

## **Prospectus**

including the Management Regulations

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### **Dynamic Vario Protect**

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#### **Investment fund governed by the laws of Luxembourg**

Management Company until 2 November 2021:

Lyxor Funds Solutions S.A.  
22, Boulevard Royal  
2449 Luxembourg  
Grand Duchy of Luxembourg

Trade register number of the Management Company: B 139.351

Management Company as of 3 November 2021:

SG 29 HAUSSMANN  
29, boulevard Haussmann  
75009 Paris  
France

Trade register number of the Management Company 552 120 222

Status: 12 October 2021

## **General information**

This Prospectus is only valid in conjunction with the latest annual report, the reporting date of which may not be dated more than 16 months previously. If the reporting date of the annual report is dated more than eight months previously, a semi-annual report must also be submitted to the purchaser. In particular, the annual and semi-annual reports, as well as the Prospectus, the Management Regulations, the Key Investor Information Document and the issue and redemption prices may be obtained free of charge from the registered office of the Management Company, from the Information Agents and the Custodian.

Information other than that appearing in this Prospectus and in the documents mentioned herein and in the public domain shall not be disclosed.

## **Data Protection Policy**

The Management Company and other institutions may store personal data on computer systems and process by electronic or other means (i.e. any information relating to an identified or identifiable natural person, hereinafter referred to as "Personal Data") relating to Unitholders and their representatives (including, among others, legal representatives and authorised signatories), employees, directors, officers, trustees, settlors, their Unitholders and/or Unitholders for nominees and/or the ultimate beneficial owners (as applicable) (the "Relevant Parties").

Personal Data provided or collected in connection with an investment in the Fund may be processed by the Management Company (i.e. the "Controller"). Service providers of the Management Company and/or of the Fund acting as Registrar and Transfer Agent, Custodian and Paying Agent, Distribution Agent and their appointed sub-Distribution Agents may also process personal data of relevant Parties as controllers, in particular, in order to comply with their legal obligations by way of the laws and regulations applicable to them (such as identification in the context of anti-money laundering) and/or pursuant to the order of a competent jurisdiction, court, governmental, supervisory or regulatory authority, including tax authorities (individually a "Co-Controller", jointly the "Co-Controllers" and together with the Controller the "Controllers").

The Administrative Agent, the Auditor, the legal and financial advisors and other potential service providers to the Fund and/or to its Management Company (including its IT service providers, cloud service providers and external data processing centres) and all of the aforementioned agents, delegates, affiliates, subcontractors and/or their successors and authorised representatives, acting as order processors on behalf of the Management Company and/or the Fund (the "Order Processors"), may also process personal data of the Relevant Parties as Controllers.

Controllers and Order Processors shall process personal data in accordance with Regulation (EU) 2016/679 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 (the "Data Protection General Regulations") and all laws and regulations applicable to them on the protection of personal data, in particular pursuant to the Luxembourg Law of 1 August 2018, as amended, on the protection of personal data during data processing (together, the "Data Protection Law").

Further information relating to the processing of Personal Data of relevant Parties may be provided or made available through additional documents and/or through other means of communication, including electronic means of communication, such as e-mail, internet/intranet websites, portals or platforms, to the extent necessary for compliance with the data protection information obligations of Controllers and/or Order Processors.

Personal Data may, for example, include name, e-mail address, telephone number, account data, transaction and tax data, professional data, notifications by any means of communication, identifiers and other personal data required by controllers and processors for the purposes described below.

Personal Data shall be collected from relevant Parties or through publicly available sources, social media, subscription services, AML/KYC/CTF databases, sanction lists, central investor databases, public registers or other publicly available sources.

Personal Data of Relevant Parties shall be processed by Controllers and Order Processors for the following purposes:

- (i) offering investment in units and providing related services including, among others, opening your account with the Fund, including processing subscriptions and redemptions, conversions and transfer requests, administering and paying distribution fees (if any), making payments to Unitholders, updating and maintaining records and calculating fees, maintaining the register of Unitholders and providing financial and other information to Unitholders;
- (ii) developing and handling the business relationship with Co-Controllers and/or Order Processors and optimising their internal business organisation and processes, including risk management;
- (iii) direct or indirect marketing activities (such as market research or in association with investments in other investment funds managed by the Management Company; and
- (iv) other related services provided by a service provider of the Controllers and/or Order Processor in connection with the holding of units in the Fund (hereinafter the "Purposes").

Controllers and Order Processors shall also process Personal Data in order to comply with legal or regulatory obligations applicable to them and to pursue their legitimate interests or to carry out any other form of cooperation with or reporting to public authorities, including legal obligations under applicable fund and company laws, laws relating to the prevention of the financing of terrorism and money laundering, the prevention and detection of crime, tax laws (such as reporting to tax authorities under the FATCA and CRS laws for preventing tax evasion and fraud) (insofar as it is applicable), and investigating fraud, bribery, corruption and the provision of financial and other services to individuals subject to economic or trade sanctions on an ongoing basis, in accordance with the anti-money laundering procedures of the Controllers and Order Processors, and maintaining anti-money laundering records and other records of relevant persons for the purpose of verification by the Controllers and Order Processors, including with regard to other funds or clients of the Management Company and/or the Administrative Agent (hereinafter, the "Compliance Obligations").

Telephone calls and electronic communications addressed to and received from the Controllers and/or Order Processors may be recorded if this is necessary for the performance of a task of public interest or, where applicable, in pursuit of the legitimate interests of the Controllers and/or Order Processors, e.g.:

- (i) as proof of a transaction or related communication in the event of a disagreement;
- (ii) for processing and checking instructions;
- (iii) for the purposes of investigation and prevention of fraud;
- (iv) for enforcing or protecting the interests or rights of Controllers and Order Processors, in accordance with any legal obligations to which they are subject; and

- (v) for quality, business analysis, training and similar purposes for improving the relationship of Controllers and Order Processors with Unitholders in general. These records shall be processed in accordance with data protection law and shall not be disclosed to third parties, except where required or permitted by the laws or regulations applicable to them or where compelled or authorised to do so by court orders.

Such records may be produced in court or other judicial proceedings, shall be regarded as evidence with the same value as a written document and shall be retained for a period of 5 years from the date of the record. The absence of records may not be used in any way against the Controllers and Order Processors.

Controllers and Order Processors shall gather, use, store, retain, transcribe and/or process personal data:

- (i) following the subscription or subscription order by Unitholders for investing in the Fund, to the extent necessary for the provision of the Investment Services or for taking steps at the request of Unitholders prior to this subscription, including as a result of holding units in general; and/or
- (ii) if this is necessary for compliance with a legal or regulatory obligation of the Controllers or Order Processors; and/or
- (iii) if this is necessary for the performance of a task in the public interest; and/or
- (iv) if this is necessary for the purposes of the legitimate interests of Controllers or Order Processors, i.e. primarily the provision of the investment services, or for fulfilling Compliance Obligations and/or an order from a foreign judicial, governmental, supervisory, regulatory or tax authority, including when providing such investment services to a beneficial owner and a person who directly or indirectly holds units in the Fund.
- (v) Under certain circumstances, the Management Company may process personal data on the basis of the express consent of Unitholders.

Personal data shall only be transferred and/or transmitted and/or otherwise made available to the Controllers and/or the Order Processors and/or the Target Entities, Sub-Funds and/or other Funds and/or their affiliates (in particular, their respective Management Company and/or Central Administrative Agent/Investment Manager/Service Provider) in which or through which the Fund intends to invest and to courts, governmental, supervisory or regulatory authorities, including tax authorities in Luxembourg or other countries, in particular those countries in which:

- (i) the Fund/the Management Company of the Fund is registered or intends to register for a public or non-public issue of its units;
- (ii) the Unitholders are resident, domiciled or of which they are citizens; or
- (iii) the Fund/the Management Company of the Fund is authorised, registered or otherwise entitled to invest in order to achieve its Purposes and meeting its Compliance Obligations or intends to apply for authorisation, registration or another entitlement (the “**Authorised Recipients**”).

The Authorised Recipients may act as Order Processors in the name of the Controllers or, under certain circumstances, as Joint Controllers for their own purposes, in particular in order to provide their services or to comply with their legal obligations pursuant to the laws and regulations and/or orders of judicial, governmental, supervisory or regulatory authorities, including tax authorities, which are applicable to them.

The Controllers undertake not to disclose Personal Data to third parties other than the Authorised Recipients, except when these are notified to Unitholders on each occasion or when this is required on the basis of the laws and regulations applicable to them or of an order of a court, governmental, supervisory or regulatory authority, including tax authorities.

By investing in units of the Fund, Unitholders acknowledge and accept that Personal Data of the Relevant Parties may be processed for the Purposes and Compliance Obligations described above and, in particular, that the transfer and disclosure of this personal data to the Authorised Recipients, including Co-Controllers and/or Order Processors, with their registered office outside the European Union, may occur in countries which are not subject to an adequacy decision of the European Commission, with legislation which does not ensure an adequate level of protection for ensuring an appropriate level of protection with regard to the processing of personal data.

The Controller(s) shall, where appropriate, forward personal data of the relevant Parties in order to execute the Purposes or to fulfil Compliance Obligations.

Where appropriate, Controllers shall transfer personal data of the relevant Parties to Authorised Recipients outside the European Union:

- (i) on the basis of an adequacy decision by the European Commission regarding the protection of personal data and/or on the basis of the Privacy Shield agreement between the EU and the US; or,
- (ii) on the basis of appropriate data protection guarantees, such as standard contractual clauses, binding corporate rules, a recognised code of conduct or an approved certification mechanism; or
- (iii) if required by a court judgment or a decision of an administrative authority, personal data of relevant Parties shall be transferred on the basis of an international agreement, concluded between the European Union or a relevant Member State and other countries around the world; or
- (iv) where applicable, and the certain circumstances, on the basis of the express consent of the Unitholders; or
- (v) insofar as it is necessary for the fulfilment of the Purposes or for the performance of pre-contractual measures at the request of the Unitholder; or,
- (vi) to the extent necessary for Controllers and/or Order Processors to perform their services in association with the Purposes in the interest of the relevant Parties; or,
- (vii) if this is necessary for significant reasons of public interest; or,
- (viii) insofar as this is necessary for the establishment, exercise or defence of legal claims; or,
- (ix) if the transfer is made from a register intended by law to provide information to the public; or,
- (x) insofar as this is necessary for safeguarding important legitimate interests of the Controllers, as far as this is permissible under Data Protection Law.

If the processing of personal data of the relevant Parties or the transfer of personal data of the relevant Parties to countries outside of the European Union is based on the consent of the Unitholders, the affected Parties shall have the right to withdraw their consent at any time without affecting the legality of the processing and/or the transfer of data prior to the withdrawal

of such consent. In the event of withdrawal of consent, the Controllers shall cease the processing or data transfer accordingly.

Any modification or withdrawal of the consent of the relevant Parties may be notified in writing by e-mail to the Management Company at the following address:

- until 2 November 2021: [lux.lyx-fundsetup@lyxor.com](mailto:lux.lyx-fundsetup@lyxor.com);
- as of 3 November 2021: [sg-protection.donnees@socgen.com](mailto:sg-protection.donnees@socgen.com)

To the extent that the personal data provided by the Unitholders also includes personal data of other relevant Parties, the Unitholders declare that they are authorised to relay such personal data of other relevant Parties to the Data Controllers.

If the Unitholders are not natural persons, they shall undertake:

- (i) to inform all other affected Parties about the processing of their personal data and the related rights, as described in this Prospectus, in accordance with the information requirements by way of the data protection law; and
- (ii) where necessary and appropriate, to obtain the advance consent necessary for the processing of the personal data of other relevant Parties, as described in this Prospectus, in accordance with the requirements of the Data Protection Law.

It is mandatory to respond to questions and requests relating to the identification of relevant Parties, units held in the Fund, FATCA and/or CRS.

The Controllers reserve the right to reject any application for units if the prospective investor fails to provide the requested information and/or documentation and/or has not complied with the applicable requirements. Unitholders acknowledge and accept that failure to provide relevant personal data requested in the context of their business relationship with the Fund/Management Company may result in their inability to acquire or hold units in the Fund and may be reported to the competent Luxembourg authorities.

In addition, failure to provide the requested personal data may result in monetary penalties which may affect the value of Unitholders' units.

Unitholders acknowledge and accept that the Management Company/Administrative Agent shall provide all relevant information with regard to their investments in the Fund to the Luxembourg tax authorities (*Administration des contributions directes*), which shall automatically exchange this information with the competent authorities in the United States or other national authorities, authorised pursuant to FATCA and CRS, European and OECD level agreements or equivalent Luxembourg legislation.

As established in the Data Protection Law and within the limitations contained therein, every relevant Party shall have the right to:

- (i) access, rectify or delete inaccurate personal data concerning them;
- (ii) restrict the processing of personal data concerning them; and
- (iii) receive the personal data concerning them in a structured, commonly used and machine-readable format or transfer these personal data to another Controller; and,
- (iv) receive a copy of or access the adequate or appropriate safeguards, such as standard contractual clauses, binding corporate rules, recognised code of conduct or approved certification mechanism implemented for the transfer of personal data to countries outside of the European Union. In particular, the Relevant Parties may object at any time

to the processing of their personal data for marketing purposes or to other processing based on the legitimate interests of Controllers or Order Processors.

The affected person is requested to address such requests to the Management Company via e-mail to the following address:

- until 2 November 2021: [lux.lyx-fundsetup@lyxor.com](mailto:lux.lyx-fundsetup@lyxor.com);
- as of 3 November 2021: [sg-protection.donnees@socgen.com](mailto:sg-protection.donnees@socgen.com).

Unitholders are entitled to bring any claim relating to the processing of their Personal Data by the Controller with regard to the fulfilment of the Purposes or Compliance Obligations to the attention of the competent data protection authority (i.e. in Luxembourg, the *Commission Nationale pour la Protection des Données*).

Controllers and the Order Processors who process the Personal Data on the orders of the Controllers shall not be liable for any unauthorised third party who becomes aware of and/or has access to such personal data, except in the case of proven negligence or wilful misconduct on the part of the Controllers or Order Processors.

Personal Data of Relevant Parties shall be retained until the Unitholders dispose of their units in the Fund and for a further 5 years from the date of disposal of the Unitholders' units in the Fund, if necessary for compliance with the laws and regulations applicable to them or to establish, exercise or defend actual or potential legal claims, subject to the applicable statute of limitations, unless the laws and regulations applicable to them provide for a longer period. In any event, the Personal Data of the Relevant Parties shall not be kept for longer than necessary with regard to the Purposes and Compliance Obligations cited in this Prospectus, always subject to the applicable minimum legal retention periods.

### **Investment restrictions**

The units of Dynamic Vario Protect (the "Fund") have not been and shall not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or under the securities laws of any state or territory of the United States of America or any of its territories, possessions or other areas subject to its jurisdiction, including the Commonwealth of Puerto Rico (the "United States" or "US"). The units may not be offered, sold in or otherwise transferred to the United States. The units are being offered and sold pursuant to an exemption from the registration requirements of the 1933 Act under Regulation S of this act. The Fund has not been and shall not be registered under the United States Investment Company Act of 1940, as amended, or under any other US federal law. Accordingly, units are not being offered or sold in the United States or to or for the account of persons subject to United States taxation or to or for the account of US Persons (pursuant to the definitions for the purposes of the US Federal Laws on securities, commodities and taxation, including Regulation S of the 1933 Act) (jointly, "US Persons"). Subsequent transfers of units in the United States or to US Persons are not permitted (please refer on this point to the provisions on compulsory redemptions in the section entitled "Compulsory Redemptions").

The units have not been approved or has such an approval been rejected by the US Securities and Exchange Commission (the "SEC") or any other regulatory authority in the United States, nor has the SEC nor any other regulatory authority in the United States ruled on the accuracy or adequacy of this document (the "Prospectus") or on the benefits of the units. Any allegations to the contrary are liable to prosecution.

The United States Commodity Futures Trading Commission has not reviewed or approved this document or any other sales documentation for the Fund. This Prospectus may not be circulated in the United States. The distribution of this Prospectus and the offering of the units may also be restricted in other jurisdictions.

## **Foreign Account Tax Compliance Act**

The Foreign Account Tax Compliance Act (“FATCA”), which is part of the Hiring Incentives to Restore Employment Act, entered into effect in the United States of America in 2010. Financial institutions outside of the US are thereafter obliged to make annual disclosures to the US Internal Revenue Service regarding the financial accounts of US persons (within the meaning of FATCA). Financial institutions which fail to provide this information are subject to a 30% withholding tax on certain US source income. On 28 March 2014, the Grand Duchy of Luxembourg signed the Luxembourg Intergovernmental Agreement (“IGA”). Following its enacting in Luxembourg law, the Management Company must comply with the requirements of the Luxembourg IGA. According to the Luxembourg IGA, the Management Company may be required to collect information to identify direct and indirect Unitholders of the Fund who qualify as US persons for FATCA purposes. In such cases, the Management Company shall forward information provided to it on reportable financial accounts to the Luxembourg tax authorities, which shall automatically forward such information to the United States government pursuant to Article 28 of the Convention between the United States of America and the Grand Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Tax Evasion in the field of taxes on income and capital.

The Management Company shall continuously review the extent of the requirements imposed on it by FATCA and in particular, by the Luxembourg IGA. The Management Company shall seek to comply with the provisions of the Luxembourg IGA in order to qualify as FATCA compliant, without being subject to registration and reporting requirements. The Management Company has decided to qualify the Fund as a “Collective Investment Vehicle”. This presupposes that the units are exclusively held by or through (i) Exempt Beneficial Owners; (ii) Active NFFEs as described in the Annex I of the Luxembourg IGA; (iii) U.S. Persons that are not Specified U.S. Persons; (iv) Financial Institutions (FI) that are not Non-participating Financial Institutions. These terms shall have the meanings ascribed to them in the Luxembourg IGA.

In order to ensure the Management Company’s compliance with FATCA and the Luxembourg IGA in accordance with the above provisions, the Management Company may request information and documentation, such as W-8 tax forms, or, as appropriate, the Global Intermediary Identification Number, or other valid evidence of a Unitholder’s FATCA registration with the US tax authorities or exemption, in order to determine a Unitholder’s FATCA status.

Investors should note that both their personal data and the information provided in the subscription documents or elsewhere in connection with a subscription application, as well as details of their respective holdings of units, shall be preserved in digital form and processed in accordance with the Luxembourg Law of 2 August 2002, as amended, on the protection of personal data during data processing (the “Law of 2 August 2002”). The investor agrees that the Management Company, as the entity responsible for the processing of personal data, is authorised to access and process the information concerning the investor for the purpose of providing investor services, in accordance with the provisions of the law of 2 August 2002. By subscribing to or purchasing units, the investor also agrees that his telephone conversations with the Management Company or with a service provider appointed by the Management Company may be recorded and consequently processed pursuant to the Law of 2 August 2002. When forwarding the above data to the aforementioned persons, investors are informed that data shall be transmitted abroad (including Germany) and that such data may be transferred to countries which do not have a level of data protection comparable to Luxembourg. Investors should also note that their personal data shall be kept in the register of units. The Administrative Agent processes investors’ personal data on the orders of the Management Company. In accordance with the provisions of the Law of 2 August 2002,



investors are entitled to request information about their personal data at any time and to correct these.

### **Common Reporting Standard**

The OECD has developed a Common Reporting Standard (“CRS”) for the automatic exchange of information on financial accounts, in order to permit a comprehensive and multilateral worldwide automatic exchange of information (AEOI). Council Directive 2014/107/EU amending Council Directive 2011/16/EU on the obligation to exchange information automatically for tax purposes (the “Euro-CRS Directive”) was adopted on 9 December 2014 with the aim of implementing CRS within Member States.

The Euro-CRS Directive was transposed into Luxembourg law by the Law of 18 December 2015 on the automatic exchange of information on financial accounts in the field of taxation (“CRS Law”).

Holders of financial assets are identified by financial institutions and it is determined whether they have a tax residence in countries with which Luxembourg has entered into an agreement to exchange tax information. In this case, information on financial accounts and the holder of assets is reported to the Luxembourg tax authorities, which then forward it annually to the competent foreign tax authorities.

In this context, the Management Company may request information from its investors, for the purpose of verifying their CRS status, on the identity and tax residency of the holders of financial accounts (including certain entities and their officers) and may report details regarding a Unitholder and its account to the Luxembourg tax authorities (*Administration des Contributions Directes*).

According to the CRS Act, the first exchange of information for data of the calendar year 2016 shall take place by 30 September 2017. According to the Euro CRS Directive, the first AEOI to the local tax authorities of the Member States for data on the calendar year 2016 shall take place by 30 September 2017.

In addition, Luxembourg has signed the multilateral agreement of competent authorities of the OECD (“Multilateral Agreement”) on the automatic exchange of information by way of the CRS. The Multilateral Arrangement aims to implement the CRS in non-member countries, which requires agreements with the individual countries.

The Management Company reserves the right to refuse any application for units if the information provided does not comply with the requirements of the CRS Law or remains unfulfilled due to failure to provide such information.

Unitholders should consult their tax advisers regarding any potential tax or other consequences of the implementation of the CRS.

**Addresses:**

Until 2 November 2021

**Management Company**

Lyxor Funds Solutions S.A.  
22, Boulevard Royal  
2449 Luxembourg  
Grand Duchy of Luxembourg

**Board of Directors of the Management Company**

Edouard Auché  
Chairman of the Board of Directors  
Lyxor International Asset Management  
S.A.S., Tours Société Générale, 17 Cours  
Valmy, 92967 Paris La Défense, France

Heike Fürpaß-Peter  
Director  
Lyxor International Asset Management  
S.A.S. Deutschland, Neue Mainzer Straße  
46-50,  
60311 Frankfurt am Main, Germany

Alexandre Cegarra  
Director  
Société Générale Private Wealth  
Management S.A., 11 Avenue Emile  
Reuter,  
2420 Luxembourg, Grand Duchy of  
Luxembourg

Mathias Turra  
Director  
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Grand Duchy of Luxembourg

**Management**

Mathias Turra  
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Royal, 2449 Luxembourg,  
Grand Duchy of Luxembourg

Martine Capus  
Lyxor Funds Solutions S.A., 22, Boulevard  
Royal, 2449 Luxembourg,  
Grand Duchy of Luxembourg

Martin Rausch  
Lyxor Funds Solutions S.A., 22, Boulevard  
Royal, 2449 Luxembourg,

Grand Duchy of Luxembourg

**Fund Manager**

Lyxor International Asset Management  
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60311 Frankfurt am Main  
Germany

**Custodian and Paying Agent**

BNP Paribas Securities Services S.C.A.  
Luxembourg Branch  
60, Avenue J.F. Kennedy  
1855 Luxembourg  
Grand Duchy of Luxembourg

**Registrar and Transfer Agent**

BNP Paribas Securities Services S.C.A.  
Luxembourg Branch  
60, Avenue J.F. Kennedy  
1855 Luxembourg  
Grand Duchy of Luxembourg

**Administrative Agent**

BNP Paribas Securities Services S.C.A.  
Luxembourg Branch  
60, Avenue J.F. Kennedy  
1855 Luxembourg  
Grand Duchy of Luxembourg

**Statutory Auditor**

Ernst & Young, Société anonyme  
35E, Avenue John F. Kennedy  
1855 Luxembourg  
Grand Duchy of Luxembourg

**Distribution Agent**

Lyxor Asset Management S.A.S. and  
Lyxor International Asset Management  
S.A.S

Tours Société Générale,  
17 Cours Valmy, 92967 Paris,  
La Défense, France  
and its branches and in Germany

Lyxor International Asset Management  
S.A.S. Germany  
New Mainzer Straße, 46-50  
60311 Frankfurt am Main  
Germany

**Investment Adviser**

Allianz Global Investors GmbH  
Bockenheimer Landstrasse 42-44  
0323 Frankfurt am Main

As of 3 November 2021

### **Management Company**

SG 29 HAUSSMANN  
29, boulevard Haussmann  
75009 Paris  
France

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

Guillaume De Martel  
Chairman,  
SG 29 HAUSSMANN  
29, boulevard Haussmann  
75009 Paris  
France

### **Supervisory Board of the Management Company**

Marc Duval,  
Chairman, 17 Cours Valmy, 92800 Paris la  
Défense, France

Olivier Paccalin  
17 Cours Valmy, 92800 Paris la Défense,  
France

Lionel Paquin  
17 Cours Valmy, 92800 Paris la Défense,  
France

Christian Schricke  
Independent director

Franklin Wernert  
29, boulevard Haussmann, 75009 Paris

Sophie Mosnier  
Independent director

### **Management**

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SG 29 HAUSSMANN  
29, boulevard Haussmann  
75009 Paris  
France

### **Custodian and Paying Agent**

Société Générale Luxembourg  
11, avenue Emile Reuter  
2420 Luxembourg  
Grand Duchy of Luxembourg

Operational center:  
28-32, Place de la gare  
1616 Luxembourg  
Grand Duchy of Luxembourg

### **Registrar and Transfer Agent**

Société Générale Luxembourg  
11, avenue Emile Reuter  
2420 Luxembourg  
Grand Duchy of Luxembourg

Operational center:  
28-32, Place de la gare  
1616 Luxembourg  
Grand Duchy of Luxembourg

### **Administrative Agent**

Société Générale Luxembourg  
11, avenue Emile Reuter  
2420 Luxembourg  
Grand Duchy of Luxembourg

Operational center:  
28-32, Place de la gare  
1616 Luxembourg  
Grand Duchy of Luxembourg

### **Statutory Auditor**

Ernst & Young, Société anonyme  
35E, Avenue John F. Kennedy  
1855 Luxembourg  
Grand Duchy of Luxembourg

### **Investment Adviser**

Allianz Global Investors GmbH  
Bockenheimer Landstrasse 42-44  
0323 Frankfurt am Main

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## The Fund at a glance

Dynamic Vario Protect was established as a “*fonds commun de placement*” (“FCP”) under the laws of the Grand Duchy of Luxembourg on 4 June 2007, under the name Cominvest Dynamic SAFE 80 in the Grand Duchy of Luxembourg and falls within the scope of application of Part I of the Law of Luxembourg of 17 December 2010 on undertakings for collective investment (“the Law”) and is therefore an undertaking for collective investment in transferable securities (“UCITS”) pursuant to Directive 2009/65/EC.

The base currency of the Fund is the Euro.

The Fund was managed by Allianz Global Investors GmbH, a subsidiary of Allianz Asset Management AG, Munich, Federal Republic of Germany, and a member of the Allianz Group, under Luxembourg law and distributed - also using this financial group.

The management of the Fund was transferred to Commerz Funds Solutions S.A. on 30 November 2015, which was renamed Lyxor Funds Solutions S.A. on 14 October 2019, with registered office at 22, Boulevard Royal, 2449 Luxembourg, Grand Duchy of Luxembourg.

As of 3 November 2021, the management of the Fund is transferred to SG 29 Haussmann, 29, Boulevard Haussmann, 75009 Paris, France, whose majority shareholder is Société Générale.

### 1. Management Regulations

The original Management Regulations of the Fund entered into effect on 4 June 2007.

The last amendment entered into effect on 12 October 2021.

A notice of the filing of the Management Regulations with the Commercial Register in the Grand Duchy of Luxembourg was published in the *Mémorial, Recueil des Sociétés et Associations* (“Mémorial”), the official gazette of the Grand Duchy of Luxembourg, which was replaced by the “*Recueil électronique des sociétés et associations*” (“RESA”) on 1 June 2016.

