

Sales Prospectus

SI UCITS ETF

Investment fund under Luxembourg law

As of July 2017
Management Company:
Structured Invest S.A.

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Sales prospectus July 2017

Units may be acquired on the basis of this sales prospectus, the latest annual report and, if it has already been published, the subsequent semi-annual report.

Only the information contained in this sales prospectus and in one of the documents referred to therein shall be deemed to be valid.

SI UCITS ETF (hereinafter called the “Fund” respective “sub-fund” or “SI UCITS ETF”) is an umbrella fund with multiple sub-funds, each tracking a particular Reference Index. In each sub-fund, units may be issued in different unit classes.

The units of SI UCITS ETF are listed on the XETRA Deutsche Börse AG, Borsa Italiana S.p.A., SIX Swiss Exchange AG and / or on additional stock exchanges.

The issue and redemption of units of SI UCITS ETF are further subject to the regulations prevailing in the country concerned.

Unless defined elsewhere in this sales prospectus, capitalized terms have the meaning as described in the chapter O “Definitions” at the end of this sales prospectus.

The Management Company may limit or prevent ownership of units by certain persons if such ownership could, in the view of the Management Company, adversely affect the Fund respective its sub-funds or constitute a violation of Luxembourg or foreign laws or regulations or if such ownership would make the Fund or a sub-fund subject to the laws (e.g. tax laws) of any other State than Luxembourg.

The units are not intended for distribution in the United States of America or to U.S. citizens. In particular, the units cannot be offered or sold directly or indirectly for the benefit of the following persons:

- a. A “U.S. person” as defined in section 7701(a)(30) of the U.S. Internal Revenue Code of 1986 in its currently applicable version (the “Code”) as well as defined in Section 902(k)(1) of the Regulation S promulgated under the Securities Act of 1933 in its currently applicable version; and
- b. A non-U.S. enterprise controlled by one or more persons designated as “specified U.S. persons” under Article. 1.1 et seq. of the Intergovernmental Agreement between Luxembourg and the United States of America (the “IGA”).

The following natural persons (as referred to under a.) are considered liable for taxation in the USA:

- Persons born in the U.S. and its territories and possessions within its jurisdiction;
- Naturalised nationals (e.g. green card holders);
- Persons born overseas as a child of a U.S. national;
- Persons who are not nationals of the USA, but whose primary residence is in the USA; or
- Persons who are married to a U.S. national.

The following legal persons (as referred to under b.) are considered liable for taxation in the USA:

- Companies and corporations founded according to the laws of one of the 50 U.S. states or the District of Columbia;
- A company or partnership founded according to an “Act of Congress”; or
- A pension fund founded as a U.S. trust.

The Management Company may at any time and at its sole discretion reject a subscription request. The Management Company may also redeem units at any time in return for payment of the redemption price, when such units are held by investors who are not permitted to acquire or hold units.

A) MANAGEMENT AND ADMINISTRATION

1. Management Company

The Fund is managed by Structured Invest S.A. (“Management Company” or “Structured Invest”).

Structured Invest S.A. is a Management Company pursuant to chapter 15 of the Law of 17 December 2010 in the form of a société anonyme (joint stock company under Luxembourg law) with registered office at 8–10, rue Jean Monnet, L-2180 Luxembourg. It was established on 16 November 2005 under the name HVB Structured Invest S.A. The name was changed to Structured Invest S.A. with effect from 8 April 2008. The Management Company is a wholly-owned subsidiary of UniCredit Bank AG, Munich¹.

The articles of association of the Management Company were published on 1 March 2006 in Mémorial C number 448 and are filed with the Commercial Register in Luxembourg.

The Management Company is responsible for determining and executing the investment policy of the Fund respective its sub-funds as well as for the activities listed in Annex II of the Law of 17 December 2010. Acting on behalf of the Fund, it may take all management and administrative measures and exercise all rights directly and indirectly connected with the fund assets. The Board of Directors of the Management Company has appointed Stefan Lieser and Johannes Höring as Managing Directors of the Management Company and transferred all management activities to them.

It may make use of external service providers for carrying out its activities. Service providers to whom fund specific activities are transferred are mentioned in this sales prospectus.

In accordance with the Law of 17 December 2010 and the applicable administrative provisions of the CSSF, the Management Company has adequate and appropriate organisational structures and internal control mechanisms. In particular, it acts in the best interest of the Fund and / or the sub-funds and ensures that conflicts of interest are avoided, that resolutions and procedures are adhered to and that investors in the Fund and the sub-funds are treated fairly.

Remuneration Policy

Structured Invest S.A. is included in the remuneration strategy of the UniCredit Group. All remuneration matters as well as compliance of regulatory requirements is monitored by the relevant committees of the UniCredit Group. The Remuneration Policy is consistent with a sound and effective risk management and conducive to this and encourages no acceptance of risks that are incompatible with the risk profiles, terms of contract or articles of incorporation of the funds managed by the management company. It is consistent with the business strategy, objectives, values and interests of the management company and their funds and their investors and includes measures to avoid conflicts of interests. The remuneration strategy provides a balance between fixed and variable salary components and defines mechanisms for the payment of variable remuneration. The fixed and variable components of the total remuneration are appropriate in relation to each other, whereby the portion of the fix component of the total remuneration is high enough to provide a complete flexibility relating to the variable remuneration component, including the possibility to pay no variable remuneration component. Since each payment is preceded by a check for compliance conformity behavior it promotes sustainable action. Structured Invest S.A. has defined a remuneration system which avoids a significant dependence of the variable remuneration component. Essential negative aspects that are determined in the annual performance appraisal of the employees will be considered in the variable remuneration in the following years. Therefore a multi-year consideration is ensured. Structured Invest S.A. refers when determining the variable remuneration of employees on their individual performance, the performance of the department which they belong to and the result of the company. Consideration of the performance of the funds respectively sub-funds managed by Structured Invest S.A. remain out of consideration in determining the variable remuneration. In case of outsourcing of portfolio management, the Structured Invest S.A. ensures through annual oversight that equivalent remuneration provisions (as CRD IV, UCITS V) are met.

¹“UniCredit Bank AG, Munich” means all branches included, hereinafter called “UniCredit Bank AG”

Further details of the current remuneration policy are available online at <http://www.structuredinvest.lu/lu/de/fund-platform/about-us.further-infos.html>. These include a description of the calculation method for the remunerations and benefits to certain groups of employees as well as the identity of the persons responsible for the allocation of remuneration and other benefits, including the composition of the remuneration committee, if there is such a committee.

Upon request, these information provided free of charge in paper form by Structured Invest S.A.

Chairman of the Board of Directors

Christian Voit
UniCredit Bank AG
Arabellastraße 12
D-81925 München

Members of the Board of Directors

Dr. Rainer Krütten	Amit Sharma
Wealth Management Capital Holding GmbH	UniCredit Bank AG, London Branch
Am Eisbach 3	Moor House, 120 London Wall
D-80538 Munich	UK London EC2Y 5ET

Laurent Dupeyron	Stefan Lieser
UniCredit Bank AG, London Branch	Structured Invest S.A.
Moor House, 120 London Wall	8-10, rue Jean Monnet
UK London EC2Y 5ET	L-2180 Luxembourg

Managing Directors of the Management Company

Stefan Lieser
Johannes Höring

2. Portfolio Managers and Investment Advisors

The Management Company, under their responsibility and control may entrust an external portfolio manager (“Portfolio Manager”) with the management of the assets or an investment advisor (“Investment Advisor”) to provide advice on investment of a sub-fund; this will be mentioned in chapter N “The sub-funds”.

The Portfolio Manager is commissioned to manage the securities portfolio, subject to the supervision and under the ultimate responsibility of the Management Company, and will execute all relevant transactions in conformity with the specified investment restrictions.

The Management Company has appointed UniCredit Bank AG as Investment Advisor to provide investment advice for the sub-funds.

3. Depositary

Brown Brothers Harriman (Luxembourg) S.C.A. has been appointed as the depositary of the assets of the fund (the “Depositary”) pursuant to the terms of a depositary agreement, as amended from time to time (the “Depositary Agreement”). Brown Brothers Harriman (Luxembourg) S.C.A. is registered with the Luxembourg Company Register (RCS) under number B 29923 and has been incorporated under the laws of Luxembourg on 9 February 1989. It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector. Brown Brothers Harriman (Luxembourg) S.C.A. is a bank organised as a société en commandite par actions in and under the laws of the Grand Duchy of Luxembourg and maintains its registered office at 80, Route d’Esch, L-1470 Luxembourg.

The Depositary shall assume its functions and responsibilities as a fund depositary in accordance with the provisions of Depositary Agreement and the law of 17 December 2010 concerning undertakings for collective investment, as amended by Directive 2014/91/EU, the Commission delegated regulation and applicable Luxembourg law, rules and regulations (the “Law”) regarding (i) the safekeeping of financial instruments of the fund to be held in custody and the supervision of other assets of the fund that are not held or capable of being held in custody, (ii) the monitoring of the fund’s cash flow and the following oversight duties:

- i. ensuring that the sale, issue, repurchase, redemption and cancellation of the shares of the fund (the “Shares”) are carried out in accordance with the Management Regulations and applicable Luxembourg law, rules and regulations;
- ii. ensuring that the value of the Shares is calculated in accordance with the Management Regulations and the Law;
- iii. ensuring that in transactions involving the fund’s assets any consideration is remitted to the fund within the usual time limits;
- iv. ensuring that the fund’s income is applied in accordance with the Management Regulations and the Law; and
- v. ensuring that instructions from the Management Company did not conflict with Management Regulations and the Law.

In accordance with the provisions of the Depositary Agreement and the Law, the Depositary may, subject to certain conditions and in order to effectively conduct its duties, delegate part or all of its safe-keeping duties with regard to financial instruments to one or more correspondents appointed by the Depositary from time to time. The Depositary may delegate to third parties the safe-keeping of the fund’s assets subject to the conditions laid down in the Law and the Depositary Agreement. In particular, such third parties must be subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The list of such third parties appointed by the Depositary together with any conflicts of interest which may arise from such delegation is available online at <http://www.structuredinvest.lu/lu/de/fund-platform/about-us.further-infos.html> and upon request from the depositary. When selecting and appointing a correspondent, the Depositary shall exercise all due skill, care and diligence as required by the Law to ensure that it entrusts the fund’s assets only to a correspondent who may provide an adequate standard of protection. The Depositary’s liability shall not be affected by any such delegation. The Depositary is liable to the fund or its Shareholders pursuant the provisions of the Law.

The Depositary is aware that there may arise conflicts of interest through the delegation of the safe-keeping duties to the respective correspondents. Conflicts of interest may arise, for example, if the correspondent is an affiliate of the Depositary

(e.g. the Depositary could prefer an affiliate in the delegation of the safe-keeping duties or in the choice as sub-depositary over equivalent other companies. Moreover, conflicts of interest could arise between the Depositary and other service providers of the fund. In accordance with applicable Luxembourg laws and regulations, the Depositary has appropriate structures in order to avoid potential conflicts of interest that may arise through the delegation of the safe-keeping duties. Unable to prevent conflicts of interest, the Depositary will identify these, monitor and, where such exist, disclose.

Unable to prevent conflicts of interest, the Depositary will identify these, monitor and, where such exist, disclose and resolve while protecting the interests of investors.

Currently, the Depositary has no notice of conflicts of interests through the delegation of safe-keeping duties.

The Law provide for a strict liability of the Depositary in case of loss of financial instruments held in custody. In case of loss of these financial instruments, the Depositary shall return financial instruments of identical type of the corresponding amount to the fund unless it can prove that the loss is the result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. Shareholders are informed that in certain circumstances financial instruments held by the fund with respect to the fund will not qualify as financial instruments to be held in custody (i.e. financial instruments that can be registered in a financial instrument account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary). The Depositary will be liable to the fund or the Shareholders for the loss suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfill its obligations pursuant to the Law.

The Depositary or the Management Company may, at any time, and subject to a written prior notice of at least three (3) months from either party to the other, terminate the appointment of the Depositary, provided however that the termination of the Depositary's appointment by the Management Company is subject to the condition that another depositary bank assumes the functions and responsibilities of a depositary bank. Upon termination of the Depositary Agreement, the Management Company shall be obliged to appoint a new depositary bank which shall assume the functions and responsibilities of a depositary bank in accordance with Management Regulations and the Law, provided that, as from the expiry date of the notice until the date of the appointment of a new depositary bank by the Management Company, the Depositary's only duties shall be to take such steps as are necessary to protect the interests of shareholders.

4. Fund Administrator

Brown Brothers Harriman (Luxembourg) S.C.A. ("BBH"), 80, route d'Esch L-1470 Luxembourg.

BBH acts as the Fund's administrator ("Fund Administrator"), Registrar and Transfer Agent and is responsible for the general administrative duties involved in administering the Fund respective its sub-funds as prescribed by Luxembourg laws and acting as the transfer agent. These duties include calculation of the Daily NAV Per Unit and the keeping of the sub-fund's accounts, as well as reporting. Moreover, the administrative agent will be responsible for the issue and redemption of units in the sub-fund, and all related operations, including processing all subscriptions, redemptions and conversions to or from Authorized Participants.

5. Compliance Administrator

Brown Brothers Harriman (Luxembourg) S.C.A. ("BBH"), 80, route d'Esch L-1470 Luxembourg.

The compliance administrator ("Compliance Administrator") has been appointed by the Management Company to provide certain compliance administrative services that will assist the Management Company with its duty to monitor compliance with the sub-fund's investment restrictions.

6. Main Distributor

UniCredit Bank AG, Arabellastraße 12, D-81925 Munich.

The distributor is responsible for assisting the Management Company in the marketing of the units and promoting the establishment and operation of a secondary market in units as well as other general marketing activities on behalf of the Management Company. The distributors are entitled to enter into sub-agreements. UniCredit Bank AG, as main distributor ("Main Distributor") is also entitled to enter into sub-agreements throughout the EU.

Respective information concerning country specific notes is set out in particular sections below.

7. Index Providers

The Main Distributor has entered into licensing arrangements with certain index providers (the “Index Providers”). These arrangements relate to the use of the trademarks, trade names and other intellectual property rights. The Main Distributor and each Index Provider have in turn agreed to license those rights to the Fund respective its sub-funds. As the investment objective of a sub-fund is to track a specified index independently compiled by an Index Provider, the inclusion of the Index Provider’s trade name or trademark in the name of a sub-fund is dependent on the licensing of those intellectual property rights to UniCredit Bank AG and the sub-licensing to the sub-fund. In relation to these arrangements investors should note the following matters.

The Index Providers and its licensors (the “Licensors”) have no relationship to the Fund respective its sub-funds.

The Index Provider may also act as index calculation agent (“Index Calculation Agent”).

8. Auditors of the Fund

KPMG Luxembourg, Reviseur d’entreprises agréée, 39, Avenue John F. Kennedy, L-1855 Luxembourg.

9. Paying Agents

Brown Brothers Harriman (Luxembourg) S.C.A. (“BBH”), 80, route d’Esch L-1470 Luxembourg, acting as paying agent (“Paying Agent”) in Luxembourg, as well as other paying agents (the “Paying Agents”) in the various countries in which units of the sub-fund are distributed. The list of these other Paying Agents is available in the annual report of the Fund.

10. Risk Data Calculation Agent

UniCredit Bank AG, Munich, Group Risk Control, acts as risk data calculation agent (“Risk Data Calculation Agent”) and is responsible for the calculation of risk figures (value at risk), execution of stress tests, provision of market data and check of models for the valuation of the financial derivative instruments.

B) THE FUND

1. Structure

The Fund offers investors various sub-funds (umbrella construction), which invest in accordance with the investment policy described in this sales prospectus. This sales prospectus, which contains specific details on each sub-fund, will be brought up to date on the inception of each new sub-fund. In each sub-fund units may be issued in various classes.

For the avoidance of doubt, units may be subscribed, converted and redeemed by Authorized Participants only (save in the case of cash redemptions as foreseen in section E 1. c)).

2. Legal aspects

The Fund was incorporated in the Grand Duchy of Luxembourg as an open-ended investment fund (a “Fonds commun de placement à compartiments multiple”) on 13 April 2015 for an unlimited period. The Fund is governed by Part I of the Luxembourg Law of 17 December 2010 on undertakings for collective investments, as amended. Accordingly, each sub-fund has been established for an unlimited period, otherwise defined in chapter N “The sub-funds”.

