invest in the sub-funds of the same umbrella fund which itself invests in the target sub-fund.
- the sub-funds of an umbrella fund that are to be acquired from other sub-funds of the same umbrella fund may, pursuant to their Management Regulations and/or Articles of Association, invest a maximum of 10% of their assets in units of other target funds of the same umbrella fund,
- Voting rights from holding units in target funds that are simultaneously target funds of the same umbrella fund are suspended as long as these units of a sub-fund of the same umbrella fund are held. This rule does not affect the appropriate recording of this in the annual accounts and the periodic reports,
- as long as a sub-fund holds units in another sub-fund of the same umbrella fund, the units of the target sub-fund are not taken into account in the calculation of net asset value, to the extent that the calculation serves to determine whether the legal minimum capital of the umbrella fund has been obtained, and
- if a sub-fund acquires units of another sub-fund of the same umbrella fund there may be no double charging of management, subscription or redemption charges at the level of the sub-fund that has invested in the target sub-fund of the same umbrella fund.

n) It is not permitted to buy shares for the Investment Company or its sub-funds with voting rights that would allow it to exert a considerable influence on the management of an issuer.

o) In addition, on behalf of the sub-funds:

- up to 10% of non-voting shares of one and the same issuer,
- up to 10% of the debentures issued by one and the same issuer,
- not more than 25% of shares issued of one and the same UCITS and/or UCI and
- not more than 10% of the money market instruments of a single issuer.

may be acquired.

p) The investment limits stated in point 5 n) and o) do not apply in the case of:



- securities and money market instruments which are negotiated or guaranteed by an EU Member State or its local authorities, or by a state which is not a member of the European Union;
- securities and money market instruments issued by an international authority under public law, to which one or more EU Member States belong.
- shares which a sub-fund owns in the capital of a company from a non-member state which fundamentally invests its assets in securities of issuers having their registered office in that country, if, due to the legal conditions of that country, such a shareholding is the only way for the sub-fund to invest in securities of issuers from that country. However, this exception shall only apply under the prerequisite that the company of the country outside the EU observes in its investment policy the limits laid out in Articles 43, 46 and 48 (1) and (2) of the Law of 17. December 2010. In the event that the limits set out in Articles 43 and 46 of the Law of 17 December 2010 are exceeded, Article 49 of the Law of 17 December 2010 shall apply accordingly.
- shares held by an investment company or investment companies in the capital of subsidiary companies pursuing, in the country where the subsidiary is established, administration, advisory or sales activities in regard to the redemption of units at investors' request exclusively on its or their behalf.

## 6. Liquid funds

The sub-fund's net assets may also be held in liquid funds in the form of investment accounts (current accounts) and overnight money, but only on an ancillary basis.

## 7. Loans and encumbrance prohibition

- A particular sub-fund must not be pledged or otherwise encumbered, made over or transferred as collateral, unless this involves borrowing in the sense of b) below or the provision of security within the framework of a settlement of transactions with financial instruments.
- Loans encumbering a particular sub-fund may only be taken out for a short period of time and may not exceed 10% of the net sub-fund assets. An exception to this is the acquisition of foreign currencies through *back-to-back* loans.
- The respective net fund assets may neither grant loans nor act as guarantor on behalf of third parties. However, this does not preclude the acquisition of securities, money market instruments or other financial instruments that are not fully paid-up in accordance with Article 41 paragraphs 1) e), g) and h) of the Law of 17. December 2010.

## 8. Further investment guidelines

- The short selling of securities is not permitted.
- sub-fund assets must not be invested in property, precious metals or certificates concerning precious metals, precious metal contracts, goods or goods contracts.

9. The investment restrictions referred to in this Article relate to the time when the securities are acquired. If the percentages are subsequently exceeded as a result of price changes or for reasons other than additional purchases, the Management Company shall seek to return to the specified limits as soon as possible, taking into account the interests of the shareholders.

### **Tax-related investment restrictions**

If the sub-fund's specific investment policy in the relevant Annex to the Sales Prospectus specifies that the sub-fund is an equity fund or a mixed fund, the following conditions shall apply in conjunction with the aforementioned supervisory investment restrictions:

An equity fund is a sub-fund which invests at least 51% of its assets in equity participations on an ongoing basis.

A mixed fund is a sub-fund which invests at least 25% of its assets in equity participation on an ongoing basis.

Equity participations are:

1. Listed units in a corporation that are admitted for trading on a stock exchange or another organised market,
2. Units in a corporation that is not a real estate company and which
  - a) resident in a member state of the European Union or in another state party to the Agreement on the European Economic Area where it is subject to and not exempt from corporation tax, or is
  - b) resident in a third country where it is subject to and not exempt from corporation tax of at least 15%
3. Investment units in equity funds amounting to 51% of the value of the investment unit,
4. Investment units in mixed funds amounting to 25% of the value of the investment unit, or
5. units in other investment funds at the unit value price, published on the valuation date, at which they actually invest in said corporation units; if no actual price is published, at the minimum price stipulated in the investment conditions (foundation documents and Sales Prospectus) of the other investment fund.

Apart from the cases in point 3, 4, or 5 of this section, investment units are not considered equity participations.

## **II. Duration, merger and liquidation of the Investment Company or of one or several sub-funds**

### ***Article 5 Duration of the Investment Company***

The Investment Company has been set up for an indefinite period.

### ***Article 6 Merger of the Investment Company or of one or several sub-funds***

1. The Investment Company may determine on the basis of a resolution of the general meeting that the Investment Company shall be transferred to another UCITS managed by the same Management Company or managed by another management company in accordance with the following conditions.

The general meeting also votes on the general merger plan. The decisions of the general meeting concerning a merger require at least a simple majority of the votes of those shareholders present or represented. In the case of mergers whereby the investment company taken over ceases to exist as a result of the merger, the effectiveness of the merger must be specified in a notarised deed.

2. A sub-fund of the Investment Company may, pursuant to a decision of the Board of Directors, be merged into another sub-fund of the Investment Company or another UCITS or a sub-fund of another UCITS.

In cases in which a sub-fund is merged with a sub-fund of another fund, this decision shall only be binding on those shareholders who have expressed their agreement to the merger.

3. The mergers stated in points 1 and 2 above may be decided in particular in the following cases:
  - in so far as the net fund assets or net assets of the sub-fund on a Valuation Day have fallen below an amount which appears to be a minimum amount for the purpose of managing the Fund or sub-fund in a manner which makes commercial sense. The Management Company has set this amount at EUR 2.5 million.
  - If, due to a significant change in the economic or political climate or for reasons of economic profitability, it does not appear to make economic sense to manage the Fund or sub-fund.
4. The Board of Directors may decide to absorb another fund or sub-fund managed by the same or by another management company into the Investment Company or another sub-fund of the Investment Company.
5. Mergers are possible between two Luxembourg funds or sub-funds (domestic merger) or between funds or sub-funds that are based in two different Member States (cross-border merger).
6. A merger may only be implemented if the investment policy of the Investment Company or fund/sub-fund to be absorbed does not contradict the investment policy of the absorbing UCITS.