### 2. Investment objective

The aim of the investment policy is to allow investors to participate in the performance of a basket of investment fund units using derivative instruments, which is regularly realigned over the long term. At the same time, the aforementioned derivatives shall be linked to a dynamic hedging model (e.g. a CPPI model). Its purpose is to secure the guarantee(s) issued for unit class IT (EUR). For details on the guarantee(s), see the section “Guarantee”.

The details are shown below.

### 3. Fund concept

The Fund invests in securities or other instruments as described in Section 6 under “Investment Principles”, which relates, for example, to the equity market or generate interest income. In principle, the performance of all of the securities cited in sentence 1 is swapped for the performance of a dynamic hedging model by means of a total return swap. The dynamic hedging model permits participation in the performance of certain investment fund units and at the same time, secures the guarantee presented in the investment objective.

Until 2 November 2021 the Fund Manager of the Fund is Lyxor International Asset Management S.A.S. Deutschland, Neue Mainzer Straße, 46-50, 60311 Frankfurt am Main, Germany.

As of 3 November 2021 the management of the Fund is transferred to SG 29 Haussmann, 29, Boulevard Haussmann, 75009 Paris, France which will be in charge of the investment management of the Fund.

#### 4. Description of the Fund structure

##### Construction of a basket consisting of investment fund units

The basket of investment fund units (the "Basket") is determined by Allianz Global Investors GmbH as investment adviser and may be adjusted periodically.

At the start of a new guarantee period, a portfolio allocation is determined for the basket, which may consist in detail of global equity, bond or commodity funds. Over the long term, the objective of the selected basket of investment fund units is to generate attractive returns compared to a portfolio of approximately 60-80% equities and commodities and 20-40% bonds. The basket may be expanded to up to 20 investment funds. Furthermore, a maximum of 100% of the basket can be allocated to bond funds. In the same way, up to 100% of the basket may be invested in funds with risky investments (e.g. global equity funds).

Further information on the current portfolio allocation of the basket may be obtained from the Management Company at any time.

##### Replacement of investment fund units in the basket

In particular, Allianz Global Investors GmbH may exchange investment fund units in the basket for units in other investment funds on the occurrence of the following fund- or unit-related events, regardless of the start and end of a guarantee period:

- Dissolution of an investment fund as a result of a merger or liquidation;
- Revocation of the authorisation of an investment fund or its investment manager by a supervisory authority;
- Division of an investment fund unit class into several unit classes or spin-off of units into a new unit class;
- Dissolution of an investment fund unit class as a result of a merger or liquidation;
- Permanent suspension of the issue or redemption of units of the investment fund unit classes;
- Change in the tax situation of the respective counterparty of the overall derivative structure/swaps, assuming that the counterparty holds the investment fund units in safe custody in a securities account with a financial institution of the Federal Republic of Germany;
- Significant change in the investment policy of an investment fund or an investment fund unit class;
- Decrease in the net asset value of all unit classes in the overall investment fund to below EUR 100 million;
- Increase in the average management fee for the investment fund units in the basket above 2.50% per year.

In the cases of the first eight indents, the investment fund unit in question shall be replaced by a unit in another investment fund or the percentage unit to be replaced shall be split *pro rata* among the existing units. In these cases, the new investment fund shall be an investment fund attributable to the investment sector of the replaced investment fund unit class.

In the case of the ninth indent, the units shall be replaced by as many units of the number of investment funds as guarantee that the average management fee for the various investment fund units after its recompositing does not exceed 2.50%. In this case as well, the new investment fund shall be an investment fund which is attributable to the investment sector of



the replaced investment fund unit class.

A replacement shall in any case take place with future effect. The investment fund units to be replaced in the basket shall be replaced by new investment fund units for a corresponding percentage share.

#### Description of the dynamic hedging model (CPPI model)

The Fund structure, in particular the dynamic hedging model described here, shall be implemented using an overall derivative structure, in particular a total return swap.

The respective counterparty of the overall derivative structure shall undertake to make or receive payments depending on the performance of a basket of unit classes of up to twenty open-ended investment funds, using a protection mechanism underscored by a dynamic hedging model ("CPPI model"). This protection mechanism shall ultimately determine the extent of participation in the performance of the basket of investment fund units, depending on market conditions.

The weighting of the individual investment fund units within the basket and its components shall be reassessed monthly and may be realigned (as described below) at the beginning of each new guarantee period. In addition, the weighting of the investment fund units within the basket, without changing the components and allocation of the basket, may be realigned in the context of the dynamic hedging model if the weighting of at least one investment fund unit in the basket has changed by more than 3 percentage points since the start of the respective guarantee period.

The maximum weighting of an investment fund in the entire basket shall be 20% at the start of a new guarantee period and after realignment due to a change in the weighting of the basket. Depending on the evolution of the redemption prices of the individual investment fund units, this weighting may change over time. Since the quantitative management approach within the overall derivative structure is based on the dynamic hedging model, the extent to which the derivative instruments permit participation in the performance of the aforementioned basket will change dynamically or will be reduced, in particular depending on the individual market situation and the current performance of the basket. As a rule, participation in the performance of the basket of investment funds will therefore be below the performance that a notional full investment in the investment funds contained in the basket would achieve with the same diversification.

If the current redemption prices of the investment fund units in the basket increase relative to their values on the issuance date of the described guarantee (for details of the guarantee(s), see Section "Guarantee"), the participation in the performance of the investment fund basket shall be regularly increased as part of the portfolio hedging strategy ("CPPI model"). The more the current redemption prices of the investment fund units contained in the basket approach or fall below the redemption prices on the issuance date of the guarantee(s), the more the participation in the performance of the investment fund basket will normally be attenuated.

If the current redemption prices of the aforementioned investment fund units included in the basket perform differently, a change in participation will depend as a rule on an overall consideration of the respective performances of the redemption prices and on the current weighting of the individual investment fund units in the basket. Changes in the costs of this fund generally also lead to a change in the participation in the performance of the investment fund basket. An increase in the costs of this fund normally reduces the participation in the performance of the investment fund basket and a reduction in the costs increases the participation.

Changes in the interest rate environment also generally affect participation in the performance

of the investment fund basket, with the direction depending on the prevailing market environment and on the fund's composition at that time.

The respective counterparty to an overall derivative structure shall regularly retain the option of terminating the overall derivative structure at short notice, in particular in the event of a change in external circumstances, e.g. a change in the legal or tax situation of the respective counterparty to an overall derivative structure. If the Fund is dissolved as a result, the investment management shall generally no longer be in a position to pursue the investment objective of the Fund during the period between the termination of the overall derivative structure and dissolution of the Fund, and the dissolution of the Fund shall be prepared. If the Fund is not dissolved due to such a short-term termination of the overall derivative structure, but the previous counterparty of such overall derivative structure is replaced by a new counterparty, this may also result in no participation of the investors in the described sense during a transitional period.

## 5. Implementation of the Fund structure

The structure of the Fund, in particular, the dynamic hedging model described under item 3, shall be implemented with the help of an overall derivative structure, notably a total return swap. In this case, the fund management exchanges a variable payment, determined by the performance of a dynamic hedging model of the fund, for its participation in the possible performance of certain investment funds. This performance can also be negative, which would result in additional payments by the Fund to the respective counterparties of the overall derivative structure, measured against the performance of the investment fund. If the performance is positive, the relevant counterparty shall pay the performance of the dynamic hedging model less the costs associated with the use of OTC swaps described below.

In this regard, the overall structure consisting of derivatives may notably consist of individual derivatives entered into at different times, which nevertheless take into account and arise from the previously concluded derivatives. The new conclusion of such an individual derivative may be carried out in particular with the aim of avoiding a breach of the investment principles or in order to achieve liquidity. Trading in derivatives is used within the investment limits and serves to ensure the efficient management of the Fund's assets.

In principle, the total return swap is implemented or concluded with a single counterparty. This counterparty complies with the Fund Manager's basic requirements regarding the proper selection of counterparties. Each counterparty must be a counterparty eligible for OTC derivatives, domiciled in the European Union, subject to prudential regulation and specialising in this type of transaction.

The Management Company and the Fund Manager shall endeavour to select first-class institutions with a minimum rating in the investment grade range, which have undergone an approval process and have been authorised for this type of transaction. The counterparty should not be exposed to excessive credit risk, should provide an accurate and reliable valuation of the transaction and should be prepared to close out the transactions at their market value at any time, at the request of the Management Company and the Fund Manager. The regular exchange of receivables and liabilities of the total return swap ensures that the maximum counterparty risk for the selected counterparty does not normally exceed 10% of the Fund volume.

The following costs may be incurred in connection with the use of OTC swaps:

Each Swap Counterparty may enter into OTC Swap hedging transactions. In accordance with the OTC Swap Transactions entered into with the Swap Counterparty, the Fund shall receive the performance of the Funds, adjusted for certain replication costs and other transaction costs or fees incurred by the Swap Counterparty with regard to the OTC Swap Transaction. Such

costs may include, without limitation, costs, taxes or other fees associated with the purchase, sale, custody, holding or other transactions relating to investments in transferable securities and/or OTC Swap Transactions and/or Securities. The nature of these costs may also vary depending on the composition of the basket of investment funds, the performance of which must be reproduced.

## 6. Investment principles

To this end, the assets of the Fund shall be invested in accordance with the principle of risk diversification as follows:

- a) The Fund assets may be invested in securities such as equities and interest-bearing securities, including zero-coupon bonds and corporate bonds, debentures (*Pfandbriefe*) and similar foreign mortgage-backed bonds issued by credit institutions, government bonds, municipal bonds, floating-rate bonds, convertible bonds, bonds with warrants, mortgage-backed securities and asset-backed securities, as well as other bonds linked to collateral assets. In addition, index certificates and other certificates with a risk profile typically correlated with the assets cited in sentence 1 or with the investment markets to which these assets are allocated may be acquired for the Fund assets.

Up to 20% of the value of the fund assets may be invested in mortgage-backed securities and asset-backed securities.

- b) Subject to item k) in particular, investment items pursuant to item a), sentence 1 may not be acquired, which do not have an investment grade rating from a recognised rating agency at the time of acquisition (so-called non-investment grade rating) or with regard to which no rating exists at all but which, according to the assessment of the Fund Management, may be assumed to correspond to a non-investment grade rating in the event of a rating, (jointly: so-called high-yield assets). If a security pursuant to subparagraph a), sentence 1, is classified as a high-yield investment after acquisition, the Fund Management shall seek to dispose of it within one year. Subject in particular to item k), the share of assets pursuant to the second sentence shall be limited to a maximum of 10% of the Fund's assets.
- c) Subject in particular to item k), assets pursuant to sentence 1 of item a), the issuers of which are domiciled in a country which, according to the World Bank's classification, does not fall into the category of "high gross national income per capita", i.e. is not classified as "developed", may not be acquired.
- d) The Fund may acquire certificates for products and indices relating to
- the European equity market; and/or
  - the equity market of a European country; and/or
  - baskets of shares relating to issuers domiciled in Europe.
- e) In addition, the Fund may invest without limitation in UCITS or UCIs pursuant to Clause 4, item 2 of the Management Regulations, notably equity, money market or bond funds and/or funds pursuing an absolute return approach.

With regard to equity fund investments, these may be broadly diversified equity funds, as well as country, regional and sector funds. An equity fund in the aforementioned sense is any UCITS or UCI with a risk profile typically correlated with that of one or more equity markets.

With regard to bond fund investments, these may be broadly diversified bond funds, as well as country, regional, sector or fixed income funds focused on specific maturities or

currencies. A bond fund in the aforementioned sense is any UCITS or UCI with a risk profile typically correlated with that of one or more bond markets.

With regard to money market fund investments, these may relate to money market funds which are broadly diversified, as well as those focused on specific issuer groups and/or currencies. A money market fund in the aforementioned sense is any UCITS or UCI with a risk profile typically correlated with that of one or more money markets.

- f) Furthermore, deposits pursuant to Clause 4, item 3 of the Management Regulations may be held and money market instruments pursuant to Clause 4, items 1 and 5 as well as Clause 5 of the Management Regulations may be acquired.
- g) The assets of the Fund may also be denominated in foreign currencies. In particular, within the framework of unit classes, transactions may be executed which, to a large degree, hedge against another specific currency. In this context, investment instruments which are not denominated in a currency are regarded as denominated in the currency of the country of domicile of their issuer (in the case of securities representing shares: of the relevant company, in the case of certificates: of the underlying asset).
- h) The average, present value-weighted residual duration of the portion of the Fund assets invested in interest-bearing securities including zero-coupon bonds pursuant to sentence 1 of item a), as well as deposits and money market instruments pursuant to item e), including the interest claims associated with the aforementioned assets, shall be between 0 and 18 months. The calculation shall take into account derivatives on interest-bearing securities, interest rate and bond indices, as well as interest rates, irrespective of the currency of the underlying assets.
- i) Within the context of and in compliance with the aforementioned restrictions, the assets of the Fund may be invested in a concentrated or in a broadly diversified way, depending on the assessment of the market situation:
  - in individual asset classes; and/or
  - in individual currencies; and/or
  - in individual sectors; and/or
  - in individual countries; and/or
  - in assets with shorter or longer (residual) maturities; and/or
  - in assets of issuers/debtors with a specific character (e.g. states or companies).
- j) Overshooting or undershooting the limits described above in items b), c), e) and h) is permissible if this occurs as a result of changes in the value of assets contained among the assets of the Fund, the exercise of subscription or option rights or changes in the value of the entire Fund, e.g. when unit certificates are issued or redeemed (so-called “passive breach of limits”). In these cases, the aim shall be to restore the aforementioned limits within a reasonable deadline.
- k) Overshooting of the limits specified in items b) and c) by acquiring or disposing of corresponding assets is permissible if, at the same time, it is guaranteed, through the use of techniques and instruments, that the respective overall market risk potential remains within the limits.

For this purpose, the techniques and instruments are credited with the delta-weighted value of the respective underlying assets according to their sign. Techniques and instruments which offset market risk shall be regarded as reducing risk, even if their underlying assets and the components of the Fund are not fully matched.

- l) The limit referred to in sub-paragraph h) need not be observed during the last two months preceding a dissolution or merger of the Fund.
- m) In addition, the Management Company is permitted to use techniques and instruments for the Fund for the purpose of efficient portfolio management (including for hedging purposes) (pursuant to Clauses 8 ff. of the Management Regulations or the explanations in the full Prospectus under “Use of techniques and instruments and associated specific risks”), as well as to contract short-term loans, pursuant to Clause 11 of the Management Regulations.

Under no circumstances may the Fund diverge from the stated investment objectives when using techniques and instruments.

The managers of the Fund shall invest its assets in securities and other permissible assets after a thorough analysis of all of the information available to it and having carefully weighed up the opportunities and risks. The performance of the fund units shall nevertheless remain dependent on price changes on the markets. No assurance can therefore be given that the objectives of the investment policy will be achieved.

Where applicable, investors risk receiving a lower amount than they originally invested.

The managers of the Fund shall adjust its composition depending on their assessment of the market situation, taking into consideration the investment objective and principles, which may also lead to a complete or partial realignment of the composition of the Fund. Such adjustments may therefore also be made frequently, as appropriate.

## 7. Sustainability risks

This Fund does not promote ESG characteristics and does not maximize portfolio alignment with Sustainability Factors, however it remains exposed to Sustainability Risks and the occurrence of such risks could cause a negative material impact on the value of the investments made by the Fund. Further information can be found in the “Sustainability-related disclosures” section of the Prospectus.

### Limited risk diversification

**In accordance with the principle of risk diversification, the Fund is authorised to invest up to 100% of its net assets in securities and money market instruments of various issuers, belonging to, issued or guaranteed by the Federal Republic of Germany, the German Federal States (Baden-Württemberg, Bavaria, Berlin, Brandenburg, Bremen, Hamburg, Hesse, Mecklenburg-Western Pomerania, Lower Saxony, North Rhine-Westphalia, Rhineland-Palatinate, Saarland, Saxony, Saxony-Anhalt, Schleswig-Holstein, Thuringia), the European Coal and Steel Community, the European Economic Community, EURATOM, the European Community, the European Union, an EU Member State (Belgium, Bulgaria, Denmark, Estonia, Finland, France, Greece, Ireland, Italy, Croatia, Latvia, Lithuania, Malta, Poland, Luxembourg, Netherlands, Austria, Portugal, Sweden, Slovakia, Slovenia, Spain, Czech Republic, Hungary, Republic of Cyprus, Romania), or its local authorities, Iceland, Liechtenstein, Norway, member states of the OECD (Australia, Japan, Canada, Korea, Mexico, New Zealand, Switzerland, Turkey, United States of America, Chile, Israel, Colombia, United Kingdom of Great Britain and Northern Ireland), member states of the G20 or by international bodies with a public law character of which one or more EU Member States are members. These securities or money market instruments shall be split into at least six different issues, in which securities and money market instruments from one and the same issue may not exceed 30% of the total amount of the net assets.**

## Guarantee

Société Générale S.A. is the guarantor (the "Guarantor").

The Guarantor guarantees unit class IT (EUR) of the Fund that the Net Asset Value per unit at least equals the below defined amount (the "Guaranteed Net Asset Value") on the last Valuation Day of the respective protection period (the "Guarantee Date") (the "Guarantee"). The Guaranteed Net Asset Value is calculated before deduction of withholding taxes applicable for the Unitholder, in particular before deduction of any capital gains / interest income / settlement tax. It is being noted that these taxes can reduce the determined amount at a later date.

With reference to each protection period, the following shall apply:

If the Net Asset Value calculated for a specific Guarantee Date is lower than the Guaranteed Net Asset Value in respect of such Guarantee Date, the Guarantor will pay an amount equal to the product of:

- (i) the difference, if positive, between (a) the Guaranteed Net Asset Value and (b) the Net Asset Value and
- (ii) the number of outstanding units of unit class IT (EUR) of the Fund as of the relevant Guarantee Date before taking into account any subscription and redemption orders to be executed on the Net Asset Value of such Guarantee Date (the "Guaranteed Amount"). The investor in unit class IT (EUR) of the Fund shall not have any direct claim against the Guarantor to pay the Guaranteed Amount.

The Net Asset Value of the units of the unit class IT (EUR) on the last Valuation Day of the preceding month of a given protection period according to the following conditions will be defined as "Initial Value". With respect to each protection period, the Guaranteed Net Asset Value equals 80 % of its respective Initial Value (before deduction of withholding taxes applicable for the Unitholder and in particular before deduction of any capital gains / interest income / settlement tax).

The first protection period starts on 1 October 2019 and ended on 31 October 2019 (and if such day is not a Valuation Day, the last Valuation Day preceding 31 October 2019). In this protection period the Guarantor guarantees that the Net Asset Value of the units of the unit class IT (EUR) of the Fund on the Guarantee Date will not be less than 80% of the Net Asset Value per unit of 30 September 2019, the last valuation date of the preceding month (before deduction of withholding taxes applicable for the Unitholder and in particular before deduction of any capital gains / interest income / settlement tax).

Each subsequent protection period starts with the first day of each succeeding month and terminate on the last day of such respective month (and if this day is not a valuation day the ultimately preceding valuation date).

Furthermore, the Guarantee is subject to certain conditions.

The Guarantor will enter into a swap agreement with the fund. The existence of the swap agreement concluded between the Fund and the Guarantor is a condition for a claim under the guarantee. The obligation of the Guarantor depends on the existence of an obligation of the swap counterparty under the concluded swap agreement. It is a condition that any claim of the unit class IT (EUR) of the Fund under the existing swap agreement must be raised before any claim under the Guarantee is raised.

The obligation of the Guarantor terminates with the termination of the swap contract. If the swap agreement between Société Générale S.A. and the Fund is terminated at its maturity and no new swap agreement between Société Générale S.A. and the Fund is concluded, the Guarantee Date of the respective protection period of an existing guarantee is the day on which the termination of the swap agreement becomes effective.

If the Guarantor does not want to extend the Guarantee for a further protection period or enter into a new swap agreement with the Fund at its maturity or terminates the guarantee in accordance with the Guarantee declaration and no other guarantor issues a corresponding guarantee declaration, the investor shall be informed of this situation by the Management Company on the website with 3 months' advance notice at the following address:

- until 2 November 2021: [www.lyxorfunds.com](http://www.lyxorfunds.com); and
- as of 3 November 2021: <https://sg29hausmann.societegenerale.fr>.

If the swap agreement between Guarantor and the Fund is terminated before its maturity (for any reason) and the Guarantor and the Fund do not enter into a new swap agreement, the Guarantee is automatically terminated on the same date than the swap agreement.

The obligation of the Guarantor does not longer exist, if the Net Asset Value of the fund is impaired in case of fraud, willful misconduct or gross negligence of third parties or the guarantee is effectively terminated in compliance with this Guarantee.

The Guarantor may terminate the Guarantee in the following cases:

- (i) Replacement of the Management Company, the Fund Manager or the Custodian of the Fund without the Guarantor's prior written approval, (which cannot be unreasonably withheld), or insolvency or dispute resolution proceedings with the Custodian;
- (ii) Amendment of the Prospectus, the Fund Management Agreement or the Advisory Agreement with the Adviser without the Guarantor's prior written approval, (which cannot be unreasonably withheld), or insolvency or resolution proceedings of the custodian;
- (iii) Breach of the Prospectus, the Fund Management Agreement or the Advisory Agreement with the Adviser.

Exclusively in such cases, in which replacement or modification or non-compliance affects the Guarantor's obligations by way of the Guarantee, may the Guarantor terminate the Guarantee with immediate effect.

If there is no outstanding compensatory amount under the Guarantee to the Fund due by the Guarantor, the respective Guarantee ends by declaration of the Guarantor to the Management Company without notice, if due to changes in regulations applicable to the Guarantor or the investment manager laws or regulations (or due to a changed interpretation of laws and regulations at the request of the responsible courts or regulators) (i) the Guarantor by law is prevented from maintaining the Guarantee hereto or (ii) the investment manager by law is prevented from providing the management services described in the investment management agreement. The Guarantee shall end without notice and the respective protection period shall end at the end of that day.

It is not the aim of the investment policy to comply with the desired protection level during the respective protection periods.

Therefore, investors should be aware that the protection refers exclusively to the respective determined Guarantee Dates and only to units of class IT (EUR). Therefore it is possible to have larger losses within the protection periods up to the respective Guarantee Date.

By matching the applied protection model to changes on the capital markets the risk protection shall be realized in the most cost-efficient manner possible.

The Fund's income and the assets of the Fund may be subject to any tax and levy at acquisition, at sale or solely due to being held in countries where they are held in custody or traded, or from which they originate. The Fund's assets as such may be subject to a tax and levy, in particular it is currently subject to the *Taxe d'Abonnement*.

As far as income is reduced by introduction or modification of such taxes and levy or taxes and levy are payable by acquisition, sale or holding of assets, the Guaranteed Net Asset Value of the unit class IT (EUR) per unit is reduced to the same amount, which the determined Net Asset Value of the unit class IT (EUR) per unit is reduced by acc. to the fund prospectus regulations at the Guarantee Date.

In the cases described in the preceding paragraph, the Investment Manager shall try to ensure by reallocation of the assets, that the Net Asset Value of units of the unit class IT (EUR) achieves 80% of the underlying asset at the end of the current protection period.

The Guarantor accepts no responsibility for the non-, late or partial fulfillment of its contractual obligations if the non-, late or partial fulfillment is related to acts, omissions, incidents or events that are not attributable to him, and is not responsible for, and the Guarantor is not liable for any loss or damage incurred by the Fund or the Management Company as a result of herby actions.

The Guarantee is subject to the laws of the Federal Republic of Germany.

The Guarantee Dates and the current Guarantee level of the aforementioned unit class are published in the annual and semi-annual reports of the Fund and may be obtained from the Management Company at any time.

The Management Company shall publish the Guarantee Dates and the current guaranteed Net Asset Value of unit class IT (EUR) in the current annual and semi-annual reports of the Fund and shall provide these to investors at any time on request.

If the Management Company decides to close the Fund or the IT (EUR) unit class or to merge the Fund into another fund, this may only be done on the Guarantee Date of an already existing guarantee applicable to the respective protection period.

### **The Ottawa and Oslo Conventions**

The Fund shall not invest in securities of issuers who, in the opinion of the Management Company, are engaged in business activities prohibited by the Ottawa Convention on Anti-Personnel Landmines and the Oslo Convention on Cluster Munitions. In determining whether a company engages in such business activities, the Management Company may rely on assessments based on:

- (i) research analyses by institutions specialised in verifying compliance with the aforementioned conventions;
- (ii) information provided by the company in the course of the active exercise of shareholder rights; and
- (iii) generally accessible information.

The Management Company may either make these assessments itself or obtain them from third parties.



## Unit classes

The Fund may have several unit classes, which may differ in terms of the costs charged, the method of charging costs, the use of income, the group of persons entitled to acquire units, the minimum investment amount, the reference currency, any currency hedging at the level of the unit class, the determination of the processing time after the order has been placed, the determination of the processing time after settlement of an order and/or a distribution or other features. All units shall participate equally in the income and liquidation proceeds of their unit class.

The Fund may issue units of distributing and accumulating unit classes. The IT (EUR) unit class is an accumulating unit class in which the accrued income is reinvested.

Conversion from one unit class to another unit class is not permitted.

The purchase of units of unit class IT (EUR) is only possible with a minimum investment of EUR 1,000,000.00 (after deduction of any issue premium). The Management Company is free to accept a lower minimum investment amount in individual cases. Subsequent investments are also permitted for lower amounts, provided that the sum of the current value of the units of the same unit class already held by the purchaser at the time of the subsequent investment and the amount of the subsequent investment (after deduction of any issue premium) is at least equal to the amount of the minimum investment for the relevant unit class. Only holdings which the purchaser has held in safe custody at the same institution at which he also wishes to make the subsequent investment shall be taken into account. If the purchaser acts as an intermediate custodian for final beneficiary third parties, it may only acquire units of the aforementioned unit class types if the aforementioned conditions are fulfilled separately with regard to each final beneficiary third party. The issuance of units of these unit class types may be made conditional on the prior provision by the acquirer of a written assurance to this effect.

Units of unit class IT (EUR) may only be acquired by legal persons. The acquisition shall not be permitted, however, if the subscriber of the units is not a natural person but acts as an intermediary custodian for a third party beneficiary who is a natural person. The issuance of units of these unit class types may be made conditional on the prior provision of a written assurance to this effect by the purchaser.

Unit classes for which the reference currency is not the base currency of the Fund may also be issued. Both unit classes for which currency hedging in favour of the reference currency is sought and unit classes for which this is not done may be issued. The costs of these currency hedging transactions shall be borne by the relevant unit class.

Information on the respective handling procedures following the settlement of an order may be found in the sections "Issuance of units and associated costs" and "Redemption of units and associated costs".

The net asset value (Clause 15, items 1, 2 and 3 of the Management Regulations) shall be calculated for each unit class by dividing the value of the net assets attributable to a unit class by the number of units of that unit class in circulation on the Valuation Day (on this point, see also the section "Determination of Net Asset Value"). For distributions, the value of the net assets attributable to the units of the distributing unit classes shall be reduced by the amount of such distributions. If the Fund issues units, the value of the net assets of the relevant unit class shall be increased by the proceeds of the issue less any issue premium. If the Fund redeems units, the value of the net assets of the relevant unit class shall be reduced by the Net Asset Value attributable to the redeemed units.

The launch date of the already issued unit class IT (EUR) was 18 June 2007.