The Fund’s management regulations and the sub-funds special regulations (the “Management Regulations”) came into effect on 12 February 2016 and have been lodged with the Commercial Register in Luxembourg. The sub-funds special regulations were last amended with effect as of 1 January 2017. The Management Regulations establish general principles for the Fund launched by the Management Company. The particular characteristics of the sub-funds are described in the special regulations for the respective sub-funds, which may contain provisions supplemental to or derogating from individual provisions of the Management Regulations. The Management Regulations and the respective special regulations together

comprise related components of the contractual terms and conditions applying to the sub-fund in question. If necessary, any amendment to the Management Regulations will be published in the newspapers and official publications specified for the respective countries in which the units are sold.

As a supplement, the Management Company provides a sales prospectus and a document with key investor information (“Key Investor Information”) for each sub-fund.

The Management Company will maintain for each sub-fund a separate pool of assets. As between unit holders of a sub-fund, that sub-fund’s pool of assets will be invested for its exclusive benefit.

The rights of investors and creditors regarding a sub-fund or raised by the constitution, operation or liquidation of a sub-fund are limited to the assets of this sub-fund. The assets of a sub-fund will be available exclusively for the rights of the investors relating to this sub-fund and for those of the creditors whose claim arose in relation to the constitution, operation or liquidation of this sub-fund.

In the relation between investors, each sub-fund will be deemed to be a separate entity. The Management Company may issue, for each of the sub-funds, units which in turn may be issued in several classes. Upon issue, the units are entitled to participate equally in the assets, profits and dividends of the sub-fund attributable to the relevant class of units in which they have been issued as well as in the liquidation proceeds of such sub-fund and class.

The units of a sub-fund do not carry any preferential or pre-emptive rights. All units of a sub-fund have the same rights in principle. The units are issued without par value and must be fully paid.

All units are entitled in the same manner from the date of issue to the earnings, price gains and liquidation proceeds of the respective fund or sub-fund or of their respective unit class.

The Fund’s financial year starts on 1 January and ends on 31 December.

C) INVESTMENT OBJECTIVE AND INVESTMENT POLICY OF THE SUB-FUNDS

1. Investment objective of the Fund

The Fund has been established to provide investors with an opportunity to purchase units in its sub-funds, the investment objective of each of which is to aim to track a specific Reference Index. This allows investors the opportunity to obtain market exposure to the performance of that Reference Index in an easily tradable form though the units being listed on one or more stock exchanges.

2. Investment policy of the sub-funds

a) Generic investment policy of each sub-fund

Each sub-fund is managed in accordance with the investment restrictions (set out in chapter L “Investment restrictions”) and the following generic investment policy in aiming to achieve its investment objective specified in chapter N “The sub-funds”.

Each sub-fund aims to replicate or track, subject to the investment policy discussed below, before expenses, the price and income performance of its Reference Index in terms of both the price performance and the income from the component securities of its Reference Index.

The Management Company will use a risk-management process that enables it to monitor and measure at any time the risk of the sub-funds’ portfolio positions and their contribution to the overall risk profile of the portfolio. It will employ a process allowing for accurate and independent assessment of the value of OTC derivative instruments.

b) Tracking accuracy

The sub-funds are subject to tracking error risks which may result in the value and performance of the units not tracking exactly the value and performance of the corresponding Reference Index. For further information on why tracking error may occur, please see “Risks in relation to the tracking of indices” under chapter F “Risk Factors” below.

The tracking error is defined as the volatility (as measured by the standard deviation) of the difference between the return of the sub-fund and the return of its Reference Index, over a given period of time (the “Tracking Error”). It should be differentiated from the tracking difference, which is simply the difference between the return of the sub-fund and the return of its Reference Index, over a given period of time (the “Tracking Difference”).

The Tracking Difference indicates the extent to which a sub-fund has outperformed or underperformed its Reference Index. In contrast, the Tracking Error measures how consistently the sub-fund return matches its Reference Index.

The anticipated level of Tracking Error, in normal market conditions, will be disclosed for each sub-fund in chapter N “The sub-funds”. Investors’ attention is drawn to the fact that these figures are only estimates of the Tracking Error level in normal market conditions and should not be understood as strict limits.

c) Methods for tracking the sub-fund’s Reference Index

Each sub-fund may use two different methods in order to track its Reference Index, either by directly holding component securities included in its Reference Index as well as, the case being other securities, or by replicating the performance of its Reference Index by the use of derivatives. Each sub-fund may use a combination of both techniques if the Management Company deems it to be in the best interest of the sub-fund.

Direct holding of component securities (“Direct Investment Policy”)

Each sub-fund may directly hold a portfolio of transferable securities, derivatives, money market instruments, investment funds and other instruments that comprise all or substantially all of the component securities of its Reference Index. A sub-fund may invest in all the component securities of its Reference Index in proportion to their weighting in the Reference Index.

However, due to various factors, including the costs and expenses involved, the concentration limits described in chapter L “Investment restrictions”, other legal or regulatory restrictions, and, in certain instances, certain securities being illiquid, it may not be possible or practicable for a sub-fund to purchase all of the component securities in their weightings or purchase certain of them at all. In these circumstances, such sub-fund aims to hold a representative sample of the component securities of its Reference Index as selected by the sub-fund’s Portfolio Manager using quantitative techniques. Such techniques involve considering the inclusion of each security into a sub-fund based on its investment characteristics, fundamental characteristics and liquidity.

There may also be instances where a sub-fund holds securities which are not comprised in its Reference Index if the Portfolio Manager of the respective sub-fund believes this to be appropriate considering the sub-fund’s investment objective and the investment restrictions or other factors.

In this context, the assets of the sub-funds may be furthermore invested in equities, other equity shares such as cooperative shares and participation certificates (equities and equity rights), short-term securities, dividend-right certificates and warrants issued by companies which are included in the Reference Index mentioned in the sub-fund’s name (if applicable) or which are domiciled in the country or the geographic region given in the respective sub-fund’s name or which are chiefly active in the country, geographic region or economic sector given in the respective sub-fund’s name.

Exposure to the Reference Index through physical replication may be affected by rebalancing costs, in particular where the Reference Index undergoes significant rebalancing or where constituents are not very liquid or have restrictions in terms of accessibility. Rebalancing costs are a factor of the rebalancing frequency of the underlying Reference Index, the constituents’ weighting adjustments and / or the number of constituents being replaced on each rebalancing day, and the transaction costs incurred to implement such changes. High rebalancing costs will generally deteriorate the relative performance between the sub-fund and the Reference Index. The rebalancing frequency is detailed for each sub-fund in chapter N “The sub-funds”.

Index replication by the use of derivatives (“Indirect Investment Policy”)

A sub-fund using this method will hold a portfolio of assets composed of transferable securities, money market instruments, certificates, units of Undertakings for Collective Investment (“UCIs”), deposits with credit institutions, structured notes listed or dealt in on a Regulated Market and other assets eligible under the rules set forth in chapter L “Investment restrictions” and the respective specific restrictions set forth in chapter N “The sub-funds” of this sales prospectus. In order to get an exposure to its Reference Index, the relevant sub-fund may namely enter into a range of swaps (excluding funded swaps) and derivative instruments (futures, forwards, options, warrants and foreign exchange contracts). A swap is an agreement entered into with one or more counterparties to swap periodic payments for a certain amount of time. One party makes payments based upon the total return of a specified Reference Index. The other makes periodic fixed or floating payments. The swap agreements will be based on the relevant master agreements. The International Swap and Derivatives Association (“ISDA”) and the leading associations of German lenders organized in the Central Credit Committee (ZKA) have each written standardized documentation for this type of transaction under the umbrella of framework agreements, the ISDA Master Agreement and the German Framework Agreement for Futures Transactions (“DRV”). The swap counterparties will be first class financial institutions that specialize in that type of transactions. The Management Company, on behalf of the sub-funds, may not enter into swaps through which a sub-fund would exchange the proceeds generated from the issuance of units against an exposure to the performance of an underlying index (funded swaps). A future is an agreement by virtue of which the buyer undertakes to purchase, or the seller undertakes to sell, a financial index at a predetermined date and price.

Exposure to the Reference Index may be affected by factors set out in section C 2.b) “Tracking accuracy”.

Sub-funds replicating indices by the use of derivatives are exposed to the risk of default of the counterparties to the derivatives, including in particular swap counterparties (see chapter F “Risk Factors”, section 4. “Risks in connection with derivatives and other techniques and instruments” below), which is however mitigated by the Fund’s collateral policy (see chapter M “Special techniques and instruments that have securities and money market instruments as the underlying”, section 5. “Collateral and Haircut Policy” below).

For all sub-funds, UniCredit Bank AG is currently the exclusive counterparty for all OTC swap transactions.

d) Summary of investment policies of the sub-funds

Identified in chapter N “The sub-funds” for each sub-fund is a summary of its specific investment policy.

Concentration limits

Each sub-fund aims to take an exposure on the component securities of its Reference Index directly and / or indirectly by the use of derivatives so that the weighting of the exposure on each security does not diverge substantially from the weighting of that component security in its Reference Index. However, each sub-fund’s exposures on component securities and / or derivatives are limited by the investment restrictions. In the case of some sub-funds, those limits may prevent a sub-fund from being able to take an exposure in the same weighting and / or composition as its Reference Index.

Where taking such an exposure would cause a sub-fund to breach the investment restrictions, then that sub-fund will take a lesser exposure of that security. To avoid such a breach the excess exposure in the relevant component security is reallocated to such other securities or instruments, including other component securities, so as to provide the same, or similar, exposure to the relevant excess component security.

Efficient portfolio management

The Management Company may, on behalf of each sub-fund and subject to investment restrictions employ such techniques and instruments relating to transferable securities as are listed in chapter M “Special techniques and instruments that have securities and money market instruments as the underlying” of the sales prospectus, and which include derivative instruments (futures, options, warrants and foreign exchange contracts) as well as securities lending and repurchase agreements.

Such techniques and instruments will be only used for efficient portfolio management purposes or hedging where the calculation of the Reference Index return hedges currency exposure back to the Reference Currency of the sub-fund.

New techniques and instruments may be added, in which case the sales prospectus will be updated in accordance with all applicable laws. The use of techniques and instruments must be made in compliance with the rules and limits as set forth in

chapter L “Investment restrictions” of the sales prospectus. Under no circumstances shall these operations cause any sub-fund to diverge from its investment objectives.

Changes to a Reference Index’s component securities

Given the investment objective of each sub-fund, any changes to a Reference Index, such as the composition and / or weighting of its component securities, require a sub-fund to make corresponding adjustments or rebalancing to its investment portfolio to conform to the relevant Reference Index. The Portfolio Manager will monitor such changes and make adjustments to the portfolio as necessary.

Reliance on Index Provider

Each sub-fund’s Portfolio Manager will rely solely on the Index Provider for information as to the composition and / or weighting of the component securities within the Reference Index. If the Portfolio Manager of a sub-fund is unable to obtain or process such information then the composition and / or weighting of the Reference Index most recently published may, subject to that Portfolio Manager’s overall discretion, be used for the purpose of all adjustments.

Change of Reference Index

The Management Company reserves the right, if it considers it in the interests of the Fund or any sub-fund to do so, to substitute another index for a sub-fund’s Reference Index. The circumstances in which the Management Company may decide such a substitution include the following:

- If the weightings of component securities of the Reference Index would cause a sub-fund (if it were to follow the Reference Index closely) to be in breach of the investment restrictions and / or materially affect the taxation or fiscal treatment of the Fund or a sub-fund or any of its unit holders;
- If the particular Reference Index or index series ceases to exist, or if there is a material change in the calculation method or in the composition of the Reference Index;
- If a new index becomes available which supersedes the existing Reference Index;
- If an index is better diversified among sectors and constituents than the existing Reference Index and shows attractive historical risk / return characteristics;
- If the Index Provider of a Reference Index is replaced and if the successor index provided is not deemed acceptable by the Management Company;
- If a new index becomes available which is regarded as the market standard for investors in the particular market and / or would be regarded as of greater benefit to the investors in units than the existing Reference Index;
- If it becomes difficult to invest in the component securities of the Reference Index or there is limited liquidity in a proportion of the component securities of the Reference Index;
- If the Index Provider increases its license charges to a level which the Management Company considers too high;
- If in the opinion of the Management Company the quality (including accuracy and availability of data) of a particular Reference Index has deteriorated;
- If a particular Reference Index does not comply any more with the legal or regulatory criteria of eligibility, as applicable from time to time;
- If the swaps or other derivative instruments used by a sub-fund in order to replicate its Reference Index cease to be available or if the conditions under which they are available are not considered as being acceptable by the directors; or
- If a counterparty of swap agreements or other derivative instruments informs the Fund that there is a limited liquidity in a portion of the component securities of the relevant sub-fund or if there are practical reasons which prevent the investment in such component securities.

For the avoidance of doubt, the above list is only exemplary and the Management Company may decide an index substitution in any other circumstances they deem appropriate.

The Management Company may change the name of any sub-fund, particularly if the Reference Index is changed. Any change of Reference Index, change to the name of a sub-fund and the related amendments to this sales prospectus will be previously approved in accordance with Luxembourg law and, as applicable, by any stock exchange. If required by Luxembourg law, notice of the change will be published in a Luxembourg daily newspaper and, if also required, in any other newspapers selected by

the Management Company. If the new index has significantly different characteristics then the change to the new index will only take effect after the prescribed period for publication of the proposal and during this period any redemption for cash will not be subject to the Cash Redemption Charge.

e) Portfolio transparency

Information on the calculation methodology, including the exact composition of each sub-fund's Reference Index, is available on the website indicated in chapter N "The sub-funds" in the section "General Description of the Reference Index".

3. Risk management process

In respect of the each sub-fund, a risk-management procedure shall be set up which enables the Management Company to monitor and measure at all times the market risk, liquidity risk and counterparty risk associated with the sub-fund's investment positions, their respective share in the overall risk profile of the investment portfolio, and all other material risks, including operational risks. In respect of derivatives, in this connection a procedure will be implemented that enables precise and independent valuation of OTC derivatives. Further details can be found in chapter N "The sub-funds" in section "Risk Management Procedure". On behalf of each sub-fund, the Management Company ensures that the overall risk associated with derivatives does not exceed the overall net value of the respective sub-fund portfolio. As a part of its investment strategy, within the limits specified in chapter L "Investment restrictions" section 7.c) the sub-fund may invest in derivatives provided that the overall risk comprised in the underlying instruments does not exceed the investment limits of chapter L "Investment restrictions" section 7.a) to e). If the sub-fund invests in index-based derivatives, such investments do not need to be taken into account in the context of the investment limits stated in chapter L "Investment restrictions" – 7.a) to e). Derivatives embedded in security or money market instruments must also be taken into account in terms of adherence to the above provisions.

D) INVESTMENT IN UNITS OF THE FUND

1. On the primary market

The Management Company is authorized without limitation to issue units of any sub-fund and unit class at any time; and unit holders have the right to request, at any time, to have their units redeemed by the Management Company, under the conditions as described hereafter. The Management Company may in its absolute discretion decide to refuse at any time and without prior notice the issue of units of a sub-fund and / or unit class and / or the conversion of units of one unit class to another unit class. Moreover, the Management Company may in its absolute discretion reject a request to redeem units where the Management Company has reason to believe that the request is being made fraudulently, or in such a manner as to prejudice the interests of the Fund respective its sub-funds, existing unit holders or potential unit holders.

As a matter of principle, only Authorized Participants can subscribe for units and redeem units directly with the Management Company. Other investors can buy or sell units on the secondary market. An investor who is not an Authorized Participant may subscribe and redeem units through entering into arrangements with an Authorized Participant who will in turn make such subscription or redemption in accordance with the procedures described below. The Management Company will only accept subscriptions from Authorized Participants. To the extent required by applicable law of a country where the units are registered for public sale, cash redemptions will be accepted from unit holders not qualifying as Authorized Participants, subject to the procedures and charges as described below.

a) Subscriptions, redemptions and conversions of units by Authorized Participants

The Management Company acting on behalf of the Fund and certain financial institutions, the "Authorized Participants", have entered into agreements, the "Participation Agreements", determining the terms and conditions under which the Authorized Participants may subscribe, redeem and convert units of the sub-fund. According to the terms of the Participation Agreements, subscriptions and redemptions of units by Authorized Participants may be made, beside cash, in total or partially against contribution or reception of securities in kind, while complying with the applicable laws and regulations. Authorized Participants will subscribe and redeem units following the principles of minimum initial and subsequent investments as set

out in chapter N “The sub-fund”. Subscriptions, redemptions and conversions of units by Authorized Participant will typically be made in units. A conversion from one unit class to another of the same sub-fund will be treated as redemption from one class and a subscription into another class with a fee (the “Conversion Fee”) as mentioned in chapter N “The sub-fund”. It is not possible to physically deliver fractions of units. There is no option to receive fractions of units from the conversion registered on the relevant account. The Participation Agreements moreover contain detailed provisions relating to the rules and operational procedures applicable to subscriptions, redemptions and conversions of units by Authorized Participants. These rules include minimum subscription and holding limits and the possibility to defer redemptions exceeding a certain percentage of the net asset value of a given sub-fund. For the avoidance of doubt, these rules also contain specific provisions about the deadline by which application for subscriptions, redemptions and conversions must be received by the Fund administrator to be processed on the relevant Dealing Day. The order acceptance contained in this sales prospectus may apply to subscriptions, redemptions and conversions of units by Authorized Participants.