7. The merger is carried out in the form of the dissolution of the Fund or sub-fund to be merged and at the same time the takeover of all assets by the acquiring fund or sub-fund. Investors in the acquired fund shall receive units of the acquiring fund, the number of which shall be based on the net asset value of the respective fund at the time of the merger and, where applicable, with a settlement for fractions.
8. Both the absorbing fund or sub-fund and the absorbed fund or sub-fund will inform investors in an appropriate manner of the planned merger via publication in a Luxembourg daily newspaper and as required by the regulations of the respective countries of distribution of the absorbing or absorbed fund or sub-fund.
9. The investors in the absorbing and the absorbed fund or sub-fund have the right, within 30 days and at no additional charge, to request the redemption of all or part of their units at the current net asset value or, if possible, the exchange for units of another fund with a similar investment policy that is managed by the same Management Company or by another company with which the Management Company is linked by common management or control or by a substantial direct or indirect holding. This right becomes effective from the date on which the shareholders of the absorbed and of the absorbing fund have been informed of the planned merger, and it expires five working days before the date of calculation of the conversion ratio.
10. In the case of a merger between two or more funds or sub-funds, the funds or sub-funds in question may temporarily suspend the subscription, redemption or conversion of units if such suspension is justified for reasons of protection of the shareholders.
11. Implementation of the merger will be audited and confirmed by an independent auditor. A copy of the auditor's report will be made available at no charge to the investors in the absorbing and the absorbed fund or sub-fund and the respective supervisory authority.
12. The provisions of points 3-11 above also apply to the merger of two sub-funds within the Investment Company.

### ***Article 7 Liquidation of the Investment Company or of one or several sub-funds***

1. The Investment Company may be liquidated pursuant to a decision of the general meeting. This decision shall be subject to compliance with the legal provisions specified for the amendment of Articles of Association.

However, if the assets of the Investment Company fall to below two-thirds of the minimum capital, the Board of Directors is required to convene a general meeting and to propose the liquidation of the Investment Company to this meeting. Liquidation shall be approved by a simple majority of shares present and/or represented at the general meeting.

If the assets of the Investment Company fall to below one quarter of the minimum capital, the Board of Directors is also required to convene a general meeting and to propose the liquidation of the Investment Company to this meeting. Liquidation in this case shall be approved by a majority of 25% of shares present and/or represented at the general meeting.

General meetings will be convened within 40 days of discovery of the fact that the Investment Company's assets have fallen to below two-thirds or one-quarter of the minimum capital.

The decision of the general meeting to liquidate the Investment Company will be published pursuant to the applicable legislative provisions.

On the basis of a decision by the Board of Directors, a sub-fund of the Investment Company may be liquidated. A liquidation decision may be made in particular in the following cases:

- if the net sub-fund assets on a Valuation Day have fallen below an amount which is deemed to be a minimum amount for the purpose of managing the sub-fund in a manner which is commercially viable. The Investment Company has set this amount at EUR 2.5 million.
  - if, due to a significant change in the commercial or political environment or for reasons of commercial profitability, it is not deemed to be commercially viable to continue to operate the sub-fund.
2. Unless otherwise decided by the Board of Directors, the Investment Company or a sub-fund shall cease to issue, redeem or exchange shares of the Investment Company or the sub-fund from the date of the liquidation decision until the liquidation is implemented. The redemption of shares will continue to be possible if the equal treatment of the shareholders is ensured.
  3. Any net liquidation proceeds that are not claimed by investors by the completion of the liquidation process will be forwarded by the Depositary Bank after the completion of the liquidation process to the Caisse des Consignations in the Grand Duchy of Luxembourg on behalf of the entitled shareholders. These sums will be forfeited if they are not claimed within the statutory period.

### **III. Sub-funds and duration of one or several sub-funds**

#### ***Article 8 The sub-funds***

1. The Investment Company consists of one or several sub-funds. The Board of Directors is entitled to launch further sub-funds at any time. In this case the Sales Prospectus shall be amended accordingly.
2. Each of the sub-funds is considered an independent fund with regard to the legal relationships of the shareholders amongst each other. The rights and obligations of the shareholders of a sub-fund are entirely separate to the rights and obligations of shareholders of the other sub-funds. Each individual sub-fund shall only be liable for claims of third parties that relate to that specific sub-fund.

#### ***Article 9 Duration of the individual sub-funds***

The sub-funds may be set up for specified or unspecified periods. Details on the duration of each sub-fund are specified in the respective Annexes to the Sales Prospectus.

## **IV. Capital and shares**

### ***Article 10 Capital***

The capital of the Investment Company corresponds at all times to the total of the net assets of all the Investment Company's sub-funds ("net assets of the company") pursuant to Article 12(4) of these Articles of Association, and is represented by fully paid-up shares of no par value.

The initial capital of the Investment Company on formation amounts to EUR 31,000 divided into 310 shares of no par value.

Pursuant to the law of the Grand Duchy of Luxembourg, the minimum capital of the Investment Company must be the equivalent of EUR 1,250,000 and this must be attained within a period of six months after approval of the Investment Company by the Luxembourg supervisory authorities. The basis for this will be the net assets of the company.

### ***Article 11 Shares***

1. Shares are shares in the respective sub-fund. Shares shall be certificated by share certificates. The shares of the respective sub-fund shall be issued in the certificates and denominations stated in the Annex to the specific sub-fund. Registered shares will be entered into the share register maintained by the registrar and transfer agent ("Relevant Agent"). Confirmation of entry of the shares in the share register will be sent to shareholder to the address specified in the share register. All disclosures and notifications to shareholders by the Investment Company shall be sent to this address. Shareholders shall not be entitled to the physical delivery of share certificates in respect of bearer shares or registered shares.
2. In order to ensure the smooth transfer of shares, an application will be made for the shares to be held in collective custody.
3. The Board of Directors is authorised to issue an unlimited number of fully paid-up shares at any time, without the need to grant existing shareholders a preferential right of subscription to newly issued shares.
4. All shares in a sub-fund fundamentally have the same rights unless the Board of Directors decides to issue different classes of share within the same sub-fund pursuant to the following subparagraph of this Article.
5. The Board of Directors may decide from time to time to have two or more share classes within one sub-fund. The share classes may have different characteristics and rights in terms of the use of income, fee structure or other specific characteristics and rights. From the date of issue, all shares entitle the holder or bearer to participate equally in income, share price gains and liquidation proceeds in their particular share class. If share classes are formed for a particular sub-fund, details of the specific characteristics or rights for each share class are specified in the corresponding Annex to the Sales Prospectus.

6. By decision of the Board of Directors of the Investment Company, share classes in the Fund may be subject to a share split.
7. Pursuant to a resolution of the Board of Directors of the Investment Company, the share classes of a sub-fund / the Fund may be merged.

## ***Article 12 Calculation of the net asset value per share***

1. The net assets of the Investment Company are shown in Euro (EUR) ("reference currency").
2. The value of a share ("net asset value per share") is denominated in the currency laid down in the relevant Annex to the Sales Prospectus ("sub-fund currency"), unless any other currency is stipulated for any other share classes in the relevant Annex to the Sales Prospectus ("share class currency").
3. The net asset value per share is calculated by the Management Company or a third party commissioned for this purpose by the Investment Company, under the supervision of the Depositary Bank, on each Business day in Luxembourg and London with the exception of 24 and 31 December of each year ("Valuation Day"). The Board of Directors may decide to apply different regulations to individual sub-funds, but the net asset value per share must be calculated at least twice each month.
4. A Business Day is a day on which banks are normally open for business in Luxembourg and London.
5. In order to calculate the net asset value per share, the value of the assets of each sub-fund, less the liabilities of each sub-fund ("net sub-fund assets") is determined on each day specified in the relevant Annex ("Valuation Day") and this is divided by the number of shares in circulation in the respective sub-fund on the Valuation Day. The Management Company can, however, decide to determine the unit value on the 24 and 31 December of a year without these determinations of value being calculations of the unit value on a Valuation Day within the meaning of the above clause 1 of this point 4. Consequently, the shareholders may not demand the issue, redemption or exchange of shares on the basis of a net asset value determined on 24 December and/or 31 December of a year.
6. Insofar as information on the situation of the net assets of the company must be specified in the annual or semi-annual reports and/or other financial statistics pursuant to the applicable legislative provisions or in accordance with the conditions of these Articles of Association, the value of the assets of each sub-fund will be converted to the reference currency. The net sub-fund assets will be calculated according to the following principles:
  - a) Securities which are officially listed on a stock exchange are valued at the last available market price. If a security is officially listed on more than one stock exchange, the last available listing on the stock exchange which represents the major market for this security shall apply.