Unit class IT (EUR) (ISIN LU0301268404/WKN A0MR9E):

Initial net asset value per unit	EUR 100
Issue premium	up to 5.00%
Redemption discount	0.00%
Flat-rate allowance	up to 1.35% per year
Subscription Tax	0.01% per year

### Calculation of income and allocation of income

The Management Company shall determine each year whether, when and for what amount a distribution shall be made for a distributing unit class, in accordance with the provisions applicable in the Grand Duchy of Luxembourg.

For distributing unit classes, the income which may be used for distribution is determined by deducting the remuneration, fees, taxes and other expenses to be paid from the interest, as well as dividends and income from target fund units which have accrued, taking into account the associated income equalisation.

The current distribution policy for units of distribution unit classes provides in principle for the annual distribution, net of expenses, of substantially all of the income defined above for the relevant period available for distribution. Notwithstanding the above, the Management Company may also decide to distribute realised capital gains and other income, taking into account the associated income equalisation, as well as unrealised capital gains and capital pursuant to Article 16, in conjunction with Article 23 of the Law. If the distribution date falls on a weekend or a bank holiday, the next following bank business day shall apply for the distribution. The Management Company may also decide on interim distributions.

Accumulating unit classes shall retain and reinvest all income, i.e. interest, dividends, income from target fund units, other income, as well as realised capital gains, taking into account the associated income equalisation, minus the remuneration, fees, taxes and other expenses payable at the end of the financial year of the Fund. As such, distributions to Unitholders should not be expected. Notwithstanding the above, the Management Company may decide how income and realised capital gains should be applied, taking into account the associated income equalisation, that, as appropriate, capital shall be distributed in accordance with Article 16, in conjunction with Article 23 of the Law and that distributions shall be made in the form of cash payments. At present, reinvestment is foreseen on 31 May of a calendar year.

Under no circumstances may distributions be made if the net asset value of the Fund falls below EUR 1,250,000.00 as a result of the distribution.

Payments relating to distributions, if any, shall be made in the Reference Currency of the relevant unit class, currently within two Valuation Days of the Distribution Date, in each case, however, at the latest within ten Valuation Days of the respective distribution date. The Registrar and Transfer Agent shall only be obliged to make payment insofar as no legal provisions, e.g. foreign exchange regulations, or other circumstances for which the Registrar and Transfer Agent is not responsible (e.g. public holidays in countries in which investors or intermediaries or service providers engaged to process the payment have their registered office) prevent the transfer of the distribution.

Any distribution amounts not claimed within five years of the publication of the distribution notice shall be forfeited to the benefit of the unit class. Notwithstanding the above, the Management Company shall be entitled to pay to the Unitholders any distribution amounts

claimed after the expiry of this limitation period at the expense of the unit class.

### **Income equalisation procedure**

The Management Company shall apply a so-called income equalisation procedure for the unit classes of the Fund. This means that the *pro rata* income accrued and capital gains/losses realised during the financial year, which the purchaser of units must pay as part of the issue price and which the seller of units receives as part of the redemption price, are continuously offset. The expenses incurred shall be considered when calculating the equalisation paid.

The purpose of the income equalisation procedure is to equalise fluctuations in the ratio between income and realised capital gains/losses on the one hand and other assets on the other, caused by net inflows of liquid assets or net outflows of liquid assets due to unit purchases or redemptions. This is because any net inflow of liquid assets would otherwise reduce the share of income and realised capital gains/losses in the Net Asset Value of the Fund, and any outflow would increase it.

### **Risk factors**

An investment in the Fund is notably associated with the risk factors listed below:

#### Interest rate risk

Insofar as the Fund holds interest-bearing assets directly or indirectly, it is exposed to interest rate risk. If the market interest rate level rises, the value of the interest-bearing assets belonging to the fund may fall considerably. This applies to an even greater extent since the Fund also holds interest-bearing assets with longer residual durations and lower nominal interest rates.

#### Negative interest calculation:

The Management Company may hold bank deposits of the Fund with the Custodian or other banks. Depending on the interest rate policy of the European Central Bank, interest in connection with time deposits or bank balances may be negative and entail losses for the Fund.

#### Credit risk

The creditworthiness (ability and willingness to pay) of the issuer of a security or money market instrument held directly or indirectly by the Fund may subsequently decline. This usually leads to price declines of the respective security which exceed general market fluctuations.

#### General market risk

Insofar as the Fund invests directly or indirectly in securities and other assets, it is exposed to the general trends and tendencies of the markets, in particular, in the securities markets, and to the general economic cycle, arising from a variety of factors, which are partly irrational. These may also lead to significant and prolonged price declines which affect the entire market. Securities from first-class issuers are generally exposed to the general market risk in the same way as other securities or assets.

#### Company-specific risk

The price performance of the securities and money market instruments held directly or indirectly by the Fund is also dependent on company-specific factors, such as the business situation of the issuer. If company-specific factors deteriorate, the price of the respective

security may fall significantly and permanently, regardless of any otherwise generally positive stock market performance.

#### Counterparty default risk

The issuer of a security held directly or indirectly by the Fund or the debtor of a claim belonging to the Fund may become insolvent. The corresponding assets of the Fund may thereby become economically worthless.

#### Counterparty risk

Insofar as transactions for the Fund are not conducted via an exchange or a regulated market ("OTC transactions"), a risk exists, in addition to the general counterparty risk, that the counterparty to the transaction defaults or does not meet its obligations in full. This applies in particular to transactions involving techniques and instruments. A default by the counterparty can lead to losses for the Fund. However, particularly with regard to OTC derivatives, this risk may be significantly mitigated by receiving collateral from the counterparty in accordance with the Fund's collateral management policy described below. However, due to unforeseen events, it cannot be excluded that the collateral pledged in favour of the Fund may not be able to cover the loss.

#### Currency risk

If the Fund directly or indirectly holds assets denominated in a foreign currency, it is exposed to currency risk (to the extent that foreign currency positions are not hedged). Any depreciation of the foreign currency against the base currency of the Fund will cause the value of the assets denominated in a foreign currency to fall.

#### Concentration risk

Insofar as the Fund focuses on certain markets or investments as part of its investment activity, this concentration means that it is not possible from the outset to spread the risk across different markets to the same extent as would be possible without such a concentration. As a result, the Fund is particularly dependent on the performance of these investments, as well as the individual or related markets or companies included in them.

#### Country and regional risk

Insofar as the Fund focuses on certain countries or regions as part of its investment, this also reduces risk diversification. As a result, the fund is particularly dependent on the development of individual or interconnected countries and regions or the companies based and/or operating in them.

#### Country and transfer risk

Economic or political instability in countries in which the Fund has invested may result in the Fund not receiving monies due to it, or not receiving these in full, despite the solvency of the issuer of the respective security or other asset. This may be due, for example, to foreign exchange or transfer restrictions or to other legal changes.

#### Liquidity risk

In the case of illiquid (narrow-market) securities, even an order which is not particularly large can lead to significant price changes for both purchases and sales. If an asset is illiquid, there is a danger that, in the event of selling the asset, this shall not be possible or shall only be possible by accepting a significant discount on the selling price. In the case of purchase, the

illiquidity of an asset may lead to a significant increase in the purchase price.

#### Custody risk

Custody risk describes the risk resulting from the possibility in principle that the investments held in custody could become partially or completely inaccessible to the Fund, to its detriment, in the event of insolvency, negligent, intentional or fraudulent acts on the part of the custodian or of a sub-custodian. The Custodian and the Fund Administrator belong to the same group of companies and conflicts of interest may result from this.

#### Collateral management

The counterparty of the OTC transactions only provide bank deposits as collateral within the framework of the legal requirements.

#### Emerging Markets Risks

Investments in emerging markets are investments in countries which, according to the World Bank's classification, do not fall into the category of "high gross national product per capita", i.e. are not classified as "developed". In addition to the specific risks of the concrete asset class, investments in these countries are notably subject to liquidity risk and to general market risk. In addition, risks may arise to a greater extent during the processing of securities transactions in these countries and lead to losses for the investor, in particular, since delivery of securities against payment is generally not possible or usual there. In emerging markets, the legal and regulatory environment and accounting, auditing and reporting standards may also diverge significantly from the level and standards that are customary internationally, to the detriment of an investor.

There may also be an increased custody risk in such countries, which may also notably result from different forms of ownership of acquired assets.

#### Specific risks of investment in so-called high-yield assets

In the field of interest rates, high-yield assets are investments which either do not have an investment grade rating from a recognised rating agency (non-investment grade rating) or for which there is no rating at all, but for which it is assumed that they would correspond to a non-investment grade rating in the event of a rating. With regard to such investments, the general risks of these asset classes exist, but to a greater extent. Such investments are frequently associated with an increased credit risk, interest rate risk, general market risk, company-specific risk and liquidity risk.

#### Success risk

There can be no guarantee that the Fund's investment objectives and the investment performance desired by the investor will be achieved. Notably in view of the risks to which the individual assets acquired at Fund level are generally subject and which are entered into in the context of the individual selection of the assets in particular, the Net Asset Value of the Fund may also fluctuate and in particular, fall, leading to losses for the investor. Investors risk receiving a lower amount than that of their original investment. A guarantee of a specific investment performance of the Fund exists only to the extent explicitly stated in the Guarantee section.

#### Risk relating to the capital of the Fund

Due to the risks described here to which the valuation of the assets contained in the fund capital/unit class is exposed, there is a risk that the capital of the Fund or the capital attributable

to a unit class could decrease. The same effect could result from the excessive redemption of fund units or an excessive distribution of investment performance. The reduction of the Fund's capital or of the capital attributable to a unit class could make the management of the Fund or a unit class uneconomical, which could ultimately lead to the dissolution of the Fund or of a unit class and to losses for the investor.

#### Specific risks of asset-backed securities (ABS) and mortgage-backed securities (MBS)

The income, performance and/or capital repayment scope of ABS and MBS are related to the income, performance, liquidity and creditworthiness of the respective economic or legal underlying pool of assets (e.g. receivables, securities and/or credit derivatives), as well as the individual assets contained in the pool or their debtors themselves. In the event of an unfavourable performance of the assets combined in the pool, an investor may, depending on the structure of the ABS or MBS, suffer losses up to a total loss.

ABS or MBS may either be issued by a company established specifically for this purpose (special purpose vehicle) or by waiving such a special purpose vehicle. Special purpose vehicles used for the issuance of ABS or MBS generally do not engage in any other business beyond the issuance of ABS or MBS; in addition, the pool of often non-fungible assets underlying the ABS or MBS usually represents the sole asset of the special purpose vehicle or the sole asset from which the ABS or MBS are to be serviced. If the ABS or MBS are issued without a special purpose vehicle, then there is a risk that the issuer's liability will be limited to the assets collected in the pool. The main risks for the assets in the pool are concentration risk, liquidity risk, interest rate risk, credit risk, company-specific risk, general market risk, counterparty default risk and counterparty risk.

Both in the case of issuing ABS or MBS through a special purpose vehicle and in the case of issuance without such a company, the other general risks of an investment in bonds and derivatives exist with regard to the investment instrument ABS and MBS, in particular, interest rate risk, creditworthiness risk, company-specific risk, general market risk, counterparty default risk, counterparty risk and liquidity risk.

#### Flexibility constraint risk

The redemption of units in the Fund may be subject to restrictions. In the event of suspension of unit redemption or postponed unit redemption, it will not be possible for an investor to redeem his units, so that he will be forced to remain invested in the Fund for longer than he may wish, while accepting the fundamental risks associated with his investment. In the event of a fund liquidation and in the event of the exercise of a mandatory redemption right by the Management Company, the investor shall not have the option of remaining invested in the Fund. The same shall apply if the Fund held by the investor is merged with another fund, in which case, the investor will automatically become the holder of units in the acquiring fund. An initial issue premium paid on purchase of units may reduce or even erode the success of an investment, particularly if the investment period is only short. In the event of unit redemption, the investor may also incur further costs in addition to the costs already incurred (such as an issue premium when purchasing units), e.g. in the case of a redemption fee for the fund unit held or in the form of an initial sales charge for the purchase of other units. These events and circumstances may lead to losses for the investor.

#### Inflation risk

Inflation risk is the risk of suffering financial losses due to the depreciation of money. Inflation can lead to a reduction in the return on the Fund, as well as the value of the investment as such in terms of purchasing power. Different currencies are subject to inflation risk to varying degrees.

### Risk of changes in general conditions

In the course of time, general conditions may change, e.g. in economic, legal or tax terms. This may have a negative impact on the investment as such and on the investor's treatment of the investment.

The risk of taxation or of other charges arising from local regulations regarding assets held by the Fund may be subject to taxes, duties, charges and other withholdings, whether now or in the future. This notably applies to proceeds or gains from a sale, redemption or restructuring of assets held by the Fund, reorganisations of assets held by the Fund without payment flows, to changes in Custodian institutions and to dividends, interest and other income received by the Fund. Certain taxes or charges, such as all charges due for FATCA (Foreign Account Tax Compliance Act, see "Taxation of the Fund" for further details), may be imposed in the form of a withholding tax or a deduction when payments are made or transferred.

### Processing risk

In particular, when investing in unlisted securities, there is a risk that processing by a transfer system may not be executed as expected due to delayed or non-agreed payment or delivery.

### Risk of changes to the Management Regulations, investment policy and to the other fundamentals of the Fund

The Unitholder's attention is drawn to the fact that the Management Regulations, the investment policies of a Fund and the other fundamentals of a Fund may be amended to the permitted extent. In particular, a change in the investment policy of a directive-compliant fund within the permissible investment spectrum may lead to a change in the content of the risk associated with the Fund.

### Key personal risk

A fund whose investment result is highly positive over a certain period of time will also owe this success to the suitability of the acting persons and hence to the correct decisions of its management. The composition of the fund management staff may nevertheless change. New decision-makers may then be less successful in their actions.

### Risk of incurring share-movement-related transaction costs at Fund level

Issues of units may result in the investment of inflows at the level of the Fund and redemptions of units may result in the disposal of investments in order to generate liquidity. Such transactions give rise to costs which may have a material adverse effect on the performance of the Fund, particularly if the issue and redemption of units on a given day do not approximately offset each other.

### Specific risks of investing in target funds

If a fund uses other funds (target funds) as an investment vehicle for investing its funds by acquiring their units, it shall also assume the risks arising from the structure of the "fund" vehicle in addition to the risks generally associated with their investment policy. In this regard, it is itself subject to the risk with regard to the capital of the Fund, the processing risk, the flexibility constraint risk, the risk of changes to the general conditions, the risk of changes to the contractual conditions, the investment policy and the other fundamentals of a fund, the key personal risk, the risk of occurrence of transaction costs relating to movements in units at Fund level and, in general, to the performance risk. To the extent that the investment policy of a target fund is geared towards investment strategies which rely on rising markets, corresponding exposures in rising markets should as a rule have a positive effect on the assets

of the target fund and a negative effect in falling markets. Insofar as the investment policy of a target fund is oriented towards investment strategies which focus on falling markets, corresponding exposures should as a rule have a positive effect on the target fund's assets in falling markets and a negative effect in rising markets.

The target fund managers of different target funds shall act independently of each other. This may result in several target funds assuming opportunities and risks which are ultimately based on the same or related markets or assets, which, on the one hand, concentrates the opportunities and risks of the Fund holding these target funds in the same or related markets or assets. On the other hand, the opportunities and risks assumed by different target funds may also balance each other economically as a result.

If a fund invests in target funds, costs, notably management fees (fixed and/or performance-related), custodian fees and other costs, shall as a rule be incurred both at the level of the investing fund and at the level of the target funds, leading economically to a correspondingly increased burden on the investor of the investing fund.

#### Use of securities repurchase agreements and securities lending transactions

As the Fund does not enter into securities repurchase agreements (including reverse repurchase agreements) and securities lending transactions, the Fund is not exposed to securities repurchase agreements (including reverse repurchase agreements) or securities lending transactions.

#### **Deployment of techniques and instruments and associated specific risks**

The Management Company shall neither use securities lending transactions nor repurchase agreements, commodity lending transactions, purchase/sell-back transactions or sale/buy-back transactions or Lombard transactions. The Management Company shall only use derivatives pursuant to Clause 4, item 4 of the Management Regulations, in accordance with the investment restrictions for the Fund, with a view to efficient portfolio management (including the execution of transactions for hedging and for speculative purposes). In particular, the Management Company may use techniques and instruments in opposite directions to the market, which may lead to gains for the Fund if the prices of the reference values fall or to losses for the Fund, if these prices rise.

The ability to use these investment strategies may be limited by market conditions or legal constraints and there can be no guarantee that the purpose intended by the use of such strategies will actually be achieved.

Techniques and instruments shall be used for efficient portfolio management purposes, for which the following conditions shall be fulfilled:

- (i) They are economically appropriate, in that they are deployed in a cost-effective manner;
- (ii) They are used with one or several of the following specific objectives:
  - Risk reduction;
  - Cost reduction;
  - Generation of additional capital or income for the Fund, with a risk corresponding to the risk profile of the UCITS and the risk diversification regulations, pursuant to Clause 6, items 1 to 4 of the Management Regulations;
- (iii) Their risks are adequately captured by the Fund's risk management.

The use of techniques and instruments shall not:



- (i) result in a change in the declared investment objective of the Fund; or
- (ii) be associated with significant additional risks by comparison with the original risk strategy described in the Prospectus.

Where transactions are undertaken for the Fund for efficient portfolio management, these shall be taken into account in the development of the risk management process for liquidity risks, in order to ensure that the Fund can meet its redemption obligations at all times.

### Derivatives

The Management Company may use the greatest variety of forms of derivatives, which may also be combined with other assets. In addition, the Management Company may also acquire securities and money market instruments in which one or more derivatives are embedded. Derivatives relate to underlying assets. These underlying assets may be the permissible instruments listed in Clause 4 of the Management Regulations, as well as financial indices, interest rates, exchange rates or currencies. The financial indices in the aforementioned sense notably include indices on currencies, on exchange rates, on interest rates, on prices and total returns on interest rate indices, as well as in particular bond indices, share indices and indices which have as their object the permissible instruments listed in Clause 4 of the Management Regulations, as well as commodity futures, precious metal and commodity indices.

Examples of the functioning of selected derivatives which the Fund and, where applicable, unit classes may use, depending on the structuring of the respective investment guidelines are:

### Options

The purchase of a call or put option involves the right to buy or sell a certain underlying asset for a fixed price on a future date or within a certain period, or to enter into or terminate a certain contract. An option premium must be paid for this, which shall be incurred regardless of whether or not the option is exercised.

The sale of a call or put option, for which the seller receives an option premium, involves an obligation to sell or buy a specified underlying asset for a specified price on a future date or within a specified period, or to enter into or terminate a specified contract.

### Forward transactions

A futures contract is a reciprocal contract which entitles or obliges the contracting parties to take delivery of or to deliver a certain underlying asset at a certain time at a price determined in advance or to provide a corresponding cash settlement. As a rule, only a fraction of the respective contract size shall be paid immediately ("margin").

### Swaps

A swap is understood as meaning an exchange transaction in which the reference values underlying the transaction are exchanged between the contracting parties. Within the framework of the investment principles, the Management Company may enter into interest rate, currency, equity, bond and money market-related swap transactions, as well as credit default swap transactions for the Fund. The payments to be made by the Management Company to the counterparty and vice versa shall be calculated with reference to the respective instrument and an agreed notional amount.

Credit default swaps are credit derivatives which make it possible to make an economic transfer of a possible credit default risk to others. Credit default swaps may be used, among

other things, to hedge credit risks from bonds (e.g. government or corporate bonds) acquired by the Fund. As a rule, in the event of predefined events, such as the insolvency of the issuer, the contracting party shall be obliged to accept the underlying instrument at an agreed price or to make a cash settlement. In return for assuming the credit default risk, the buyer of the credit default swap pays a premium to the contracting party.

### OTC derivative transactions

The Management Company may enter into transactions both in derivatives admitted to trading on an exchange or included in another organised market, as well as in so-called over-the-counter transactions (OTC transactions). In OTC transactions, the counterparties directly conclude individually negotiated, non-standardised agreements containing the rights and obligations of the contracting parties. OTC derivatives are frequently only liquid to a limited extent and may be subject to relatively high price fluctuations.

When using derivatives to hedge the assets of the Fund, an attempt shall be made to reduce the economic risk for the fund inherent in an asset of the fund as far as possible (hedging). At the same time, however, this has the consequence that if the hedged asset performs positively, the fund will no longer be able to participate in this positive performance.

When using derivatives to enhance returns in pursuing its investment objective, the Fund shall assume additional risk exposures, depending on the characteristics both of the derivative and of the underlying asset. Exposure to derivatives may be subject to leverage effects, so that even a small investment in derivatives may have a significant negative impact on the Fund's performance.

Exposure to derivatives involves investment risks and transaction costs to which the Fund would not be subject if these strategies were not used.

There are specific risks associated with investing in derivatives and there is no guarantee that a particular assumption of the fund management will ultimately be correct or that an investment strategy using derivatives will be successful. The use of derivatives may be associated with considerable losses or, depending on the structure of the derivative used in each case, losses which are theoretically unlimited. The risks are essentially related to general market risk, success risk, liquidity risk, creditworthiness risk, transaction risk, the risk of changes in the general conditions and counterparty risk. The following may be highlighted in this context:

- Derivatives used may be incorrectly valued or valued differently due to different valuation methods.
- The correlation, on the one hand, between the values of the derivatives used and the price movements of the positions hedged with them on the other, or also the correlation of different markets/positions in the case of derivative hedging using underlying instruments which do not correspond exactly to the position to be hedged may be incomplete, with the consequence that a perfect hedge may not actually be achieved.
- The possible absence of a liquid secondary market for a given instrument at a predefined point in time may be associated with the consequence that it may not be possible to neutralise (close) a derivative position in a cost-efficient manner, even though this would be sensible and desirable in terms of investment policy.
- OTC markets can be particularly illiquid and subject to high price fluctuations. When using OTC derivatives, it may therefore not be possible to sell or close these derivatives at an appropriate time and/or at an appropriate price.
- There may be a danger of using underlying instruments which serve as benchmarks for derivative financial instruments, which cannot be bought or sold or must be bought or sold at an unfavourable point in time.

### Securities lending

Securities repurchase, including reverse repurchase, agreements and securities lending transactions are not carried out for the Fund.

### **Possible effects of the use of techniques and instruments on the performance of the Fund**

The use of techniques and instruments may have positive or negative effects on the performance of the Fund.

The Fund may use derivatives for hedging purposes. This may be reflected in the form of correspondingly lower opportunities and risks on the risk profile of the Fund. Hedging may also be used in particular to represent the various currency-hedged unit classes and thereby characterise the risk profile of the respective unit class.

In addition, the Fund may also use derivatives in a speculative manner to enhance returns in pursuit of the investment objective, namely in order to represent the risk profile of the Fund and to increase the degree of investment beyond that of a Fund fully invested in securities. When representing the risk profile through derivatives, direct investments, e.g. in securities, are replaced by derivatives or also, in helping to shape the risk profile of the Fund, certain components of the Fund's investment objectives and principles are realised on the basis of derivatives, e.g. by representing currency exposures through derivatives, which, as a rule, does not have a material impact on the risk profile of the Fund. In particular, where the investment objective of the Fund also allows the Manager to assume separate currency exposures to specific foreign currencies and/or separate exposures to equity, fixed income and/or commodity futures, precious metals or commodity indices with the intention of generating additional returns, these components of the investment objectives and policies are primarily based on derivatives. Where the Fund uses derivatives to increase the degree of investment, it shall seek to achieve a risk profile over a medium- to long-term period, which may have a significantly higher market risk relative to a derivative-free fund with a comparable profile. By so doing, the fund manager shall take a risk-controlled approach.

### Collateral management principles

When entering into OTC derivative transactions and using efficient portfolio management techniques, the Management Company shall comply with the principles presented below, pursuant to CSSF Circular 13/559 of 18 February 2013, provided that collateral is used to reduce counterparty risk. In order to safeguard the obligations, the Management Company may accept all collateral which complies with the regulations of CSSF Circulars 08/356, 11/512 and 14/592.

Unless collateralisation of OTC derivative transactions is legally mandatory, the extent of collateralisation required is at the discretion of the Fund Manager.

The Management Company may accept assigned or pledged assets or transferred or pledged securities as collateral.

In particular, debt securities issued or guaranteed by a member state of the OECD or its public administrations or other debt securities of issuers with a high credit rating may be accepted as collateral by the Management Company. The residual duration of these debt securities (bonds) shall not be limited. When calculating the collateral from the bonds with a residual duration exceeding five years, a valuation discount shall be applied ("Haircut").

In cases in which the Management Company undertakes OTC derivative transactions and applies efficient portfolio management techniques, any collateral allowable for counterparty risk shall always comply with the following criteria stipulated in the ESMA Guidelines:

- Liquidity: All collateral received which is not in cash should be highly liquid and traded at a transparent price on a regulated market or within a multilateral trading facility, so that it may be sold at short notice at a price close to its pre-sale valuation. The collateral received should also comply with the provisions of Article 56 of the UCITS Guidelines.
- Valuation: Collateral received should be valued at least on a daily basis. Assets which show high price volatility should only be accepted as collateral if appropriate conservative valuation discounts are applied. Valuations of collateral shall be made on Valuation Days at market prices, with the application of the determined valuation discounts.
- Creditworthiness of the issuer: The issuer of the collateral received should have a high credit rating.
- Correlation: Collateral received by the UCITS should be issued by a legal entity which is independent of the counterparty and does not have a high correlation with the performance of the counterparty.
- Collateral diversification (investment concentration): Collateral must be appropriately diversified in terms of countries, markets and issuers. The criterion of adequate diversification in terms of issuer concentration shall be regarded as met if the UCITS receives a collateral basket from a counterparty in efficient portfolio management or OTC derivative transactions for which the maximum exposure to a given issuer is equal to 20% of the net asset value. If a UCITS has different counterparties, the different collateral baskets should be aggregated in order to calculate the 20% limit for exposure to a single issuer. As an exception to this sub-paragraph, UCITS may be fully collateralised through various transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country or an international body with a public law character, of which at least one Member State is a member. This UCITS should hold securities issued in the context of at least six different issues, with securities from any single issue not exceeding 30% of the net asset value of the UCITS. Where UCITS seek to be fully collateralised by securities issued or guaranteed by one Member State, they should disclose this situation in their Prospectus. UCITS should also identify which Member State, local authorities or public international bodies issue or guarantee the securities which they accept as collateral for more than 20% of their net asset value.
- Risks in connection with collateral management, e.g. operational and legal risks, shall be identified, controlled and mitigated by risk management.
- In cases of transfers of rights, the collateral received should be held in custody by the depository of the UCITS. For other types of collateral agreements, the collateral may be held in custody by a third party which is subject to supervision and has no connection with the collateral provider. The collateral received shall be held in a securities account of Clearstream Banking AG and pledged in favour of the Fund.
- The UCITS should have scope to realise collateral received at any time without reference to or authorisation by the counterparty.
- Non-cash collateral received should not be sold, reinvested or pledged.
- Cash collateral received should only be used:
  - as sight deposits with legal entities pursuant to Article 50, item f) of the UCITS directive;
  - invested in high-quality government bonds;
  - invested in money market funds with a short maturity structure, pursuant to the definition in the CESR's guidelines on a common definition of European money market funds.

There are currently no plans for re-use of cash collateral and other collateral.

Collateral shall be valued daily.

If the collateral is subject to price fluctuations, the Management Company shall apply appropriate conservative haircuts. The amount of the haircuts shall take into account the special characteristics of the collateral, such as the creditworthiness of the issuer, price fluctuations and the results of the Management Company's stress tests with regard to the ability to realise the collateral at any time (liquidity). The currently applicable haircuts are 2% for bonds with a residual duration of 5 to 10 years and 4% for bonds with a residual duration of more than 10 years. Equities are accepted as collateral only if they are components of the STOXX Europe 600. In addition, a valuation discount of 10% applies to equities. UCITS funds/ETFs are also accepted as collateral, for which a valuation haircut of 5% applies.