The subscription price and the redemption price for units of any sub-fund and class of units will be based on the Daily NAV Per Unit of the units of the relevant sub-fund and class of units, increased or decreased, the case being, by any Sales / Redemption Fees as disclosed in the Participation Agreement and Primary Market Transaction Costs.

Authorized Participants may convert from a unit class into another unit class, but within the same sub-fund. Conversions of units of one sub-fund into another sub-fund are not allowed. In addition, the Authorized Participant must be eligible for the new class of units into which he / she wants to subscribe. The practical modalities relating to conversion of units are contained in the Participation Agreements and other documents available to Authorized Participants.

At fund launch solely UniCredit Bank AG is acting as Authorized Participant.

b) Prevention of money laundering

Pursuant to the amended Luxembourg law of 12 November 2004 to combat money laundering and financing of terrorism and to circulars issued by the CSSF and to the Luxembourg law of 27 October 2010 reinforcing the legal framework for the combat against money laundering and terrorist financing, obligations have been imposed on Undertakings for Collective Investment as well as on all professionals of the financial sector to prevent the use of Undertakings for Collective Investment for money laundering purposes. Within this context the Participation Agreement has imposed a procedure for the identification of Authorized Participants. Each Authorized Participant is a financial sector professional obliged to comply with identification procedures equivalent to those under Luxembourg law.

c) Cash redemptions by unit holders not qualifying as Authorized Participants

Units purchased on the secondary market cannot usually be sold directly back to the Fund. Investors must buy and sell units on a secondary market with the assistance of an intermediary who is holding its units and may incur fees for doing so. In addition, investors may pay more than the current net asset value when buying units and may receive less than the current net asset value when selling them.

If the stock exchange value of the units significantly varies from its net asset value, investors who have acquired their units (or, where applicable, any right to acquire a unit that was granted by way of distributing a respective unit) on the secondary market should be allowed to sell them directly back to the Fund. For example, this may apply in cases of market disruption such as the absence of a market maker. In such situations, information should be communicated to the Regulated Market indicating that the Fund is open for direct redemptions at the level of the Fund.

Redemption Fee

All redemptions for cash will be subject to a fee (the “Redemption Fee”) as indicated for each class of units for a sub-fund in chapter N “The sub-funds” and is determined as a percentage of the Daily NAV Per Unit for each unit redeemed. The Redemption Fee is payable to the Main Distributor.

Procedures for redemptions for cash

Investors in units wishing to directly redeem units with the Management Company may do so by arranging with their financial intermediary (who holds their units) for their units to be credited by book-entry to the Fund’s custody account at the Depository Bank and by instructing their financial intermediary to notify the Fund Administrator of

- i. the unit holder's wish to redeem as well as the number of units to be redeemed and a sub-fund and class of units to which these units belong;
- ii. the arrangements the financial intermediary has made for the delivery and crediting by book-entry to the Fund's custody account at the Depository Bank of the units being redeemed; and
- iii. (details of the financial intermediary's bank account denominated in the Reference Currency to which the proceeds of the redemption are to be sent. Details of that custody account at the Depository Bank to which units being redeemed are to be delivered are available from the Fund Administrator upon written request.

No processing of a redemption for cash will commence until the units are received by the Depository Bank on a free delivery settlement basis. Units credited by book-entry to the Fund's custody account at the Depository Bank on any Dealing Day before the relevant order acceptance (as specified for each sub-fund in chapter N "The sub-funds") will be redeemed and cancelled by the Fund Administrator respectively on that Dealing Day (the "Cash Redemption Day") based on the Daily NAV Per Unit calculated at the relevant Valuation Day (the "Cash Redemption Valuation Day"). Units received after the relevant order acceptance on the relevant Dealing Day will be redeemed and cancelled on the next Cash Redemption Day at the Daily NAV Per Unit determined at the next Cash Redemption Valuation Day.

Payment procedures for redemptions for cash

Payment for units redeemed will be effected or telegraphically transferred to the financial intermediary of the unit holder who has affected the cash redemption no later than three Business Days after the relevant Cash Redemption Valuation Day. Redemption proceeds in the Reference Currency of a sub-fund will be paid by telegraphic transfer to the account notified by the redeeming unit holder's financial intermediary. The cost of any transfer of proceeds by telegraphic transfer will be deducted from such proceeds.

Redemption proceeds and confirmation notes

The redemption proceeds will take into account the Redemption Fee and the telegraphic transfer costs in the redeeming unit holder's proceeds. Unit holders are reminded that the redemption proceeds can be higher or lower than the initial purchase price they incurred when purchasing the units. A confirmation note will be sent to the financial intermediary by ordinary post or email on the second Dealing Day following the relevant Cash Redemption Valuation Day, providing full details of the redemption and the redemption proceeds.

Procedures for redemptions in cash representing 10% or more of any sub-fund

If for a sub-fund any applications for redemption for cash is received in respect of any one Cash Redemption Day (the "First Cash Redemption Day") which either singly or when aggregated with other applications for redemptions for cash so received, is more than 10% of the NAV of that sub-fund (or such other percentage as the directors may in their discretion apply to ensure the interests of remaining unit holders are protected), the Management Company on behalf of the Fund reserves the right in its sole and absolute discretion to scale down pro rata each application with respect to such First Cash Redemption Day so that a minimum of 10% of the NAV of the relevant sub-fund will be redeemed on that First Cash Redemption Day. The investment policy of each sub-fund will mean that there will be minimal cash held by a sub-fund to meet cash redemptions and any sales to raise cash will mean selling across the range of securities a sub-fund may be holding.

To the extent that any application is not given full effect on that First Cash Redemption Day by virtue of the exercise of the power to pro-rate applications, it will be treated with respect to the unsatisfied balance thereof as if a further request had been made by the redeeming unit holder in respect of the next Dealing Day and, if necessary, subsequent Dealing Days, until such application will have been satisfied in full. With respect to any application received in respect of the First Cash Redemption Day, to the extent that subsequent applications are received in respect of following Dealing Days, such later applications will be postponed in priority to the satisfaction of applications relating to the First Cash Redemption Day, but subject thereto will be dealt with as set out in the preceding sentence.

d) Compulsory redemption

General

If it comes to the attention of the Management Company at any time that units are beneficially owned by a person who is not a Qualified Holder, either alone or in conjunction with any other person, the Management Company may in its discretion

compulsorily redeem such units. Those units will be redeemed at the Daily NAV Per Unit as described herein less any expenses incurred by the Fund Administrator and Depository Bank in processing such a redemption. Not less than 10 days after the Management Company gives notice of such compulsory redemption, the units will be redeemed and such investors will cease to be the owners of such units.

In case of liquidation of a sub-fund

If on any given valuation day (see chapter E) 1.) the NAV of any sub-fund is less than EUR 20 mn and / or any class of units thereof is less than EUR 10 mn, or the equivalent in the Reference Currency of the relevant sub-fund, the Management Company may, at their discretion, redeem all of the units of that sub-fund or the relevant class then outstanding. All such units will be redeemed at the Daily NAV Per Unit less pro rata the Sales / Redemption Fee (or, in the case of cash redemptions, Cash Redemption Fee) and any transfer taxes calculated on the Expiration Date (as hereinafter defined) and any liquidation costs incurred. The Management Company will publish in a Luxembourg daily newspaper, and if required, in the official publications specified in the respective countries in which the units are sold notice to the unit holders of the relevant sub-fund or class of units thereof prior to the effective date for the compulsory redemption. The notice will indicate the reasons for, and the procedures of, the redemption operations.

2. Investing and trading on the secondary market

The purpose of the Fund is for each of its classes of units through having these units listed on one or more stock exchanges to be an exchange traded fund. As part of those listings there is an obligation on one or more members of the relevant stock exchanges to act as market makers offering prices at which the units can be purchased or sold by investors. The spread between those purchase and sale prices is typically monitored and regulated by the relevant stock exchange.

An Authorized Participant who subscribe for units will act as market maker in accordance with the relevant stock exchanges' rules. The Authorized Participant will for certain stock exchanges be obliged, in accordance with their rules, to maintain in normal market circumstances and depending on the overlap of the trading periods of the component securities in the relevant Reference Index and the stock exchanges' trading period, the spread of the bid and offer price of units, which will be determined by, among others, the iNAV and market liquidity. It is envisaged this will lead to the creation of an efficient secondary market. Other Authorized Participants are expected to subscribe for units in order to be able to offer to buy and sell units to other persons as part of their broker / dealer business. At the inception of the Fund UniCredit Bank AG will act as Authorized Participant and market maker.

As only Authorized Participants are able to subscribe and redeem units, it is expected that a liquid and efficient secondary market will develop as they meet demand for such units. Through the operation of such a secondary market, persons who are not Authorized Participants will be able to buy or sell units in a sub-fund and class of units at prices which will be determined by, among others, the iNAV and market liquidity. For avoidance of doubt, this price might differ from the NAV Per Unit.

3. Title to units and settlement

The units will only be issued in form of registered units which will be held through an intermediary in the unit holder's register. No individual certificates representing the units will be issued. Authorized Participants who subscribe for, redeem or transfer units will hold for settlement purposes an account in the unit holder's register and a primary settlement system or have access to such an account through another settlement system which links into a primary settlement system. Investors will receive units by book-entry credit to the securities accounts of their financial intermediary held, directly or indirectly, in a primary settlement system, or a settlement system that interfaces with a primary settlement system.

The Management Company draw the investors' attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund, if the investor is registered himself and in his own name in the unit holders' register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain unit holder rights directly against the Fund. Investors are advised to take advice on their rights.

4. Holding of units and settlement by investors who are not Authorized Participants

Investors in units who have purchased or who are transferred units and who are not themselves participants in a primary settlement system or a linking settlement system will have their interests in the units credited by book-entry in the internal

accounts of a financial intermediary (who may also be an Authorized Participant) as the investor's nominee. That financial intermediary will be a participant itself in such a system or will have indirect access to such settlement systems through another financial intermediary (which may also be an Authorized Participant), such as a bank, a Depository bank, a broker, a dealer or a trust company which clears through or maintains a custodial relationship with participants in such settlement systems.

Distributions of dividends and other payments with respect to units in the sub-fund held through above described settlement systems will be credited, to the extent received by the Depository Bank as depository, to the cash accounts of such settlement systems' participants in accordance with the relevant system's rules and procedures. Any information to the unit holders will likewise be transmitted via the settlement systems.

Secondary market sales of units or purchases of units will be conducted and settled in accordance with the normal rules and operating procedures of the relevant stock exchanges and settlement systems. In the case an Authorized Participant ascertains that a unit holder is not a Qualified Holder, the Participation Agreement imposes on the Authorized Participant the duty to inform the Management Company and to assist the Management Company in the compulsory redemption of the relevant units.

The Management Company will not compulsorily redeem the units held by any person who is not a Qualified Holder (either alone or in conjunction with another person) without the prior approval of the listing authorities of the stock exchanges on which the units are listed.

5. Transfer of units

Units are freely transferable subject to and in accordance with the rules of the relevant stock exchange and settlement system. An Authorized Participant will not transfer a unit to an investor who is not a Qualified Holder. Through the units being held in one or more settlement systems investors who are not participants in such systems will only be able to transfer their units through a financial intermediary who is a participant, either directly or indirectly, in a settlement system.

6. Indicative Intra-Day NAV Per Unit ("iNAV")

The Main Distributor may appoint for each sub-fund a calculation agent to allow participants in the secondary market when considering the prices being offered for units on the secondary market to have access to a real time estimate of the NAV Per Unit.

In case an iNAV is calculated, it is envisaged that the iNAV Per Unit of the relevant unit class in a sub-fund will be calculated by a calculation agent and made available on the website of the calculation agent at least every 60 seconds during the relevant sub-fund's units trading period. The calculation agent will independently publish the iNAV Per Unit in each of the trading currencies of the sub-funds' units, and, if the Reference Currency is not a trading currency, in the Reference Currency. There can be no assurances that the calculation methodology of the iNAV will be the same as for the actual daily NAV per unit and therefore differences may result. The prices for securities selected by the calculation agent in calculating the iNAV Per Unit will usually be sourced by the calculation agent from the Regulated Market on which the securities are listed or dealt. In certain limited circumstances those prices may be sourced from another Regulated Market on which the securities are listed or dealt. The calculation agent may source the prices for the securities using a proper provider for financial information (e.g. Reuters, Bloomberg).

In general, the calculation agent will be a recognized provider of calculation services to the financial services industry. General business categories into which calculation agents fall are either stock exchanges, data providers (e.g. Bloomberg, Reuters, Telekurs), financial institutions with appropriate experience or Index Providers (e.g. FTSE, STOXX, MSCI, Barclays and Markit).

In case an iNAV is calculated for a sub-fund this is mentioned in chapter N "The sub-funds".

Important Information

The iNAV Per Unit is solely an indicative estimate of the NAV Per Unit calculated independently of the Management Company and the Fund administrator. It is not, and should not be taken to be, the value of each unit or the price at which units may be subscribed for or redeemed or purchased or sold in any secondary market.

E) DETERMINATION AND SUSPENSION OF NET ASSET VALUE, SUSPENSION OF ISSUE AND REDEMPTION PRICE

1. Determination of the net asset value

The unit value of each sub-fund / unit class is calculated in a respective Reference Currency as stipulated in the provisions of Article 10 of the Management Regulations. The unit value is calculated by the Management Company or one of its agents and under the supervision of the Depository Bank on each valuation day ("Valuation Day").

To calculate the unit value, the value of the assets held in a sub-fund / unit class less the liabilities of a sub-fund / unit class ("net sub-fund assets") is determined on each Valuation Day and divided by the number of units of a sub-fund / unit class in circulation on the Valuation Day and rounded to two decimal places ("NAV").

The net sub-fund assets are calculated according to the following principles:

- a. Assets that are officially listed on a stock exchange are valued at the latest available price. If an asset is listed on several stock exchanges, the most recently available price on the stock exchange that is the main market for such asset is applied.
- b. Assets which are not listed on a stock exchange but which are traded on another Regulated Market which operates regularly and is recognized and open to the public are valued at a price which may not be lower than the bid price and not higher than the offering price at the time of valuation, and which the Management Company considers to be the best-possible price at which the assets can be sold.
- c. If an asset is not listed or traded on a stock exchange or on another Regulated Market or if, with regard to assets which are listed or traded on a stock exchange or other market as mentioned above, the prices in accordance with the provisions contained in (a) or (b) above do not reasonably reflect the actual market value of the assets in question, such assets shall be valued at the realizable value as determined in good faith by the Management Company in application of generally recognized valuation regulations that are verifiable by auditors.
- d. The pro rata interest on assets will be included in so far as it is not expressed in the price.
- e. The settlement value of forwards or options which are not traded on stock exchanges or other organized markets will be determined in accordance with the guidelines set by the Management Company using a base value consistently applied to all types of contract. The liquidation value of futures, forwards or options traded on stock exchanges or other organized markets is calculated on the basis of the latest available settlement prices for such contracts on the stock exchanges or organized markets on which such futures, forwards or options are traded by the sub-fund; if a future, forward or option cannot be settled on a day for which the net asset value is determined, the valuation basis for such a contract is determined by the management board in an appropriate and reasonable manner.
- f. Swaps are valued at present value.
- g. Cash is valued at nominal value plus pro rata accrued interest. Fixed-term deposits may be valued at the respective yield price, provided that a corresponding contract between the financial institution holding the deposits in safekeeping and that the Management Company stipulates that such deposits may be called at any time and that, in the event of calling, the liquidation value shall correspond to such yield price.
- h. Target funds are valued at the latest net asset value determined and obtainable. If redemption has been suspended for investment units or if no redemption prices are set, these units and any other assets are valued at the realizable value which the Management Company determines in good faith on the basis of the probable realizable value.
- i. All assets not denominated in the currency of a sub-fund are converted at the most recently available exchange rate into the relevant currency of the sub-fund. Gains or losses on foreign exchange transactions are shown net.
- j. All other securities or other assets are valued at their appropriate realizable value as determined in good faith by the Management Company and according to a procedure specified by the Management Company.