The Management Company may stipulate for individual sub-funds that transferable securities, money market instruments, derivative financial instruments (derivatives) and other assets officially listed on a securities exchange are valued at the latest available closing price which provides a reliable valuation. Details on this can be found in the Annexes to the relevant sub-funds.

- b) Securities not officially listed on a securities exchange but traded on a regulated market will be valued at a price that may not be lower than the bid price and not higher than the offered price at the time of valuation and which the Investment Company deems in good faith to be the best possible price at which the securities can be sold.

The Management Company may, on behalf of individual sub-funds, determine that transferable securities, money market instruments, derivative financial instruments (derivatives) and other assets which are not officially listed on a securities exchange (or whose stock exchange rate is not deemed representative, e.g. due to lack of liquidity) but which are traded on another regulated market, shall be valued at the latest available price there, and which the Management Company considers in good faith to be the best possible price at which the transferable securities, money market instruments, derivative financial instruments (derivatives) and other investments can be sold. Details on this can be found in the Annexes to the relevant sub-funds.

- c) OTC derivatives shall be evaluated on a daily basis using a method to be determined and validated by the Management Company in good faith on the basis of the sale value that is likely attainable and using generally accepted valuation models which can be verified by an auditor.
- d) Shares of UCITS and UCIs are valued at the most recently established and available redemption price. In the event that the redemption of the investment shares is suspended, or no redemption prices are established, these units together with all other assets will be valued at their appropriate market value, as determined in good faith by the Management Company and in accordance with generally accepted valuation standards approved by the auditors.
- e) If the prices in question are not fair market prices, if the financial instruments under (b) are not traded on a regulated market, and if no prices are set for financial instruments different from those listed under (a)–(d), then these financial instruments and the other legally permissible assets shall be valued at their current market value, which shall be established in good faith by the Management Company on the basis of generally accepted and verifiable valuation rules (e.g. suitable valuation models taking account of current market conditions).
- f) Liquid funds are valued at their nominal value plus interest.
- g) The market value of securities and other investments which are denominated in a currency other than the currency of the relevant sub-fund shall be converted into the currency of the sub-fund at the last mean rate of exchange (WM/Reuters fixing at 4 pm London time). Gains and losses from foreign exchange transactions will on each occasion be added or subtracted.



The Management Company may stipulate for individual sub-funds that the transferable securities, money market instruments, derivative financial instruments (derivatives) and other assets denominated in a currency other than that of the sub-fund shall be converted into the sub-fund currency at the exchange rate of the trading day. Profits and losses from foreign exchange transactions shall, on each occasion, be added or subtracted. Details on this can be found in the Annexes to the relevant sub-funds.

Any distributions paid out to sub-fund shareholders will be deducted from the net assets of the sub-fund.

7. The net asset value per share is calculated separately for each sub-fund pursuant to the aforementioned criteria. However, if there are different share classes within a sub-fund, the net asset value per share will be calculated separately for each share class within this fund pursuant to the aforementioned criteria. The composition and allocation of assets always occurs separately for each sub-fund.

### ***Article 13 Suspension of the calculation of the net asset value per share***

1. The Management Company is authorised to temporarily suspend calculation of the net asset value per share if and for as long as circumstances exist necessitating the suspension of calculations and if the suspension is in the interests of the shareholders, in particular:
  - a) when a stock exchange or another regulated market on which a significant number of the assets are quoted or traded is closed for reasons other than a normal statutory or bank holiday or when trading on this stock exchange or regulated market is suspended or restricted;
  - b) in emergency situations in which the Investment Company cannot freely access the assets of a sub-fund or in which it is impossible to transfer the transaction value of investment purchases or sales freely or when the net asset value per share cannot be properly calculated.
  - c) if disruptions in the communications network, or any other reason, make it impossible to calculate the value of a considerable part of the net assets either quickly or sufficiently.

The issue, redemption and exchange of shares shall also be suspended whilst the calculation of the net asset value per share is temporarily suspended. The temporary suspension of the calculation of the net asset value per share of the shares within a sub-fund shall not lead to the temporary suspension of other sub-funds that are not affected by that event.

2. Shareholders who have placed a subscription, redemption or exchange order shall be immediately informed of the discontinuation of the calculation of the net asset value per share.
3. No shares will be issued, redeemed or converted when the determination of the Net Asset Value is suspended. In such a case, a subscription for shares, a redemption or a conversion request may be withdrawn, provided that a withdrawal notice is received by the Relevant Agent before the suspension is terminated. Unless withdrawn, subscriptions for shares, redemptions and conversion requests will be acted upon on the first Valuation Day after the suspension is lifted on the basis of the subscription price, redemption price or conversion price (as the case may be) then prevailing.

## ***Article 14 Issue of shares***

1. Shares are always issued on the initial issue date of a sub-fund or within the initial issue period of a sub-fund at a set initial issue price, plus the front-load fee, in the manner described in the respective sub-fund Annex to the Sales Prospectus. In conjunction with this initial issue amount or this initial issue period, shares will be issued on the Valuation Day at the issue price. The issue price is the net asset value per share pursuant to Article 14(4) of the Articles of Association, plus a front-load fee, the maximum amount of which is stated for each sub-fund in the respective Annex to this Sales Prospectus.

The issue price can be increased by fees or other encumbrances in particular countries where the Fund is on sale.

2. Subscription orders for the acquisition of registered shares may be submitted to the Management Company and any sales agent. The receiving agents are obliged to immediately forward all completed subscription applications to the Relevant Agent.

Subscription applications for the acquisition of bearer shares are forwarded to the Relevant Agent by the entity at which the subscriber holds his investment account. Completed subscription applications are only deemed as accepted on the date they are received by the Relevant Agent, which accepts the subscription applications on behalf of the Management Company.

Completed subscription applications for the purchase of registered shares received by the Relevant Agent by the time specified in the Sales Prospectus on a Valuation Day are allocated at the issue price published on the following Valuation Day, provided the transaction value for the subscribed shares is available. The Management Company will ensure in all cases that shares will be issued on the basis of a net asset value per share that is previously unknown to the applicant. Nevertheless, if there are grounds to suspect that an applicant is engaging in late trading, the Investment Company or the Management Company reserves the right to reject the subscription application. Completed subscription applications for the purchase of registered shares received by the Relevant Agent after the cut-off time specified in the Sales Prospectus for each Valuation Day are rolled over to the following Valuation Day, provided the transaction value for the subscribed shares is available.

If the transaction value of the subscribed shares is not made available to the Relevant Agent at the time of receipt of the completed subscription application or if the subscription application is incorrect or incomplete, the subscription application shall be regarded as having been received by the Relevant Agent on the date on which the transaction value of the subscribed shares is made available and/or the subscription certificate is submitted properly.

Upon receipt of the issue price by the Depositary, the bearer shares shall be immediately transferred by the registrar and transfer agent, by order of the Management Company, to the agent with which the applicant holds his custody account.