Based on the above explanations, in principle, the Management Company accepts funds, ETFs, bonds and shares as collateral. These collateral instruments are highly liquid. In addition, for some collateral, a class is defined by type of security located above "highly liquid". This definition is based on the issued holdings of the securities, the type of securities or the trading volumes in the market. As a rule, the Management Company conducts appropriate stress tests on the basis of the stipulations of item 45 of the ESMA Guidelines, in order to value the realisability of the collateral provided at any time and to minimise liquidity risk. A stress scenario means a high level of liquidation of collateral. The class that is still above "highly liquid" shall be used in this scenario, in order to avoid a loss for the Fund or for the Unitholders.

The Management Company's "Execution and Order Handling Policy" shall apply.

In order to secure the obligations, the Management Company may only accept assets as collateral which can be acquired in accordance with the investment policy for the Fund and which comply with the regulations of CSSF Circulars 08/356, 11/512 and 14/592. If the Management Company receives cash collateral in the context described above, it shall not reinvest such collateral but shall invest it as demand deposits or time deposits with a maturity of no more than 12 months with credit institutions headquartered in a Member State of the European Union.

**The Management Company may under no circumstances execute transactions in derivatives or other financial techniques and instruments which diverge from the investment objectives presented in the Prospectus, including in its Annexes.**

### **Sustainability-related disclosures**

Pursuant to Regulation (EU) 2019/2088 on sustainability disclosures in the financial services sector (the "SFDR"), the Management Company is required to disclose the manner in which Sustainability Risks (as defined below) are incorporated into its investment decisions and the results of the assessment of the likely effects of Sustainability Risks on the Fund's return.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary according to another specific other risk, a region and/or an asset class. Generally, when Sustainability Risk occurs for an asset, there will be a negative impact and potentially a total loss of its value and therefore a negative impact on the Net Asset Value of the Fund.

Such an assessment of likely impacts must thus be carried out.

**"Sustainability factors"** means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

**"Sustainability Risk"** means an environmental, social or governance (ESG) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by the Fund. Sustainability Risks can either represent a risk on their

own or have an impact on other risks and may contribute significantly to such risks, such as (but not limited to) market risks, operational risks, liquidity risks or counterparty risks. Assessment of sustainability risks is complex and may be based on ESG data which is difficult to obtain, incomplete, estimated, out of date and/or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed.

Sustainability risk is linked but not limited to climate-related events resulting from climate change (a.k.a. Physical Risks) or to the society's response to climate change (a.k.a. Transition Risks), which may result in unanticipated losses that could affect the Fund's investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

By implementing an exclusion policy in relation to issuers whose environmental and/or social and/or governance practices are controversial on certain strategies, the Management Company aims to mitigate Sustainability Risks. In addition, when the Fund follows an extra-financial approach, through the implementation of the ESG investment process included but not limited to selection, thematic or impact, Sustainability Risk intend to be further mitigated. In both cases, please note that no insurance can be given that Sustainability Risks will be totally removed. Further information on the integration of Sustainability Risks into investment decisions can be found on the Management Company's website:

- until 2 November 2021: <https://www.lyxor.com/de/sozial-verantwortliches-investieren>;
- as of 3 November 2021: <https://sg29hausmann.societegenerale.fr>.

Notwithstanding the above, the investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities which are determined by the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, as amended from time to time.

## **Risk profile of the Fund**

Taking into account the aforementioned circumstances and risks, the Fund, by comparison with other fund types, is subject to such opportunities and risks, which are increased by investment in bond/money markets, but especially through the equity component.

The risks listed in this section notably arise from the overall derivative structure underlying the target fund.

In this context, the general market risk, the company-specific risk, the country and regional risk, the credit risk, the emerging markets risks, the liquidity risk, the country and transfer risk, the custody risk, the concentration risk, the counterparty risk and the counterparty default risk play a significant role with regard to the equity market orientation of the Fund. With regard to the equity market orientation of the fund. Among other things, it should be emphasised that price declines affecting the entire market, which may last considerably longer, could have a negative impact on the Fund's assets.

With regard to bond markets, but also to money markets, risks such as interest rate risk, company-specific risk, creditworthiness risk, general market risk, country and regional risk, counterparty default risk and counterparty risk, as well as to some extent, the specific risks of asset-backed securities (ABS) and mortgage-backed securities (MBS), play a significant role.

With regard to a unit class which is not specifically hedged at unit class level against a particular currency, a non-EUR-based investor shall also have a high degree of currency risk, whereas a EUR-based investor shall have only partial currency risk. For a unit class which is specifically

hedged at unit class level against a particular currency, there is a high degree of currency risk for an investor who is not active in the currency with regard to which the relevant Unit Class held by him is hedged and only a partial currency risk for investors active in this currency.

In addition, attention is drawn to the concentration risk, the processing risk, the risk relating to the capital of the Fund, the flexibility constraint risk, the inflation risk, the emerging markets risks, the liquidity risk, the country and transfer risk, the custody risk, the specific risks of investment in so-called high-yield assets, the risk of changes in general conditions, the risk of taxation or another burden due to local regulations for assets held by the Fund, the risk of changes to the Management Regulations, investment policy and to the other fundamentals of the Fund, the risk of emergence of transaction costs at the level of the Fund due to movements of units, the key personal risk, the specific risks of investing in target funds, and notably, the greatly increased performance risk.

With regard to the particular risks associated with the use of techniques and instruments, reference is made to the sections "Use of techniques and instruments and associated specific risks" and "Possible impact of the use of derivatives on the risk profile of the Fund".

The volatility (fluctuation) of the unit value of the Fund may be greatly increased.

### **Possible impact of the use of derivatives on the risk profile of the Fund**

The fund may use derivatives, such as futures, options and swaps, for hedging purposes. This may be reflected in the form of correspondingly lower opportunities and risks on the general profile of the Fund. Hedging may also be used in particular to represent the various currency-hedged unit classes and thereby to shape the profile of the respective unit class.

In addition, the Fund may also use derivatives in a speculative manner in order to enhance returns in pursuit of its investment objective, namely to present the overall Fund profile and to increase the level of investment beyond that of a Fund fully invested in securities. For the representation of the general profile of the Fund through derivatives, the general fund profile will be transformed if direct investments, e.g. in securities, are replaced with derivatives or also selling significant amounts of call options and buying significant amounts of put options and discount certificates, contributing to shaping the general profile of the Fund, which generally does not have a significant impact. Insofar as the Fund uses derivatives to increase the investment level, it thereby aims to achieve a risk profile over the medium- to long-term, which has an additional market risk potential to a low to medium extent relative to a derivative-free fund with a comparable profile.

In doing so, the management of the Fund pursues a risk-controlled approach.

### **Investor profile**

The Fund is aimed in particular at investors who expect returns significantly above the usual market interest rate level, whereby asset growth should result primarily from market opportunities. At the same time, there should be the prospect of a high return over the long term despite risks of loss which cannot be calculated.

Investment in the Fund requires a medium-term investment horizon as a minimum.

The Investor Profile indicates the level of risk associated with the Fund and is not a guarantee of potential returns. The description is solely for the purpose of comparison with other funds offered publicly by the Management Company or third parties. In the event of doubt regarding the appropriate level of risk, investors should seek advice from their personal investment manager. In particular, potential investors should inform themselves about investments and instruments which may be used in the context of the intended investment policy. Investors

should also be aware of the risks associated with an investment in the units and should only make an investment decision after they have obtained full advice from their legal, tax and financial advisers, accountants or other advisers regarding (i) the suitability and appropriateness of an investment in the units in view of their personal financial or tax situation and other circumstances; (ii) the information contained in this Prospectus; and (iii) the investment policy of the Fund.

### **Management Company**

Until 2 November 2021 the Fund is managed by Lyxor Funds Solutions S.A., a public limited company incorporated under the laws of the Grand Duchy of Luxembourg, with its registered office in Luxembourg, in its name for the collective account of the investors.

As of 3 November 2021 the Fund is managed by SG 29 Haussmann, a limited company (“société par actions simplifiée”) organized under the laws of France and registered on 9 October 2006. Société Générale is the majority shareholder of SG 29 Haussmann.

The Management Company’s main object is the management, the administration and the marketing of UCITS.

As of the date of the Prospectus, the Management Company also acts as management company for other investment funds. The names of these other funds are available upon request from the Management Company.

The Management Company may delegate tasks as a whole or in part to third parties specialising in these services under its liability, control and coordination.

The Management Company or the Fund Manager, insofar as the management of the Fund has been outsourced, may also conclude transactions for a fund in which affiliated companies act as brokers or act for their clients’ own account. This also applies to such cases in which affiliated companies or their clients execute a transaction of this Fund in analogous fashion.

### **Remuneration policy**

Until 2 November 2021

The Management Company has established a remuneration policy pursuant to the 2010 Law, notably in consideration of the principles defined in Article 111ter of the 2010 Law, which are consistent with and conducive to sound and effective risk management.

This remuneration system is based on the sustainable and entrepreneurial business policy of the Société Générale Group and is therefore not intended to provide incentives to assume risks which are incompatible with the risk profiles and management regulations of the investment funds managed by the Management Company. The remuneration system shall always be aligned with the business strategy, objectives, values and interests of the Management Company, the funds which it manages and the investors in those funds and shall include measures for avoiding conflicts of interest.

The fixed and variable components of the total remuneration are in appropriate proportion to each other, with the fixed component representing a sufficiently high share of the total remuneration to offer full flexibility with regard to the variable remuneration components, including the possibility of waiving payment of a variable component.

Performance-based remuneration components relating to the performance of the funds managed by the Management Company are generally not paid to employees.



In particular, the variable remuneration elements are not linked to the performance of the investment funds managed by the Management Company.

The fixed and variable components of the total remuneration are in appropriate proportion to each other, with the share of the total remuneration represented by the fixed component being sufficiently high to offer complete flexibility with regard to the variable remuneration components, including the possibility of waiving payment of a variable component. The remuneration system is reviewed at least once a year and adjusted as necessary.

The details of the current remuneration policy, including a description of how remuneration and other benefits are calculated and the identity of the persons responsible for awarding the remuneration and other allocations, including the composition of the remuneration committee, if such a committee exists, shall be made available on the Management Company's website (<https://www.lyxor.com/de/fondsloesungen-von-lyxor>).

A paper version shall also be provided free of charge by the Management Company on request.

As of 3 November 2021

The Management Company has established a remuneration policy in compliance with the applicable regulations. Such policy complies with the economic strategy, the objectives, the values and the interests of the Management Company and the funds managed by it as well as with those of the investors in such funds, and it includes measures intended to avoid conflicts of interests.

The remuneration policy of the Management Company implements a balanced regime under which the remuneration of the relevant employees is notably based on the principles listed below:

- the remuneration policy of the Management Company shall be compatible with sound and efficient risk management, shall favour it and shall not encourage any risk-taking which would be incompatible with the risk profiles, this prospectus or the other constitutive documents of the funds managed by the Management Company;
- the remuneration policy has been adopted by the supervisory board of the Management Company, which shall adopt and review the general principles of the said policy at least once a year;
- the staff carrying out control functions shall be remunerated depending on the achievement of the objectives related to their functions, independently of the performance of the business areas which they control;
- when remuneration varies according to performance, its total amount shall be established by combining the valuation both in respect of the performances of the relevant person and operational units or the relevant funds and in respect of their risks with the valuation of the overall results of the Management Company when individual performances are valued, taking into account financial and non-financial criteria;

- an appropriate balance shall be established between the fixed and variable components of the overall remuneration;
- beyond a certain threshold, a substantial portion which in any event amounts to at least 50% of the whole variable component of the remuneration shall consist of exposure to an index the components and functioning rules of which allow for an alignment of the interests of the relevant staff with those of investors;
- beyond a certain threshold, a substantial portion which in any event amounts to at least 40% of the whole variable component of the remuneration shall be carried over during an appropriate period of time;
- the variable remuneration, including the portion which has been carried over, shall be paid or acquired only if it is compatible with the financial situation of the Management Company as a whole and if it is justified by the performances of the operational unit, of the funds and of the relevant person.

The Voting Policy attached to the securities held by the Company and applied by the Management Company, as well as the report on conditions under which such voting rights have been exercising are available on the Management Company's website: <https://sg29hausmann.societegenerale.fr>

Investors may contact the Management Company to question on the details of the exercise of voting rights on each resolution presented at the general meeting of a given issuer as soon as the consolidated holding of the Management Company represents more than the holding threshold set in the Voting Policy. Any absence of response from the Management Company may be interpreted, after a period of one month, as it has exercised its voting rights in accordance with the principles set out in the Voting Policy

The details of the current remuneration policy, including a description of how remuneration and other benefits are calculated and the identity of the persons responsible for awarding the remuneration and other allocations, including the composition of the remuneration committee, if such a committee exists, shall be made available on the Management Company's website (<https://sg29hausmann.societegenerale.fr>).

A paper version shall also be provided free of charge by the Management Company on request.

### **Fund manager**

The Management Company may, at its own expense and subject to the authorisation of the Luxembourg supervisory authority, appoint a professional external fund manager to manage the Fund, in order to implement the investment objectives, who shall take the investment decisions required for this purpose within the framework of the investment policy defined for the Fund, albeit with control and responsibility remaining with the Management Company.

Until 2 November 2021

The Management Company has appointed Commerzbank AG as external fund manager until 17 November 2019 on the basis of a fund manager agreement. As of 18 November 2019 the

role of the Fund Manager was taken over by Lyxor International Asset Management S.A.S. Deutschland, Neue Mainzer Strasse 46-50, 60311 Frankfurt am Main, Germany until 2 November 2021.

As of 3 November 2021 the Fund Manager is SG 29 Haussmann, 29, Boulevard Haussmann, 75009 Paris, France.

### **Investment adviser**

The task of Allianz Global Investors GmbH as investment adviser is to monitor the performance of the funds on an ongoing basis and to make recommendations to the fund managers with regard to the determination and composition of the basket of investment units described in this Prospectus and in the Management Regulations.

These recommendations are made in observance of the principles of the investment objectives and restrictions established in the Prospectus and Management Regulations for the Fund. The investment decision and the placing of orders are the responsibility of the fund management at its own discretion.

The Investment Adviser shall bear all expenses incurred by it in connection with the services which it provides to the Fund.

### **Supervisory authority**

The Management Company and the Fund are subject to the supervision of the *Commission de Surveillance du Secteur Financier*, 283, route d'Arlon, 1150 Luxembourg, Grand Duchy of Luxembourg (CSSF).

### **Custodian**

The assets of the Fund are held in custody by the Custodian.

Until 2 November 2021

BNP Paribas Securities Services S.C.A. Luxembourg Branch, with registered office at 60, Avenue J.F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg has been appointed as Custodian of the Fund and Paying Agent in Luxembourg. It is authorised to carry on banking business of all kinds pursuant to the law of 5 April 1993 on the financial sector, in its current version.

BNP Paribas Securities Services S.C.A., Luxembourg Branch is a branch of BNP Paribas Securities Services S. C. A., a fully-owned subsidiary of BNP Paribas S.A. BNP Paribas Securities Services S. C. A. is a company registered in France as a Société en Commandite par Actions (limited liability partnership) under number 552 108 011, authorised by the supervisory authority (ACPR) and supervised by the Autorité des Marchés Financiers (AMF), with registered office at 3, rue d'Antin, 75002 Paris, represented by its Luxembourg branch with registered office at 60, Avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (the "Bank"), which is supervised by the Commission de Surveillance du Secteur Financier (the "CSSF"). The function of the Custodian is governed by the Law of 17 December 2010, the depositary agreement and the Sale Prospectus. It acts independently of the Management Company and exclusively in the interests of the investors. It nevertheless complies with the instructions of the Management Company unless these are contrary to the law, the articles of association or the Prospectus.

## **NOTICE TO THE INVESTORS ON THE INTERNATIONAL OPERATING MODEL OF BNP PARIBAS SECURITIES SERVICES, LUXEMBOURG BRANCH**

BNP Paribas Securities Services S.C.A., Luxembourg Branch has been appointed custodian and paying agent, administrative agent, registrar and transfer agent of the Fund under the terms of relevant agreements entered into by and between BNP Paribas Securities Services S.C.A., Luxembourg Branch and the Management Company and the Fund, where relevant.

Herewith the Bank informs and confirms that BNP Paribas Securities Services S.C.A., Luxembourg Branch, being part of a group providing clients with a worldwide network covering different time zones, may entrust parts of its operational processes to other BNP Paribas Group entities and/or third parties, whilst keeping ultimate accountability and responsibility in Luxembourg (the “International Operating Model”). More pertinently entities located in France, Belgium, Spain, Portugal, Poland, USA, Canada, Singapore, Jersey, United Kingdom, Germany, Luxembourg, Ireland and India are involved in the support of internal organisation, banking services, central administration and transfer agency service.

Further information on the Bank’s International Operating Model may be provided upon request to the Fund, its investors and/or Management Company.

The Custodian, which acts independently of the Management Company solely in the interests of the Unitholders, is responsible for the functions assigned to it by law and the Management Regulations, in particular the safekeeping of the Fund’s assets in separate accounts or securities accounts.

The Custodian may, at its discretion, entrust all or part of the assets of the Fund, in particular securities listed or traded on a stock exchange or admitted to a clearing system, to such a clearing system or to corresponding correspondent banks. The Custodian’s liability shall not be limited by the fact that the safekeeping of all or part of the assets entrusted to it has been delegated to a third party.

The rights and duties of the Custodian are defined in an agreement, which may be terminated by the Management Company or the Custodian, in accordance with the deadlines defined in the agreement. The Custodian Agreement is available for inspection at the offices of the Management Company.

In addition to the Custodian function, BNP Paribas Securities Services S.C.A. performs the subsequent monitoring of investment limits and restrictions, as well as essential central administration functions, namely the accounting of the Fund.

The function of the Custodian is governed by the Law of 17 December 2010, the Custodian Agreement and the Sale Prospectus. It acts independently of the management company and exclusively in the interests of the investors. It nevertheless complies with the instructions of the management company unless these are contrary to the law, the articles of association or the Sale Prospectus.

The Custodian performs three functions, namely: (i) a supervisory function (pursuant to Art. 22, para. 3 of Directive 2014/91/EU; (ii) monitoring of the fund’s cash flows (pursuant to Art. 22, para. 4 of Directive 2014/91/EU; and (iii) custody of the fund’s assets (pursuant to Art. 22, para. 5 of Directive 2014/91/EU).

The Custodian shall perform the tasks described below:

- it shall ensure that the sale, issuance, redemption, repayment and cancellation of units of the Fund are carried out in accordance with the applicable national law, the Sale Prospectus and the Articles of Association;

- it shall ensure that the calculation of the value of the units of the Fund is carried out in accordance with the applicable national law and the Articles of Association;
- it shall comply with the instructions of the Management Company unless such instructions are contrary to the applicable national law or to the Articles of Association;
- it shall ensure that in the case of transactions involving assets of the Fund, the equivalent value is transferred to the Fund within the usual deadlines;
- it shall ensure that the income of the Fund is applied in accordance with Luxembourg law and the Articles of Association.
- it shall ensure that the cash flows of the Fund are properly monitored and, in particular, shall guarantee that all payments made by or on behalf of investors when subscribing for units in the Fund have been received and that all monies due to the Fund are accounted for in cash accounts of the Fund.

The overriding objective of the Custodian is investor protection, which takes precedence over all other economic interests.

Conflicts of interest may arise if the Management Company enters into other business relationships with branches of BNP Paribas Securities Services S.C.A., Luxembourg Branch and, in parallel, draws on the custody services of BNP Paribas Securities Services S.C.A., Luxembourg Branch.

Other business relationships may have the following services as their object:

- Outsourcing/transfer of middle- or back-office functions (e.g. trade settlement, position management, ex-post investment monitoring, collateral management, OTC valuation, fund management, including net asset value calculation, transfer agency services, fund dealing services) where BNP Paribas Securities Services S.C.A., Luxembourg Branch or its affiliates act as service provider (“Agent”) to the Management Company; or
- Designation of BNP Paribas Securities Services S.C.A., Luxembourg Branch or its affiliates as counterparty or provider of ancillary services, regarding foreign exchange trading and bridge financing.

The Custodian is obliged to ensure that any transaction relating to a business relationship between the Custodian and a business unit of the Group is conducted under normal market conditions and in the best interests of the investors.

In order to identify conflicts of interest, the Custodian has implemented a Conflict of Interest Policy with the following objectives:

- Identification and analysis of potential conflict of interest situations
- Recording, managing and monitoring conflict of interest situations:
  - Permanent measures for identifying conflicts of interest by separating areas of responsibility, reporting units and insider lists for employees.
  - Application of the assessment of individual cases, so that (i) appropriate preventive measures may be taken, such as establishing a new watch list or introducing new information barriers (“Chinese wall”) (e.g. by separating the functional and hierarchical tasks of the Custodian from its other activities), ensuring that transactions are conducted under normal market conditions and/or informing the relevant investors; or (ii) rejecting activities which may trigger conflicts of interest.
  - Implementation of the rules of conduct (“Professional Ethics Policy”);
  - Drawing up a catalogue of conflicts of interest, on the basis of which, various measures may be drawn up which are used to protect the interests of the

management company; or

- Devising of internal procedures e.g. with regard to: (i) the selection of service providers which could give rise to conflicts of interest; (ii) new products/activities of the Custodian, in order to assess any situation which may give rise to conflicts of interest.

If conflicts of interest arise, the Custodian shall ensure that the conflict of interest is resolved, considering its existing obligations and shall ensure that the Management Company and the investors are treated fairly.

The Custodian may delegate the safekeeping of the Fund's assets to third parties pursuant to the applicable law, regulations and the terms of the Custodian Agreement. The process of selecting the appointed third parties and the ongoing monitoring, including the management of any conflicts of interest arising from the selection of the agents, shall be carried out to the highest quality standards. The transfer of custody of the financial instruments is subject to supervisory regulations (including minimum capital requirements, supervision by the relevant supervisory authority and regular external audits). The liability of the Custodian shall remain unaffected by the delegation of tasks to third parties.

If the Custodian delegates the custody of the assets to another Group entity, policies and procedures shall be ensured for identifying conflicts of interest arising from the interrelations of the company. The Custodian shall take all necessary steps to avoid conflicts of interest through its functions, which are compliant with Directive 2014/91/EU ("UCITS V"). Where conflicts of interest cannot be avoided, the Custodian shall ensure that they are managed, monitored and disclosed, in order to avoid any negative impact on the Management Company and on investors.

A list of the appointed third parties and the Sub-Custodians may be viewed on the following website:

[https://securities.bnpparibas.com/files/live/sites/web/files/medias/documents/regulatory-disclosures/UcitsV\\_delegates\\_list\\_en.pdf](https://securities.bnpparibas.com/files/live/sites/web/files/medias/documents/regulatory-disclosures/UcitsV_delegates_list_en.pdf)

This list shall be kept up to date on a continuous basis. The updated information on the duties of the Custodian, on the appointed third parties and on the Sub-Custodians, including a list of potential conflicts of interest, shall be provided free of charge and on request by the Custodian.

The Management Company, as well as the Custodian, may terminate their contractual relationship with 90 days' prior written notice.

The Custodian shall receive a fee for the services provided, payable monthly in arrears, on the basis of the net assets of the Fund. In addition, the Custodian is entitled to claim reimbursement of the costs and fees which it has incurred for payments to correspondent banks in other countries.

As of 3 November 2021

The Custodian is a wholly-owned subsidiary of Société Générale, a Paris-based credit institution. The Custodian is a Luxembourg public limited company registered with the Luxembourg trade and companies register under number B 6061 and whose registered office is situated at 11, avenue Emile Reuter, L-2420 Luxembourg. Its operational center is located 28-32, place de la Gare, L-1616 Luxembourg. It is a credit institution in the meaning of the law of 5 April 1993 relating to the financial sector, as amended.

The Custodian will assume its functions and duties in accordance with the provisions of the 2010 Law and the Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing the UCITS Directive (the “**EU Level 2 Regulation**”). The relationship between the Company, the Management Company and the Custodian is subject to the terms of a depositary and paying agent agreement entered into for an unlimited period of time (the “**Depositary and Paying Agent Agreement**”).

In accordance with the 2010 Law, and pursuant to the Depositary and Paying Agent Agreement, the Custodian carries out, *inter alia*, the safe-keeping of the assets of the Company as well as the monitoring of the cash flows and the monitoring and oversight of certain tasks of the Company.

In addition, Société Générale Luxembourg will act as the Company's principal paying agent. In that capacity, Société Générale Luxembourg will have as its principal function the operation of procedures in connection with the payment of distributions and, as the case may be, redemption proceeds on the units.

The Custodian may delegate Safe-keeping Services (as defined in the Depositary and Paying Agent Agreement) to Safe-keeping Delegates (as defined in the Depositary and Paying Agent Agreement) under the conditions stipulated in the Depositary and Paying Agent Agreement and in accordance with article 18*bis* of the 2010 Law and articles 13 to 17 of the EU Level 2 Regulation. A list of the Safe-keeping Delegates is available on <https://www.securities-services.societegenerale.com/en/about/key-figures/financial-reports/>

The Custodian is also authorized to delegate any other services under the Depositary and Paying Agent Agreement other than Oversight Services and Cash Monitoring Services (as defined in the Depositary and Paying Agent Agreement).

The Custodian is liable to the Company for the loss of Held In Custody Assets (as defined in the Depositary and Paying Agent Agreement and in accordance with article 18 of the EU Level 2 Regulation) by the Custodian or the Safe-keeping Delegate. In such case, the Custodian shall be liable to return a Held In Custody Assets of an identical type or the corresponding amount to the Company without undue delay, unless the Custodian can prove that the loss arose 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.

In performing any of its other duties under the Depositary and Paying Agent Agreement, the Custodian shall act with all due skill, care and diligence that a leading professional Custodian for hire engaged in like activities would observe. The Custodian is liable to the Company for any other losses (other than loss of Held In Custody Assets described above) as a result of negligence, bad faith, fraud, or intentional failure on the part of the Custodian (and each of its directors, officers, servants or employees). The liability of the Custodian as to Safe-keeping Services shall not be affected by any delegation as referred to in article 18*bis* of the 2010 Law or excluded or limited by agreement.

The Depositary and Paying Agent Agreement is entered into for an unlimited period. Each

party to the Depositary and Paying Agent Agreement may terminate it upon a ninety (90) calendar days' prior written notice. In case of termination of the Depositary and Paying Agent Agreement, a new depositary shall be appointed. Until it is replaced, the resigning or, as the case may be, removed depositary shall continue only its custody duties (and no other duties), and to that extent shall take all necessary steps for the safeguard of the interests of the unitholders.

The Custodian is not responsible for any investment decisions of the Company or of one of its agents or the effect of such decisions on the performance of a relevant Sub-Fund.

The Custodian is not allowed to carry out activities with regard to the Fund that may create conflicts of interest between the Fund the unitholders and the Custodian itself, unless the Custodian has properly identified any such potential conflicts of interest, has functionally and hierarchically separated the performance of its depositaries tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the unitholders.

In that respect, the Custodian has in place a policy for the prevention, detection and management of conflicts of interest resulting from the concentration of activities in Société Générale's group or from the delegation of safekeeping functions to other Société Générale entities or to an entity linked to the Management Company.