The Management Company may at its own discretion permit other valuation methods if it considers the same to be appropriate in the interests of reasonable valuation of an asset of the sub-fund.

The net sub-fund assets are reduced by any distributions paid to the investors of the sub-fund.

If unit classes are created, the resulting calculation of the net asset value will be made separately according to the criteria set out above. However, the composition and allocation of assets is always undertaken separately for a sub-fund as a whole.

2. Suspension of the net asset value calculation and of the issue, redemption and conversion of units

Pursuant to article 10 of the Management Regulations, the Management Company may suspend the calculation of the NAV of one or more sub-funds and the subscription, redemption and conversion of units:

- a. during any period when any of the principal Regulated Markets on which any substantial portion of the investments of the Fund attributable to such sub-fund from time to time is quoted or dealt in, or when the foreign exchange markets corresponding to the currencies in which the net asset value or a considerable portion of that sub-fund's assets are denominated, is closed otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended, provided that the closing of such exchange or such restriction or suspension affects the valuation of the investments of that sub-fund quoted thereon; or
- b. during the existence of any state of affairs which constitutes an emergency as a result of which disposals or valuation of assets owned by the Fund would be impracticable or such disposal or valuation would be detrimental to the interests of unit holders; or
- c. during any breakdown in the means of communication normally employed in determining the price or value of any of the investments of such sub-fund or the current price or values on any stock exchange in respect of the assets attributable to such sub-fund; or
- d. when for any other reason beyond the control of the Management Company, the prices of any investments owned by the Fund respective a sub-fund cannot promptly or accurately be ascertained; or
- e. during any period when the sub-fund is unable to repatriate funds for the purpose of making payments on the redemption of the units or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of units cannot in the opinion of the Management Company be effected at normal rates of exchange; or
- f. upon the publication of a notice to the unit holders for the purpose of resolving the winding-up of the Fund or of the relevant sub-fund(s).

Such suspension for one sub-fund will have no effect on the calculation of Daily NAV Per Unit, the subscription, redemption and conversion of units of any other sub-fund.

Notice of the beginning and of the end of any period of suspension will be published in a Luxembourg daily newspaper and, if required, in any other newspaper(s) selected by the Management Company. Notice will likewise be given to any applicant or unit holder as the case may be applying for purchase, redemption or conversion of units in the sub-fund(s) concerned.

F) RISK FACTORS

The information below is of a general nature. It describes different risk factors associated with an investment in the Fund respective its sub-funds and investor attention is expressly drawn to it. However, this presentation is not exhaustive and there may be other factors that should be taken into consideration with regard to an investment. Investors should consult their own advisor before considering an investment in the Fund.

1. Introduction

There are risks associated with investment in funds. These risks may include those associated with or inherent to stock and bond market risks, currency, interest rate, credit and volatility risks, and political risks. All of these risks may appear in conjunction with other risks. Some of these risk factors are discussed below. Potential investors should have experience with investment in instruments like the Fund itself, its assets, any underlying instruments (index or strategy), and the techniques and instruments used to link the assets to the underlying securities. Investors should also understand the risks associated with an investment in a sub-fund, and should only make an investment decision after detailed consultation with their legal, tax and financial advisors, accountants, or other advisors about the suitability of an investment in consideration of their personal financial or tax situation and other circumstances.

Investors should be aware that the value of a sub-fund's units may fall; investors should also be in a position to bear the loss of the entire amount of the capital invested. If sub-funds have a maturity date, then the following applies: the shorter the residual maturity, the greater the possible risk of loss in value.

Risk factors may occur at the same time and / or work synergistically, which can have an unpredictable effect on the value of the sub-fund. No assessment can be given as to what effect the simultaneous occurrence of multiple risk factors would have.

Investors should note that the sub-funds are neither governed by any capital protection measures nor by any guarantees and that the invested capital and / or the amount corresponding thereto is neither protected nor guaranteed. The performance of the sub-funds is linked to the performance of an index or strategy, which may be positive or negative. This means that the value of the Units may go up or down. In particular, the net asset value of the sub-funds may fall below the respective purchase price at any time, which, in the event of a sale, may result in a loss of capital and, in the event of very unfavourable circumstances, e.g. a value loss of all index components triggered by the market, in a total loss of the invested capital. Investors in the sub-funds must be prepared and able to bear a partial or even total loss of the invested capital.

The use of derivatives and other techniques and instruments gives rise to substantially higher risks compared to traditional investment forms.

The following risks are to be noted in particular:

2. General risks

a) Market risks

The assets acquired by the sub-fund are subject to price risk. The risk of loss of value is – just as is the opportunity for gains – greater for funds that invest in equities than for funds that invest in fixed income securities or money market instruments, as experience has demonstrated that equities are subject to greater price fluctuations than bonds and money market instruments. In the event of large index movements, including large intra-day movements, a sub-fund's performance may be inconsistent with its stated investment objective.

The sub-funds follow a passive investment strategy and hence are not “actively managed”. Accordingly, the Management Company will not adjust the composition of a sub-fund's portfolio except (where relevant) in order to seek to closely correspond to the duration and total return of the relevant Reference Index. Therefore the sub-funds do not seek temporary defensive positions when markets decline or are judged to be overvalued. Accordingly, a loss in the relevant Reference Index may result in a corresponding loss in the value of the Units of the relevant sub-fund.

b) Interest rate risk

If the sub-fund invests in interest-bearing securities, it is subject to interest rate risk. If the market interest rate increases, the price of the interest-bearing securities included in the sub-fund may drop significantly. This applies to an even greater degree if the sub-fund also holds interest-bearing securities with a longer residual maturity and a lower nominal interest rate.

Interest rates are set on the international money markets in accordance with the principle of supply and demand, which in turn are influenced by macroeconomic factors, speculation and / or intervention by the various central banks or governments.

c) Credit risk and default risk

The creditworthiness (solvency and willingness to pay) of the issuers of the securities held by the sub-fund may subsequently fall. This usually leads to price drops, which surpass those caused by general market fluctuations.

Securities that are issued by issuers with poor credit ratings are usually considered to be securities with greater credit risk and with higher probability of default by the issuer than securities issued by issuers with higher credit ratings.

In extreme cases, the issuer of a security held by the sub-fund or the debtor of a claim belonging to the sub-fund may become insolvent. This could result in the corresponding assets of the sub-fund becoming economically worthless.

d) Company-specific risk

The price development of the equities, corporate bonds and money market instruments held by the sub-fund is also dependent on company-specific factors, for example, the issuer's business situation. If the company-specific factors

deteriorate, the price of the specific security may drop significantly and enduringly, possibly even without regard to an otherwise generally positive stock market trend.

e) Currency risk

Investors should be aware that an investment is subject to currency risk. Exchange rates between currencies are set on the international currency markets in accordance with the principle of supply and demand, which in turn are influenced by macroeconomic factors (such as economic developments in the different currency zones, interest rates and international capital flows), speculation and / or intervention by the various central banks or governments (including the imposition of currency controls and restrictions). Exchange-rate fluctuations could affect the value of the sub-fund.

Assets denominated in foreign currencies held by the sub-fund (if foreign currency positions have not been hedged) are subject to currency risk. Any devaluation of the foreign currency against the Reference Currency of the sub-fund would cause the value of the assets denominated in the foreign currency to fall.

f) Sector risk

The specification of the investment objective of sector investments makes it impossible to diversify the risk to different sectors from the start. Sector investments are particularly dependent on the development of corporate profits in a single sector or interrelated sectors.

g) Country and transfer risk

Economic or political instability occurring in countries in which the sub-fund is invested may result in the sub-fund not receiving the full amount of monies to which it is entitled despite the solvency of the issuer of the respective security. Currency or transfer restrictions and other legal changes, for example, may be of significance in this regard.

h) Volatility

The extent of the instability and the expected instability in the performance of the sub-fund itself, its assets, any underlying and the techniques and instruments used to link the assets to the underlying can, if applicable, be recognised by market volatility. Market volatility is not just a measure of actual volatility; it is also primarily determined by the prices of instruments that offer investors protection against that volatility. The prices of these instruments are based on the principle of supply and demand on the markets for options and derivatives. These market forces are in turn influenced by factors such as actual volatility, expected volatility, macroeconomic aspects and speculation.

i) Risk of negative credit interest

The Management Company places liquid assets of the Fund with the Depositary or other credit institutions for the account of the Fund. An interest rate is often agreed for these deposits which corresponds to the customary market interest rate such as the European Interbank Offered Rate ("Euribor"), less a certain margin. If the market interest rate falls below the agreed margin, this leads to negative interest rates on the corresponding account. Depending on the development of the interest rate policy of the European Central Bank or another central bank, short, medium and long-term bank credit may generate a negative interest rate. Investments of liquid assets based on an interest rate other than the market interest rate and investments of liquid assets in a foreign currency taking into account the key rates of foreign central banks may therefore also lead to a negative return.

k) Operational risk

The Management Company may make use of external service providers for carrying out its activities. In the event of a default or insolvency of a service provider, investors may experience delays (e.g. delays in processing subscriptions, conversions and redemptions of units) or other disruptions.

l) Custody risk

The financial instruments of the Fund are held in custody by the Depositary assigned by the Management Company, Brown Brothers Harriman (Luxembourg) S.C.A.

A risk of loss is associated with holding assets in custody, especially abroad, which may result from insolvency, violations of due diligence or misconduct of the Depositary or a sub-depositary.

m) Legal risk

The legal and fiscal treatment of the Fund may change in an unforeseeable and uncontrollable manner, i.e. there is a risk that contracts may be terminated due to insolvency, changes in legislation or unforeseeable events.

The law of the Grand Duchy of Luxembourg generally prevails, although it should be pointed out that under certain circumstances (e.g. insolvency proceedings), other legal systems which may impact the enforceability of existing transactions are prioritised.

3. Risks in connection with an underlying Reference Index

The possibility cannot be excluded that an index will in future no longer be calculated and published on the basis described in this sales prospectus or that it will be substantially changed. Changes in the Reference Index could have a negative effect on the value of the relevant sub-fund. Past performance of an underlying is not necessarily indicative of its future performance.

If the underlying consists of an index, it will not be actively managed and the components, i.e. of the indices, assets or securities are chosen in agreement with the respective requirements in relation to the composition of the Reference Index and the selection criteria in this regard, and use is not made of performance criteria or prospects. Correspondingly, the composition of the Reference Index is not oriented towards following recommendations or analysis reports of the Index Provider, its associates or other persons. In the determination, composition or calculation of the Reference Index, no Index Provider is obliged to take into account the needs of the Management Company or of the investors.

Under certain circumstances the calculation or publication of the Reference Index may be suspended or even terminated. In addition, the index components may be changed or the Reference Index may even be substituted for another index. The regular adjustment of the index components by the Index Provider may result in costs that might have a negative effect on the performance of the Reference Index. Under certain circumstances, such as the termination of the calculation or publication of the Reference Index or the suspension of the trading in index components, this may result in the suspension of the trading in the units or the suspension of the obligation of the market makers to provide bid and offer prices on the relevant stock exchanges. There is no guarantee that a Reference Index will be calculated and published in the manner described in this sales prospectus for an unlimited period of time or that it will not be subjected to significant changes. The past performance of a Reference Index is no indicator for its positive performance in the future.

An Index Provider is not obliged to take into account the needs of the Company or the unit holders when determining, composing or calculating a Reference Index. An Index Provider is neither responsible for, nor involved in, the determination of the launch date of a sub-fund or the prices and quantity of the units issued. Neither can an Index Provider influence the relevant redemption terms.

Neither the Management Company, the Portfolio Manager(s) nor their respective affiliates have engaged, or will engage, in investigations or reviews on behalf of the unit holders in respect of the Reference Index. Investigations or reviews by or for a sub-fund, the Portfolio Manager(s) or their respective affiliates will be performed for investment purposes only. The specific risks associated with an investment in particular Reference Indices and / or the relevant index components are set out below.

Tracking Error risk:

A temporary non-availability of certain securities in the market, the compliance with legally binding issuer limits, the reinvestment of dividends at index level, the transaction costs associated with the purchase of index components or the use of derivatives (if any), taxes, index adjustments or other extraordinary circumstances can result in a deviation from the performance of the index (Tracking Error). In addition, it may be the case that each sub-fund incurs transaction costs and other costs, fees or taxes in duties in connection with the tracking of the underlying Reference Index, which are not taken into account in the calculation of the Reference Index. This means that, in such a case, the relevant sub-fund will not be able to track the performance of the underlying Reference Index in full. If the performance of the securities included in the sub-fund deviates from the corresponding obligation of the sub-fund under a relevant swap agreement, this poses an additional risk for the sub-fund.

4. General information in connection with derivatives, securities financing transactions and other techniques and instruments

Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (SFTR) was published in the Official Journal of the European Union on 23 December 2015.

The SFTR essentially governs the obligations in relation to “securities financing transactions”. Aside from existing reporting obligations pursuant to the “European Market Infrastructure Regulation (EMIR)” (Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories) – but which are generally not applicable for securities financing transactions – additional reporting requirements are justified by the SFTR for the conclusion, modification or termination of securities financing transactions.

Derivatives, securities financing transactions, techniques and instruments may be used for efficient portfolio management in line with the Fund’s investment objectives. The Management Company may expand upon the following derivatives, securities financing transactions, techniques and instruments if other instruments are offered on the market that are in line with the investment objective and which the Fund may employ in accordance with supervisory and legal provisions.

The counterparties of derivative financial instruments that are not traded on a stock exchange or another regulated market (“OTC derivatives”) must be first-class financial institutions specialising in these types of transactions.

Securities financing transactions include:

- Repurchase transactions
- Securities lending transactions
- Buy/sell-back transactions or sell/buy-back transactions

The return generated as part of the securities financing transaction is transferred in full to the Fund’s assets, less all costs associated therewith including any transaction costs.

The following is a non-exhaustive list of examples of derivatives, securities financing transactions, techniques and instruments which may be used for managing the Fund:

Derivatives

1. Financial futures contracts

Financial futures contracts are binding agreements on both parties to the contract to buy or sell a specific amount of a specific underlying instrument at a predetermined time (the maturity date) or within a specific period of time and at a previously agreed price.

2. Options

An option is the right to buy (call option) or sell (put option) a specific asset at a predetermined time or within a predetermined period of time at a previously agreed price. The price paid for the acquisition of a call or put option is the option premium.

3. Swaps

Swaps are agreements in which cash flows or risks underlying the transaction are exchanged between the parties to the agreement.

a. Credit default swaps

Credit default swaps are credit derivatives that allow potential credit default risks to be transferred to counterparties. The counterparty receives a regular fee (premium) from the seller of the credit risk and makes a compensation payment in return if a credit event defined when the contract is entered into occurs.

b. Total return swaps

A total return swap is a credit derivative in which the pledgee transfers the entire risk of a reference asset (e.g. a bond or an index) to the guarantor by periodically offsetting the income from the reference asset and its increases in value with the guarantor against the payment of a variable or fixed reference interest and the settlement of impairments. Consequently, the guarantor assumes both the credit risk and the entire price risk of the reference asset from the pledgee for the term of the transaction.

The Fund may conclude total return swaps within the scope of its investment principles.

The counterparty in the case of total return swaps will be one or more first-rate financial institutions (“counterparty/counterparties”) which specialise in such business. The relevant counterparty shall provide the Management Company with a replicable swap trading price on each valuation date. The sole counterparty in these transactions is UniCredit Bank AG.

Further details on concluding total return swaps are described in the special section of this Sales Prospectus.

4. Repurchase transactions

A repurchase transaction is a transaction based on an agreement through which a counterparty sells securities, commodities or guaranteed rights to securities or commodities and the agreement contains an obligation to repurchase the same securities and commodities or rights – or alternatively securities or commodities with the same characteristics – at a fixed price and at a later date fixed or to be fixed by the pledgor. Rights to securities or commodities may only be the subject of this type of transaction if they are guaranteed by a recognised stock exchange which holds the rights to the securities or commodities and if the agreement does not allow a counterparty to transfer or pledge a particular security or particular commodities to more than one other counterparty simultaneously; the transaction is a repurchase transaction agreement for the counterparty which sells the securities or commodities and a reverse repurchase transaction agreement for the counterparty that acquires them.