The issue price is payable within the number of Valuation Days specified in the relevant Annex to the sub-fund after the corresponding Valuation Day in the respective sub-fund currency to the Depositary Bank in Luxembourg.

If the transaction value is deducted from the Fund's assets, in particular due to the cancellation of a payment instruction, the non-clearance of funds or for other reasons, the Management Company shall recall the respective shares in the interests of the Fund. Any differences arising from the recall of shares that have a negative effect on the fund assets must be borne by the applicant.

3. For savings plans, a maximum of one-third of all payments agreed for the first year may be applied to covering costs. The remaining costs are distributed evenly across all later payments.
4. The circumstances under which the issue of shares may be suspended are specified in Article 15 of the Articles of Association.
5. The Board of Directors may accept full or partial subscriptions in kind at its absolute discretion. Any investments to be transferred for the purpose of any subscription in specie must be in accordance with the investment policy and the restrictions of the fund. These investments may also be audited by the auditor assigned by the Board of Directors.

### ***Article 15 Restriction and suspension of the issue of shares***

1. The Management Company may at any time, at its own discretion and without stating reasons, reject a subscription application, temporarily restrict, suspend or permanently discontinue the issue of shares, or unilaterally decide to repurchase shares in return for payment of the redemption price, if this is deemed to be in the interests of the shareholders, in the interest of the public, for the protection of the Investment Company, for the protection of the respective sub-fund or for the protection of the shareholders, in particular in cases where:
  - a) there is a suspicion that the respective shareholder will on acquiring the shares engage in market timing, late trading or other market techniques that could be harmful to all the other investors;
  - b) the investor does not fulfil the conditions to acquire the shares, or
  - c) the shares have been acquired by a person who appears to have ties to the US, the shares have been sold in a state or acquired by a person (e.g. U.S. citizen) in a state where the Fund is not authorised for sale or where the acquisition of shares by such shareholders (e.g. U.S. citizen) is not permitted.
2. Should such a situation occur, the Relevant Agent shall reimburse, without delay and without interest, any payments received in respect of subscription applications not yet executed.
3. The issue of shares shall be temporarily suspended in particular if the calculation of the net asset value per share is suspended.

### ***Article 16 Redemption and exchange of shares***

1. Shareholders are entitled at all times to apply for the redemption of their shares at the net asset value per share, if applicable less a redemption charge ("redemption price"), in accordance with Article 12(4) of the Articles of Association. Units will only be redeemed on a Valuation Day. If a

redemption charge is payable, the maximum amount of this redemption charge for each sub-fund is specified in the relevant Annex to this Sales Prospectus.

In certain countries the redemption price may be reduced by local taxes and other charges. The corresponding share lapses upon payment of the redemption price.

2. Payment of the redemption price and any other payments to shareholders shall be made via the Depositary Bank or the paying agents. The Depositary Bank shall only be required to make a payment, provided there are no legal provisions, such as exchange control regulations, or other circumstances beyond the Depositary Bank's control forbidding the transfer of the redemption price to the country of the applicant.

The Management Company may repurchase shares unilaterally against payment of the redemption price, provided this is in the interests of or in order to protect the shareholders, the Investment Company or one or more sub-funds, particularly in cases where:

1. there is a suspicion that the respective shareholder shall, on acquiring the shares, engage in market timing, late trading or other market techniques that could be harmful to other investors,
  2. the investor does not fulfil the conditions to acquire the shares, or
  3. the shares are marketed in a country where the respective sub-fund is not permitted to be sold or are acquired by persons who are not permitted to acquire the shares.
3. The exchange of all or some shares in a sub-fund for shares in another sub-fund shall take place on the basis of the net asset value per share of the relevant sub-fund, taking into account any applicable exchange fee, which is generally set at 1% of the net asset value per share of the shares to be subscribed to, subject to a minimum of the difference between the front-load fee of the sub-fund of the shares to be exchanged and the front-load fee of the sub-fund into whose shares the exchange is made. If it is not possible to exchange shares for specific sub-funds or if no exchange fee is payable, this shall be mentioned in the corresponding Annex of the Sales Prospectus for the sub-fund in question.

If various share classes are offered within a sub-fund, shares of one class may be exchanged for shares of another class within the sub-fund both within the same sub-fund and from one sub-fund into another. No exchange fee is applied if an exchange is made within a single sub-fund.

The Management Company may reject an application for the exchange of shares within a particular sub-fund or share class, if this is deemed in the interests of the Investment Company or the sub-fund or in the interests of the shareholders, particularly if

1. there is a suspicion that the respective shareholder shall, on acquiring the shares, engage in market timing, late trading or other market techniques that could be harmful to all the investors,
2. the investor does not fulfil the conditions to acquire the shares, or

3. the shares have been acquired by a person who appears to have ties to the U.S., it has been discovered that the shareholder has ties to the U.S. following the acquisition, the units are sold in a state where the relevant sub-fund or share class is not authorised for sale or have been acquired by a person (e.g. U.S. citizen) who is not permitted to acquire the shares.
4. Complete orders for the redemption or exchange of registered shares can be submitted to the Management Company, the sales agents or the paying agents. The receiving agents are obliged to immediately forward the redemption or exchange orders to the registrar and transfer agent. Receipt by the registrar and transfer agent is decisive.

An order for the redemption or exchange of registered shares shall only be deemed complete if it contains the name and address of the shareholder, the number and/or transaction value of the shares to be redeemed or exchanged, the name of the sub-fund and the signature of the shareholder.

Complete orders for the redemption or exchange of bearer shares will be forwarded to the registrar and transfer agent by the agent with whom the shareholder holds his custody account. Receipt by the registrar and transfer agent is decisive.

Complete orders for the redemption and/or exchange of shares received by the relevant agent by the time stated in the Sales Prospectus on a valuation day are settled at the net asset value per share of the following valuation day, less any applicable redemption fees and/or exchange fee. The Management Company shall ensure in all cases that shares are redeemed and/or exchanged on the basis of a net asset value per share that is not known to the shareholder in advance. Complete orders for the redemption and/or exchange of shares received by the relevant agent after the time stated in the Sales Prospectus on a valuation day are settled at the net asset value per share of the second following valuation day, less any applicable redemption fees and/or exchange fee.

The redemption price is payable in the respective sub-fund currency or, if there are several unit classes, in the respective unit class currency, within the number of banking days stipulated in the Annexes to the Sales Prospectus after the relevant valuation day. In the case of registered shares, payment is made to the account specified by the shareholder.

Any fractional amounts resulting from the exchange of shares will be paid out by the Relevant Agent.

5. The Management Company is authorised to temporarily suspend the redemption of shares due to the suspension of the calculation of the net asset value.
6. In order to preserve the interests of the shareholders, the Management Company is entitled to defer significant volumes of redemptions until corresponding assets of the sub-fund are sold without delay. In this case, the redemption shall occur at the redemption price then valid. The

same shall apply to applications to exchange shares. The Investment Company shall ensure that each sub-fund has sufficient liquid funds so that under normal circumstances the redemption or exchange of shares may take place immediately upon application from investors. The Management Company may limit the principle of the free redemption of shares or specify the redemption conditions more specifically, for example, by applying a redemption charge and setting a minimum amount that the shareholders of the sub-fund must hold.

## **V. General meeting**

### ***Article 17 Rights of the general meeting***

A properly convened general meeting represents all the shareholders of the Investment Company. The general meeting has the authority to initiate and confirm all dealings of the Investment Company. The resolutions of the general meeting are binding on all shareholders, provided these resolutions are in accordance with the law of the Grand Duchy of Luxembourg and these Articles of Association, in particular insofar as they do not interfere with the rights of the separate meetings of shareholders of a particular share class.