This conflict of interest management policy intends to:

- (a) identify and analyse potential conflict of interest situations;
- (b) record, manage and track conflict of interest situations by:
  - implementing permanent measures to manage conflicts of interest including the separation of tasks, the separation of reporting and functional lines, the tracking of insider lists and dedicated IT environments;
  - implementing, on a case-by-case basis:
    - appropriate preventive measures including the creation of an ad hoc tracking list and new chinese walls, and by verifying that transactions are processed appropriately and/or by informing the clients in question;
    - or, by refusing to manage activities which may create potential conflicts of interest.

Thus, the Custodian in its capacity, in one hand, as depositary and paying agent and, on the other hand, as administrative, registrar and transfer, corporate and domiciliary agent of the Fund has established a functional, hierarchical and contractual separation between the performance of its depositary functions and the performance of those tasks outsourced by the Company.

### **Registrar and Transfer Agent**

The Registrar and Transfer Agent of the Fund is responsible for the general administrative tasks involved in the management of the Fund, pursuant to the provisions of the laws of Luxembourg.



## **Administrative Agent**

The administrative duties of the Administrative Agent shall include the calculation of the Net Asset Value per Unit, maintaining the accounting registers and preparing the financial statements for the Fund. In addition, the designated Administrative Agent shall be responsible for the issuance and redemption of units in the Fund and associated operational activities, as well as the processing of all subscriptions, redemptions and conversions by Authorised Participants.

## **Distribution Agent**

Until 2 November 2021

The Management Company shall appoint the Distribution Agent in the context of the Distribution Agreement, who shall be responsible for the distribution of the units (the "Distribution Agent").

The Distribution Agent is authorised, by way of the Distribution Agreement, to appoint other Distribution Agents or dealers to distribute units in certain jurisdictions (each a "Sub-Distribution Agent") and to determine whether sales or redemption commissions shall be due to the Distribution Agent or to the Sub-Distribution Agent(s). Information on the Sub-Distribution Agents may be found in the relevant distribution materials in which the units are offered for subscription.

The Distribution Agent is permitted, subject to the provisions of the Distribution Agreement, to pass on trail commissions to the sub-Distribution Agents.

The Distribution Agent shall assist the Management Company of the Fund with the marketing of the units and with the establishment and operation of a secondary market and other general marketing activities.

## **Performance**

The past performance of the Fund may be viewed in the annual and semi-annual reports and the key investor information. It should be noted that no forward-looking statements can be derived from past performance data. The future performance of the fund may therefore be less favourable or more favourable than in the past.

## **Risk management procedures**

The Management Company shall use the simplified approach (commitment approach) for the Fund.

The Management Company shall ensure that the aggregate total exposure of the Fund does not exceed 210% of its total Net Asset Value.

The Management Company shall deploy an appropriate risk management process, which will enable it to monitor and measure the risk of the positions in the Fund's portfolio and their contribution to the overall risk profile of the portfolio at any time. The Management Company shall use a process to assess the value of OTC derivatives accurately and independently. The Management Company shall ensure that the Fund's overall exposure to derivatives does not exceed the total net value of the portfolio. Even under exceptional market conditions, the use of these derivatives shall not alter either the investment objectives or the investment profile of the Fund or amount to a naked short sale of securities held in the Fund.

The maximum total risk of the Fund permitted by law is limited to 210% of its net assets.

## **Conflicts of interest**

The Management Company and/or any employee, agent or affiliate company may act as a member of the supervisory board, investment adviser, fund manager, central administration, registrar and transfer agent or in another way, as a service provider to the Fund.

The function of Custodian or Sub-Custodian entrusted with custodial functions may also be performed by an affiliate company of the Management Company. Insofar as an association exists between them, the Management Company and the Custodian shall have appropriate structures in place for avoiding potential conflicts of interest arising from their association. If conflicts of interest cannot be prevented, the Management Company and the Custodian shall identify, manage, monitor and disclose these, insofar as they exist.

The Management Company is aware that conflicts of interest may arise due to the various functions performed with regard to the management of the Fund. The Management Company has sufficient and appropriate structures and control mechanisms in place pursuant to the Law of 2010 and the applicable administrative rules of the CSSF, in particular, acting in the best interests of the Funds and ensuring that conflicts of interest are avoided. The Management Company has established a conflict of interest policy which is available to interested investors on the website at:

until 2 November 2021: <https://www.lyxor.com/de/fondsloesungen-von-lyxor> in its current version; and

as of 3 November 2021: <https://sg29hausmann.societegenerale.fr>.

To the extent that the interests of investors are affected by the occurrence of a conflict of interest, the Management Company shall disclose the nature or sources of the existing conflict of interest on the home page of its website. When outsourcing tasks to third parties, the Management Company shall ensure that the third parties have taken the necessary measures to comply with all of the requirements for the organisation and avoidance of conflicts of interest, as established in the applicable Luxembourg laws and regulations and shall monitor compliance with these requirements.

In addition, the transactions cited above may be carried out with the Fund in its own name or by an agent, provided that such transactions are carried out under normal market conditions and are in the best interests of the investors.

Transactions shall be regarded as having been executed under ordinary commercial conditions if: (1) a certified assessment of the transaction has been obtained from a person recognised by the Custodian as independent and competent; (2) execution is under the best conditions available on an organised exchange, in accordance with the rules applicable thereto; or (3) if (1) and (2) are not practicable, execution is under conditions for which the Custodian is convinced that these were negotiated in the ordinary course of business and under normal market conditions.

Conflicts of interest may arise as a result of transactions in derivatives, OTC derivatives or efficient portfolio management techniques and instruments. For example, counterparties to such transactions or agents, intermediaries or other entities providing services with regard to such transactions may be affiliated with the Management Company, the Fund Manager, the Investment Adviser or the Custodian. As a result, these entities may earn profits, fees or other income or avoid losses through these transactions. In addition, conflicts of interest may also arise where collateral provided by such entities is subject to valuation or discount by a related party.

The Management Company has established procedures for ensuring that its service providers act in the best interests of the Fund when implementing and placing orders for trading activities

on behalf of the Fund while managing the Fund's portfolios. For these purposes, all appropriate measures shall be taken in order to achieve the best possible result for the Fund. Consideration shall be given to price, costs, likelihood of execution, the size and nature of the order, as well as any other considerations relevant to the execution of the order. Information on the execution policy of the Management Company and on any material changes to this policy is available to Unitholders free of charge on request.

Conflicts of interest in connection with securities repurchase agreements (including reverse repurchase agreements) or securities lending transactions cannot arise as no securities repurchase agreements (including reverse repurchase agreements) or securities lending transactions are carried out for the Fund.

### **Securities pursuant to Rule144A of the United States Securities Act**

To the extent permitted by Luxembourg laws and regulations, and subject to other compatibility with the Fund's investment objective and policies, the Fund may invest in securities which are not authorised under the United States Securities Act of 1933 and amendments (hereinafter, the "1933 Act") but which may be sold to qualified institutional buyers pursuant to Rule144A, 1933 Act ("Rule144A Securities"). The term "qualified institutional buyer" is defined in the 1933 Act and includes those companies whose net assets exceed USD 100 million. Rule144A Securities qualify as securities as stipulated by Article 41, para. 1 of the Act, provided that the cited bonds contain an exchange clause (Registration Right), as provided by the 1933 Act which states that an exchange right exists for securities registered and freely tradable on the US OTC Fixed Income Market. This exchange must be completed within one year of the purchase of 144A bonds, otherwise the investment limits in Article 41, para. 2a of the Act shall apply. The Fund may invest up to 10% of its net assets in Rule144A securities which do not qualify as securities pursuant to Article 41, para. 1 of the Law, provided that the total value of such investments together with other securities and money market instruments not covered by Article 41, para. 1 of the Law does not exceed 10%.

### **Legal status of investors**

The Unitholders participate in the Fund assets for the amount of their units. All issued units have equal rights. The unit certificates may be issued as bearer certificates and/or as registered certificates and are issued for one unit or for multiple units. Fractions of units are issued for a minimum of one 1000<sup>th</sup> of a unit. The unit certificates are transferable pursuant to the provisions of Articles 40 and 42 of the Law of 10 August 1915 on Commercial Companies (in its current version). On transfer of a unit, the rights documented in it shall also be transferred. In the case of bearer certificates, with regard to the Management Company and/or the Registrar and Transfer Agent, the holder of the unit certificate shall be deemed to be the beneficiary, while for registered certificates, the beneficiary shall be the person whose name is entered in the register of Unitholders kept by the Registrar and Transfer Agent. At the discretion of the Management Company, the Registrar and Transfer Agent may, instead of issuing a registered certificate, issue a confirmation of units for acquired units. The units issued as bearer certificates shall be confirmed by global certificates. There shall be no entitlement to delivery of physical units.

Investors applying for the issuance and/or redemption of registered certificates acknowledge that their personal data provided to the Registrar and Transfer Agent, as well as their transaction data (hereinafter, collectively the "Data") may be stored and processed by the Registrar and Transfer Agent and, where appropriate, forwarded to other companies of Lyxor Asset Management S.A.S., as well as to Lyxor International Asset Management S.A.S. until 2 November 2021, and Société Générale Group as from 3 November 2021, for the purpose of administering and managing the client relationship, as well as providing the services desired by the investor. If the Data is inaccurate or incomplete, investors shall be entitled to access and rectify the data. Given the specific character of Registered Certificates, these cannot, by their very nature, be issued to investors who do not provide their personal data to the Registrar

and Transfer Agent. The collection, provision, storage, processing, use and transfer (where applicable) of data shall be carried out in strict compliance with the Law of 2 August 2002 on the Protection of Personal Data in Data Processing (in its current version).

The Management Company and/or the Registrar and Transfer Agent may be required to disclose personal information about certain US Persons and/or non-participating foreign financial institutions (FFIs) to the US Internal Revenue Service or local tax authorities in order to comply with the Foreign Account Tax Compliance provisions of the US Hiring Incentives to Restore Employment Act ("FATCA").

The Management Company draws the attention of investors to the fact that any investor may only enforce his Unitholder rights in their entirety directly against the Fund if the investor is himself registered in his own name in the register of Unitholders of the Fund. In cases in which an investor has invested in a Fund through an intermediary which makes the investment in its own name but on behalf of the investor, certain Unitholder rights may not be enforceable directly by the investor against the Fund. Investors are advised to inform themselves of their rights.

### **Determination of Net Asset Value**

The Net Asset Value Per Unit of a Unit Class, as well as the issue and redemption prices shall be determined on each banking and trading day in Frankfurt am Main and Luxembourg ("Valuation Day").

1. The Net Asset Value shall be calculated on the second day after each Valuation Day, which is also a banking day in Frankfurt am Main and Luxembourg, for each unit class, by dividing the value of the net assets attributable to a unit class (value of the assets minus liabilities) by the number of units of this unit class in circulation on the Valuation Day (hereinafter referred to as "Net Asset Value Per Unit of a Unit Class"). Unless item 2 or item 3 is applicable, the Net Asset Value Per Unit of a Unit Class shall be calculated:
  - for assets which are officially listed on a stock exchange, at the last available paid price;
  - for assets which are not officially listed on a stock exchange but which are traded on a regulated market or on other organised markets, also at the last available traded price, provided that at the time of valuation, the Custodian considers this price to be the best possible price at which the assets may be sold;
  - for financial futures contracts on foreign currencies, securities, financial indices, interest rates and other permissible financial instruments, as well as options on these and corresponding warrants, insofar as they are listed on a stock exchange, at the most recently determined prices of the relevant stock exchange. Insofar as there is no stock exchange listing, in particular, in the case of all OTC transactions, the valuation shall be made at the likely realisation value, which shall be determined with caution and in good faith;
  - for interest rate swaps, at their market value in relation to the applicable yield curve;
  - for indices and swaps linked to financial instruments, at their market value determined with reference to the relevant index or financial instrument;
  - for units in UCITS or UCIs, at the last determined and available redemption price;
  - for cash and cash equivalents and time deposits, at their nominal value plus interest;
  - assets not denominated in the currency determined for the Fund (hereinafter, the "base currency") shall be converted into the base currency of the Fund at the latest mid-market exchange rate.

2. Assets for which the prices are not in line with the market and all other assets shall be valued at their likely realisation value, which shall be determined prudently and in good faith.
3. The Management Company may, at its discretion, permit other methods of valuation if it considers that these provide a better representation of the fair value of the assets.

The Net Asset Value Per Unit of a Unit Class is the basis for determining the issue and redemption prices (see sections “Issuance and Subscription of units” and “Redemption of units”).

The value of the assets on each Valuation Day, i.e. without taking unit classes into account, minus the Fund’s liabilities, is referred to as the “Net Asset Value”.

### **Temporary suspension of the issuance and redemption of units and, if applicable, also of the Determination of the Net Asset Value**

The issuance and redemption of units (insofar as they have not already been discontinued in accordance with Clause 32 of the Management Regulations) may be temporarily suspended by the Management Company if and as long as exceptional circumstances exist which make this suspension necessary and the suspension is justified, taking into account the interests of the Unitholders. Exceptional circumstances notably exist if and for as long as:

- a stock exchange on which a substantial portion of the Fund’s assets are traded (other than ordinary weekends and holidays) is closed or on which trading is restricted or suspended;
- the Management Company cannot dispose of assets;
- the countervalues shall not be transferred, either for purchases or for sales;
- it is impossible to determine the Net Asset Value per Unit of a Unit Class in an adequate manner.

If the exceptional circumstances make it impossible to calculate the Net Asset Value, this may also be suspended.

Unit issuance and redemption orders shall be executed after the resumption of the Net Asset Value calculation, unless they have been revoked by that point by the Management Company, pursuant to Clause 14, item 12 of the Management Regulations.

### **Issuance and Subscription of units**

In principle, the number of issued units is unlimited. The Management Company reserves the right to discontinue the issuance and sale of units at any time and without prior notice. In such cases, any payments already made shall be refunded immediately. The Management Company also reserves the right to permit, at any time and without prior notice, the issuance and sale of units of the Fund, which was previously closed to further subscription requests. This decision shall be taken by the Management Company with due regard to the interests of the current Unitholders.

The Management Company may, at its sole discretion and at the subscriber’s request, issue units in exchange for the contribution in kind of securities or other assets. This shall presume that these securities or other assets correspond to the investment objectives and the investment policy of the Fund. The Fund’s auditor shall prepare a valuation report. The costs of such contribution in kind shall be borne by the relevant subscriber.

The Management Company shall not issue units for the duration of the period during which the calculation of the Net Asset Value per Unit is suspended.

The Management Company may, at its sole discretion, decide to reject an application for subscription, redemption or conversion of units if it has reason to believe that the application is being made with dishonest intentions or in a manner which may be detrimental to the interests of the Fund, the existing Unitholders or potential Unitholders.

If the issue price is not paid in timely fashion, the unit purchase order may lapse and be cancelled at the expense of the investors or their Distribution Agents. Failure to make payment by the settlement date may result in the Management Company bringing legal proceedings against the defaulting investor or Distribution Agent or offsetting any costs or losses incurred by the Fund or the Management Company against the investor's interest in the Fund, if any. In any event, the Management Company shall retain transaction confirmations and refundable amounts without interest until receipt of the remittance.

### **Acquisition of units**

Unit purchase orders shall be forwarded to the Registrar and Transfer Agent by the relevant Custodian, Distribution Agents and Paying Agents on behalf of the relevant subscriber.

The Management Company may make the acquisition of units of certain unit classes, the acquisition of which is subject to certain requirements (e.g. status as institutional investor, etc.), contingent on the prior signing of a declaration by the end investor or the person acquiring the units on behalf of the end investor, regarding the fulfilment of these requirements by the end investor. The units shall be held by or through: (i) Exempt Beneficial Owners; (ii) active non-financial institutions (NFFEs), as described in Annex I of the Luxembourg Intergovernmental Agreement ("IGA"); (iii) U.S. Persons that are not U.S. Persons; or (iv) Financial Institutions that are not Non-participating Financial Institutions (FIs"). These terms shall have the meanings ascribed to them in the Luxembourg IGA.

Units of the Fund shall in principle be issued by the Registrar and Transfer Agent on behalf of the Management Company for each Valuation Day at the issue price of the respective unit class. The issue price shall be the calculated net asset value per unit of the respective unit class plus any applicable issue premium serving to settle the issue costs. The issue price may be rounded up or down to the nearest unit of the relevant currency, as specified by the Management Company. The issue premium may be paid to the Distribution Agents. Any stamp duties or other charges incurred in a country in which the units are issued shall be borne by the Unitholder.

Subscription fees shall be calculated as a percentage of the Net Asset Value Per Unit of a unit class. The issue premium for units of unit class IT (EUR) is 5.00%.

The Management Company is free to charge a lower issue premium.

Unit purchase orders received by the Registrar and Transfer Agent by 4.45 p.m. Central European Time ("CET") or Central European Summer Time ("CEST") on a Valuation Day shall be settled at the issue price determined on the next Valuation Day but one, which is still unknown at the time when the purchase order for the units is placed. Unit purchase orders received after this time shall be settled at the issue price, which is also unknown at the time the unit purchase order is placed, of the Valuation Day following the next Valuation Day but one.

The issue price is currently payable to the Registrar and Transfer Agent in the reference currency of the respective unit class at the latest within two Valuation Days of the respective settlement date. The Management Company is free to accept a payment on a different value date, although this may not fall more than ten Valuation Days after the respective settlement date.

The aforementioned costs may reduce or even erode the performance of an investment in units of the Fund, particularly for only a short investment period; a longer investment period may therefore be advisable. Additional costs may be incurred if units are purchased through agents other than the Registrar and Transfer Agent and the Paying Agents.

### **Redemption of units**

Unitholders may in principle request the redemption of units at any time through the Management Company, the Distribution Agents or the Paying and Information Agents, with the involvement of their respective financial intermediary.

The Management Company is obliged accordingly to redeem the units at the redemption price on behalf of the Fund on each Valuation Day. The redemption price is the calculated Net Asset Value Per Unit of the respective unit class less any applicable redemption discount available to the Management Company or less any applicable divestment fee for the benefit of the entire Fund. The redemption price may be rounded up or down to the nearest unit of the relevant currency, as determined by the Management Company. The redemption price may be higher or lower than the original issue price paid.

Redemption fees and divestment fees are calculated as a percentage of the Net Asset Value Per Unit of a unit class; redemption fees may be paid to Distribution Agents, while divestment fees shall accrue to the Fund as a whole. No redemption fee and no divestment fee is currently charged, until further notice.

Unit redemption orders received by the Registrar and Transfer Agent by 4.45 p.m. CET or CEST on a Valuation Day shall be settled at the redemption price determined on the next but one Valuation Day, which will still be unknown at the time when the unit redemption order is placed. Unit redemption orders received after this time shall be settled at the redemption price of the Valuation Day following the next but one Valuation Day, which will also be unknown when the unit redemption order is placed.

Payments in connection with a redemption of units shall be made in the Reference Currency of the relevant unit class currently on a regular basis within two Valuation Days of the relevant Settlement Time, but in each case, within at most ten Valuation Days of the relevant Settlement Time. The Registrar and Transfer Agent shall only be obliged to make payment to the extent that no legal provisions, e.g. foreign exchange regulations, or other circumstances for which the Registrar and Transfer Agent is not responsible (e.g. public holidays in countries in which investors or intermediaries or service providers retained to process the payment are domiciled) prevent the redemption consideration from being remitted.

The aforementioned costs may notably reduce or even erode the performance of an investment in units of the Fund, particularly if the investment period is only a short one; a longer investment period may therefore be recommended. If units are (also) redeemed via agents other than the Registrar and Transfer Agent and the Paying Agents, additional costs may be incurred.

The Management Company may, at its discretion and with the agreement of the Unitholder, redeem units of the Fund against the transfer of securities or other assets from the assets of the Fund. The value of the assets to be transferred shall correspond to the value of the units to be redeemed on the Valuation Day. The amount and nature of the securities or other assets to be transferred shall be determined on an appropriate and reasonable basis without adversely affecting the interests of the other investors. This valuation shall be confirmed in a special report by the auditor. The costs of such a transfer shall be borne by the relevant Unitholder.

Units of a unit class of the Fund shall not be redeemed if the calculation of the Net Asset Value Per Unit of a unit class has been suspended by the Management Company pursuant to Clause 16 of the Management Regulations. If the calculation of the net asset value has been suspended, redemption orders received shall be settled on the first Valuation Day following the end of the suspension of the calculation of the Net Asset Value per Unit.

In the event of a massive redemption request, the Management Company reserves the right, with the prior consent of the Custodian, not to redeem the units at the then valid redemption price until immediately after it has sold the corresponding assets, while safeguarding the interests of all Unitholders (Clause 14, item 10 of the Management Regulations). A massive redemption request in the aforementioned sense shall arise if 10% or more of the Fund units in circulation are to be redeemed on a Valuation Day.

Each redemption order shall be irrevocable except in the event of a suspension of the calculation of the Net Asset Value per Unit of a unit class of units pursuant to Clause 16 of the Management Regulations during this suspension and in the event of a delayed redemption of units pursuant to Clause 14 item 10 of the Management Regulations during this delayed redemption.

## **Compulsory redemptions**

### General points

If, at any time, the Management Company becomes aware that any person, either alone or in conjunction with any other person, is a Qualified Holder and is the beneficial owner of units, the Management Company may, at its discretion, compulsorily redeem such units at the applicable Net Asset Value per Unit, as disclosed in this Prospectus, less expenses incurred by the Administrator and the Custodian in processing such a redemption. The units shall be redeemed at the earliest 10 days after the Management Company has given notice of such compulsory redemption and the relevant investor shall no longer be the owner of such units.

If the Management Company becomes aware that, according to the entry in the unit register, units are held by investors or through intermediaries who do not belong to one of the FATCA groups named under “Subscriptions of units by Authorised Participants”, the Management Company may also compulsorily redeem the units at its own discretion. The compulsory redemption shall be effected within 90 days of becoming aware of the aforementioned situation.

## **Liquidation of the Fund**

If the Net Asset Value of the Fund at any particular Valuation Point falls below EUR 10 million or its equivalent in the relevant Base Currency of the Fund, the Manager may, at its discretion, redeem all units of the Fund then outstanding at the daily Net Asset Value per Unit, less the pro rata subscription/redemption charge and less any securities transfer charge and redemption dividends, calculated on the Expiry Date and any arising liquidation expenses.

The Management Company shall, prior to the effective date of the compulsory redemption, publish a notice to Unitholders in the RESA, in a Luxembourg daily newspaper and, if necessary, in the official publications of the various countries in which units are sold. This notice shall state the reasons and the procedure for the repurchase.

## **Stock exchange listing**

The Management Company may have units of the Fund admitted to listing on the Luxembourg Stock Exchange or on other stock exchanges or arrange for their trading on organised markets; to date, the Management Company has not made use of this option.



The Management Company is aware that without its consent, units of the Fund may nevertheless be traded in certain markets at the time of printing of the Prospectus. For this case, a corresponding list is provided below. It cannot be ruled out that such trading will be discontinued at short notice or that the trading of units will also be introduced or is already in progress on other markets, if necessary also at short notice.

The market price underlying stock exchange trading or trading in other markets is not determined exclusively by the value of the assets held in the Fund's assets, but also by supply and demand. As such, this market price may diverge from the calculated unit price per unit of a unit class.

If units of the Fund are bought and sold on the secondary market, investors shall be required to buy or sell units on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and such assistance may be subject to a fee. In addition, investors may pay more than the current Net Asset Value to buy units and receive less than the current Net Asset Value when they sell. Such orders for units may incur other costs over which the Management Company has no control.

### **Publication of the issue and redemption price and further information**

The Management Company shall ensure that information intended for Unitholders is published in an appropriate manner. This notably includes the publication of unit prices on each Valuation Day in the countries in which units of the Fund are publicly distributed. The issue and redemption prices may also be obtained from the Management Company, the Custodian and the Paying and Information Agents.

In addition, prices may be displayed on the internet at:

- until 2 November 2021: [www.lyxorfunds.com](http://www.lyxorfunds.com);
- as of 3 November: <https://sg29haussmann.societegenerale.fr>.

Neither the Management Company, the Custodian nor the Paying and Information Agents shall be liable for any errors or omissions in the price publications.

For further information, please contact the advisor at your bank, your other financial advisor or directly, the Information Agents mentioned under "Your partners" or the Management Company.

### **Accounting**

The Fund and its accounts shall be audited by an audit firm appointed by the Management Company. No later than four months after the end of each financial year, the Management Company shall publish an audited annual report for the Fund, notably including the requirements arising from the CSSF Circular 13/559 of 18 February 2013. Within two months of the end of the first half of the financial year, the Management Company shall publish an unaudited semi-annual report for the Fund. The reports are available from the Luxembourg branch of the Management Company, the Management Company, the Custodian and the Information Agents. The Fund's financial year begins on 1 June and ends on 31 May of each year.

### **Taxation of the Fund**

The income of the Fund is not taxed in the Grand Duchy of Luxembourg. It may nevertheless be subject to withholding or other taxes in countries in which the assets of the Fund are invested. Neither the Management Company nor the Custodian shall obtain receipts for such

taxes for individual or all Unitholders. The Fund's assets are subject to a *taxe d'abonnement* in the Grand Duchy of Luxembourg, which is currently at most 0.05% per year.

This *taxe d'abonnement* is payable quarterly on the relevant net assets of the Fund at the end of each quarter. Unitholders who are not resident or do not maintain a permanent establishment in Luxembourg shall not be liable for any income, inheritance or wealth tax on their units or income from units in Luxembourg.

The respective national tax regulations shall apply to these.

On 10 November 2015, the Council of the European Union adopted Directive (EU) 2015/2060 repealing the EU Savings Directive (Directive 2003/48/EC). As a consequence, there has been full tax transparency within the EU since 2018 and EU withholding tax became obsolete as of that date. In this context, Luxembourg applies the automatic exchange of information on financial accounts. Until the repeal of the EU Savings Directive, all Member States of the European Union were obliged to provide the competent authorities of the Member States with information on interest and equivalent payments made in the Member State providing the information to a person resident in another Member State. Several States were nevertheless granted a transitional period to levy a withholding tax at source instead.

Prospective investors should regularly inform themselves of the taxes applicable to the acquisition, holding and disposal of units and to distributions under the laws of their country of citizenship, residence or domicile before subscribing for units. Investors should consult their tax adviser as to the implications of their investment in the Fund under the tax law applicable to them, in particular the tax law of the country in which they are resident or domiciled.

### **Withholding tax and reporting obligation in the USA pursuant to FATCA**

The FATCA rules provide for a general reporting and withholding tax regime in the US at Federal level, with respect to certain US source income (including dividends and interest, among other types of income) and gross proceeds from the sale or other disposal of property which may generate such income deriving from the US. The rules are designed to ensure that direct and indirect ownership by certain US persons of certain accounts and entities outside the US is reported to the US Internal Revenue Service. The Management Company may be required to withhold tax at a rate of 30% from non-compliant Unitholders, if certain required information is not provided. These rules apply generally to certain payments made on or after 1 July 2014.

Luxembourg has entered into an intergovernmental agreement with the United States of America ("IGA"). Pursuant to this agreement, FATCA compliance shall be enforced under new local Luxembourg tax laws and corresponding reporting regulations and practices.

The Management Company is likely to request additional information from Unitholders in order to comply with these provisions. Prospective Unitholders should consult their own tax advisers regarding the relevant requirements applicable to them pursuant to FATCA. The Management Company may disclose the information, confirmations and other documentation which it receives from (or with regard to) its investors to the US Internal Revenue Service, tax authorities outside the US and to other parties, as appropriate, in order to comply with FATCA, related intergovernmental agreements or other applicable laws or regulations. It is strongly recommended that prospective investors consult their tax advisers regarding the applicability of FATCA and other reporting requirements to their particular situation.