5. Securities lending transaction

A securities lending transaction is a transaction in which a counterparty transfers securities subject to the obligation that equivalent securities are returned by the party borrowing the securities at a later date or at the request of the transferring party; it is a securities lending transaction for the counterparty that transfers the securities and a securities borrowing transaction for the counterparty to which they are transferred.

6. Buy/sell-back transactions or sell/buy-back transactions

A return transaction is a transaction which involves a counterparty buying or selling securities, commodities or guaranteed rights to securities or commodities with the agreement to sell or buy back securities, commodities or guaranteed rights with the same characteristics at a specified price at a future date. This transaction is a “buy/sell-back transaction” for the counterparty which purchases securities, commodities or guaranteed rights and a “sell/buy-back transaction” for the counterparty that sells them, although these types of “buy/sell-back transactions” or “sell/buy-back transactions” are neither covered by a repurchase transaction agreement nor a reverse repurchase transaction agreement within the meaning of point 4 above.

5. Risks in connection with derivatives, securities financing transaction and other techniques and instruments

a) Derivatives

Within the framework of the investment limits, a sub-fund may use derivatives for hedging purposes, for efficient portfolio management, to achieve additional returns, and as part of the investment strategy. Both derivative transactions that are authorized for trading on a stock exchange or included on another organised market, as well as over-the-counter (OTC) transactions may be entered into.

Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (European Market Infrastructure Regulation, EMIR) has been in force since August 2012.

(OTC) transactions which were entered into before 1 March 2017 ("legacy transactions") have hitherto been subject to the collateral attachment of 2001 (secured legacy transaction) or they involved a (previously) unsecured (OTC) transaction (unsecured legacy transaction).

(OTC) transactions which are entered into from 1 March 2017 (new transactions) are subject to the new EMIR collateral requirements. Only certain OTC derivatives that a) are concluded after the collateral obligation has entered into force, b) that are not processed by a central counterparty and c) are concluded between the two counterparties concerned are affected by the new EMIR collateral requirements. If an (OTC) transaction is not subject to the new EMIR collateral requirements, the parties are obligated to reach an agreement on the exchange of collateral (mutual collateralisation).

The ISDA and the leading associations of German lenders organised in the ZKA have each written standardized documentation for this type of transaction under the umbrella of framework agreements, the ISDA Master Agreement and the DRV.

To reduce the risk incurred through transactions with swaps (see also chapter F section 5.d) "Swaps"), a sub-fund only enters into swaps with top-rated financial institutions specialised in this type of transaction and that adhere to the standard conditions set forth in the ISDA or DRV.

The derivatives and financial instruments with derivative components may contain, among other things, options transactions, futures transactions on financial instruments (including interest rates, exchange rates and currencies), swaps including credit default swaps and equity swaps, or combinations of these.

In this connection, the following risks in particular may be associated with the use of derivatives:

1. Risks of loss:

- a. Derivatives entail special risks resulting from the leverage effect. This leverage is generated by allocating a smaller amount of capital when purchasing a derivative in comparison to a direct purchase of the underlying assets. The larger this leverage is, the greater the change in the price of the warrant will be if there is a change in the value of the derivative. The risks of loss of derivatives tend to increase correspondingly as the leverage rises.
- b. The risk of loss cannot be determined and may exceed any collateral provided.
- c. It may be impossible to undertake transactions that limit or eliminate risks, or such transactions may only be possible at a market price constituting a loss.
- d. The risk of loss may increase if the liabilities arising from such transactions or the consideration receivable from them are denominated in a foreign currency.

2. Counterparty risk (see also section on default risk):

A sub-fund may only enter into derivative transactions authorized for trading on a stock exchange or included on another organised market with appropriate banks or financial services institutions on the basis of standardized framework agreements. Transactions on the OTC markets may expose a sub-fund to risks related to the creditworthiness of the counterparties and their ability to fulfil these contracts. If the counterparty should default, then the sub-fund may incur losses. The counterparty default risk with transactions of a sub-fund in OTC derivatives may not exceed 10% of its net assets if the counterparty is a credit institution within the meaning of 5.1 f) of the Management Regulations. In other instances, the limit is a maximum of 5% of the net assets of the respective sub-fund. If the counterparty of the OTC derivative in this case acts as the Portfolio

Manager, this will be taken into consideration as an outsourcing agreement for the portfolio management and will therefore include the UCITS requirements for outsourcing.

A sub-fund can, for example, enter into securities lending, futures, options and swap transactions or use other derivative techniques which each subject the sub-fund to the risk that the counterparty does not fulfil its obligations arising from the respective contract. A sub-fund can reduce the default risk through the use of collateral.

Haircuts may be made to the collateral which, in principle, amount to 100% of the legal requirements and vary according to the type of securities, the issuer rating and, where applicable, the remaining term. After deduction of the haircuts, the collateral must at all times be sufficient to meet the legal requirements.

Any collateral provided to the Fund, respective the sub-fund by counterparties in connection with securities lending, repurchase and OTC transactions in order to minimise credit risk is subject to the statutory and regulatory provisions. It cannot be ruled out that individual items of collateral may be worthless at, and / or rendered completely worthless prior to, the time of their utilisation. Therefore, there is a risk that the sum that can be realised through the utilisation of the collateral may not be sufficient as to meet all unit holder claims and / or that investors suffer a total loss in respect of their investment. Additionally, the reinvestment of cash collateral is associated with the risk that the collateral is not available in the enforcement event.

3. Market risks

This is a general risk and exists for all types of investments; the risk is that the value of a certain derivative may change in such a way that could be disadvantageous to the interests of a sub-fund.

4. Liquidity risk

Liquidity risks arise when a certain security is difficult to obtain or to dispose of. For large-volume derivative transactions and / or those in illiquid markets (e.g. if there are numerous individually agreed derivatives), the execution of a transaction or the settlement of a position may not be possible at an advantageous price.

5. Early termination of swaps

If the respective counterparty violates contractual obligations, the Management Company may use this to justify the termination of the swap. The counterparty is also entitled to terminate a swap. The conditions for termination are explained in more detail in the framework agreement mentioned above on which the swap transaction is based. If the swap is terminated, the standard documentation underlying the respective swap provides that the current market value of the swap remains in the net assets of a sub-fund.

In the event of early termination of a swap transaction, the Management Company will endeavour to find another counterparty that is willing to enter into the swap under identical conditions. If the Management Company should not succeed, a sub-fund may be forced, possibly in accordance with applicable laws, to adjust its investment objective and investment policy to the prevailing market conditions at that time. If such an adjustment is not possible or in the opinion of the Management Company is not reasonable, the Management Company may, in accordance with Articles 19 and 20 of the Management Regulations, liquidate a sub-fund or merge it with another fund.

6. Other risks

Other risks in using derivatives include the risk of differing valuations of derivatives arising from different permitted valuation methods and the fact that there is not a perfect correlation between derivatives and the underlying securities, interest rates, exchange rates and indices. Many derivatives, particularly OTC derivatives, are complex and are frequently subjectively valued. Often only a few market players are in a position to make a valuation, and these frequently appear as counterparties in the transaction to be valued. Inaccurate valuations can result in higher cash payment obligations to counterparties or a loss of value for a sub-fund. Derivatives do not always fully or even to a large extent track the performance of the securities, interest rates, exchange rates or indices they are intended to replicate. For these reasons, the use of derivative techniques by a sub-fund is not always an effective means of attaining the investment objective and can at times even be counter-productive.

If the counterparty is able to influence the content or management of the sub-fund's investment portfolio or the underlying of the derivatives, or is required to consent to transactions in connection with the sub-fund's investment portfolio, this will be expressly stated in Chapter N "The sub-funds", Sections "Investment objectives and investment policy".

b) Options and warrants

An option is the right to buy (call option) or sell (put option) a specific asset at a specific predetermined time or within a specific predetermined period of time at an agreed fixed price. The price paid for the acquisition of a call or put option is the option premium.

Options transactions entail special risks resulting from the so-called leverage effect. The opportunities and risks of options transactions tend to increase correspondingly as the leverage rises. It should also be noted that options may lapse without value or decline in value.

c) Forward contracts (including futures)

Forward contracts are binding agreements on both parties to the contract to buy or sell a specific amount of a specific underlying at a predetermined time (the maturity date) or within a specific period of time and at a previously agreed price.

If a sub-fund buys or sells forward contracts for purposes other than hedging, this is associated with considerable opportunities as well as risks, as only a fraction of the contract value (margin) is required to be provided immediately. Price fluctuations in one direction or another may lead to considerable losses.

d) Swaps

Swaps are agreements in which cash flows or risks underlying the transaction are exchanged between the parties to the agreement.

Within the framework of the investment principles, a sub-fund may enter inter alia into interest-rate, currency, credit default, total-return and equity swaps, options on such swaps and any combination of such transactions. The counterparty to the swap is contractually obliged to provide the Management Company with a verifiable trading price for the swap on each valuation day. There is the risk that the counterparty will not fulfil its obligation to provide pricing. If no market price is available for the above swap transactions, the price at the time of the transaction and on any day on which the unit price is calculated will be determined using recognized valuation models based on the fair value of the underlying. Transactions and pricing are documented.

Interest-rate swaps can be used to shorten or lengthen the maturity structure of interest-bearing securities held by a sub-fund and thus to manage the interest-rate risk. In addition, currency risk can be modified by (currency) swaps when assets are swapped into another currency.

An equity swap is a swap based on equities or equity indices that swaps the income from different underlyings, providing both counterparties with diversification; it does however, also entail corresponding risks of loss.

Credit default swaps are credit derivatives that allow potential credit-default risks to be transferred to counterparties. The counterparty receives a regular fee (premium) from the seller of the credit risk and makes a compensation payment in return if a credit event defined when the contract is entered into occurs. A credit event is generally defined as bankruptcy, non-payment, (potential) accelerated maturity, repudiation / moratorium and restructuring. The use of credit default swaps may entail greater risks than direct investment in debt securities. The market for credit default swaps may sometimes be less liquid than the markets for debt securities. The sub-fund generally intends, however, only to invest in liquid credit default swaps. Credit default swaps in which a sub-fund acts as guarantor are subject to the risks of a reference debtor with respect to the credit event that occurs. In addition, in respect of credit default swaps in which it acts as pledgee, the sub-fund is subject to the risk that the counterparty to the credit default swap defaults. The use of credit default swaps must be both in the exclusive interest of and in line with the investment policy. Both the bonds underlying the credit default swap and the respective issuer must be taken into account with regard to the investment limits set out chapter L "Investment restrictions" of the sales prospectus.

Total return swaps are derivatives in which the protection buyer transfers the entire risk of a reference asset (e.g. a bond, a bond-basket, an equity-basket or an index) to the protection seller by periodically offsetting the income from the reference

asset(s) and its increases in value with the protection seller against the payment of a variable or fixed reference interest rate and settling impairments. Consequently, the protection seller assumes the entire price risk of the reference asset from the protection buyer for the life of the transaction, and if applicable the credit risk.

Swaptions are options on swaps. A swaption is the right, but not the obligation, to enter into a swap of which the conditions have been precisely specified at a set time or within a specific period of time. Swaptions may be entered into for all of the above types of swaps.

6. Additional risks of investing in exchange-listed funds

a) Market listing

The Management Company may apply for admission to listing of certain funds / sub-funds on the Frankfurt Stock Exchange and / or any other stock exchange.

b) Liquidity and secondary trading

Even if funds / sub-funds are listed on one or more stock exchanges, there is no certainty that they will be liquid on one or more stock exchanges or that the price at which they are traded on an exchange will be identical to the net asset value per sub-fund unit. There can be no assurance that the sub-fund units, once they are listed on a stock exchange, will remain listed on that exchange, or that the listing conditions will remain unchanged.

Trading on a stock exchange may be suspended due to market conditions or when trading is not advisable in the opinion of the relevant exchange. In addition, all trading may be suspended because of extraordinary market volatility, subject to the rules of that exchange. If trading on a stock exchange is suspended, unit holders may not be able to sell their sub-fund units until trading resumes.

Funds that are listed on a stock exchange may, however, mainly be traded on an OTC market. The existence of a liquid market for trading in such a case may depend on whether brokers / dealers set buying and selling prices. As a prerequisite for listing on certain stock exchanges, one or more market makers that are financial institutions may be appointed for setting prices; however, there can be no assurance to the effect that a market will be provided consistently or that such a market will be or remain liquid. The price at which sub-fund units may be sold may be affected by limited or non-existent markets for trading.

c) Changes in net asset value and trading prices on the secondary market

The net asset value per sub-fund unit fluctuates with changes in the fair value of the underlying, of the derivative techniques and instruments, of the assets and with changes in the exchange rate between the Reference Currency or, if different, the listing currency of the sub-fund units and the respective foreign currency of the underlying and of the assets. The market price fluctuates with changes in the net asset value and in supply and demand on the stock exchange on which the relevant sub-fund is listed. The Management Company cannot make any predictions as to whether the sub-fund units will be traded below, at or above their net asset value. Price differences are primarily due to the fact that the forces affecting supply and demand on the secondary market are closely linked to, but not identical to, the forces that have an effect at the time, individually or collectively, on the trading prices of the underlying and the assets. Moreover, a listing on multiple stock exchanges can result in sub-fund prices differing between exchanges due to tax, regulatory or other market-related factors.

A broker / dealer may, taking into account the price at which he could sell the sub-fund units (the ask) or the price at which he could purchase sub-fund units (the bid) on the secondary market, endeavour to take advantage of opportunities to enter into arbitrage transactions that, because of anomalies and discrepancies in the pricing on the secondary market, offer opportunities compared to the relative net asset value. Brokers / dealers who seek to take advantage of these anomalies and discrepancies for arbitrage transactions will take into account the notional price at which they (i) could buy the components (when prices on the secondary market are higher than the net asset value per unit) that could provide the (combined) income of the underlying (and of the assets, if any); or (ii) sell the components (when prices on the secondary market are lower than the net asset value) that provide the (combined) income of the underlying (and of the assets, if any); and in each case including related transaction costs and taxes.

7. Special restrictions in connection with the subscription, possession, redemption and trading of sub-fund units

Investors should be aware that there may be restrictions in connection with the subscription, possession, redemption and trading of sub-fund units. These restrictions may have as a result that investors may not engage in the unrestricted subscription, possession and / or redemption of units. In addition to the parameters described below, there may also be restrictions in the form of specific requirements, such as the minimum investment upon initial subscription, the minimum investment upon initial and subsequent subscription, the minimum investment upon subsequent subscriptions and the required minimum holdings.

a) Minimum units for redemption

Unit holders may be subject to the requirement that redemption applications be made for a minimum number of sub-fund units in order to be submitted. As a result, unit holders who possess fewer than the required minimum number must either sell their units through a stock exchange or purchase additional sub-fund units. In the latter case, the unit holders may have to bear the related transaction costs and / or expenses of a fiscal nature. Investors should review whether and to what extent these provisions apply.

b) Maximum units for redemption

The Management Company has the option of restricting the number of sub-fund units submitted for redemption on a specific date (with the exception of any applicable maturity date) to a certain maximum amount. In connection with this restriction, it can also limit the number of sub-fund units submitted by individuals or groups of persons for redemption on a specific date (regardless of whether such individuals or groups of persons are acting individually or collectively). If the total number of sub-fund units submitted for redemption on the specific date (with the exception of any applicable maturity date) exceeds this maximum number, and if the Management Company has imposed a restriction on redemptions on that date, then the unit holder may not be in a position to submit the number of redemptions desired. Investors should review whether and to what extent these provisions apply.

8. Market and settlement disruptions

Determination of a market disturbance or a settlement disruption event in connection with assets or an underlying may have an effect on the value of the sub-fund and / or on the investment policy, and may delay a maturity date and / or settlement of assets, the underlying and/or the units.

9. Potential conflicts of interest

The interests of the Fund or its sub-funds may collide with the interests of the Directors of the Management Company, the Portfolio Manager, the designated distributors and those charged with carrying out distribution, the paying agent, and all subsidiaries, affiliates, representatives or agents of the aforementioned agencies and persons ("related persons").

UniCredit Bank AG and / or affiliated companies may act as the Fund's swap counterparty, securities lending counterparty, distributor, Index Provider, Index Calculation Agent, Portfolio Manager, market maker and / or in additional function. UniCredit Bank AG or the affiliated company in one of the aforementioned capacities, the Management Company, the unit holders, other Portfolio Managers, the Index Provider, the Index Calculation Agent, the swap counterparty, the securities lending counterparty, the distributor or a market maker may in each case engage in activities that might result in conflicts of interests, e.g. financial and banking transactions with the Management Company on behalf of the fund, or the investment and trading in Units, other securities or assets held within a sub-fund or as index components including the sale to, and purchase from, the Management Company.