### ***Article 18 Convening of meetings***

1. Pursuant to Luxembourg law, the annual general meeting will be held in Luxembourg at the registered office of the Investment Company, or at any other location within the district where the registered office of the Investment Company is located and which will be specified in the notice of meeting, on the third Wednesday in June of each year at 11.00 a.m. CET/CEST. In the event that this day is a bank holiday in Luxembourg, the annual general meeting will be held on the next Business day in Luxembourg.

The annual general meeting may be held abroad if the Board of Directors deems fit as a result of extraordinary circumstances. A resolution of this kind by the Board of Directors may not be contested.

2. Pursuant to the applicable legislative provisions, the shareholders may also be called to a meeting convened by the Board of Directors. A meeting may also be convened at the request of shareholders representing at least one tenth of the assets of the Investment Company.
3. The convening notice must contain the agenda and be sent to all holders of registered shares at the addresses stated in the share register at least 14 days before the meeting. The convening notice and the agenda shall be brought to the attention of the owners of bearer shares in accordance with the applicable legal provisions.
4. The agenda shall in principle be drawn up by the Board of Directors. At the request of shareholders representing at least one tenth of the assets of the Investment Company, the Board of Directors shall amend or supplement the agenda. Any such request made by the shareholders must reach the Board of Directors of the Investment Company at least 5 days before the meeting. The Board of Directors shall notify the new agenda to the shareholders immediately. In

cases where the general meeting is held at the written request of shareholders representing at least one tenth of the assets of the Investment Company, the agenda shall be drawn up by the shareholders.

The latter shall be attached to the written request for convening the extraordinary general meeting. In this case, the Board of Directors may draw up an additional agenda.

5. Extraordinary general meetings of shareholders shall be held at the time and place specified in the notice of the extraordinary general meeting.
6. The conditions specified in points 2–5 above shall apply accordingly for separate meetings of shareholders for one or several sub-funds or share classes.

## ***Article 19 Quorum and voting***

The proceedings of the general meeting or the separate general meeting or one or several sub-funds or share class(es) meetings must meet the legal requirements.

In principle, all shareholders are entitled to participate in the general meetings of shareholders. All shareholders may be represented at the meeting by appointing another person as an authorised representative in writing.

With meetings of shareholders convened for individual sub-funds or share classes, which may only pass resolutions concerning the relevant sub-fund or share class, only those shareholders who hold shares of the corresponding sub-fund or share class may participate. The Board of Directors may allow shareholders to attend general meetings through a video conferencing facility or other communications methods if these methods enable the shareholders to be identified and to effectively participate in the general meeting uninterrupted.

Notices of representation, the form of which is to be specified by the Board of Directors, must be deposited at the registered office of the Company at least five days before the general meeting of shareholders.

All shareholders and shareholders' representatives must sign the attendance register drawn up by the Board of Directors before entering the general meeting of shareholders.

The Board of Directors may set other conditions (e.g. the blocking of shares held in a securities account by the shareholder, presentation of a certificate of blocking, presentation of power of attorney), which are to be filled out by the shareholders in order to participate in the general meetings.

The general meeting of shareholders shall deliberate on all matters specified by the Law of 10 August 1915 and the Law of 17 December 2010; resolutions shall be passed in the forms and with the quorum and majorities specified in the aforementioned laws. Unless otherwise stated in the aforementioned laws or these Articles of Association, the resolutions voted on by a properly convened general meeting of shareholders shall be passed on the basis of a simple majority of shareholders present and votes cast.

Each share carries entitlement to one vote. Fractions of shares are not entitled to vote.

Matters that affect the Investment Company as a whole shall be voted on jointly by all shareholders. However, separate votes shall be cast on matters that only affect one or several sub-fund(s) or one or several share class(es).

### ***Article 20 Chairman, teller, secretary***

1. The general meeting of shareholders will be chaired by the Chairman of the Board of Directors or, in the event of his absence, by a chairman to be appointed by the general meeting of shareholders.
2. The chairman shall appoint a secretary for the meeting, who does not necessarily have to be a shareholder, and the general meeting of shareholders shall appoint a teller from amongst the shareholders and shareholders' representatives present at the meeting.
3. The minutes of the general meeting of shareholders will be signed by the chairman, the teller and the secretary of each general meeting of shareholders, as well as by the shareholders who so request.
4. Copies and extracts that are to be drawn up by the Investment Company shall be signed by the Chairman of the Board of Directors or by two members of the Board of Directors.

## **VI. Board of Directors**

### ***Article 21 Membership***

1. The Board of Directors has at least three members who shall be appointed by the general meeting of shareholders and do not have to be shareholders in the Investment Company.

The general meeting of shareholders may only appoint as a new member of the Board of Directors a person who has not previously been a member of the Board of Directors if:

- a) this person has been proposed by the Board of Directors, or
- b) a shareholder who is fully entitled to vote at the general meeting of shareholders convened by the Board of Directors informs the Chairman – or if this is impossible another member of the Board of Directors - in writing not less than six and not more than thirty days before the scheduled date of the general meeting of shareholders of his intention to put forward a person other than himself for election or reconsideration, together with written confirmation from this person that he wishes to be put forward for election; however, the chairman of the general meeting of shareholders, provided he receives the unanimous consent of all shareholders present at the meeting, may declare the waiving of the requirement for the aforementioned written notice and resolve that this nominated person should be put forward for election.



2. The general meeting of shareholders shall determine the number of members of the Board of Directors, as well as their term of office. A term of office may not exceed a period of six years. Members of the Board of Directors may be re-elected.
3. If a member of the Board of Directors leaves before the end of his term of office, the remaining members of the Board of Directors appointed by the general meeting may appoint a temporary successor until the next general meeting (co-option). The successor appointed in this manner shall complete the term of office of his predecessor and is entitled, along with all other members of the Board of Directors, to appoint, by way of co-option, temporary successors to other members leaving the Board of Directors.
4. The members of the Board of Directors may be dismissed at any time by the general meeting of shareholders.

## ***Article 22 Authorisations***

The Board of Directors is authorised to carry out all transactions that are necessary or beneficial for the fulfilment of the Company's purpose. The Board of Directors is responsible for all matters concerning the Investment Company unless specified in the Law of 10 August 1915 or these Articles of Association that such matters are restricted to the general meeting of shareholders.

The Board of Directors may transfer the day-to-day management of the Investment Company to natural or legal persons who do not need to be members of the Board of Directors and pay them fees and commissions for their activities. The transfer of duties to third parties shall in all cases be subject to the supervision of the Board of Directors.

In addition, the Board of Directors is permitted to appoint an investment manager, an investment adviser and an investment committee to the sub-fund and to establish the authorisations thereof.

The Board of Directors is also authorised to pay interim dividends.

## ***Article 23 Internal organisation of the Board of Directors***

The Board of Directors shall appoint a chairman from among its members.

The Chairman of the Board of Directors is responsible for chairing the meetings of the Board of Directors; in his absence the Board of Directors shall appoint another member of the Board of Directors to chair these meetings.

The Chairman may appoint a secretary, who does not necessarily need to be a member of the Board of Directors and who shall be responsible for the recording of the minutes of meetings of the Board of Directors and the general meeting of shareholders.

The Board of Directors is authorised to appoint the Management Company, Investment Manager, investment adviser and investment committees for the respective sub-funds and to determine the authorities of these parties.

## ***Article 24 Frequency and convening of meetings***

The Board of Directors shall meet at the invitation of the Chairman or of two members of the Board of Directors at the place specified in the notice convening the meeting; the Board of Directors shall meet as often as the interests of the Investment Company require but at least once a year.