### **Costs**

The flat fee to be paid to the Fund, taking into account the different unit classes, shall be 1.35% per year for units of unit class IT (EUR) and is calculated on the Net Asset Value determined

daily. The Management Company is free to charge a lower fee. This remuneration shall be paid monthly.

As a rule, the Management Company shall pass on parts of its flat-rate remuneration to intermediaries in the form of commission; such payments may also consist of allowances not offered in monetary form. This is done to remunerate and enhance the quality of sales and advisory services on the basis of intermediated assets. At the same time, the Management Company may also receive remuneration or benefits in non-monetary form from third parties. Details of the remuneration and benefits granted or received shall be disclosed to the investor on request to the Management Company. The Management Company may also grant refunds to investors from the lump-sum remuneration.

The following remuneration and expenses are covered by the lump-sum remuneration and are not charged separately to the Fund:

- Remuneration for the administration and central management of the Fund;
- Remuneration for distribution and advisory services;
- Remuneration for the Custodian and costs for depositories;
- Remuneration for the Registrar and Transfer Agent;
- Costs for the preparation (including translation costs) and dispatch of the Prospectus, the Management Regulations, Key Investor Information, the annual, semi-annual and, where applicable, interim reports and other reports and notices to Unitholders;
- Costs of publishing the Prospectus, the Management Regulations, the Key Investor Information, the annual, semi-annual and, where applicable, interim reports, other reports and notices to Unitholders, the tax data and the issue and redemption prices and notices to Unitholders;
- Costs for the audit of the Fund by the auditor of the annual financial statements;
- Costs of registering the unit certificates for public distribution and/or maintaining such a registration;
- Costs for the preparation of unit certificates and, if applicable, income coupons, as well as the renewal of income coupons/coupon sheets;
- Payment and information agent fees;
- Costs for the assessment of the fund by nationally and internationally recognised rating agencies;
- Expenses associated with the establishment of the Fund.

In addition to this remuneration, the following expenses may be charged to the Fund:

- Costs incurred in connection with the acquisition and disposal of assets;
- Costs for the enforcement and implementation of legal claims which appear to be justified and are attributable to the Fund or to an existing unit class, if any, and for the defence against claims that appear to be unjustified and are related to the Fund or an existing unit class, if any;
- Costs and any taxes incurred (in particular, the *taxe d'abonnement*) in connection with administration and safekeeping;
- Costs for the examination, assertion and enforcement of any claims for reduction, credit or refund of withholding taxes or other taxes or fiscal charges.

The Fund does not incur any costs in connection with securities lending or securities repurchase transactions (including reverse repurchase agreements), as these are not carried out for the Fund.

Insofar as the Fund invests in target funds, these shall be charged their own management fee by their management company. The weighted average management fee of the target fund units to be acquired shall not exceed 2.50% per year.

Insofar as the Fund invests in target funds, the investor shall not only bear the direct fees and costs described in this Prospectus as beneficiary but shall be liable indirectly and proportionately for the fees and costs charged to the target fund. The fees and costs charged to the target fund are determined by its individually devised constituent documents (e.g. management regulations or articles of association) and can therefore not be predicted in abstract terms. Having said this, it should be considered that, as a rule, the fee and cost items charged to the fund described in this Prospectus shall also be charged to target funds in a similar manner.

If the Fund acquires units of a UCITS or UCI which are managed, directly or indirectly, by the same Management Company or by another company with which the Management Company is linked by a substantial direct or indirect holding pursuant to the Law, neither the Management Company nor the associated company may charge fees or issue and redemption premiums for the subscription or repurchase of the units.

The Fund shall not receive any reimbursements of the flat fees distributed by the Management Company and paid to the Custodian and/or the respective service providers. In addition, the Fund shall not receive any contributions in kind (soft commissions).

The costs of analytical services (research) shall not be charged. If the Management Company receives reimbursements or kick-back payments from the acquisition of target funds for the Fund, these shall be reimbursed to the Fund.

Costs (excluding transaction costs) incurred in the management of the Fund during the previous financial year at the expense of the Fund (or the respective unit class) shall be disclosed in the annual report and shown as a ratio to the average Fund volume (or the average volume of the respective unit class) ("total expense ratio") ("current costs"). In addition to the flat fee and the *taxe d'abonnement*, all other costs shall be taken into account, with the exception of the transaction costs incurred and any performance-related remuneration.

An expense allowance for the costs incurred shall not be taken into account in the calculation. If the Fund invests more than 20% of its assets in other UCITS or UCIs which publish current charges, the current charges of the other UCITS or UCIs shall be taken into account in determining the current charges of the Fund; if these UCITS or UCIs do not publish any current charges of their own, however, the current charges of the other UCITS or UCIs may not be taken into account for the calculation when determining the current charges. If a Fund does not invest more than 20% of its assets in other UCITS or UCIs, any costs incurred at the level of such UCITS or UCIs shall not be taken into account.

If the investor is advised by third parties (in particular companies which provide investment services, such as credit institutions or other Distribution Agents) when purchasing units, or if these third parties intermediate the purchase of units, they may report costs or cost ratios which are not consistent with the cost information in this Prospectus or in the Key Investor Information and which may exceed the total cost ratio described here. The reason for this may notably be regulatory requirements for the determination, calculation and reporting of costs by the aforementioned third parties, which arise for them during the course of the implementation of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and amending Directives 2002/92/EC and 2011/61 EU. Divergences may result, on the one hand, from the fact that these third parties additionally take into account the costs of their own service (e.g. a premium or, if applicable, ongoing commissions for brokerage or advisory activities, fees for portfolio management, etc.). In addition, these third parties may have partially divergent rules for calculating the costs incurred at Fund level, so that, for example, the transaction costs of the Funds are included in the third party's cost report, even though they are not part of the current total cost ratio mentioned above according to the rules currently applicable to the Management Company. Divergences in the cost statement may arise not only in the case of cost information prior to the conclusion of the agreement, but also

in the case of any regular cost information provided by the third party on the investor's current investment in the Investment Company within the scope of a permanent business relationship with its client.

### **Duration and dissolution of the Fund and the unit classes**

The Fund has been established for an indefinite period, but may be dissolved at any time by resolution of the Management Company. Furthermore, the Fund shall be dissolved in the cases listed under Article 22, paragraph 1 and Article 24 of the Law.

The Management Company may terminate the management of the Fund. The termination shall be published in the RESA and in at least two daily newspapers to be determined at that time. One of these daily newspapers shall be published in the Grand Duchy of Luxembourg. The right of the Management Company to manage the Fund shall expire when the notice of termination takes effect. In this case, the right of disposal over the Fund shall pass to the Custodian, which shall wind it up and distribute the proceeds of the liquidation to the Unitholders. For the period of the liquidation, the Custodian may claim the flat-rate remuneration in accordance with Clause 17 of the Management Regulations.

With the approval of the supervisory authority, it may nevertheless refrain from liquidation and distribution and transfer the management of the Fund to another management company authorised in accordance with Directive 2009/65/EC in accordance with the management regulations.

If the Fund is dissolved, this shall be published in the RESA and in at least two daily newspapers to be determined at that time. One of these daily newspapers shall be published in the Grand Duchy of Luxembourg. The redemption of units shall remain possible until liquidation if equal treatment of Unitholders can be ensured. The assets shall be sold and the Custodian shall distribute the liquidation proceeds, minus the liquidation costs and fees, among the Unitholders in accordance with their entitlement, on the instructions of the Management Company or, where applicable, the liquidators appointed by it or by it, in agreement with the supervisory authority. Liquidation proceeds not claimed by Unitholders on conclusion of the liquidation procedure shall, if required by law, be converted into Euros and deposited by the Custodian on behalf of the entitled Unitholders with the *Caisse de Consignation* in the Grand Duchy of Luxembourg, where such amounts shall be forfeited if not claimed within the statutory period.

The Management Company may also dissolve existing unit classes in accordance with Clause 19 of the Management Regulations.

### **Merger with other funds and unit classes**

The Management Company may decide to merge the Fund (the "Transferring Fund") into another existing or newly established undertaking for collective investment in transferable securities pursuant to Directive 2009/65/EC or into a sub-fund of such an undertaking managed by the same Management Company or managed by another management company authorised pursuant to Directive 2009/65/EC (the "Acquiring Fund").

The implementation of the merger generally takes the form of a dissolution of the Transferring Fund and a simultaneous assumption of all liabilities and assets by the Acquiring Fund. Furthermore, it is possible to transfer only the assets of the Transferring Fund to the Acquiring Fund. The liabilities shall remain in the Transferring Fund, which shall consequently only be dissolved after these liabilities have been settled.

The decision of the Management Company to merge funds shall be notified to the Unitholders of the Transferring Fund, as well as of the Acquiring Fund, in accordance with the Law, as well

as with other Luxembourg legal and administrative provisions, at least 30 days prior to the date on which the right shall lapse to request redemption at no cost, other than disinvestment costs, at the relevant value per unit, in accordance with the procedure described in Clause 14 of the Management Regulations and taking into account Clause 16 of the Management Regulations or, as applicable, the conversion of all or part of the units. Unless otherwise decided in the interest of or in connection with the equal treatment of all Unitholders, the right of redemption or exchange free of charge shall expire five working days before the date of calculation of the merger ratio. The units of the Unitholders who have not requested the redemption or, as appropriate, the exchange of their units, shall be replaced by units of the Acquiring Fund on the basis of the unit values per unit on the effective date of the merger. Where applicable, Unitholders shall receive a fractional adjustment, in accordance with the Law.

The Management Company may merge existing unit classes in accordance with Clause 20 of the Management Regulations within the Fund or with other existing or newly established undertakings for collective investment in transferable securities resulting from the merger, pursuant to Directive 2009/65/EC or into a sub-fund or unit class of such a merger.

### **Management Regulations**

The Fund's Management Regulations form an integral part of this Prospectus. The Management Regulations reprinted below are divided into a General Part and a Special Part. The General Part contains the legal basis and the general investment guidelines. The Special Part of the Management Regulations contains the Fund-specific information and the Fund's investment objectives and investment principles.

### **Prevention of money laundering**

In accordance with international regulations and Luxembourg laws and regulations (including the amended law of 12 November 2004 on the combating of money laundering and the financing of terrorism), the Grand-Ducal Regulation of 1 February 2010, CSSF Regulation 12-02 of 14 December 2012, CSSF Circulars 13/556, 15/609 and 17/650 on the combating of money laundering and the financing of terrorism and any amendments or supplements thereto, obligations have been imposed on all professionals in the financial sector to safeguard undertakings for collective investment from money laundering and the financing of terrorism. In addition, the administrator of a Luxembourg collective investment undertaking is required to establish the identity of the investor, in accordance with Luxembourg law.

Each Eligible Participant is a commercial participant in the financial sector established in a Financial Action Task Force on Money Laundering ("FATF") country and is required to comply with identification procedures corresponding to those under Luxembourg law.

The Registrar and Transfer Agent may require such evidence of identity as it deems necessary for compliance with the anti-money laundering laws in effect within Luxembourg. If there is any doubt regarding the identity of an investor or if the Registrar and Transfer Agent does not have sufficient information to establish the identity, it may request further information and/or documentation in order to establish the identity of the investor beyond reasonable doubt. If the investor refuses or fails to provide the requested information and/or documentation, the Registrar and Transfer Agent may refuse or delay the registration of the investor's details in the Company's register of Unitholders. The information provided to the Registrar and Transfer Agent is obtained solely for the purpose of complying with anti-money laundering laws.

The Registrar and Transfer Agent is also required to verify the origin of funds received from a financial institution unless the financial institution in question is subject to a mandatory proof of identity procedure equivalent to the proof of identity procedure under Luxembourg law. The processing of subscription applications may be suspended until the Registrar and Transfer Agent has duly ascertained the origin of the funds. Initial or subsequent subscription

applications for units may also be made indirectly, i.e. through the Distribution Agents. In this case, the Registrar and Transfer Agent may waive the above required proofs of identity under the following circumstances or under circumstances regarded as sufficient pursuant to the money laundering regulations applicable in Luxembourg:

- if a subscription application is processed through a Distribution Agent under the supervision of the competent authorities, whose regulations provide for an identification procedure for customers equivalent to the identification procedure under Luxembourg anti-money laundering legislation and to which the Distribution Agent is subject;
- if a subscription application is processed through a Distribution Agent whose parent company is subject to supervision by the competent authorities, whose regulations provide for a customer identification procedure equivalent to the identification procedure under Luxembourg law and which serves to combat money laundering, and if the law applicable to the parent company or the group guidelines impose equivalent obligations on its subsidiaries or branches. For countries which have ratified the recommendations of the Financial Action Task Force (FATF), it is generally assumed that natural persons or legal entities doing business in the financial sector are subject to rules imposed by the respective competent supervisory authorities in these countries for the implementation of proof-of-identity procedures for their customers, which are equivalent to the proof-of-identity procedure required under Luxembourg law. The Distribution Agents may provide a nominee service to investors who obtain units through them. Investors may choose to use this service whereby the nominee holds the units in its name for and on behalf of the investors at the discretion of the latter parties, who are entitled to claim direct ownership of the units at any time. Notwithstanding the above provisions, investors are free to make investments directly with the Management Company without using the nominee service.

### **Prohibition on Late Trading and Market Timing**

Late Trading means the acceptance of a subscription order (or redemption order) after the relevant acceptance deadlines (as described above) on the relevant Business Day, as well as the execution of such an order at the price applicable on that day, based on the Net Asset Value. Late trading is strictly prohibited.

Market timing shall be understood as an arbitrage method whereby an investor systematically subscribes for and redeems or converts units of the Fund within a short period of time, thereby taking advantage of timing differences and/or inefficiencies or deficiencies in the method of determining the Fund's Net Asset Value. Market timing practices may disrupt the investment management of the portfolios and adversely affect the performance of the Fund. To avoid such practices, units shall be issued at an unknown price and neither the Management Company nor the Distribution Agent shall accept orders received after the relevant acceptance deadlines.

The Management Company reserves the right to refuse purchase and/or redemption orders relating to the Fund from persons suspected of market timing practices.

The Prospectus, the Management Regulations, the current annual and semi-annual reports, the Key Investor Information, as well as the issue and redemption prices, are available free of charge in paper form from the Distribution Agent and free of charge on the Internet on the website:

- until 2 November 2021: [www.lyxorfunds.com](http://www.lyxorfunds.com); and
- as of 3 November 2021: <https://sg29haussmann.societegenerale.fr>.

For selected unit classes (e.g. unit classes for institutional investors only or unit classes for which no taxation principles are notified within the Federal Republic of Germany), publications may be made on the Internet on the website:

- until 2 November 2021: [www.lyxorfunds.com](http://www.lyxorfunds.com); and
- as of 3 November 2021: <https://sg29haussmann.societegenerale.fr>.

The Custodian Agreement may be inspected free of charge at the offices of the Information

Agent.

### **Risk of a change in published tax principles for investors liable for tax in the Federal Republic of Germany and risk of classification as an investment company for tax purposes**

A change in incorrectly published principles of taxation of the Fund for previous financial years may result, in the event of a correction which is fundamentally disadvantageous for the investor from a tax perspective, in the investor having to bear the tax burden from the correction for previous financial years, even though he was not invested in the Fund at the time. Conversely, investors may find that they no longer benefit from a fiscally advantageous correction for the current and previous financial years in which they were invested in the Fund, through the redemption or sale of the units before the implementation of the corresponding correction. In addition, a correction of tax data may result in taxable income or tax benefits actually being assessed for tax in a different assessment period than the one which is actually applicable and this may have a negative effect on the individual investor. Furthermore, a correction of the tax data may result in the tax assessment base for an investor corresponding to or even exceeding the performance of the Fund. Changes to published tax principles may notably occur if the German tax authorities or tax courts interpret relevant tax regulations in a divergent manner.

### **Additional Information for investors in the Federal Republic of Germany**

The distribution of the units in the Federal Republic of Germany has been notified to the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht).  
German Facility Agent

Société Générale S.A. Frankfurt Branch, Neue Mainzer Straße 46-50, 60311 Frankfurt am Main, Deutschland is appointed to process subscription, payment, redemption and conversion orders of investors of the Fund in accordance with the conditions set forth in the prospectus.

Société Générale S.A. Frankfurt Branch meets the requirements for a facility agent in Germany (the "German Facility Agent") pursuant to section 306a paragraph 1 number 1.

SG SG 29 Haussmann S.A., the management company, having its registered office at 29 boulevard Haussmann 75009 Paris, will perform the following tasks pursuant to 306a paragraph 1 number 2 to 6 German Investment Management Act ("KAGB"):

- Informing investors how to place subscription, repurchase and redemption orders and make other payments to Unitholders for units of the UCITS and how repurchase and redemption proceeds will be paid;
- Facilitate the handling of information and access to procedures and arrangements to ensure that the Management Company properly deals with investor complaints and that investors and Unitholders of the UCITS it manages can fully exercise their rights within the scope of the KAGB (section 28 paragraph 2 number 1 KAGB). Further information on the complaints policy of the Management Company can be found on the website <https://www.sg29haussmann.societegenerale.fr>;
- Providing investors with the Prospectus, the Key Investor Information Document, the Management Regulations of the Fund, the current annual and semi-annual reports as well as the issue and redemption prices. The aforementioned documents are available from the German Facility Agent free of charge and in paper form on request. The aforementioned documents and the issue and redemption prices are also published on the website at <https://www.sg29haussmann.societegenerale.fr> and can be viewed there



free of charge. Furthermore, investors may inspect the following documents free of charge on business days at the registered office of the German Facility Agent:

- the articles of incorporation of the Management Company,
  - the contract with the Depositary,
  - the contract with the Administrator and
  - the contract(s) entered into by and between the Company, the Management Company and the Investment Manager(s).
  - Other information and documents such as details of the remuneration policy or principles for dealing with conflicts of interest to be published in Luxembourg are published on the website <https://wwwsg29hausmann.societegenerale.fr>.
- Provide investors with relevant information in relation to the functions performed by the institution in a durable medium; and
  - Acting as a contact point for communication with the Federal Financial Supervisory Authority.

Investors may redeem their units for cash by contacting their financial intermediary vis-à-vis the Management Company.

Notices to investors shall be published on the website <https://wwwsg29hausmann.societegenerale.fr>.

Pursuant to section 298 paragraph 2 KAGB in addition to publication at <https://wwwsg29hausmann.societegenerale.fr> the Unitholders are also informed by means of a notice to Unitholders in the following cases:

- suspension of the redemption of the units of the Fund,
- termination of the management of the Fund or its settlement,
- changes in the investment conditions which are not compatible with the previous investment principles of the Funds which affect material investor rights or which relate to remunerations and reimbursements which can be deducted from the Fund,
- the merger of the Fund in the form of merger information to be prepared in accordance with Article 43 of Directive 2009/65/EC, and
- conversion of the Fund into a feeder fund or modification of a master fund in the form of information to be prepared in accordance with Article 64 of Directive 2009/65/EC.

## Management Regulations

The contractual rights and obligations of the Management Company, the Custodian and the Unitholders with regard to the Fund shall be governed by the following Management Regulations. They are divided into the General Part, which applies to a majority of funds, as well as the Special Part, which may also contain regulations which diverge from the General Part.

### General Part

#### Clause 1 Fundamentals

1. The Fund is a legally dependent investment fund. It was established as a “*fonds commun de placement*” pursuant to the laws of the Grand Duchy of Luxembourg, consists of securities and other assets and is managed by Lyxor Funds Solutions S.A. until 2 November 2021, and by SG 29 Haussmann as of 3 November 2021 in its own name for the collective account of the investors (hereinafter referred to as “Unitholders”).
2. The Management Company shall invest the assets of the Fund separately from its own assets, in accordance with the principle of risk diversification. Unit certificates or unit confirmations pursuant to Clause 13 of the Management Regulations (both referred to hereinafter as “unit certificates”) shall be issued to the Unitholders in respect of the resulting rights.
3. The Unitholders shall participate in the assets of the Fund to the extent of their units.
4. By purchasing units, the Unitholder accepts the Management Regulations and any approved and published amendments to the same.
5. The original version of the Management Regulations and any amendments thereto shall be filed with the Commercial Register in Luxembourg. A notice of filing shall be published in the “*Recueil électronique des sociétés et associations*” (“RESA”), the official gazette of the Grand Duchy of Luxembourg.

#### Clause 2 Custodian

1. The Management Company shall appoint the Custodian.

The function of the Custodian is governed by the Law, the Management Regulations and the Custodian Agreement. The Custodian acts independently of the Management Company and exclusively in the interest of the Unitholders.

2. The Custodian shall hold in custody all securities and other assets of the Fund in blocked accounts or custody accounts, which may only be disposed of in accordance with the provisions of the Management Regulations. The Custodian may, at its liability and with the consent of the Management Company, place assets of the Fund in custody with other banks or with central securities depositories.
3. The Custodian shall withdraw only the remuneration set out in the Management Regulations on behalf of the Management Company from the blocked accounts of the Fund, as well as the remuneration and fees to which it is entitled in accordance with the Management Regulations, albeit only with the consent of the Management Company. The provision in Clause 17 of the Management Regulations concerning the debiting of the Fund’s assets for other costs and fees shall remain unaffected.

4. To the extent permitted by law, the Custodian shall be entitled and obliged, in its own name:
  - to assert claims by Unitholders against the Management Company or any previous Custodian;
  - to lodge objections against enforcement measures by third parties and to take action if the Fund's assets are enforced due to a claim for which the Fund's assets are not liable.
5. The Custodian and the Management Company are entitled to terminate the custodian appointment in writing at any time, in accordance with the depositary agreement. The termination shall take effect when a bank which is compliant with the conditions of the Law of 17 December 2010 on Undertakings for Collective Investment (the "Law") assumes the duties and functions as custodian in accordance with the Management Regulations. Until such time, the existing custodian shall perform its duties and functions as custodian in full, pursuant to Articles 18 and 20 of the Law, in order to protect the interests of the Unitholders.
6. The Custodian is bound by the instructions of the Management Company, insofar as such instructions do not conflict with the law, the Prospectus or these Management Regulations of the Fund in its current version.

#### Clause 3 Fund management

1. In the performance of its duties, the Management Company shall act independently of the Custodian and exclusively in the interests of the Unitholders. It may, at its own liability and expense, change investment advisors and/or draw on the advice of an investment committee and/or entrust the day-to-day asset management to a fund manager. It may also draw on the assistance of third parties.
2. The Management Company is authorised, in accordance with the provisions in the Special Part of the Management Regulations, to acquire assets with the monies invested by the Unitholders, to resell these and to invest the proceeds elsewhere; it is also authorised to perform all other legal acts arising from the management of the Fund's assets.

#### Clause 4 General Investment Guidelines

The Management Company shall invest the assets of the Fund in the following assets:

1. Securities and money market instruments:
  - traded on a stock exchange or on another regulated market of an EU Member State or a third country which is recognised and open to the public and operates regularly; or
  - which derive from new issues, the issuance terms of which include the obligation to apply for admission to official listing on a stock exchange or another regulated market pursuant to the first indent, the authorisation for which is obtained no later than one year after the issue. Money market instruments are investments which are normally traded on the money market, which are liquid and the value of which can be accurately determined at any time.
2. Units of authorised undertakings for collective investment in transferable securities ("UCITS") pursuant to Article 1, paragraph 2, items a) and b) of Directive 2009/65/EC, regardless of whether they are established in an EU Member State, or other undertakings for collective investment ("UCIs"), provided that:

- these other UCIs are authorised under laws which provide that they are subject to prudential supervision regarded by the *Commission de Surveillance du Secteur Financier* (“CSSF”) as equivalent to that laid down in EU law and that there is a sufficient guarantee of cooperation between authorities;
  - the level of protection of the unit holders of the UCI is equivalent to the level of protection of the unit holders of a UCITS and in particular, the rules on segregated custody of fund assets, borrowing, lending and short-selling of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
  - the business activity of the UCI is subject of annual and semi-annual reports which enable an assessment to be made of the assets, liabilities, income and transactions during the reporting period;
  - the UCITS or the other UCIs for which the units are to be acquired may, in accordance with their management regulations or instruments of incorporation, invest a total of no more than 10% of their assets in units of other UCITS or UCIs.
3. Sight or callable deposits maturing in no more than 12 months with credit institutions, provided that the credit institution in question has its registered office in a Member State of the European Union or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those established in EU law. Deposits may in principle be denominated in all currencies permitted under the Fund’s investment policy.
4. Derivative financial instruments (“Derivatives”), i.e. in particular, futures, forward contracts, options as well as swaps, including equivalent instruments settled in cash, which are traded on one of the regulated markets cited in item 1. and/or derivative financial instruments which are not traded there (“OTC Derivatives”), provided that the underlying assets are instruments pursuant to Clause 4 of the Management Regulations or financial indices, interest rates, exchange rates or currencies in which the Fund may invest in accordance with its investment principles. The financial indices in the aforementioned sense include, in particular, indices on currencies, on exchange rates, on interest rates, on prices and total returns, on interest rate indices as well as, bond, share, commodity futures, precious metal and commodity indices and indices which have as their object the other permissible instruments listed in this paragraph.

In addition, the following conditions must be fulfilled for OTC Derivatives:

- The counterparties shall be first-rate financial institutions, specialising in such transactions and institutions subject to prudential supervision in the categories authorised by the CSSF;
  - The OTC Derivatives shall be subject to a reliable and verifiable valuation on a daily basis, with it possible to sell, liquidate or close these out by an offsetting transaction at any time and at an appropriate value;
  - Transactions shall be executed on the basis of standardised contracts;
  - The purchase or sale of these instruments instead of instruments traded on a stock exchange or on a regulated market shall, in the opinion of the Management Company, be advantageous for the Unitholders. The use of OTC transactions is particularly advantageous if it enables assets to be hedged with matching maturities and hence at lower cost.
5. Money market instruments which are not traded on a regulated market and do not fall under the definitions mentioned in item 1, insofar as the issue or the issuer of these instruments is itself subject to regulations on deposit and investor protection. The requirements with regard to deposit and investor protection shall be met for money market instruments, among other things, if these are classified as investment grade by at least one recognised rating agency or if the Management Company is of the opinion that the creditworthiness of

the issuer corresponds to an investment grade rating. In addition, these money market instruments shall be:

- issued or guaranteed by a central, regional or local authority or the central bank of a Member State of the EU, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in the case of a Federal State, by one of the individual states of that State, or by a public international body of which at least one Member State of the EU is a member of; or
- issued by a company whose securities are traded on the regulated markets cited in item 1; or
- issued or guaranteed by an institution subject to prudential supervision, in accordance with the criteria established in EU law or by an institution which is subject to and compliant with prudential rules considered by the CSSF as equivalent to EU law; or
- issued by other issuers belonging to a category approved by the CSSF, provided that investments in such instruments are subject to investor protection rules equivalent to those stipulated in the first, second or third indent and provided that the issuer is either a company with a share capital and reserves of at least EUR 10,000,000, which prepares and publishes its annual financial statements pursuant to the provisions of the fourth Directive of 78/660/EEC, or a legal entity which, within a group of one or more listed companies, is responsible for the financing of that group, or a legal entity responsible for financing the securitisation of liabilities through the use of a credit line granted by a credit institution.

#### Clause 5 Unlisted securities and money market instruments

The Management Company is permitted to invest up to 10% of the Fund's assets in securities and money market instruments other than those specified in Clause 4 of the Management Regulations.