Swaps entered into on behalf of the sub-funds are not traded on an exchange. Therefore, the price shall be determined by the swap counterparty. Accordingly, potential conflicts of interest cannot be ruled out. The counterparty may have an obligation to assess the value of such derivative transactions or contracts. Such valuations may serve as the basis for calculation of the value of certain sub-fund's assets. The counterparty may also act as an Index Calculation Agent.

The Management Company is aware that, as a result of the functions performed by UniCredit Bank AG employees in connection with the Fund, conflicts of interest may arise. For such instances, all UniCredit Group employees are required to reasonably endeavour to arrive at an equitable solution to such conflicts of interest (with respect to the obligations and duties involved), as well as to ensure that the interests of the Fund and unit holders are in no way impinged upon.

The Management Company has undertaken reasonable measures to avoid such conflicts of interest. When unavoidable conflicts of interest arise, the Board of Directors of the Management Company will endeavour to resolve them in favour of the Fund.

In particular, it ensures that transactions on OTC markets with counterparties take place under market conditions.

UniCredit Bank AG, Munich, which is closely involved in these business processes, is subject to German banking regulations and must demonstrate that it meets the minimum requirements for risk management (“MaRisk”).

Conflicts of interest between the participating functional areas within UniCredit Bank AG can be excluded, because the different areas involved are subject to clear functional separation in accordance with regulatory requirements (MaRisk). Trading is also separate from other areas (including at the level of the Directors of the Management Company) both organisationally as well as through so-called Chinese walls.

10. Liquidity risk

Liquidity risks arise when a certain security is difficult to obtain or to dispose of. For large-volume transactions and / or in illiquid markets (e.g. for numerous individually agreed derivatives), the execution of a transaction or the settlement of a position may only be possible with a single counterparty at a price set by that counterparty.

11. Settlement / delivery risk

Settlement risk is the risk of suffering a loss if a counterparty does not fulfil its contractual obligations to deliver cash, securities or other assets. In the settlement of transactions, there may be delays or distortion of delivery, which could materially damage the unit holdings of a sub-fund in the corresponding units of the Fund or sub-fund or in certain cases even make the unit holdings economically worthless.

12. Valuation / price risk

Valuation risk is that risk originating from the incorrect valuation of assets. The assessment procedures described under chapter E section 1. “Determination of the net asset value” includes the risk of price discrepancies. For unlisted or infrequently traded securities, there is also a risk that arises from the frequency of valuation. It is possible that an outdated price no longer reflects the latest market information (“stale price”).

The sub-fund’s assets, the Reference Index or the derivative techniques used to link the two may be complex and specialist in nature. Valuations for such assets or derivative techniques will only usually be available from a limited number of market professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations.

13. Model risk

A risk management strategy or a determination of fair value is based on the assumptions of a particular model. It is uncertain whether the underlying model reliably reflects reality – if not, risks would not be detected or would only be incompletely detected, or the fair value calculation would not yield the correct value.

14. Legal and tax risk

The legal and tax treatment of sub-funds may change in unpredictable ways that cannot be influenced. For this reason, investors should be aware that legal provisions and their application or interpretation by the responsible authorities may change. For this reason, it is not possible to make accurate predictions as to the legal and tax treatment at any given time.

A change in the mistakenly determined tax basis of a sub-fund for past financial years may result in a correction with tax disadvantages for the investor in that the investor has to pay the tax burden arising from the correction for past financial years even though he may not have been investing in the investment fund at that time. Similarly, the consequence may also arise for the investor that a correction that has tax advantages for the current and for previous financial years in which he was invested in the investment fund may not benefit him because he redeemed or sold his units before the correction in question was implemented. In addition, a correction of tax information may result in income that is subject to taxation or tax advantages actually being assessed in a different tax assessment period from the appropriate period, and this could have a negative impact on the individual investor.

Investors who are uncertain about their tax situation should consult an independent tax advisor.

The Management Company must comply with the applicable regulatory restrictions. When changes in laws affect the investment regulations, this can lead to a change in investment policy and the investment objective of a sub-fund.

15. Risks from securities lending and repurchase transactions

Securities lending and repurchase transactions, as described under chapter M section 3. and 4. of this sales prospectus, involve, among other things, a counterparty risk (see also note on counterparty risk) in that the contract partner may not meet its payment obligations at all, or only partially or late.

16. Risks from target funds

If the target funds are sub-funds of an umbrella fund, the acquisition of target fund units is associated with an additional risk if the umbrella fund is liable to third parties overall for the liabilities of each sub-fund. When investing in target funds, fees could be charged twice, as described under chapter H section 2.d) of the sales prospectus.

17. Political factors

The performance of a sub-fund and the possibility of its acquisition, sale or redemption may be adversely affected by economic changes and uncertainties, such as political developments, changes in government policy, the imposition of restrictions on capital movements and changes in regulatory requirements.

18. Risks in relation to the index components

a) Special risks related to shares – Reference Index components

Reference Index components relating to shares are associated with special risks, such as the risk that the relevant company may become insolvent, the risk that the share price will fluctuate or risks in connection with dividend payments by the company. The performance of shares depends to a very significant extent on developments on the capital markets, which in turn depend on the general global economic situation and more specific economic and political conditions. Shares in companies with a low to medium market capitalization may be subject to even higher risks (e.g. in relation to volatility or insolvency) than is the case for shares in larger companies. Moreover, shares in companies with a low capitalization may be extremely illiquid as a result of low trading volumes.

Shares in companies which have their statutory seat or significant business operations in countries with limited certainty of law are subject to additional risks such as, for instance, government interventions or nationalization. This may result in a total or partial loss in respect of the value of the share and, thus, in losses for the relevant sub-fund.

If the Reference Index component consists of securities in lieu of shares (e.g. American Depositary Receipts (“ADRs”) or Global Depositary Receipts (“GDRs”), together “Depositary Receipts”), additional risks might occur. ADRs are securities issued in the United States of America that take the form of participation certificates in relation to a portfolio of shares held in the home country of the issuer of the underlying shares outside the United States. GDRs are also securities that take the form of participation certificates in relation to a portfolio of shares held in the home country of the issuer of the underlying shares. They normally differ from the participation certificates referred to as ADRs in that they are publicly offered and / or issued outside the United States of America on a regular basis. Each Depositary Receipt represents one or more shares or a fraction of a security in a foreign corporation. In the case of both types of Depositary Receipt, the legal owner of the underlying share is the depositary bank, which also acts as the issuing agent of the Depositary Receipts.

b) Special risks related to fixed income – Reference Index components

In the case of an investment in fixed-rate securities, it is possible that the market interest rate level existing at the time of the securities' issuance may change. If market rates increase as compared to the rates at the time of issue, the prices of fixed-rate securities will normally go down. If, however, market rates go down, the prices of fixed-rate securities will normally increase. This price development means that the current yield on the fixed-rate security roughly corresponds to the current market rate. These price fluctuations, however, may differ depending on the maturity of the fixed-rate security. Fixed-rate securities with shorter maturities are associated with lower price risks than fixed-rate securities with longer maturities. On the other hand,

fixed-rate securities with shorter maturities are normally associated with lower yields than fixed-rate securities with longer maturities.

Money-market instruments, because of their short maturity of up to 12 months, are normally associated with lower price risks.

Securities with a low credit rating are associated with higher risks than securities with a high credit rating.

c) Special risks related to commodities – Reference Index components

Commodities are normally divided into three categories: minerals (e.g. oil, gas or aluminum), agricultural products (e.g. wheat or maize) and precious metals (e.g. gold or silver). Most commodities are traded on specialized exchanges or in interbank trading in the form of over-the counter (OTC) transactions.

Reference Index components relating to the price of commodities are subject to significant price risks because the prices of commodities are subject to significant fluctuations. The prices of commodities are influenced by a number of factors, including, inter alia, the following factors:

Cartels and regulatory changes: A number of producers or producing countries of commodities have formed organizations or cartels to regulate supply and therefore influence prices. However, the trading in commodities is also subject to regulations imposed by supervisory authorities or market rules whose app

Cyclical supply and demand behaviour: Agricultural commodities are produced at a particular time of the year but are in demand throughout the year. In contrast energy is produced without interruption, even though it is mainly required during cold or very hot times of the year. This cyclical supply and demand pattern may lead to strong price fluctuations.

Direct investment costs: Direct investments in commodities are associated with costs for storage, insurance and taxes. In addition, no interest or dividends are paid on commodities. The overall yield of an investment is influenced by these factors.

Inflation and deflation: The general development of prices may have a strong effect on the price development of commodities.

Liquidity: Many markets of commodities are not very liquid and may therefore not be able to react rapidly and sufficiently to changes in supply and demand. In case of low liquidity, speculative investments by individual market participants may lead to price distortions.

Political risks: Commodities are frequently produced in emerging markets and subject to demand from industrialized countries. The political and economic situation of emerging markets, however, is often a lot less stable than that of industrialized countries. They are exposed to a greater risk of rapid political changes and adverse economic developments. Political crises can damage investors' confidence, which can in turn influence commodity prices. Wars or conflicts may change the supply and demand in relation to certain commodities. It is also possible that industrialized countries impose embargoes regarding the export and import of goods and services. This may have a direct or indirect effect on the price of the commodities that serve as the securities' underlying.

Weather and natural disasters: Unfavorable weather conditions and natural disasters may have a long-term negative effect on the supply of specific commodities. A crisis of supply of this sort may lead to strong and incalculable price fluctuations.

Futures curve risk: The performance of a Reference Index that tracks the performance of various commodities futures contracts will be influenced to a significant extent by the shape of, and changes in, the futures curves of the individual commodities contained in the Reference Index. The shape of the futures curve is influenced to a significant extent by supply and demand.

Since futures contracts have a specific expiry date in each case, the Index Provider will at a specific date substitute the futures contract for another futures contract, which – apart from a later expiry date – will be subject to the same contractual specifications as the original futures contract (“roll-over”). The roll-over – i.e. the substitution of a futures contract for another futures contract – normally does not affect the Reference Index level. This is because, in the context of each roll-over, the Index Provider will adapt the number of futures contracts held in the relevant commodity so that the value of the Reference Index following the roll-over will be the same as before. This applies regardless of whether the futures contracts are in contango or backwardation. Solely the performance of the futures contract after the roll-over is authoritative with regard to the further performance of the Reference Index. However, in a contango situation, investors will participate in the further

performance of the replacement futures contract with a smaller number of contracts. In contrast thereto, in a backwardation situation, investors will participate in the further performance of the replacement futures contract with a higher number of contracts. This applies to both rising and falling prices.

However, it cannot be ruled out that the roll-over may result in costs that might have a negative effect on the performance of the Reference Index.

In addition, the value of the Reference Index might also be adversely affected by other Reference Index adjustments (weighting adjustment, exchange of components, etc.). For instance, its value may decline if the expiring futures contract must be taken into account in the calculation at the bid price, but the replacement futures contract at the offer price.

d) Special risks related to convertible bond – Reference Index components

A convertible bond may typically be converted at a stated price within a specified period into a specified number of shares of common stock of the same or a different issuer. Convertible securities are senior to common stock in an issuer's capital structure, but are usually subordinated to senior debt obligations of the issuer. Depending on the form of the instrument, a convertible bond entitles the holder either to receive interest that is generally paid or accrued on a convertible bond or to receive a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Consequently, convertible securities are generally subject to the risks associated with both equity and debt securities.

The market value of a convertible security is derived from its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, the credit standing of the issuer and other factors. The conversion value of a convertible bond is based on the market price of the underlying common stock.

Convertible securities generally provide yields higher than the underlying stocks but generally lower than comparable non-convertible securities. Because of this higher yield, convertible securities generally sell at a price above their "conversion value," which is the current market value of the stock to be received upon conversion. The difference between this conversion value and the price of convertible securities will vary over time depending on changes in the value of the underlying common stocks and interest rates.

A convertible bond may be subject to redemption at the option of the issuer, at a price established in the bond's governing instrument. If a convertible bond held by a sub-fund is called for redemption, the sub-fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock, or sell it to a third party. Any of these actions could have an adverse effect on a sub-fund's ability to achieve its investment objective.

Convertible securities generally tend to be of lower credit quality, have a higher risk of default and lower recovery rates, and tend to be less liquid than traditional non-convertible securities. Lower-rated debt securities (those of less than investment grade quality) involve greater risk of default during economic recessions or periods of high interest rates and tend to be particularly sensitive to changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic conditions. In addition, the value of lower-quality debt securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Lower-quality debt securities can be infrequently traded or have restrictions on resale, making them difficult to sell. The default rate for lower-quality debt securities is likely to be higher during economic recessions or periods of high interest rates.

19. Other risk factors

Licence Agreement regarding the use of a Reference Index:

In order to be able to reproduce the Reference Index, the respective Index Provider granted a license for the use of the respective Reference Index and for the use of certain trademarks and copyrights. Said license agreement may be terminated by the respective Provider, so that the licensee sub-fund may not attain its objective and the previous investment objective may not be achieved as a result of a substitution of the Reference Index or dissolution of the sub-fund. It is possible that the Reference Index will no longer be composed or published by the relevant Index Provider and that there may be no comparable

substitute for the Reference Index. This may result in a termination of the relevant sub-fund, which may have adverse consequences for the investor.

Legal qualification of a Reference Index:

The Management Company has qualified the Reference Indices as financial indices in accordance with the ESMA Guidelines on the basis of an internal review process. Revisions of this qualification in certain cases, as a result of regulatory practice, cannot be ruled out.

The risks associated with trading on a stock exchange:

It is planned to have the relevant units in the sub-funds admitted to trading on one or several stock exchanges. When the units are traded on the stock exchange, the unit's trading price not only depends on the performance of the investments contained in the sub-fund's assets. Rather, the price of the units is also influenced by the supply and demand situation on the stock exchange. This means that the trading price of the units may undergo a negative or positive development merely as a result of market conditions, psychological or even irrational sentiments, opinions and rumors circulating on the stock exchange. The market maker's obligation to maintain liquidity is limited to certain quantities (minimum quotation volumes) at maximum price ranges. The minimum inclusion period in relation to bid and offer prices normally does not span the entire effective trading times on the relevant exchange. This may result in brief temporary disruptions regarding price quotations. This can lead to orders being executed that do not correspond to the relevant exchange's stipulated quality criteria.

Fluctuation of NAV Per Unit and trading prices on the secondary market

The NAV Per Unit will fluctuate with changes in the market value of the securities the relevant sub-fund holds and changes in the exchange rate between the Reference Currency and, if different and if applicable, the listing currency of an unit and any relevant foreign currency of such securities. The market price of the units will fluctuate in accordance with the changes in NAV Per Unit and the supply and demand on the stock exchange on which the units are listed.

The Company and Management Company cannot predict whether the units will trade below, at or above their NAV Per Unit. Price differences may be due, in large part, to the fact that supply and demand forces in the secondary market for a sub-fund's units will be closely related, but not identical to the same forces influencing the prices of the securities held by that sub-fund trading, individually or in the aggregate, at any point in time.

A broker / dealer in considering the price at which it would be able to sell the units of a sub-fund on the secondary market (known as the offer price), or to buy such units (known as the bid price) may seek arbitrage opportunities through differences in the pricing of the units on the secondary market compared to the relative price of units in which he can subscribe or redeem units. The broker / dealer seeking to arbitrage such differences will take account of the notional price at which it could purchase (when units in the secondary market are being priced above the NAV Per Unit) the securities he has to deliver when subscribing for units; or sell (when units in the secondary market are being priced below the NAV per Unit) the securities he will be delivered when redeeming units, including in each case the associated transaction costs and any taxation. Where the cost of purchasing those securities is less than the price at which the broker / dealer could sell the units in the secondary market, then a broker / dealer who is an Authorized Participant may arbitrage a sub-fund by subscribing for units with a view to selling those units it receives to purchasers in the secondary market at a profit. Conversely, where the proceeds of selling the securities are more than the price at which the broker / dealer could purchase the Units in the secondary market, then a broker / dealer who is an Authorized Participant may arbitrage a sub-fund by redeeming units with a view to selling the securities it receives at a profit. The Management Company believes such arbitraging opportunities will ensure that the spread in the secondary market between the trading bid and offer price per unit is generally minimized.