The members of the Board of Directors will be notified in writing of the convening of the meeting at least 48 (forty-eight) hours before the meeting unless it not possible to follow the aforementioned notice period due to the urgency of the situation. In this case, details of and the reasons for the urgency are to be stated in the notice of meeting.

A letter of invitation is not required if the members of the Board of Directors do not raise an objection when attending the meeting against the form of the invitation or give written agreement by letter, fax or email. Objections to the form of the invitation can only be raised in person at the meeting.

It is not be necessary to send a specific invitation if this meeting is to take place at a location and time already specified in a resolution passed by the Board of Directors.

## ***Article 25 Meetings of the Board of Directors***

A member of the Board of Directors may participate in any meetings of the Board of Directors by appointing another member of the Board of Directors as his representative in writing, i.e. by way of letter or fax.

Furthermore any member of the Board of Directors may take part in a meeting of the Board of Directors through a telephone conferencing facility or similar communications method which allows all participants at the meeting of the Board of Directors to hear each other. This form of participation is equivalent to personal attendance at the meeting of the Board of Directors.

The Board of Directors shall only have a quorum if at least half of the members of the Board of Directors are present or represented at the meeting. Resolutions shall be passed by a simple majority of votes cast by the members of the Board of Directors present or represented. In the event of a tied vote, the vote of the Chairman of the meeting shall be decisive.

The members of the Board of Directors may only pass resolutions during the course of meetings of the Board of Directors that have been properly convened; excepted from this regulation are resolutions passed by way of a written procedure.

The members of the Board of Directors may also pass resolutions by way of a written procedure, provided all members agree on the passing of the resolution. Resolutions that are passed by way of a written procedure and that are signed by all members of the Board of Directors are equally valid and enforceable as resolutions passed during a meeting of the Board of Directors that has been properly convened. The signatures of the members of the Board of Directors may be obtained collectively on one single document or individually on several copies of the same document and may be submitted by letter or fax.

The Board of Directors may delegate its authority and obligations for the day-to-day administration of the Investment Company to natural persons and/or legal entities that are not members of the Board of Directors and pay these persons and/or entities the fees or commissions set out in Article 36 in return for the performance of these duties.

### ***Article 26 Minutes***

The resolutions passed by the Board of Directors will be documented in minutes that are entered in the register kept for this purpose and signed by the Chairman of the meeting and the secretary.

Copies and extracts from these minutes shall be signed by the Chairman of the Board of Directors or by two members of the Board of Directors.

### ***Article 27 Authorised signatories***

The Investment Company will be legally bound by the signatures of two members of the Board of Directors. The Board of Directors may empower one or several member(s) of the Board of Directors to represent the Investment Company by way of a sole signature. Furthermore, the Board of Directors may authorise other legal entities or natural persons to represent the Investment Company either through a sole signature or jointly with one member of the Board of Directors or another legal entity or natural person authorised by the Board of Directors.

### ***Article 28 Incompatibilities and personal interest***

No agreement, settlement or other transaction made between the Investment Company and another company will be influenced or invalidated as a result of the fact that one or several members of the Board of Directors, directors, managers or authorised agents of the Investment Company have any interests or participations in any other company or by the fact that such persons are members of the Board of Directors, shareholders, directors, managers, authorised agents or employees of other companies.

A member of the Board of Directors, director, manager or authorised agent of the Investment Company who is simultaneously a member of the Board of Directors, director, manager, authorised agent or employee of another company with which the Investment Company has agreements or has business relations of another kind will not lose the entitlement to advise, vote and negotiate matters concerning such agreements or other business relations.

However, in the event that a member of the Board of Directors, director or authorised agent has a personal interest in any matters of the Investment Company, this member of the Board of Directors, director or authorised agent of the Investment Company must inform the Board of Directors of this personal interest and this person may no longer advise, vote and negotiate matters connected with this personal interest. A report on this matter and on the personal interest of the member of the Board of Directors, director or authorised agent must be presented to the next general meeting of shareholders.

The term "personal interest", as used in the previous paragraph, does not apply to business relations and interests that come into being solely as a result of legal transactions between the Investment

Company on one hand, and the Investment Manager, the Central Administration Agent, the Relevant Agent, (or a company directly or indirectly affiliated) or any other company appointed by the Investment Company on the other hand.

The above conditions are not applicable in cases in which the Depository Bank is party to such an agreement, settlement or other legal transaction. Managing directors, authorised signatories and the holders of the commercial mandates for the company-wide operations of the Depository Bank may not be appointed as an employee of the Investment Company in a day-to-day management role. Managing directors, authorised representatives and the holders of the commercial mandates for the company-wide operations of the Investment Company may not be appointed as an employee of the Depository Bank in a day-to-day management role.

### ***Article 29 Indemnification***

The Investment Company shall be obliged to hold harmless all members of the Board of Directors, directors, managers, investment manager or authorised agents, their heirs, executors and administrators against all lawsuits, claims and liability of all kinds, provided the affected parties have properly fulfilled their duties. Furthermore, the Investment Company shall reimburse the aforementioned parties all costs, expenses and liabilities incurred as a result of any such lawsuits, legal proceedings, claims and liability.

The right to compensation shall not exclude other rights that a member of the Board of Directors, director, manager or authorised agent may have.

The Investment Company shall also be obliged to hold harmless the Investment Manager (including its directors, officers and employees) and the Management Company, against all lawsuits, claims and liability of all kinds, which may be made against each of them in connection with their services, provided the affected parties have properly fulfilled their duties, and the loss or claim is not caused by or arising from fraud, lack of good faith, negligence or wilful intent in the performance or non-performance of their duties or the material breach of applicable laws. The Investment Company shall reimburse the aforementioned parties all costs, expenses and liabilities incurred as a result of any such lawsuits, legal proceedings, claims and liability.

For the avoidance of doubt, in no event shall the Investment Company be required to indemnify the Investment Manager or the Management Company in respect of any indirect or consequential losses.

### ***Article 30 Management Company***

The Board of Directors may appoint a Management Company, which shall be solely responsible for asset management, administration and the distribution of the shares of the Investment Company.

The Management Company is responsible for the management and administration of the Investment Company. Acting on behalf of the Investment Company, it may take all management and administrative measures and exercise all rights directly or indirectly connected with the assets of the Investment Company or the sub-funds, in particular to delegate its duties to qualified third parties in whole or in part at its own cost; it also has the right to obtain advice from third parties,

particularly from various investment advisers and/or an investment committee at its own cost and responsibility.

The Management Company carries out its obligations with the care of a paid authorised agent (*mandataire salarié*).

Insofar as the Management Company contracts a third party to manage assets, it may only appoint a company that is admitted or registered to engage in asset management and is subject to oversight.

Investment decisions, the placement of orders and the selection of brokers are the sole responsibility of the Management Company, provided no Investment Manager has been appointed to manage the assets.

The Management Company is entitled, at its own responsibility and control, to authorise a third party to place orders.

The delegation of duties must not impair the effectiveness of supervision by the Management Company in any way. In particular, the delegation of duties must not obstruct the Management Company from acting in the interests of the shareholders and ensuring that the Investment Company is managed in the best interests of the shareholders.

### ***Article 31 Investment Manager***

If the Investment Company makes use of Article 30 (1) and the Management Company transfers the investment manager role to a third party, it is the duty of such investment manager, in particular, to implement the day-to-day investment policy of the respective sub-fund's assets and to manage the day-to-day transactions connected with asset management as well as other related services under the supervision, responsibility and control of the Management Company. This role is performed subject to the investment policy principles and the investment restrictions of the respective sub-fund as described in these Articles of Association and the Sales Prospectus (plus Annexes) of the Investment Company and to the legal investment restrictions.