#### Clause 6 Risk diversification/Issuer limits

1. The Management Company may purchase securities or money market instruments of an issuer for the Fund if, at the time of purchase, their value, together with the value of the securities or money market instruments of the same issuer already in the Fund, does not exceed 10% of the Fund's net assets. The Fund may invest no more than 20% of its net assets in deposits with an institution pursuant to Clause 4, item 3 of the Management Regulations. The counterparty default risk for transactions with OTC Derivatives may not exceed 10% of the net assets of the Fund if the counterparty is a credit institution pursuant to Clause 4, item 3 of the Management Regulations; for other cases, the limit shall be at most 5% of the net assets of the Fund. The total value of the securities and money market instruments of issuers in which the Fund has invested more than 5% of its net assets in each case and may not exceed 40% of the net assets of the Fund. This limit shall not apply to deposits and OTC Derivative transactions made with financial institutions subject to regulatory supervision. Notwithstanding each of the investment limits cited above, the Fund may not invest more than 20% of its net assets in the same institution in any combination of
  - securities or money market instruments issued by this institution;
  - deposits with this institution pursuant to Clause 4, item 3 of the Management Regulations; and/or
  - assume risks with OTC Derivatives which exist in relation to the institution.
2. If the acquired securities or money market instruments are issued or guaranteed by a member state of the EU or its regional authorities, by a third country or by international

bodies with a public law character to which one or more EU member states belong, the restriction in item 1, sentence 1 shall be increased from 10% to 35% of the net assets of the Fund.

3. For debt securities issued by credit institutions with their registered office in an EU Member State and whose issuers are subject to special public supervision due to statutory provisions for the protection of bondholders, the limits stipulated in item 1, sentence 1 and sentence 4, shall be increased from 10% to 25% or from 40% to 80% respectively, provided that the credit institutions invest the proceeds of the issue, in accordance with the legal provisions, in assets which adequately cover the liabilities arising from the bonds over their entire term and which, in the event of failure of the Issuer, are given priority for repayment of principal and interest falling due.
4. The securities and money market instruments cited in items 2 and 3 shall not be considered when applying the investment limit of 40% provided in item 1 sentence 4. The restrictions in items 1 to 3 shall not apply cumulatively, so that investments in securities or money market instruments of the same issuer or in deposits with this issuer or in derivatives of the same may not exceed 35% of the net assets of the Fund. Companies belonging to the same group of companies for the purposes of drawing up consolidated accounts pursuant to Directive 83/349/EEC or in accordance with recognised international accounting standards shall be regarded as one issuer for the purposes of calculating the investment limits in items 1 to 4. The Fund may invest up to 20% of its net assets in securities and money market instruments of one corporate group.
5. Investments in Derivatives shall be included in calculating the limits of the above paragraphs.
6. Notwithstanding the limits set out in items 1 to 4, the Management Company may, in accordance with the principle of risk diversification, invest up to 100% of the net assets of the Fund in securities and money market instruments of different issues issued or guaranteed by the European Union, the European Central Bank, a Member State of the EU or its local authorities, by an OECD member state or by public international bodies, of which one or more EU Member States are members, provided that such transferable securities and money market instruments are issued in at least six different issues and that the transferable securities and money market instruments from any one issue do not exceed 30% of the net assets of the Fund. If it is possible for this Fund to make use of the opportunity presented in this Number, this shall be explicitly stated in the Special Part of the Fund's Management Regulations.
7. The Fund may acquire units of other UCITS or UCIs pursuant to Clause 4, item 2 of the Management Regulations if it does not invest more than 20% of its net assets in a UCITS or UCI. In applying this investment limit, each sub-fund of an umbrella fund shall be regarded, pursuant to Article 181 of the Law, as an independent special fund, to the extent that the principle of separate liability per sub-fund relative to third parties applies. Investments in units of UCIs other than UCITS may not exceed 30% of the net assets of the Fund in aggregate. If the Fund has acquired units of a UCITS or UCI, the investment values of the UCITS or UCI in question shall not be considered for the investment limits specified in items 1 to 4.

If the Fund acquires units of a UCITS or UCI which are managed, directly or indirectly, by the same Management Company or by another company with which the Management Company is linked by a substantial direct or indirect holding pursuant to the Law, neither the Management Company nor the linked company may charge fees or issuance and redemption charges for the subscription or repurchase of the units.

The weighted average management fee of the target fund units to be acquired shall not

exceed 2.50% per year.

8. Without prejudice to the investment limits established in item 9 below, the upper limits stipulated in items 1 to 4 for investments in equity and/or debt securities of one and the same issuer shall be 20%, if the objective of the Fund's investment strategy is to replicate a specific share or debt security index recognised by the CSSF, provided that:
  - the composition of the index is sufficiently diversified;
  - the index represents an adequate reference basis for the market to which it refers;
  - the index is published in an appropriate manner.

The limit established in sentence 1 shall be 35%, insofar as this is justified by exceptional market conditions, in particular on regulated markets dominated by certain transferable securities or money market instruments. An investment up to this limit is only possible with a single issuer. The limit pursuant to item 1 sentence 4, shall not apply. If it is possible to make use of the opportunity stipulated in this item for this Fund, this shall be explicitly stated in the Special Part of the Fund's Management Regulations.

9. The Management Company may not acquire shares carrying voting rights for any of the Funds that it manages which would enable it to exercise significant influence over the operating policies of the issuer. It may acquire for the Fund at most 10% of the non-voting shares, debt securities and money market instruments issued by an issuer and no more than 25% of the units of a UCITS or a UCI. This limit need not be observed in the case of debt securities, money market instruments and units of target funds at the time of acquisition if the total issue volume or the net amount of the units issued cannot be calculated. It is also not applicable to the extent that such transferable securities and money market instruments are issued or guaranteed by a Member State of the EU or its local authorities or by a third country or are issued by international bodies of a public law character, of which one or several EU Member States are members.
10. It must be guaranteed that more than 90% of the value of the net assets of the Fund is invested in assets authorised by the investment policy, which are also assets pursuant to Clause 2, paragraph 4 of the German Investment Act. The proportion of undocumented loan receivables, including promissory note loans and Derivatives pursuant to Clause 4 and Clause 8 of the Management Regulations which are not covered by securities, money market instruments, units of UCITS or other UCIs pursuant to Article 41, paragraph 1, item e) of the Law, financial indices pursuant to Article 41, paragraph 1, item g) of the Law and Article 9 of the Grand-Ducal Regulation of 8 February 2008, interest rates, exchange rates or currencies in which the Fund may invest may not, in aggregate, exceed 30% of the value of the Fund's net assets, to the extent that such assets are permitted by way of the investment policy.

#### Clause 7 Repayment

The restrictions specified in Clause 5 and Clause 6 of the Management Regulations relate to the time of acquisition of the assets. If the percentages are subsequently exceeded as a result of price developments or for reasons other than purchases, the Management Company shall, in the case of sales, have the primary objective of normalising this situation, taking into account the interests of the Unitholders.

#### Clause 8 Techniques and instruments

1. The Management Company may use derivatives pursuant to Clause 4, item 4 of the Management Regulations, in accordance with the investment restrictions for the Fund, with

a view to efficient portfolio management (including the execution of transactions for hedging purposes and for speculative purposes). In particular, the Management Company may also use techniques and instruments to hedge market movements.

2. In particular, the Management Company may enter into any type of swap, including credit default swaps. The Management Company may also notably enter into swaps in which the Management Company and the counterparty agree to exchange the income generated by deposits, a security, a money market instrument, a fund unit, a derivative, a financial index or a basket of securities or indexes for income generated by another security, money market instrument, fund unit, derivative, financial index, basket of securities or indices or other deposits. The Management Company is also permitted to use such credit default swaps with an objective other than hedging. The counterparty to credit default swaps shall be a first-rate financial institution specialising in such transactions. With regard to the investment limits specified in Clause 6 of the Management Regulations, both the underlying assets of the credit default swap and the respective counterparty of the credit default swap shall be considered. Credit default swaps shall be valued in accordance with comprehensible and transparent methods on a regular basis. The Management Company and the independent auditor shall monitor the comprehensibility and transparency of the valuation methods and their application. If differences are identified during the monitoring process, the Management Company shall arrange for their elimination.
3. The Management Company may also acquire securities and money market instruments in which one or more derivatives are embedded (structured products).

#### Clause 9 Securities repurchase agreements, securities lending

The Management Company will not enter into repurchase agreements or securities lending transactions.

#### Clause 10 Risk management procedures

The Management Company shall deploy a risk management process, which allows it to monitor and measure the risk associated with the investment positions and their contribution to the overall risk profile of the investment portfolio at any time; it shall also use a process which allows an accurate and independent assessment of the value of OTC Derivatives.

The Management Company shall monitor the Fund in accordance with the applicable requirements. In this context, the Management Company is permitted to determine the attributable amounts for the investment restrictions specified in Clause 6, items 1 to 8 and item 10 of the Management Regulations, within the framework of the aforementioned risk management procedure, whereby lower attributable amounts may result from the market value procedure.

#### Clause 11 Borrowing

The Management Company may take out short-term loans for the joint account of the Unitholders, up to an amount of 10% of the Fund's net assets, provided that the Custodian approves the borrowing and its conditions. Foreign currency loans in the form of "Back-to-Back" loans and the transactions cited in Clause 9 of the Management Regulations shall not be counted towards this 10% limit, but are permitted without the approval of the Custodian.



## Clause 12 Prohibited transactions

The Management Company may not execute the following on behalf of the Fund:

1. Assuming liabilities in connection with the acquisition of securities which are not fully paid up and which, together with loans pursuant to Clause 11 sentence 1 of the Management Regulations, exceed 10% of the Fund's net assets;
2. Granting loans or acting as guarantor for third parties;
3. Acquiring securities, the sale of which is subject to any restrictions due to contractual agreements;
4. Investing in property, where investments in securities or money market instruments secured by property or interest on the same or investments in securities or money market instruments issued by companies investing in property (e.g. REITS) and interest on the same are permitted;
5. Acquiring precious metals or certificates denominated in precious metals;
6. Pledging or encumbering, transferring by way of security or assigning as security any assets of the Fund, unless this is required as part of a transaction permitted pursuant to these Management Regulations. Such collateral agreements shall apply in particular to OTC transactions pursuant to Clause 4, item 4 of the Management Regulations ("Collateral Management");
7. Making naked sales of securities, money market instruments or target fund units.

## Clause 13 Unit certificates

1. Unit certificates may be issued as bearer certificates and/or as registered certificates and are issued for one unit or multiple units. Fractions of units are issued up to one 1000<sup>th</sup> of a unit.
2. Unit certificates shall bear handwritten or duplicated signatures of the Management Company and the Custodian.
3. Unit certificates are transferable on the same lines as the provisions of Articles 40 and 42 of the Law of 10 August 1915 on Commercial Companies (in its current version). With the transfer of a unit certificate, the rights documented therein shall be transferred. In the case of a bearer certificate, the holder of the unit certificate shall be deemed to be the beneficiary with regard to the Management Company and/or the Registrar and Transfer Agent; in the case of a registered certificate, the person whose name is entered in the register of Unitholders kept by the Registrar and Transfer Agent shall be deemed to be the beneficiary.
4. At the discretion of the Management Company, the Registrar and Transfer Agent may issue a unit confirmation for the acquired units instead of a registered certificate.

## Clause 14 Issuance and Redemption of units

1. All Fund units shall have equal rights unless the Management Company decides to issue different unit classes; in the event of issuance of different unit classes, the units of a unit class shall have the same rights. These shall be issued on each Valuation Day. Unless

otherwise stipulated in the Special Part of the Management Regulations, the Valuation Day shall be every banking and stock exchange day in Frankfurt am Main and Luxembourg.

2. Unless otherwise stipulated in the Special Part of the Management Regulations for the respective Fund, unit purchase orders received by the Registrar and Transfer Agent by 4.45 p.m. Central European Time (“CET”) or Central European Summer Time (“CEST”) on a Valuation Day shall be settled at the issue price determined on the next Valuation Day but one, which is still unknown at the time when the unit purchase order is placed. Unit purchase orders received after this time shall be settled at the issue price of the next Valuation Day, which is also unknown at the time when the unit purchase order is placed. Unless otherwise provided in the Special Part of the Management Regulations, the issue price shall be payable after two further Valuation Days to the Registrar and Transfer Agent.
3. Units shall be issued immediately after receipt of the issue price by the Registrar and Transfer Agent on behalf of the Management Company and, in the case of issuance of bearer certificates, shall be credited immediately to a securities account to be specified by the subscriber.
4. The number of units issued is in principle unlimited. The Management Company nevertheless reserves the right to reject a unit purchase order as a whole or in part or to suspend the issue of units temporarily or completely; in such cases, any payments already made shall be refunded immediately.
5. The Management Company may, at its discretion and at the subscriber’s request, issue units against the contribution in kind of securities or other assets. It is assumed that these securities or other assets are compliant with the investment objectives and the investment principles of the Fund. The auditor of the Fund shall prepare a valuation report. The costs of such a contribution in kind shall be borne by the relevant subscriber.
6. Unitholders may request the redemption of units at any time via the respective custodian agents, the Distribution Agents, the registrar and transfer agent or the paying agents. Subject to Clause 14, item 10 and Clause 16 of the Management Regulations, the Management Company is obliged to redeem the units for the account of the Fund on each Valuation Day.
7. Unless otherwise stipulated in the Special Part of the Management Regulations for the Fund, unit redemption orders received by the Registrar and Transfer Agent by 4.45 p.m. CET or CEST on a Valuation Day shall be settled at the redemption price determined on the next Valuation Day but one, which is still unknown at the time the unit redemption order is placed. Unit redemption orders received after this time shall be settled at the redemption price of the next Valuation Day, which is also unknown when the unit redemption order is placed. The redemption price shall then be paid out in the reference currency of the respective unit class within ten Valuation Days of the settlement date.
8. The Registrar and Transfer Agent shall only be obliged to make payment to the extent that no statutory provisions, e.g. foreign exchange regulations, or other circumstances for which the Registrar and Transfer Agent is not responsible (e.g. public holidays in countries in which investors or intermediaries or service providers engaged to process the payment are domiciled) prevent the redemption price from being transferred.
9. The Management Company may, at its discretion and with the consent of the Unitholder, redeem units in a Fund against the transfer of securities or other assets out of the assets of the relevant Fund. The value of the assets to be transferred shall correspond to the value of the units to be redeemed on the Valuation Day. The amount and nature of the securities or other assets to be transferred shall be determined on an appropriate and reasonable basis without affecting the interests of the other investors. This valuation shall be confirmed

in a special report by the auditor. The costs for such a transfer shall be borne by the relevant Unitholder.

10. In the event of massive redemption requests, the Management Company reserves the right, with the prior consent of the Custodian, to redeem the units at the valid redemption price only after it has sold corresponding assets without delay, albeit while safeguarding the interests of all Unitholders.
11. The Special Part of the Fund's Management Regulations may provide that, in addition, a Paying Agent may charge a transaction fee to the Unitholder on purchases or redemptions of units.
12. Each unit purchase order or unit redemption order shall be irrevocable except in the case of a suspension of the calculation of the Net Asset Value pursuant to Clause 16 of the Management Regulations during this suspension, as well as in the case of a delayed redemption of units pursuant to Clause 14, item 10 during this redemption delay.

#### Clause 15 Issue and redemption price/income equalisation

1. In order to calculate the issue and redemption prices for the units of the Fund, the Management Company or third parties commissioned by it and named in the Prospectus shall determine the value of the assets belonging to the Fund, minus the liabilities of the Fund (hereinafter referred to as the "Net Asset Value") on each Valuation Day and divide it by the number of units in circulation (hereinafter referred to as the "Net Asset Value Per Unit").

Unless item 2 or item 3 applies, the following shall apply:

- Assets which are officially listed on a stock exchange are valued at the last available paid price;
  - Assets which are not officially listed on a stock exchange but which are traded on a regulated market or on other organised markets shall also be valued at the last available price paid, provided that at the time of valuation, the Custodian considers this price to be the best possible price at which the assets can be sold;
  - Financial futures contracts on foreign currencies, securities, financial indices, interest rates and other permissible financial instruments, as well as options on the same and corresponding warrants, insofar as they are listed on a stock exchange, are valued at the most recently determined prices of the relevant stock exchange. Insofar as there is no stock exchange listing, in particular in the case of all OTC transactions, the valuation shall be made at the likely realisation value, which shall be determined with caution and in good faith;
  - Interest rate swaps are valued at their market value with regard to the applicable interest rate curve;
  - Swaps linked to indices and financial instruments are valued at their market value determined with reference to the relevant index or financial instrument;
  - units in UCITS or UCIs are valued at the last determined and available redemption price;
  - Cash and cash equivalents and time deposits are valued at their nominal value plus interest;
  - Assets not denominated in the currency determined for the Fund (hereinafter, the "base currency of the Fund") shall be converted into the base currency of the Fund at the latest mid-market exchange rate.
2. Assets with prices are not in line with the market and all other assets are valued at their probable realisation value, which shall be determined prudently and in good faith.

3. The Management Company may, at its discretion, permit other valuation methods, if it considers that these provide a better representation of the fair value of the assets.
4. The Management Company applies a so-called income equalisation procedure for the Fund or for the unit classes of the Fund. This means that the *pro rata* income and realised capital gains/losses accrued during the financial year, which the purchaser of units must pay as part of the issue price and which the seller of units receives as part of the redemption price, are continuously offset. The expenses incurred shall be taken into account when calculating the equalisation paid.
5. The issue price is the Net Asset Value Per Unit determined in accordance with Clause 15 items 1, 2 and 3, plus any applicable issue premium serving to cover the issuance costs. The issue price may be rounded up or down to the nearest unit of the relevant currency, as specified by the Management Company. The amount of the issue premium, which may vary by unit class, is presented in the Special Part of the Management Regulations. Any stamp duty or other charges due in a country in which the units are issued shall be borne by the Unitholder.
6. The redemption price shall be the Net Asset Value Per Unit, determined in accordance with Clause 15, items 1, 2 and 3 less any applicable redemption fee available to the Management Company or a divestment fee to which the entire Fund is entitled. The redemption price may be rounded up or down to the nearest unit of the relevant currency, as specified by the Management Company. The amount of the redemption fee or divestment fee, which may differ in amount depending on the unit class, may be found in the Special Part of the Management Regulations.

#### Clause 16 Suspension

1. The and redemption of units may be temporarily suspended by the Management Company if and for as long as exceptional circumstances exist which make this suspension necessary and the suspension is justified taking into account the interests of the Unitholders. Exceptional circumstances shall notably exist if and for as long as
  - a stock exchange on which a substantial portion of the Fund's assets are traded (other than ordinary weekends and holidays) is closed or trading is restricted or suspended;
  - the Management Company cannot dispose of assets;
  - the countervalues shall not be transferred in the case of both purchases and sales;
  - it is impossible to determine the Net Asset Value in an adequate manner.

If the extraordinary circumstances make it impossible to calculate the Net Asset Value, this may also be suspended. Further possibilities for suspending the issuance and redemption of units may be provided in the Special Part of the Management Regulations.

2. Unit issuance and redemption orders shall be executed after the resumption of the Net Asset Value calculation, unless they have been revoked by the Management Company pursuant to Clause 14, item 12 of the Management Regulations by this point.

#### Clause 17 Management costs

1. The Management Company shall be entitled to a flat-rate fee to be taken from the Fund, unless this fee is charged directly to the respective Unitholder within the framework of a special unit class. In addition, the Special Part of the Management Regulations may provide that the Management Company is entitled to a performance fee to be deducted

from the Fund.

The lump-sum payment shall cover the following remuneration and expenses covered, which shall not be charged separately to the fund:

- Remuneration for the administration and central management of the Fund;
- Remuneration for distribution and advisory services;
- Remuneration for the Custodian and costs for depositories;
- Remuneration for the Registrar and Transfer Agent;
- Costs for the preparation (including translation costs) and dispatch of the Prospectuses, Management Regulations, Key Investor Information Documents, as well as the annual, semi-annual and, if applicable, interim reports and other reports and notices to Unitholders;
- Costs of publishing the Prospectuses, Management Regulations, Key Investor Information Documents, annual, semi-annual and, where applicable, interim reports, other reports and notices to Unitholders, tax data and issue and redemption prices and notices to Unitholders;
- Costs for the audit of the Fund by the auditor;
- Costs of registering the unit certificates for public distribution and/or maintaining such a registration;
- Costs for the preparation of unit certificates and, if applicable, income coupons, as well as the renewal of income coupons/coupon sheets;
- Payment and information office fees;
- Costs for the evaluation of the fund by nationally and internationally recognised rating agencies;
- Expenses associated with the establishment of the Fund.

Depending on the form of the contractual relationship, the Custodian is entitled to a processing fee, to be deducted from the Fund for each transaction which it carries out on behalf of the Management Company.

2. In addition to this remuneration, the following expenses shall be charged to the Fund:

- costs incurred in connection with the acquisition and disposal of assets;
- costs for the enforcement and implementation of legal claims which appear to be justified and are attributable to the Fund or to an existing unit class, if any, and for defence against claims which appear to be unjustified and are related to the Fund or to an existing unit class, if any;
- costs and any taxes incurred (in particular, the *taxe d'abonnement*) in connection with management and custody;
- Costs for the examination, assertion and enforcement of any claims for reduction, crediting or refunding of withholding taxes or other taxes or fiscal charges.

#### Clause 18 Accounting

1. The Fund and its accounts shall be audited by an audit firm appointed by the Management Company.
2. No later than four months after the end of each financial year, the Management Company shall publish an audited annual report for the Fund.
3. Within two months of the end of the first half of the financial year, the Management Company shall publish an unaudited semi-annual report for the Fund.
4. The reports are available from the Management Company, the Custodian and the Paying

and Information Agents.

#### Clause 19 Duration and Dissolution of the Fund and Termination of the Management Company

1. The Fund has been established for an indefinite period, unless otherwise provided in the Special Part of the Management Regulations for the Fund; it may nevertheless be dissolved at any time by resolution of the Management Company.
2. Furthermore, the dissolution of the Fund shall occur in the cases listed under Article 22, paragraph 1, as well as Article 24 of the Law.
3. The Management Company may terminate the management of the Fund. The termination shall be published in the RESA and in at least two daily newspapers to be determined at that time. One of these daily newspapers shall be published in the Grand Duchy of Luxembourg. The right of the Management Company to manage the Fund shall expire when the termination takes effect. In this case, the right of disposal over the Fund shall pass to the Custodian, which shall wind it up in accordance with Clause 19, item 4 and distribute the liquidation proceeds to the Unitholders. For the period of liquidation, the Custodian may claim the lump-sum remuneration pursuant to Clause 17 of the Management Regulations. With the approval of the supervisory authority, it may nevertheless dispense with the liquidation and distribution and entrust the management of the Fund to another management company authorised pursuant to Directive 2009/65/EC, in accordance with the Management Regulations.
4. If the Fund is dissolved, this shall be published in the RESA and in at least two daily newspapers to be determined at that time. One of these daily newspapers shall be published in the Grand Duchy of Luxembourg. The assets shall be sold and the Custodian shall distribute the liquidation proceeds, minus the liquidation costs and fees, among the Unitholders in accordance with their entitlement, on the instructions of the Management Company or, where applicable, the liquidators appointed by it alone or by agreement with the supervisory authority. Liquidation proceeds which have not been collected by Unitholders at the end of the liquidation procedure shall, insofar as it is legally required, be converted into Euros and deposited by the Custodian for the account of the entitled Unitholders with the *Caisse de Consignation* in the Grand Duchy of Luxembourg, where such amounts shall be forfeited unless they are claimed there within the statutory period.

#### Clause 20 Merger

The Management Company may decide to merge the Fund (the “Transferring Fund”) into another existing undertaking for collective investment in transferable securities or one newly established through the merger process, pursuant to Directive 2009/65/EC or into a sub-fund of such an undertaking managed by the same Management Company or managed by another management company authorised pursuant to Directive 2009/65/EC (the “Acquiring Fund”).

The implementation of the merger shall generally be executed as a dissolution of the Transferring Fund and a simultaneous assumption of all liabilities and assets by the Acquiring Fund. It is also possible to transfer only the assets of the Transferring Fund to the Acquiring Fund. The liabilities shall remain in the Transferring Fund and the Transferring Fund shall be dissolved, correspondingly, albeit only after these liabilities have been liquidated.

The decision of the Management Company to merge funds shall be notified to the Unitholders of both the Transferring Fund and the Acquiring Fund, in accordance with the Law and other Luxembourg laws and regulations, at least 30 days prior to the date on which the right to request redemption free of charge expires, other than divestment costs at the relevant unit

value, in accordance with the procedure described in Clause 14 of the Management Regulations, also considering Clause 16 of the Management Regulations or, as appropriate, the conversion of all or part of the units. Unless otherwise decided in the interest of or in connection with the equal treatment of all Unitholders, the right of redemption or exchange free of charge shall expire five working days before the date of calculation of the merger ratio.

The units of Unitholders who have not requested redemption or, as appropriate, conversion of their units, shall be replaced by units of the receiving fund on the basis of the Net Asset Values on the effective date of the merger. As appropriate, Unitholders shall receive a fractional adjustment in accordance with the Law.

#### Clause 21 Amendments to the Management Regulations

1. The Management Company may, with the consent of the Custodian, amend the Management Regulations as a whole or in part at any time.
2. Amendments to the Management Regulations shall be filed with the Trade Register in the Grand Duchy of Luxembourg. A note of the deposit shall be made in the RESA.

#### Clause 22 Time barring of claims

Unitholders' claims against the Management Company or the Custodian may not be enforced in court after five years has elapsed since the date on which the claim arose.

#### Clause 23 Place of performance, place of jurisdiction and contractual language

1. The place of performance shall be the registered office of the Management Company in Luxembourg.
2. Legal disputes between Unitholders, the Management Company and the Custodian shall be subject to the jurisdiction of the competent court in the Grand Duchy of Luxembourg. The Management Company and the Custodian are entitled to subject themselves and the Fund to the law and jurisdiction of other countries in which the units are distributed, insofar as investors resident there assert claims against the Management Company or the Custodian.
3. The contractual language shall be English. The Management Company and the Custodian may declare translations into the languages of countries in which units are admitted for public distribution to be binding on themselves and on the Fund.

## **The following provisions shall apply in addition and exceptionally to Dynamic Vario Protect**

### **Special Part**

#### Clause 24 Name of the Fund

The name of the fund is Dynamic Vario Protect.

#### Clause 25 Custodian

The Custodian is BNP Paribas Securities Services S.C.A. until 2 November 2021, and Société Générale Luxembourg as of 3 November 2021.

#### Clause 26 Investment policy

##### 1. Investment objective

The aim of the investment policy is to allow investors to participate in the performance of a basket of investment fund units using derivative instruments, which is regularly realigned over the long term. At the same time, the aforementioned derivatives shall be linked to a dynamic hedging model (e.g. a CPPI model). Its purpose is to secure the guarantee(s) issued for unit class IT (EUR). For details on the guarantee(s), see section "Guarantee".

The details are shown below.

##### 2. Fund concept

The Fund invests in securities or other instruments as described in section 6 under "Investment principles", which relate, for example, to the equity market or generate interest income. In principle, the performance of all of the securities cited in sentence 1 is swapped for the performance of a dynamic hedging model by means of a total return swap. The dynamic hedging model permits participation in the performance of certain investment fund units and at the same time, secures the guarantee presented in the investment objective.