Given that a sub-fund's units will be subscribed for in and redeemed in units, the Management Company also believes that ordinarily large discounts or premiums to the NAV Per Unit should not be sustained. In the event that the Management Company must suspend or discourage the subscription and / or redemption of units of a sub-fund, it is expected that larger discounts or premiums will arise.

THERE IS NO GUARANTEE THAT THE INVESTMENT OBJECTIVE OF A SUB-FUND CAN BE REALISED. THE SUCCESS OF AN INVESTMENT IN THE SUB-FUNDS MAY DIFFER FROM THAT OF A DIRECT INVESTMENT IN THE SECURITIES UNDERLYING THE RELEVANT INDEX OR STRUCTURED PRODUCT.

G) DISTRIBUTION OF INCOME

The Management Company determines for the Fund or for each unit class whether distributions will be made to the investors from the assets of the Fund or whether income will be reinvested. This is mentioned in chapter N) "The sub-funds".

Ordinary income such as from interest or dividends any less any direct expenses (if any) less the costs ("Ordinary Net Income") and net realized results are available for distribution. In addition, net unrealized results as well as other assets may be distributed provided that the net fund assets do not as a result of the distribution fall below the minimum level of EUR 1.25 mn laid down under the Law of 17 December 2010.

The Management Company is also authorized to make interim distributions.

In the event of a distribution in the form of bonus units, any remaining fractional units may be paid in cash or credited. Amounts for distribution which have not been collected five years following publication of the relevant distribution announcement shall be forfeited in favor of the fund assets.

However, the Management Company may decide at its own discretion to honor such amounts to the debit of the Fund also following the expiry of five years.

Where two or more unit classes are formed with different distribution policies, the specific distribution policy of each unit class is laid down in in chapter N) "The sub-funds"..

H) TAXES AND EXPENSES

1. Tax

The following section is a short summary of certain important taxation principles that may be or become relevant with respect to the Fund and its sub-funds.

This section does not purport to be a complete summary of tax law and practice currently applicable in Luxembourg and does not contain any statement with respect to the tax treatment of an investment in the Fund or any of its sub-funds in any other jurisdiction.

Furthermore, this section does not address the taxation of the Fund or any of its sub-funds in any other jurisdiction or the taxation of any legal entity, partnership or UCI without legal personality in which the Fund or any of its sub-funds hold an interest.

Prospective investors should consult their own professional tax advisers in respect of the possible tax consequences of subscribing for, buying, holding, redeeming, converting or selling the units of the Fund or of its sub-funds under the laws of their countries of citizenship, residence, domicile or incorporation and where appropriate take advice on the impact of the EU Savings Directive on their investment.

The following summary is based on laws, regulations and practice currently applicable in the Grand Duchy of Luxembourg at the date of this sales prospectus and is subject to changes therein, possibly with retroactive effect.

Taxation of the Fund

The Fund is not liable to any Luxembourg taxes on income or on realised or unrealised capital gains, nor to any Luxembourg withholding tax.

The funds are subject to an annual subscription tax of 0.05% calculated and payable quarterly on the net assets of the Fund on the last day of each fiscal quarter.

The reduced tax rate of 0.01% per annum of the net assets will be applicable to classes of units which are only sold or held by institutional investors within the meaning of article 174 of the Law of 2010.

An exemption may apply when, according to Article 175 of the Luxembourg Law dated 17 December 2010, (i) the units of the funds (as well as its individual sub-funds) are listed or dealt in on at least one stock exchange or another Regulated Market, operating regularly and recognized and open to the public; and (ii) provided that its exclusive object is to replicate the performance of one or more indices. If several classes of securities exist within the Fund or its sub-fund, the exemption only applies to classes fulfilling the condition of sub-point (i).

No such tax is applicable in respect of assets invested in Luxembourg undertakings for collective investments which are themselves subject to this tax.

Capital gains, dividends and interest on securities held by the Funds may be subject to capital gains, withholding or other taxes imposed by the country of origin concerned and these taxes may not be recoverable by the Fund or by Unitholders.

Taxation of individual Unitholders

(i) Non-resident individual Unitholders

Under current legislation, non Luxembourg tax resident individuals are not subject to any income, capital gain, withholding, gift, estate, inheritance or other tax in Luxembourg with respect to their Shares in the Fund.

(ii) Luxembourg resident individual Unitholders

Taxation of income received

Although Luxembourg FCPs should be deemed transparent from a tax perspective, for practical reasons the Luxembourg practice is to tax the income derived by Luxembourg tax resident individual Unitholders only once the income is effectively paid to the investor. Luxembourg tax resident individual Unitholders may benefit however from an annual tax exemption which applies to taxable payments up to EUR 1,500 (EUR 3,000 for married taxpayers / partners filing jointly). Distributions in excess of the annual exemption are taxed at progressive income tax rates. The highest marginal tax rate is 43.60% for 2016. In addition, a 1.4% dependency contribution and a 0.5% temporary budget tax as from 1 January 2015 are applied on the gross distribution, if such Unitholders are subject to Luxembourg Social Security regime.

Taxation of capital gains realised

Capital gains realised by Luxembourg tax resident individual Unitholders are tax exempt if the disposal of the units takes place more than six months after the acquisition thereof (or the disposal take place within the six months but the total capital gains do not exceed EUR 500).

Capital gains realised by Luxembourg tax resident individual Unitholders are taxable if the units in the Fund are disposed of within six months of their acquisition.

When taxable, capital gains realised will be subject to income tax up to 43.60% (in 2016).

The marginal income tax rate in Luxembourg is 43.60% for 2016. In addition, a 1.4% dependency contribution and a 0.5% temporary budget tax as from 1 January 2015 are applied on the taxable capital gain, if such Unitholders are subject to Luxembourg Social Security regime.

(iii) EU Savings Directive

On 10 November 2015, the EU Council has decided to repeal the EU Savings Directive (“EUSD”) with effect as at 1 January 2016. As from that date, Common Reporting Standard (“CRS”) will apply in most of EU countries, including Luxembourg and third countries. This new global standard developed by the OECD for the automatic exchange of information will go beyond the limited scope of the EUSD and will extend the scope of that exchange to include interest, dividends and other types of income. Therefore, as from 1 January 2016, Luxembourg will no longer apply the EUSD regime but the CRS regime. Only Austria obtained a derogation to apply EUSD for a transitional period (see Article 2.2 of the Council Directive 2014/107/EU of 9 December 2014).

As Switzerland will be part of the second CRS wave, the “Savings Agreement” concluded between EU and Switzerland (similar agreements exist also for Andorra, Liechtenstein, Monaco and San Marino) will remain in force until 31 December 2016. Until this date, Switzerland will continue to apply a withholding tax on cross border payments of interest to non-resident investors by local paying agents (unless a voluntary disclosure has been granted by the investors) in the context of this agreement. As from 01 January 2017, it will be changed into an “Automatic Exchange of Information Agreement”. The first Swiss report of account holder will take place as from September 2018 (Switzerland is part of the second CRS wave).

Austria has an additional time period of nine months compared to the other early adopting countries to implement CRS. In that respect, CRS will start to be applied gradually in October 2016 with the mandatory reporting of newly opened bank accounts and deposits. The first data exchange by Austria in the context of CRS will be done in September 2017 for new bank accounts opened for the period from 1 October 2016 to 31 December 2016. The high value (> EUR 1 million) accounts and deposits have to be identified by 31 December 2017. Subsequently, at the end of 2018, all accounts (high value, low value) are to be subject to the CRS procedures. During this transitional period, Austrian paying agents would continue to apply EUSD on cross-border interest payments until 31 December 2016.

Taxation of corporate Unitholders

(i) Non-resident corporate Unitholders

Under current legislation, non Luxembourg tax resident corporate Unitholders are not subject to any income, capital gain, withholding, estate, inheritance or other taxes in Luxembourg with respect to their units in the fund.

(ii) Luxembourg resident corporate Unitholders and non-resident corporate Unitholders holding the Units through a Luxembourg permanent establishment

Dividend distributions and capital gains received by Luxembourg tax resident corporate Unitholders are taxable at an aggregate tax rate of 29.22% when the Unitholders are established in Luxembourg City.

Luxembourg resident corporate Unitholders and non-resident corporate Unitholders which have a permanent establishment or a permanent representative in Luxembourg, to which the Units are attributable, should also be liable to net wealth tax in Luxembourg computed each year on the net value of the company as at 1st January. Since 01 January 2016, a digressive scale of rates for net wealth tax is applicable, as follows:

- 0.5% on a taxable base of up to EUR 500 million.
- On a taxable base exceeding EUR 500 million: net wealth tax of EUR2.5 million, plus 0.05% on the component of the net wealth tax base above 500 million.

Moreover, since 01 January 2016, all Luxembourg resident corporate Unitholders and non-resident corporate entities which have a permanent establishment or a permanent representative in Luxembourg would be subject to a minimum net wealth tax. This minimum net wealth tax charge would range from EUR 535 to EUR 32,100, depending on a company’s total gross

assets. For entities for which the sum of fixed financial assets, transferable securities and cash at bank exceeds 90% of their total gross asset and EUR 350,000, the minimum net wealth tax charge would be set at EUR 3,210.

The tax consequences for each Unitholder of purchasing, subscribing, acquiring, holding, converting, selling, redeeming or disposing of Units in the Fund will depend upon the relevant laws of any jurisdiction to which the Unitholders is subject. Investors and prospective investors should seek their own professional advice as to this, as well as to any relevant exchange control or other laws and regulations. Taxation law and practice and the levels of tax relating to the Fund and to Unitholders may change from time to time.² Fees and expenses paid by the Fund

Each sub-fund pays an all-in-fee („All-in-Fee“) which may differ for each unit class as set out in chapter N „The sub-funds“. The All-in-Fee is calculated on the daily average NAV of the sub-fund attributable to the relevant unit class and is payable monthly in arrears. The All-in Fee will not be charged until the corresponding unit classes have been launched.

The All-in Fee is composed of a fixed fee (“Fixed Fee”) and, in case of Indirect Investment Policy, an index replication fee (“Index Replication Fee”). In case of Direct Investment Policy no Index Replication Fee will be charged.

After discharging any fees and expenses the remaining amount of the fixed fee is split between the Management Company and the Main Distributor. In the event a sub-fund’s costs and expenses which are intended to be covered within the Fixed Fees exceed the stated Fixed Fees the Main Distributor will pay the difference to the Management Company.

The Fixed Fee, directly paid to the Management Company, includes fees and expenses for the Management Company, other service providers, as Investment Advisor, the Depository, the Fund Administrator and the Paying Agent.

Additionally, the Fixed Fee covers certain other administrative expenses, which include but are not limited to, the costs and expenses relating to the establishment of the Fund; organization and registration costs; license fees payable to license holders of an Reference Index; Taxe d’Abonnement (if any); expenses for legal and auditing services; cost of any proposed listings; maintaining such listings; printing of financial statements; sales prospectuses; preparation, maintenance, translation and updating of investors fact-sheets for the sub-funds; maintenance of the website in respect of the Fund and the sub-funds which provides investors with information on the Fund and the sub-funds, including but not limited to, provision of NAV, foreign registration fees and fees relating to the maintenance of such registrations including translation costs and local legal costs and other expenses due to supervisory authorities in various jurisdictions and local representatives’ remunerations in foreign jurisdictions; insurance (if any); the costs of publication of the NAV and such other information which is required to be published in the different jurisdictions; and all costs relating to the distribution of the sub-funds in the different jurisdictions.

The Management Company is responsible for discharging all operational expenses, including but not limited to fees and expenses of the services providers as set out above from the amounts received as Fixed Fee.

The Fixed Fee does not include the following fees, expenses and costs:

- any taxes or fiscal charges which the Fund may be required to pay, except the Taxe d’Abonnement (if any), or if it should be payable, any value added tax or similar sales or services tax payable by the Company (VAT) (all such taxes or fiscal charges), unless otherwise specified for the respective sub-fund; nor
- any costs and expenses incurred outside of the Fund’s ordinary course of business such as extraordinary expenses (e.g. legal fees incurred in prosecuting or defending, a claim or allegation, by or against, the respective sub-fund).

The Index Replication Fee covers any trading related costs such as swap costs, index tracking costs, funding costs, reinvestment- and rebalancing costs as well as further index related transaction costs.

In case of Direct Investment Policy no Index Replication Fee applies, but all transaction costs will be borne by the relevant sub-fund.

I) INFORMATION TO UNIT HOLDERS

1. Regular reports and publications

Reports to the unit holders in respect of the preceding financial year audited in accordance with Luxembourg's applicable accounting principles are made available at the latest four months after the end of the financial year of the Fund at the registered office of the Fund, the Management Company, and the Fund administrator. In addition, unaudited semi-annual consolidated reports are also made available at such registered office within two months after 30 June. The Management Company may make available to unit holders and potential investors an abridged version of the financial reports referred to above, which will not contain the detailed list of securities held by each of the sub-funds. Such abridged annual reports and abridged unaudited semi-annual reports will contain the offer to provide to those persons upon request and free of charge a copy of the complete version of such documents.

2. Documents available for inspection

Copies of the following documents may be inspected free of charge during usual business hours on any Business Day at the registered office of the Management Company: 8-10, Rue Jean Monnet, L-2180, Luxembourg, where copies of the sales prospectus, the Management Regulations and of the financial reports are also available free of charge.

In addition, the following documents will be available for inspection at the registered offices of the Management Company during normal business hours:

- a. the Articles of Association of the Management Company;
- b. the Central Administration Agreement ("Administration Agreement" with the "Registrar and Transfer Agency Schedule");
- c. the Depositary and Paying Agent Agreement ("Depositary Agreement" with the "Paying Agent Schedule");

J) LIQUIDATION OF THE FUND AND ITS SUB-FUNDS OR UNIT CLASSES, MERGING OF SUB-FUNDS AND UNIT CLASSES

1. Liquidation of the Fund, of sub-funds or unit classes

The Fund has been established for an unlimited period of time. However, the Fund may be dissolved and liquidated at any time by a resolution of the Management Company in due observance of the requirements contained in the Fund's management regulations.

In the event of dissolution, in accordance with Luxembourg law the assets of the Fund or sub-fund will be realized in the best interests of the unit holders. The Depositary Bank, upon instruction given by the Management Company, will distribute the net proceeds of liquidation among the unit holders of each class of units in proportion to their respective rights. As provided for by Luxembourg law, at the close of liquidation, the proceeds of liquidation corresponding to units not surrendered for repayment will be kept in safe custody at the "Caisse de Consignations" until the statute of limitation has lapsed. As soon as the circumstance leading to the state of liquidation of the Fund arises, the issue of units is prohibited on penalty of nullity. The Management Company may decide that the repurchase of units stays possible, provided that in such event, the equal treatment of unit holders must be assured.

In the event that for any reason the value of the net assets in any sub-fund has decreased below a minimum level for such sub-fund or class to be operated in an economically efficient manner, as provided for under "Compulsory Redemption", or if a change in the economic or political situation relating to the sub-fund concerned would have material adverse consequences on the assets held by that sub-fund, the Management Company may decide to compulsorily redeem all the units of the sub-fund or the relevant class issued in such sub-fund at the NAV Per Unit (taking into account actual realization prices of investments and realization expenses), calculated at the Valuation Day at which such decision will take effect. The Management Company will publish, in a Luxembourg daily newspaper and, if necessary, in the official publications specified in

the respective countries in which units are sold, a notice to the unit holders of the relevant sub-fund or class of units thereof in writing prior to the effective date for the compulsory redemption. The notice will indicate the reasons for, and the procedure of the redemption operations.

In addition, the Management Company of the class of units issued in any sub-fund may resolve to redeem all the units of the relevant class and refund to the unit holders the net asset value of their units (taking into account actual realization prices of investments and realization expenses) calculated at the Valuation Day at which such decision will take effect. The unit holders of the relevant sub-fund or class of units thereof will be notified of the decision of the Management Company to redeem all the units by the publication in a Luxembourg daily newspaper as well as, if necessary, in the official publications specified for the respective countries in which the units are sold.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption shall be paid to the public trust office (Caisse de Consignation) to be held for the benefit of the persons entitled thereto. All redeemed units will be cancelled.

2. Merger of sub-funds or classes of units

In the same circumstances as mentioned in the third paragraph of section 1. above the Management Company may decide to cancel all the units of a sub-fund or a class of units of a sub-fund and to allocate the corresponding unit holders the units of another sub-fund or another class of units of that sub-fund, or units or units in another UCITS in accordance with Luxembourg law.