The Investment Manager must be licensed for the administration of assets and must be subject to proper supervision in its country of residence.

The Investment Manager is authorised to select brokers and traders to carry out transactions using the assets of the Investment Company or its sub-funds. The Investment Manager is also responsible for investment decisions and the placing of orders.

The Investment Manager has the right to obtain advice from third parties, particularly from various investment advisers, at its own cost and on its own responsibility.

The Investment Manager is authorised, with the prior consent of the Management Company, not to be unreasonably withheld, to transfer some or all of its duties and obligations to a third party, whose remuneration shall be paid by the Investment Manager.

The Investment Manager bears all expenses incurred in connection with the services it performs on behalf of the Investment Company. Broker commissions, transaction fees and other transaction

related costs arising in connection with the purchase and sale of assets are borne by the relevant sub-fund.

## **VII. Auditors**

### ***Article 32 Auditors***

An auditing company or one or several auditors are to be appointed to audit the annual accounts of the Investment Company; this auditing company or this/these auditor(s) must be approved in the Grand Duchy of Luxembourg and is/are to be appointed by the general meeting of shareholders.

The auditor(s) may be appointed for a term of up to six years and may be dismissed at any time by the general meeting of shareholders.

## **VIII. General and final provisions**

### ***Article 33 Use of income***

1. The Board of Directors may decide either to pay out income generated by a sub-fund to the shareholders of this sub-fund or to reinvest the income in the respective sub-fund. Details for each sub-fund are specified in the respective Annexes to this Sales Prospectus.
2. Ordinary net income and realised price gains may be distributed. Furthermore, unrealised price gains, other assets and, in exceptional cases, equity interests may also be paid out as distributions, provided that the net assets of the company do not, as a result of the distribution, fall below the minimum capital pursuant to Article 10 of these Articles of Association.
3. Distributions will be paid out on the basis of the shares issued on the date of distribution. Distributions may be paid out wholly or partly in the form of bonus shares. Any fractions remaining may be paid in cash. Income not claimed five years after publication of notification of a distribution shall be forfeited in favour of the respective sub-fund.
4. Distributions to holders of registered shares will be paid out via the reinvestment of the distribution amount in favour of the holders of registered shares. If this is not required, the holder of registered shares may submit an application to the Relevant Agent, within 10 days of the receipt of the notification of the distribution, for the payment of the distribution to the account that he specifies. Distributions to the holders of bearer shares shall be made in the same manner as the payment of the redemption price to holders of bearer shares.
5. Distributions declared but not paid on bearer shares entitled to distributions may no longer be claimed by the shareholders of such shares after a period of five years from the payment declaration, and shall be credited to the relevant sub-fund. No interest will be payable on distributions from the time of maturity.

## ***Article 34 Reports***

An audited annual report and a half-yearly report will be created for the Investment Company in accordance with legal provisions in Luxembourg.

1. No later than four months after the end of each financial year, the Board of Directors shall publish an audited annual report in accordance with the regulations applicable in the Grand Duchy of Luxembourg.
2. Two months after the end of the first half of each financial year, the Board of Directors shall publish an unaudited semi-annual report.
3. Provided this is necessary for an entitlement to trade in other countries, additional audited and unaudited interim reports may also be drawn up.

## ***Article 35 Costs***

Each sub-fund shall bear the following costs, provided they arise in connection with its assets:

1. The Management Company receives a fee payable from the net sub-fund assets for the management of the relevant sub-fund. Details of the amount, calculation and payment terms of this remuneration are also specified for each sub-fund in the respective Annex to the Sales Prospectus. VAT can be added to the remuneration.

In addition, the Management Company or, if applicable, the investment adviser(s)/investment manager(s) may also receive a performance fee from the assets of the respective sub-fund. The percentage amount, calculation and payment terms for each sub-fund are specified in the relevant Annexes to the Sales Prospectus.

2. If an investment adviser is contracted, this investment adviser may receive a fixed and/or performance-related fee, payable from the Management Company fee or from the assets of the respective sub-fund. Details of the maximum permissible amount, the calculation and the payment terms of this remuneration are specified for each sub-fund in the respective Annexes to this Sales Prospectus. VAT can be added to the fee.
3. If an Investment Manager is contracted, this investment adviser may receive a fee payable from the Management Company fee or from the assets of the respective sub-fund. Details of the maximum permissible amount, the calculation and the payment of this remuneration are specified for each sub-fund in the respective Annexes to this Sales Prospectus. VAT can be added to the remuneration.
4. In return for the performance of their duties, the Depositary Bank and the Central Administration Agent each receives fees as specified in the relevant Annexes to the Sales Prospectus. VAT can be added to the remuneration.
5. Pursuant to the Relevant Agent Agreement, in return for the performance of its duties the Relevant Agent receives fees as specified in the relevant Annexes to the Sales Prospectus. VAT can be added to the remuneration.

6. If a sales agent was contractually required, this sales agent may receive a fee payable from the relevant sub-fund assets; details on the maximum permissible amount, the calculation and the payment thereof are specified for each sub-fund in the respective Annexes to this Sales Prospectus. VAT can be added to the fee as necessary.
7. In addition to the aforementioned costs, the sub-fund shall bear the following costs, provided they arise in connection with its assets:
  - a) costs incurred in relation to the acquisition, holding and disposal of assets, in particular customary bank charges for securities transactions and transactions involving other assets and rights of the Investment Company and/or sub-fund and the safeguarding of such assets and rights, as well as customary bank charges for the safeguarding of foreign investment units abroad;
  - b) all external administration and custody fees, which are charged by other correspondent banks and/or clearing agencies (e.g. Clearstream Banking S.A.) for the assets of each sub-fund, as well as all foreign settlement, dispatch and insurance fees that are incurred in connection with the securities transactions of each sub-fund in units of other UCITS or UCI;
  - c) the transaction costs for the issue and redemption of bearer shares;
  - d) the expenses and other costs incurred by the Depositary, the registrar and transfer agent and the Central Administration Agent in connection with the respective sub-fund assets and due to the necessary use of third parties, particularly for the selection, analysis and usage of any sub-custodians, will also be reimbursed;
  - e) taxes levied on the Investment Company's or the sub-fund's assets, income and expenses that are charged to the respective sub-fund;
  - f) costs of legal advice incurred by the Investment Company, the Management Company (where appointed) or the Depositary Bank, if incurred in the interests of the shareholders of the respective sub-fund;
  - g) costs of the auditors of the Investment Company;
  - h) costs for the creation, preparation, storage, publication, printing and dispatch of all documents required by the Investment Company, in particular share certificates and coupon renewal sheets, the "Key Investor Information Document" the Sales Prospectus (plus Annex), the annual reports and semi-annual reports, the schedule of assets, the notifications to the shareholders, the notices of convening of meetings, sales notifications and/or applications for approval in the countries in which shares in the Investment Company or sub-funds are sold, correspondence with the respective supervisory authorities.
  - i) the administrative fees payable for the Investment Company and/or sub-funds to all relevant authorities, in particular the administrative fees of the Luxembourg and other supervisory authorities and also the fees for the filing of documents of the Investment Company.
  - j) costs in connection with any admissions to listing on stock exchanges;



- k) advertising costs and costs incurred directly in connection with the offer and sale of shares;
- l) insurance costs including Directors' and Officers' insurance;
- m) remuneration, expenses and other costs of foreign paying agents, the sales agents and other agents that must be appointed abroad, that are incurred in connection with the sub-fund assets;
- n) interest connected with loans taken out in accordance with Article 4 of these Articles of Association;
- o) expenses of a possible investment committee;
- p) any duties and expenditures of the Board of Directors;
- q) costs connected with the formation of the Investment Company and/or the individual sub-funds and the initial issue of shares;
- r) further management costs including associations' costs;
- s) costs of ascertaining the split of the investment result into its success factors (known as performance attribution);
- t) costs for credit rating of the Investment Company and/or sub-funds by nationally and internationally recognised rating agencies.
- u) Costs for the provision of analytical material or services by third parties with respect to one or more financial instruments or other assets or with respect to the issuers or potential issuers of financial instruments or in close connection with a particular industry or a particular market.