Until 2 November 2021 the Fund Manager of the Fund is Lyxor International Asset Management S.A.S. Deutschland, Neue Mainzer Straße, 46-50, 60311 Frankfurt am Main, Germany. As of 3 November 2021 the management of the Fund is not delegated to an external manager.

##### 3. Description of the Fund structure

###### Construction of a basket consisting of investment fund units

The basket of investment fund units (the "Basket") is determined by Allianz Global Investors GmbH as investment adviser and may be adjusted periodically.

At the start of a new guarantee period, a portfolio allocation is determined for the basket, which may consist in detail of global equity, bond or commodity funds. Over the long term, the objective of the selected basket of investment fund units is to generate attractive returns compared to a portfolio of approximately 60-80% equities and commodities and 20-40% bonds. The basket may be expanded to up to 20 investment funds. Furthermore, a maximum of 100% of the basket can be allocated to bond funds. In the same way, up to 100% of the



basket may be invested in funds with risky investments (e.g. global equity funds).

Further information on the current portfolio allocation of the basket may be obtained from the Management Company at any time.

#### Replacement of investment fund units in the basket

In particular, Allianz Global Investors GmbH may exchange investment fund units in the basket for units in other investment funds on the occurrence of the following fund- or unit-related events, regardless of the start and end of a guarantee period:

- Dissolution of an investment fund as a result of a merger or liquidation;
- Revocation of the authorisation of an investment fund or its investment manager by a supervisory authority;
- Division of an investment fund unit class into several unit classes or spin-off of units into a new unit class;
- Dissolution of an investment fund unit class as a result of a merger or liquidation;
- Permanent suspension of the issue or redemption of units of the investment fund unit classes;
- Change in the tax situation of the respective counterparty of the overall derivative structure/swaps, assuming that the counterparty holds the investment fund units in safe custody in a securities account with a financial institution of the Federal Republic of Germany;
- Significant change in the investment policy of an investment fund or an investment fund unit class;
- Decrease in the net asset value of all unit classes in the overall investment fund to below EUR 100 million;
- Increase in the average management fee for the investment fund units in the basket above 2.50% per year.

In the cases of the first eight indents, the investment fund unit in question shall be replaced by a unit in another investment fund or the percentage unit to be replaced shall be split *pro rata* among the existing units. In these cases, the new investment fund shall be an investment fund attributable to the investment sector of the replaced investment fund unit class.

In the case of the ninth indent, the units shall be replaced by as many units of the number of investment funds as guarantee that the average management fee for the various investment fund units after its recomposition does not exceed 2.50%. In this case as well, the new investment fund shall be an investment fund which is attributable to the investment sector of the replaced investment fund unit class.

A replacement shall in any case take place with future effect. The investment fund units to be replaced in the basket shall be replaced by new investment fund units for a corresponding percentage share.

#### Description of the dynamic hedging model (CPPI model)

The Fund structure, in particular the dynamic hedging model described here, shall be implemented using an overall derivative structure, in particular a total return swap.

The respective counterparty of the overall derivative structure shall undertake to make or receive payments depending on the performance of a basket of unit classes of up to twenty open-ended investment funds, using a protection mechanism underscored by a dynamic hedging model ("CPPI model"). This protection mechanism shall ultimately determine the extent of participation in the performance of the basket of investment fund units, depending on market conditions.

The weighting of the individual investment fund units within the basket and its components shall be reassessed monthly and may be realigned (as described below) at the beginning of each new guarantee period. In addition, the weighting of the investment fund units within the basket, without changing the components and allocation of the basket, may be realigned in the context of the dynamic hedging model if the weighting of at least one investment fund unit in the basket has changed by more than 3 percentage points since the start of the respective guarantee period.

The maximum weighting of an investment fund in the entire basket shall be 20% at the start of a new guarantee period and after realignment due to a change in the weighting of the basket. Depending on the evolution of the redemption prices of the individual investment fund units, this weighting may change over time. Since the quantitative management approach within the overall derivative structure is based on the dynamic hedging model, the extent to which the derivative instruments permit participation in the performance of the aforementioned basket will change dynamically or will be reduced, in particular depending on the individual market situation and the current performance of the basket. As a rule, participation in the performance of the basket of investment funds will therefore be below the performance that a notional full investment in the investment funds contained in the basket would achieve with the same diversification.

If the current redemption prices of the investment fund units in the basket increase relative to their values on the issuance date of the described guarantee (for details of the guarantee(s), see section "Guarantee"), the participation in the performance of the investment fund basket shall be regularly increased as part of the portfolio hedging strategy ("CPPI model"). The more the current redemption prices of the investment fund units contained in the basket approach or fall below the redemption prices on the issuance date of the guarantee(s), the more the participation in the performance of the investment fund basket will normally be attenuated.

If the current redemption prices of the aforementioned investment fund units included in the basket perform differently, a change in participation will depend as a rule on an overall consideration of the respective performances of the redemption prices and on the current weighting of the individual investment fund units in the basket. Changes in the costs of this fund generally also lead to a change in the participation in the performance of the investment fund basket. An increase in the costs of this fund normally reduces the participation in the performance of the investment fund basket and a reduction in the costs increases the participation.

Changes in the interest rate environment also generally affect participation in the performance of the investment fund basket, with the direction depending on the prevailing market environment and on the fund's composition at that time.

The respective counterparty to an overall derivative structure shall regularly retain the option of terminating the overall derivative structure at short notice, in particular in the event of a change in external circumstances, e.g. a change in the legal or tax situation of the respective counterparty to an overall derivative structure. If the Fund is dissolved as a result, the investment management shall generally no longer be in a position to pursue the investment objective of the Fund during the period between the termination of the overall derivative structure and dissolution of the Fund, and the dissolution of the Fund shall be prepared. If the Fund is not dissolved due to such a short-term termination of the overall derivative structure, but the previous counterparty of such overall derivative structure is replaced by a new counterparty, this may also result in no participation of the investors in the described sense during a transitional period.

#### 4. Implementation of the Fund structure

The structure of the Fund, in particular, the dynamic hedging model described under item 2, shall be implemented with the help of an overall derivative structure, notably a total return swap. In this case, the fund management exchanges a variable payment, determined by the performance of a dynamic hedging model of the fund, for its participation in the possible performance of certain investment funds. This performance can also be negative, which would result in additional payments by the Fund to the respective counterparties of the overall derivative structure, measured against the performance of the investment fund. If the performance is positive, the relevant counterparty shall pay the performance of the dynamic hedging model less the costs associated with the use of OTC swaps described below.

In this regard, the overall structure consisting of derivatives may notably consist of individual derivatives entered into at different times, which nevertheless take into account and arise from the previously concluded derivatives. The new conclusion of such an individual derivative may be carried out in particular with the aim of avoiding a breach of the investment principles or in order to achieve liquidity. Trading in derivatives is used within the investment limits and serves to ensure the efficient management of the Fund's assets.

In principle, the total return swap is implemented or concluded with a single counterparty. This counterparty complies with as the case may be the Management Company or Fund Manager's basic requirements regarding the proper selection of counterparties. Each counterparty must be a counterparty eligible for OTC derivatives, domiciled in the European Union, subject to prudential regulation and specialising in this type of transaction.

The Management Company and the Fund Manager shall endeavour to select first-class institutions with a minimum rating in the investment grade range, which have undergone an approval process and have been authorised for this type of transaction. The counterparty should not be exposed to excessive credit risk, should provide an accurate and reliable valuation of the transaction and should be prepared to close out the transactions at their market value at any time, at the request of the Management Company and the Fund Manager. The regular exchange of receivables and liabilities of the total return swap ensures that the maximum counterparty risk for the selected counterparty does not normally exceed 10% of the Fund volume.

#### 5. Investment principles

To this end, the assets of the Fund shall be invested in accordance with the principle of risk diversification as follows:

- a) The Fund assets may be invested in securities such as equities and interest-bearing securities, including zero-coupon bonds and corporate bonds, debentures (*Pfandbriefe*) and similar foreign mortgage-backed bonds issued by credit institutions, government bonds, municipal bonds, floating-rate bonds, convertible bonds, bonds with warrants, mortgage-backed securities and asset-backed securities, as well as other bonds linked to collateral assets. In addition, index certificates and other certificates with a risk profile typically correlated with the assets cited in sentence 1 or with the investment markets to which these assets are allocated may be acquired for the Fund assets.

Up to 20% of the value of the fund assets may be invested in mortgage-backed securities and asset-backed securities.

- b) Subject to item k) in particular, investment items pursuant to item a), sentence 1 may not be acquired, which do not have an investment grade rating from a recognised rating agency at the time of acquisition (so-called non-investment grade rating) or with regard

to which no rating exists at all but which, according to the assessment of the Fund Management, may be assumed to correspond to a non-investment grade rating in the event of a rating, (jointly: so-called high-yield assets). If a security pursuant to subparagraph a), sentence 1, is classified as a high-yield investment after acquisition, the Fund Managers or Management Company as the case may be shall seek to dispose of it within one year. Subject in particular to item k), the share of assets pursuant to the second sentence shall be limited to a maximum of 10% of the Fund's assets.

- c) Subject in particular to item k), assets pursuant to sentence 1 of item a), the issuers of which are domiciled in a country which, according to the World Bank's classification, does not fall into the category of "high gross national income per capita", i.e. is not classified as "developed", may not be acquired.
- d) The Fund may acquire certificates for products and indices relating to
  - the European equity market; and/or
  - the equity market of a European country; and/or
  - baskets of shares relating to issuers domiciled in Europe.
- e) In addition, the Fund may invest without limitation in UCITS or UCIs pursuant to Clause 4, item 2 of the Management Regulations, notably equity, money market or bond funds and/or funds pursuing an absolute return approach.

With regard to equity fund investments, these may be broadly diversified equity funds, as well as country, regional and sector funds. An equity fund in the aforementioned sense is any UCITS or UCI with a risk profile typically correlated with that of one or more equity markets.

With regard to bond fund investments, these may be broadly diversified bond funds, as well as country, regional, sector or fixed income funds focused on specific maturities or currencies. A bond fund in the aforementioned sense is any UCITS or UCI with a risk profile typically correlated with that of one or more bond markets.

With regard to money market fund investments, these may relate to money market funds which are broadly diversified, as well as those focused on specific issuer groups and/or currencies. A money market fund in the aforementioned sense is any UCITS or UCI with a risk profile typically correlated with that of one or more money markets.

- f) Furthermore, deposits pursuant to Clause 4, item 3 of the Management Regulations may be held and money market instruments pursuant to Clause 4, items 1 and 5 as well as Clause 5 of the Management Regulations may be acquired.
- g) The assets of the Fund may also be denominated in foreign currencies. In particular, within the framework of unit classes, transactions may be executed which, to a large degree, hedge against another specific currency. In this context, investment instruments which are not denominated in a currency are regarded as denominated in the currency of the country of domicile of their issuer (in the case of securities representing shares: of the company, in the case of certificates: of the underlying asset).
- h) The average, present value-weighted residual duration of the portion of the Fund assets invested in interest-bearing securities including zero-coupon bonds pursuant to sentence 1 of item a), as well as deposits and money market instruments pursuant to item e), including the interest claims associated with the aforementioned assets, shall be between 0 and 18 months. The calculation shall take into account derivatives on interest-bearing securities, interest rate and bond indices, as well as interest rates, irrespective of the currency of the underlying assets.

- i) Within the context of and in compliance with the aforementioned restrictions, the assets of the Fund may be invested in a concentrated or in a broadly diversified way, depending on the assessment of the market situation:
- in individual asset classes; and/or
  - in individual currencies; and/or
  - in individual sectors; and/or
  - in individual countries; and/or
  - in assets with shorter or longer (residual) maturities; and/or
  - in assets of issuers/debtors with a specific character (e.g. states or companies).
- j) Overshooting or undershooting the limits described above in items b), c), e) and h) is permissible if this occurs as a result of changes in the value of assets contained among the assets of the Fund, the exercise of subscription or option rights or changes in the value of the entire Fund, e.g. when unit certificates are issued or redeemed (so-called “passive breach of limits”). In these cases, the aim shall be to restore the aforementioned limits within a reasonable deadline.
- k) Overshooting of the limits specified in items b) and c) by acquiring or disposing of corresponding assets is permissible if, at the same time, it is guaranteed, through the use of techniques and instruments, that the respective overall market risk potential remains within the limits.

For this purpose, the techniques and instruments are credited with the delta-weighted value of the respective underlying assets according to their sign. Techniques and instruments which offset market risk shall be regarded as reducing risk, even if their underlying assets and the components of the Fund are not fully matched.

- l) The limit referred to in sub-paragraph h) need not be observed during the last two months preceding a dissolution or merger of the Fund.
- m) In addition, the Management Company is permitted to use techniques and instruments for the Fund for the purpose of efficient portfolio management (including for hedging purposes) (pursuant to Clauses 8 ff. of the Management Regulations or the explanations in the full Prospectus under “Use of techniques and instruments and associated specific risks”), as well as to contract short-term loans, pursuant to Clause 11 of the Management Regulations.

Under no circumstances may the Fund diverge from the stated investment objectives when using techniques and instruments.

The managers of the Fund shall invest its assets in securities and other permissible assets after a thorough analysis of all of the information available to it and having carefully weighed up the opportunities and risks. The performance of the fund units shall nevertheless remain dependent on price changes on the markets. No assurance can therefore be given that the objectives of the investment policy will be achieved.

Where applicable, investors risk receiving a lower amount than they originally invested.

The managers of the Fund shall adjust its composition depending on their assessment of the market situation, taking into consideration the investment objective and principles, which may also lead to a complete or partial realignment of the composition of the Fund. Such adjustments may therefore also be made frequently, as appropriate.

## Limited risk diversification

The Fund is authorised to invest, in accordance with the principle of risk diversification, up to 100% of its net assets in securities and money market instruments of various issues made by the Federal Republic of Germany, the German Federal States (Baden-Württemberg, Bavaria, Berlin, Brandenburg, Bremen, Hamburg, Hesse, Mecklenburg-Western Pomerania, Lower Saxony, North Rhine-Westphalia, Rhineland-Palatinate, Saarland, Saxony, Saxony-Anhalt, Schleswig-Holstein, Thuringia), the European Coal and Steel Community, the European Economic Community, EURATOM, the European Community, the European Union, an EU Member State (Belgium, Bulgaria, Denmark, Estonia, Finland, France, Greece, Ireland, Italy, Croatia, Latvia, Lithuania, Malta, Poland, Luxembourg, the Netherlands, Austria, Portugal, Sweden, Slovakia, Slovenia, Spain, Czech Republic, Hungary, Republic of Cyprus, Romania), or its local authorities, of Iceland, Liechtenstein, Norway, of member states of the OECD (Australia, Japan, Canada, Korea, Mexico, New Zealand, Switzerland, Turkey, United States of America, Chile, Israel, Colombia, United Kingdom of Great Britain and Northern Ireland), by member states of the G20 or by public international bodies of which one or more EU Member States are members. These securities or money market instruments shall be split into at least six different issues, whereby securities and money market instruments from one and the same issue may not exceed 30% of the total net assets.

## Guarantee

Société Générale S.A. is the guarantor (the "Guarantor").

The Guarantor guarantees unit class IT (EUR) of the Fund that its Net Asset Value per unit at least equals the below defined amount (the "Guaranteed Net Asset Value") on the last Valuation Day of the respective protection period (the "Guarantee Date"). The Guaranteed Net Asset Value is calculated before deduction of withholding taxes applicable for the shareholder, in particular before deduction of any capital gains / interest income / settlement tax. It is being noted that these taxes can reduce the determined amount at a later date.

With reference to each protection period, the following shall apply:

If the Net Asset Value calculated for a specific Guarantee Date is lower than the Guaranteed Net Asset Value in respect of such Guarantee Date, the Guarantor will pay an amount equal to the product of:

- (i) the difference, if positive, between (a) the Guaranteed Net Asset Value and (b) the Net Asset Value and
- (ii) the number of outstanding units of unit class IT (EUR) of the Fund as of the relevant Guarantee Date before taking into account any subscription and redemption orders to be executed on the Net Asset Value of such Guarantee Date (the "Guaranteed Amount"). The investor in unit class IT (EUR) of the Fund shall not have any direct claim against the Guarantor to pay the Guaranteed Amount.

The Net Asset Value of the Units of the unit class IT (EUR) on the last Valuation Day of the preceding month of a given protection period according to the following conditions will be defined as "Initial Value". With respect to each protection period, the Guaranteed Net Asset Value equals 80 % of its respective Initial Value (before deduction of withholding taxes applicable for the Unitholder and in particular before deduction of any capital gains / interest income / settlement tax).

The first protection period starts on 1 October 2019 and ends on 31 October 2019 (and if such day is not a Valuation Day, the last Valuation Day preceding 31 October 2019). In this

protection period the Guarantor guarantees that the Net Asset Value of the units of the unit class IT (EUR) of the Fund on the Guarantee Date will not be less than 80% of the Net Asset Value per unit of 30 September 2019, the last valuation date of the preceding month (before deduction of withholding taxes applicable for the Unitholder and in particular before deduction of any capital gains / interest income / settlement tax).

Each subsequent protection period starts with the first day of each succeeding month and terminate on the last day of such respective month (and if this day is not a Valuation Day the ultimately preceding Valuation Day).

Furthermore, the Guarantee is subject to certain conditions.

The Guarantor will enter into a swap agreement with the fund. It is a condition that any claim of the unit class IT (EUR) of the Fund under the existing swap agreement must be raised before any claim under the Guarantee is raised.

The obligation of the Guarantor terminates with the termination of the swap contract. If the swap agreement between Société Générale S.A. and the Fund is terminated at its maturity and no new swap agreement between Société Générale S.A. and the Fund is concluded, the Guarantee Date of the respective protection period of an existing guarantee is the day on which the termination of the swap agreement becomes effective.

If the Guarantor does not extend the Guarantee for a further protection period or terminates the guarantee in accordance with the Guarantee declaration and no other guarantor issues a corresponding guarantee declaration, the investor shall be informed of this situation by the Management Company on the following website: <https://sg29haussmann.societegenerale.fr> with 3 months' advance notice.

If the swap agreement between Guarantor and the Fund is terminated before its maturity (for any reason) and the Guarantor and the Fund do not enter into a new swap agreement, the Guarantee is automatically terminated on the same date than the swap agreement.

The obligation of the Guarantor does not longer exist, if the Net Asset Value of the fund is impaired in case of fraud, willful misconduct or gross negligence of third parties or the guarantee is effectively terminated in compliance with this Guarantee.

The Guarantor may terminate the Guarantee in the following cases:

- (i) Replacement of the Management Company, the Fund Manager or the Custodian of the Fund without the Guarantor's prior written approval, (which cannot be unreasonably withheld), or insolvency or dispute resolution proceedings with the Custodian;
- (ii) Amendment of the Prospectus, the Fund Management Agreement or the Advisory Agreement with the Adviser without the Guarantor's prior written approval, (which cannot be unreasonably withheld);
- (iii) Breach of the Prospectus, the Fund Management Agreement or the Advisory Agreement with the Adviser.

Exclusively in such cases, in which replacement or modification or non-compliance affects the Guarantor's obligations by way of the Guarantee, may the Guarantor terminate the Guarantee with immediate effect.

If there is no outstanding compensatory amount under the Guarantee to the Fund due by the Guarantor, the respective Guarantee ends by declaration of the Guarantor to the Management Company without notice, if due to changes in regulations applicable to the Guarantor or the investment manager laws or regulations (or due to a changed interpretation of laws and regulations at the request of the responsible courts or regulators) (i) the Guarantor by law is prevented from maintaining the Guarantee hereto or (ii) the investment manager by law is prevented from providing the management services described in the investment management agreement. The Guarantee shall end without notice and the respective protection period shall end at the end of that day.

It is not the aim of the investment policy to comply with the desired protection level during the respective protection periods.

Therefore, investors should be aware that the protection refers exclusively to the respective determined Guarantee Dates and only to units of class IT (EUR). Due to the concept, therefore it is possible to have larger losses within the protection periods up to the respective Guarantee Date.

By matching the applied protection model to changes on the capital markets the risk protection shall be realized in the most cost-efficient manner possible.

The Fund's income and the assets of the Fund may be subject to any tax and levy at acquisition, at sale or solely due to being held in countries where they are held in custody or traded, or from which they originate. The Fund's assets as such may be subject to a tax and levy, in particular it is currently subject to the Taxe d'Abonnement.

As far as income is reduced by introduction or modification of such taxes and levy or taxes and levy are payable by acquisition, sale or holding of assets, the Guaranteed Net Asset Value of the unit class IT (EUR) per unit is reduced to the same amount, which the determined Net Asset Value of the unit class IT (EUR) per unit is reduced by acc. to the fund prospectus regulations at the Guarantee Date.

In the cases described in the preceding paragraph, the Investment Manager shall try to ensure by reallocation of the assets, that the Net Asset Value of units of the unit class IT (EUR) achieves 80% of the underlying asset at the end of the current protection period.

The Guarantor accepts no responsibility for the non-, late or partial fulfillment of its contractual obligations if the non-, late or partial fulfillment is related to acts, omissions, incidents or events that are not attributable to him, and is not responsible for, and the Guarantor is not liable for any loss or damage incurred by the Fund or the Management Company as a result of herby actions.

The Guarantee is subject to the laws of the Federal Republic of Germany.

The Guarantee Dates and the current Guarantee level of the aforementioned unit class are published in the annual and semi-annual reports of the Fund and may be obtained from the Management Company at any time.

The Management Company shall publish the Guarantee Dates and the current guaranteed Net Asset Value of unit class IT (EUR) in the current annual and semi-annual reports of the Fund and shall provide these to investors at any time on request.

If the Management Company decides to close the Fund or the IT (EUR) unit class or to merge the Fund into another fund, this may only be done on the Guarantee Date of an already existing guarantee applicable to the respective protection period.



#### Clause 27 Unit certificates

Units in the form of bearer certificates are documented by global certificates. There is no entitlement to the delivery of physical units.

#### Clause 28 Base currency, issue and redemption price, transaction fee

1. The base currency of the Fund is Euro.
2. The Management Company or third parties commissioned by it and named in the Prospectus shall determine the issue and redemption price on each Valuation Day.
3. The issue price shall be paid to the Registrar and Transfer Agent in the reference currency of the unit class within two Valuation Days of the relevant settlement date at the latest. The Management Company is free to accept a different value date payment. This nevertheless may not exceed ten Valuation Days after the respective settlement date.
4. The issue premium for settlement of the issuance costs (Clause 15, item 5 of the Management Regulations) for units of unit class IT (EUR) shall be 5.00% of the Net Asset Value Per Unit of the respective unit class. The Management Company shall be free to charge a lower issue premium. A redemption fee available to the Management Company (Clause 15, item 6 of the Management Regulations) and a disinvestment fee due to the Fund (Clause 15, item 6 of the Management Regulations) shall not be charged until further notice.
5. The Management Company shall ensure that the unit prices are published in suitable fashion in the countries in which the Fund is publicly distributed. This may also be done by publication on the website of the Management Company.
6. In accordance with Clause 14, items 2 and 7 of the Management Regulations, unit purchase and redemption orders received by the Registrar and Transfer Agent by 4.45 p.m. CET or CEST on a Valuation Day shall be settled at the issue or redemption price determined on the next Valuation Day but one, which is still unknown at the time of placement of the order. Unit purchase and redemption orders received after this time shall be settled at the issue or redemption price, also unknown at the time when the order is placed, of the Valuation Day following the next but one Valuation Day.

#### Clause 29 Costs

1. The flat fee to be paid to the Fund, taking into account the different unit classes, shall be 1.35% per year for units of unit class IT (EUR) and shall be calculated on the net asset value determined daily. The Management Company shall be free to charge a lower fee.
2. Remuneration is paid monthly at the end of the month.

#### Clause 30 Unit classes

1. The Fund may have several unit classes, which may differ in terms of the costs charged, the method of charging costs, the use of income, the group of persons entitled to acquire units, the minimum investment amount, the reference currency, any currency hedging at unit class level, the determination of the settlement time after the order has been placed, the determination of the processing time after settlement of a unit issue or redemption order

and/or a distribution or other characteristics. All units shall participate equally in the income and liquidation proceeds of their class of units.

The Fund may issue units of distributing and accumulating unit classes. Unit class IT (EUR) is an accumulating unit class, i.e. the income accruing is reinvested within the framework of the unit class.

Conversion from one unit class to another unit class is not permitted.

2. The purchase of units of unit class IT (EUR) is only possible with a minimum investment in the amount specified in the Prospectus (after deduction of any issue premium). The Management Company is free to accept a lower minimum investment amount in individual cases. Subsequent investments are also permitted for lower amounts, provided that the sum of the current value of the units of the same unit class already held by the purchaser at the time of the subsequent investment and the amount of the subsequent investment (after deduction of any issue premium) is at least equal to the amount of the minimum investment of the unit class in question. Only holdings which the purchaser leaves in custody with the same agent with which he also wishes to make the subsequent investment shall be taken into account. If the purchaser acts as an intermediary custodian for final beneficiary third parties, it may only acquire units of the cited unit class types if the aforementioned conditions are fulfilled separately with regard to each third-party final beneficiary. The issuance of units of these unit class types may be made contingent on the prior provision by the acquirer of a corresponding written undertaking.

Units of unit class IT (EUR) may only be acquired by non-natural persons. The acquisition shall nevertheless be inadmissible if the subscriber of the units is not a natural person but acts as an intermediary custodian for a third party beneficiary who is a natural person. The issuance of units of these unit class types may be made contingent on the prior submission of a corresponding written undertaking by the purchaser.

3. Unit classes for which the reference currency is not the base currency of the Fund may also be issued. In this case, unit classes for which currency hedging in favour of the reference currency is sought and unit classes for which this is omitted may both be issued. The costs of these currency hedging transactions shall be borne by the relevant unit class.
4. The Net Asset Value (Clause 15, items 1, 2 and 3 of the Management Regulations) shall be calculated for each unit class by dividing the value of the net assets attributable to a unit class by the number of units of that unit class in circulation on the Valuation Day:
  - For distributions, the value of the net assets attributable to the units of the distributing unit classes shall be reduced by the amount of such distributions;
  - If the Fund issues units, the value of the net assets of the relevant unit class shall be increased by the proceeds received on issuance less any issue premium;
  - If the Fund redeems units, the value of the net assets of the respective unit class shall be reduced by the Net Asset Value attributable to the redeemed units.
5. The Management Company may dissolve existing unit classes or merge them with other funds or unit classes, in accordance with Clauses 19 and 20 of the Management Regulations.

#### Clause 31 Use of income

1. The Management Company shall determine each year whether, when and for what amount a distribution shall be made for a unit class in accordance with the provisions applicable in the Grand Duchy of Luxembourg. The Management Company may also determine interim

distributions. Within the framework of the legal requirements, fund assets may be used for distribution.

2. In principle, the income accruing to the IT (EUR) unit class of the Fund is not distributed, but reinvested within the framework of the unit class.
3. Any distribution amounts not claimed within five years of the publication of the distribution notice shall be forfeited to the benefit of the unit class. Notwithstanding the above, the Management Company shall be entitled to pay to the Unitholders any distribution amounts claimed after the expiry of this limitation period at the expense of the unit class.

#### Clause 32 Duration and dissolution of the Fund

The Fund was established for an indefinite period of time; it may nevertheless be terminated at any time by resolution of the Management Company.

#### Clause 33 Financial year

The financial year of the Fund shall begin on 1 June and end on 31 May.

#### Clause 34 Entry into effect

The Administrative Regulations entered into effect in their original version on 4 June 2007. The last amendment entered into effect on 12 October 2021.