All costs will be charged first against each sub-fund's ordinary income and capital gains and then against the sub-fund assets.

Costs incurred for the founding of the Investment Company and the initial issue of shares will be amortised over the first five financial years against the assets of the sub-funds existing at the time of formation. The set-up costs and the aforementioned costs that are not directly attributable to a specific sub-fund shall be allocated to the respective sub-fund assets on a pro rata basis. Costs incurred as a result of the launching of additional sub-funds will be amortised over a period of a maximum of five financial years after launch against of the assets of the sub-fund to which these costs can be attributed.

All the aforementioned costs, fees and expenses shall be subject to VAT as applicable.

### ***Article 36 Financial year***

The Investment Company's financial year begins on 1 January and ends on 31 December of each year.

## ***Article 37 Depositary Bank***

1. The Investment Company shall ensure that a sole Depositary is appointed. The appointment of the Depositary is agreed in writing in the Depositary Agreement. DZ PRIVATBANK S.A., which was appointed by the Management Company as Depositary for the Investment Company, is a public limited company (Aktiengesellschaft) pursuant to the law of the Grand Duchy of Luxembourg, with its registered office at 4, rue Thomas Edison, L-1445 Strassen, Luxembourg, which carries out banking activities. The rights and obligations of the Depositary are governed by the Law of 17 December 2010, the applicable regulations, the Depositary Agreement, these Articles of Association and the Sales Prospectus (including Annexes).
2. The Depositary shall
  - (a) ensure that the sale, issue, repurchase, redemption and cancellation of shares of the Investment Company are carried out in accordance with the applicable statutory provisions and the procedure set out in the Articles of Association;
  - b) ensure that the Investment Company's net asset value per share is calculated in accordance with the applicable statutory provisions and the procedure set out in the Articles of Association;
  - c) carry out the instructions of the Management Company, unless they conflict with the applicable statutory provisions or the Articles of Association;
  - d) ensure that in transactions involving the assets of the Fund any consideration is remitted to the Fund within the usual time limits;
  - e) ensure that Fund income is applied in accordance with the applicable statutory provisions and the procedure set out in the Articles of Association.
3. The Depositary shall ensure that the cash flows of the Fund are properly monitored, and, in particular, that all payments made by, or on behalf of, shareholders upon the subscription of shares of the Investment Company have been received, and that all of the cash of the Fund has been booked in cash accounts that are:
  - (a) are opened in the name of the Fund, of the Management Company acting on behalf of the Fund, or of the Depositary acting on behalf of the Fund;
  - (b) are opened at an entity referred to in points (a), (b) and (c) of Article 18(1) of Commission Directive 2006/73/EC of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive ("Directive 2006/73/EC") and
  - (c) maintained in accordance with the principles set out in Article 16 of Directive 2006/73/EC.

Where the cash accounts are opened in the name of the Depositary acting on behalf of the Fund, no cash of the entity referred to in point 3(b) and none of the own cash of the depositary shall be booked on such accounts.

4. The assets of the Fund shall be entrusted to the depositary for safekeeping as follows:
  - (a) for financial instruments that may be held in custody, the Depositary shall:
    - i. the Depositary shall hold in custody all financial instruments that may be registered in a financial instruments account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary;
    - ii. ensure that all financial instruments that can be registered in a financial instruments account opened in the Depositary's books are registered in the Depositary's books within segregated accounts in accordance with the principles set out in Article 16 of Directive 2006/73/EC, opened in the name of the UCITS or the management company acting on behalf of the Fund, so that they can be clearly identified as belonging to the Fund in accordance with the applicable law at all times.
  - b) For other assets, the Depositary shall:
    - i. verify the ownership by the Fund, or by the Management Company acting on behalf of the Fund, of such assets by assessing whether the Fund or the Management Company acting on behalf of the Fund holds the ownership based on information or documents provided by the Fund or by the Management Company and, where available, on external evidence;
    - ii. maintain a record of those assets for which it is satisfied that the Fund or the management company acting on behalf of the Fund holds the ownership and keep that record up to date.
5. The Depositary shall provide the Management Company, on a regular basis, with a comprehensive inventory of all of the assets of the Fund.
6. The assets held in custody by the Depositary shall not be reused by the Depositary, or by any third party to which the custody function has been delegated, for their own account. Reuse comprises any transaction of assets held in custody including, but not limited to, transferring, pledging, selling and lending.

The assets held in custody by the Depositary are allowed to be reused only where:

- (a) the reuse of the assets is executed for the account of the Fund,
- (b) the Depositary is carrying out the instructions of the Management Company on behalf of the UCITS,
- (c) the reuse is for the benefit of the Fund and in the interest of the unitholders; and

- (d) the transaction is covered by high-quality and liquid collateral received by the Fund under a title transfer arrangement.

The market value of the collateral shall, at all times, amount to at least the market value of the reused assets plus a premium.

4. In the event of insolvency of the Depositary to which custody of fund assets has been delegated, the assets of a Fund held in custody are unavailable for distribution among, or realisation for the benefit of, creditors of such a Depositary.
5. The Depositary may delegate its depositary duties under point 4 above to another company (sub-depositary) in accordance with the statutory provisions. Sub-depositaries may, in turn, delegate the depositary duties transferred to them in accordance with the statutory provisions. The Depositary may not transfer the duties described in points 2 and 3 above to third parties.
6. In carrying out its functions, the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Fund and the shareholders of the Fund.
7. No company shall act as both Management Company and Depositary.
8. The Depositary shall not carry out activities with regard to the Fund or the management company acting on behalf of the Fund that may create conflicts of interest between the Fund, the shareholders in the Fund, the Management Company, the delegates of the Depositary and itself. This does not apply if the Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the shareholders of the Fund.
9. The Depositary shall be liable vis-à-vis the Fund and its unitholders for the loss by the Depositary or a third party to which the custody of financial instruments has been delegated.

In the case of a loss of a financial instrument held in custody, the Depositary shall return a financial instrument of an identical type or a corresponding amount to the Fund or the Management Company acting on behalf of the Fund without undue delay. In accordance with the Law of 17 December 2010 and the applicable regulations, the Depositary shall not be liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary is also liable to the Fund, and to the shareholders of the Fund, for all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its statutory obligations.

The liability of the Depositary shall not be affected by any delegation as referred to in point 8.

Shareholders in the Fund may invoke the liability of the Depositary directly or indirectly through the Management Company provided that this does not lead to a duplication of redress or to unequal treatment of the shareholders.

### ***Article 38 Amendment of the Articles of Association***

These Articles of Association may be amended or supplemented at any time at the decision of the shareholders provided the conditions concerning amendments to the Articles of Association under the Law of 10 August 1915 are met.

### ***Article 39 General***

With regard to any points which are not set forth in these Articles of Association, reference is made to the provisions of the Law of 10 August 1915 and the Law of 17 December 2010.