The unit holders will be informed of the decision to merge in the same way as described above in the penultimate paragraph of section 1. above. During the month following the publication of such a decision, unit holders are authorized to redeem all or a part of their units in cash free of the Redemption Fee, but in accordance with the procedures outlined in chapter D, section 1. c) "Cash redemptions by unit holders not qualifying as Authorized Participants". Units not presented for redemption will be exchanged on the basis of the daily NAV Per Unit of the units of the sub-fund concerned calculated for the day on which this decision will take effect.

K) APPLICABLE LAW, PLACE OF PERFORMANCE AND AUTHORITATIVE LANGUAGE

The Management Regulations and special regulations of the Fund and the sub-funds are subject to Luxembourg law. All disputes between investors, the Management Company and the Depositary Bank are subject to the jurisdiction of the competent district court of the City of Luxembourg.

The Management Company and the Depositary Bank shall be entitled to submit themselves and the fund to the jurisdiction and law of any country in which units of the fund are offered for public sale concerning claims of investors who are resident in the country in question and in respect of matters which relate to subscription and redemption of units.

Only the English version of this sales prospectus, the Management Regulations and the special regulations is binding; in case of any discrepancies with a translation, the English version is binding.

With regard to units sold to investors in a particular country, the Management Company and the Depositary Bank may declare as binding upon themselves and the fund translations into languages of such countries in which such units are offered for public sale.

L) INVESTMENT RESTRICTIONS

In accordance with Luxembourg Law and with the determination made by the Management Company, the following investment restrictions apply to all investments by the Fund and any of its sub-funds:

1. The Fund, in each sub-fund, may only invest in:
 - a. transferable securities and money market instruments admitted to or dealt in on a Regulated Market as defined in article 1, point 13 of the Directive 93 / 22 / EEC;
 - b. transferable securities and money market instruments dealt in on another Regulated Market in a Member State of the European Union which operates regularly and is recognized and open to the public;
 - c. transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another Regulated Market in a non-Member State of the European Union which operates regularly and is recognized and open to the public, located within any other country of Europe, Asia, Australia (including Oceania), the American continents and / or Africa;
 - d. recently issued transferable securities and money market instruments, provided that
 - the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another Regulated Market referred to under a) to c) above;
 - such admission is secured within one year of issue;
 - e. shares and units of UCITS authorized according to Directive 2009 / 65 / EC and / or other UCI within the meaning of the first and second indent of Article 1(2) of Directive 2009 / 65 / EC, should they be situated in a Member State of the European Union or not, provided that
 - such other UCI are authorized under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
 - the level of guaranteed protection for unit holders in such other UCI is equivalent to that provided for unit holders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009 / 65 / EC;
 - the business of the other UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
 - no more than 10% of the UCITS or the other UCI assets, whose acquisition is contemplated, can be, according to its instruments of incorporation, invested in aggregate in units of other UCITS or other UCIs;

The sub-funds may not invest in units of other UCITS or other UCIs for more than 10% of their assets, unless otherwise provided in respect of particular sub-funds in the relevant fact sheets;

- f. deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a state included in the Zone A, as defined by paragraph 24 of Part I of the CSSF Circular letter 2000 / 10, as amended;
- g. financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market (exchange traded derivatives ETD) referred to in sub-paragraphs a), b) and c); and / or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that
 - the underlying consists of instruments covered by this paragraph (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Fund may invest according to the investment objectives of its sub-funds as stated in the Fund's management regulation,
 - the counter-parties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF, and
 - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair market value at the Fund's initiative;
- h. money market instruments other than those dealt in on a Regulated Market and referred to in Article 1 of the Law of 2010, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are

- issued or guaranteed by a central, regional or local authority, a central bank of a Member State, 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 members making up the federation, or by a public international body to which one or more Member States belong, or
 - issued by an undertaking any securities of which are dealt in on Regulated Markets referred to in sub-paragraphs a), b) or c), or
 - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law or by an establishment which is subject to and comply with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law, or
 - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a fund whose capital and reserves amount at least to ten million euros (EUR 10,000,000.–) and which presents and publishes its annual accounts in accordance with Fourth Directive 78 / 660 / EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
2. Each sub-fund:
 - a. may invest up to 10% of the net assets of a sub-fund in transferable securities and money market instruments other than those referred to in section 1. above;
 - b. may acquire movable and immovable property, which is essential for the direct pursuit of the sub-fund's business;
 - c. may not acquire either precious metals or certificates representing them; and
 - d. may hold ancillary liquid assets. In this respect, money market instruments which are regularly negotiated and which have a residual maturity of 12 months or less will be deemed to be liquid assets.
 3. In accordance with the principle of risk diversification, each sub-fund will invest no more than 10% of its net assets in transferable securities or money market instruments issued by the same issuing body. Each sub-fund may not invest more than 20% of its assets in deposits made with the same body.
 4. The risk exposure to a counterparty of each sub-fund arising from OTC derivative and / or efficient portfolio management transactions may not exceed 10% of its assets when the counterparty is a credit institution referred to in section 1.f), or 5% of its assets in any other case.
 5. Moreover, the total value of the transferable securities and money market instruments held by a sub-fund in the issuing bodies in each of which it invests more than 5% of its assets must not exceed 40% of the value of its assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.
 6. Notwithstanding the limits laid down in sections 3 and 4 above, a sub-fund may not combine
 - investments in transferable securities or money market instruments issued by,
 - deposits made with and / or,
 - exposures arising from OTC derivatives and / or efficient portfolio management transactions undertaken with a single body in excess of 20% of its assets.
 7. The following exceptions can be made:
 - a. The aforementioned limit of 10% can be raised to a maximum of 25% for certain debt securities if they are issued by credit institution whose registered office is situated in an EU Member State and which is subject, by virtue of law, to particular public supervision for the purpose of protecting the holders of such debt securities. In particular, the amounts resulting from the issue of such debt securities must be invested, pursuant to the law in assets which sufficiently cover, during the whole period of validity of such debt securities, the liabilities arising there from and which are assigned to the preferential repayment of capital and accrued interest in the case of default by the issue. If a sub-fund invests more than 5% of its net assets in such debt securities as referred to above and issued by the same issuer, the total value of such investments may not exceed 80% of the value of the sub-fund's net assets.

- b. The aforementioned limit of 10% can be raised to a maximum of 35% for transferable securities or money market instruments issued or guaranteed by an EU Member State, by its local authorities, by a non-EU Member State or by public international bodies of which one or more EU Member States are members.
 - c. The transferable securities referred to in exceptions (a) and (b) are not included in the calculation of the limit of 40% laid down in section 5. above.
 - d. The limits stated under sections 3 to 6 and 7 (a) and (b) above may not be combined and, accordingly, investments in transferable securities or money market instruments issued by the same body or in deposits or derivatives instruments made with this body in accordance with sections 3 to 6 and 7 (a) and (b) above may not, in any event, exceed a total of 35% of the sub-fund's net assets.
 - e. Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83 / 349 / EEC or in accordance with recognised international accounting rules are regarded as a single body for the purpose of calculating the limits contained in sections 3. to 7.
 - f. Each sub-fund may invest in aggregate up to 20% of its assets in transferable securities and money market instruments with the same group.
- 8. Each sub-fund is authorized to invest in accordance with the principle of risk spreading up to 100% of its assets in different transferable securities and money market instruments issued or guaranteed by a Member State of the European Union, its local authorities, a non-Member State of the European Union or public international bodies of which one or more Member States of the European Union are members, provided that in such event a sub-fund must hold securities from at least six different issues, but securities from any one issue may not account for more than 30% of the total amount.**
- 9. Each sub-fund has 6 months from its date of authorization to achieve compliance with sections 3. to 8. and 10.**
- 10.**
- a. Each sub-fund may acquire units of UCITS and / or other UCIs referred to in 1e). However, when a sub-fund invests in units of UCITS or other UCIs for more than 10% of its assets according to section 1.e), no more than 20% of its assets can be invested in a single UCITS or other UCI. For the purposes of applying this investment limit, each sub-fund of a UCITS and / or other UCI with multiple sub-funds, within the meaning of Article 181 of the UCI Law, shall be considered as a separate entity, provided that the principle of segregation of commitments of the different sub-funds is ensured in relation to third parties. When a sub-fund invests in units of UCITS or other UCIs for more than 10% of its assets according to section 1.e), investments made in units of UCIs other than UCITS may not exceed, in aggregate, 30% of the assets of the relevant sub-fund. When a sub-fund has acquired units of UCITS and / or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined in the view of the limits laid down in sections 3. to 7.
 - b. When a sub-fund invests in the units of other UCITS and/or other UCIs managed directly or indirectly by another fund related to the Management Company by common management or control, or by a direct or indirect holding of more than 10% of the capital or the voting shares (hereafter referred to as target UCIs or UCITS), that other fund may not charge any subscription or redemption fees on account of the sub-fund's investment in the units of the target UCIs or UCITS.
- 11. A sub-fund will not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.**
- 12. A sub-fund may not acquire more than:**
- 10% of non-voting shares of the same issuer,
 - 10% of the debt securities issued by the same issuer,
 - 25% of the units of the same UCITS and / or other UCIs or
 - 10% of the money market instruments of the same issuer.

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

13. The limits under sections 11. and 12. are waived as to:
- a. transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;
 - b. transferable securities and money market instruments issued or guaranteed by a non EU Member State;
 - c. transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;
 - d. shares held in the capital of a company incorporated in a non EU Member State and investing its assets mainly in securities of issuers having their registered office in that State, if under the legislation of that State such a holding represents the only way in which a sub-fund can invest in the securities of the issuers of that State. This derogation only applies if the company has an investment policy complying with sections 3. to 7. as well as sections 10. to 12. above. If the limits stated in sections 3. to 7. and 10. above are exceeded, the provisions laid down in 9. and 17. shall apply mutatis mutandis;
 - e. shares held by the sub-funds in the capital of one or more subsidiary companies carrying on only the business of management, advice or marketing in the country / state where the subsidiary is located, in regard to the repurchase of units at shareholders' request exclusively on its or their behalf.
14. The Management Company may, for one or more of its sub-funds have as its investment policy the aim to replicate the composition of a certain stock or debt securities index which is recognized by the CSSF, on the following basis:
- the index's composition is sufficiently diversified;
 - the index represents an adequate benchmark for the market to which it refers;
 - it is published in an appropriate manner.

Without prejudice to any other applicable limits, a sub-fund may, for the concerned sub-funds, invest up to a maximum of 20% of its assets in shares and / or debt securities issued by the same body; this limit is of 35% where that proves to be justified by exceptional market conditions, in particular in Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this 35% limit is only permitted for a single issuer.

The sub-funds the investment policy of which is the tracking of an index may achieve the exposure to the component securities of such index either by direct holding of securities, or by indirectly through the use of financial derivative instruments.

15. Any sub-fund may not borrow more than 10% of its total net assets, and then only from financial institutions and on a temporary basis. Each sub-fund may, however, acquire foreign currency by means of a back to back loan. Each sub-fund will not purchase securities while borrowings are outstanding in relation to it, except to fulfill prior commitments and / or exercise subscription rights. However, each sub-fund can borrow up to 10% of its net assets to make possible the acquisition of immovable property essential for the direct pursuit of its business. In this case, these borrowings and those referred to above (temporary borrowings) may not in any case in total exceed 15% of the sub-funds' net assets.
16. The Fund respective a sub-fund may not grant credits or act as guarantor for third parties. This limitation does not prevent the Fund respective a sub-fund to purchase securities that are not fully paid up, nor to lend securities as further described thereunder. This limitation does not apply to margin payments on option deals and other similar transactions made in conformity with established market practices.
17. Each sub-fund will not purchase any securities on margin (except that the sub-fund may obtain such short-term credit as may be necessary for the clearance of purchases and sales of securities) or make short sales of securities or maintain a short position. Deposits on other accounts in connection with option, forward or financial futures contracts are, however, permitted within the limits provided for here below.
18. The Management Company is authorized to introduce further investment restrictions at any time in the interests of the unit holders provided these are necessary to ensure compliance with the laws and regulations of those countries in which the sub-funds' units are offered and sold. In this event this sales prospectus will be updated.
19. Each sub-fund, may invest in warrants on transferable securities.
20. Each sub-fund will not engage in uncovered sales of transferable securities.

21. If any of the above limitations are exceeded for reasons beyond the control of the Fund and / or each sub-fund or as a result of the exercise of subscription rights attaching to transferable securities or money market instruments, the Fund and / or each sub-fund must adopt, as a priority objective, sales transactions for the remedying of that situation, taking due account of the interests of its unit holders.
22. The Fund or a sub-fund must not neglect the following risks / terms that are linked to the investment in units of other open-ended and closed-ended UCIs:
 - a. If the investment is done in another open-ended or closed-ended UCIs which is not subject to any permanent control for the protection of the investors, required by law and carried out by a supervisory authority in its home country, there is less protection against possible losses.
 - b. Due to possible legal, contractual or juridical constraints, the possibility exists that the investments in other open-ended and closed-ended UCI may only be sold with difficulty.
 - c. In relation to the investment in other open-ended and closed-ended UCI which are not linked to the Fund respective a sub-fund in the manner described under section 10.b) above, the Fund or a sub-fund must bear the usual commissions relating to the units of these UCIs.
23. No sub-fund will invest more than 15% of its assets in debt claims as defined by the Directive 2003 / 48 / EC on the taxation of savings income adopted by the European Union.

M) SPECIAL TECHNIQUES AND INSTRUMENTS THAT HAVE SECURITIES AND MONEY MARKET INSTRUMENTS AS THE UNDERLYING

1. Introduction

The Fund may, for each sub-fund, for the purpose of efficient portfolio management of the assets of the respective sub-fund and / or to protect its assets and commitments, employ certain techniques and instruments as set out hereunder. In no case whatsoever must recourse to transactions involving derivatives or other financial techniques and instruments cause the Fund or a sub-fund to depart from the investment objectives set out in the sales prospectus.

Such Techniques and instruments are used in accordance with the legal requirements. These techniques and instruments are used in the best interests of the sub-fund.

Revenues arising from the use of techniques and instruments for the purpose of efficient portfolio management, should in principle – net of direct respectively indirect costs – flow to the sub-fund's assets. The Management Company shall have the right to charge a fee for the initiation, preparation and execution of such transactions. The Management Company will receive for the direct respectively indirect costs for initiation, preparation and execution of securities lending and repurchase transactions for the sub-fund's account a fee of up to 50% of the revenues from these transactions. Expenses incurred in connection with the preparation and execution of such transactions, including fees payable to third parties (for example transaction costs paid to the Depositary) bears the Management Company. The identity of the counterparty to the transactions to which the direct and indirect costs and fees are paid and the costs will be published in the annual report. The costs and fees do not include hidden revenues;

2. Transactions involving the use of derivative instruments

a) Use of derivatives

The Management Company on behalf of the Fund or a sub-fund may enter into derivative transactions for investment purposes, for efficient portfolio management purposes as well as for hedging purposes. Hedging techniques will only be applied for the purposes of hedging currency exposure in a sub-fund where the calculation of the index return hedges currency exposure back to the Reference Currency of the sub-fund.

The Management Company may, for each sub-fund, enter into contract relating to forward transactions (financial futures and forwards), swaps (excluding funded swaps) and options on financial instruments, provided that their underlying securities are permissible investments under chapter L “Investment restrictions”. These contracts may be traded on an exchange or over-the-counter.

b) General limits applicable to derivative transactions

Each sub-fund must ensure that the overall risk associated with derivatives does not exceed the net assets of the relevant sub-fund. The following are taken into account in computing risk: the market value of the underlying instruments, the risk of default, future foreseeable market developments and the period within which the positions are to be liquidated. This also applies to the following two points:

In the case of investments in derivatives, the overall risk for the underlying instruments may not exceed the investment limits set forth under sections 3. to 9. of chapter L “Investment restrictions” above. Investments in index-based derivatives need not be taken into account in the case of the investment limits set forth under sections 3. to 9. of chapter L “Investment restrictions” above.

If a derivative has a security or money market instrument as the underlying, it has to be taken into account with regard to compliance with the rules set forth under section 6. of chapter L “Investment restrictions” above.

3. Securities lending transactions

The Management Company may act as lender in respect of a sub-fund in the context of securities lending, provided such transactions are carried out in accordance with the requirements of CSSF Circulars 08 / 356 and 14/592 and another circular that amends or replaces it. It shall be ensured that all securities borrowed as part of a securities lending transaction can be transferred back and all securities lending agreements can be cancelled at any time.

4. Repurchase agreements

The Management Company on behalf of the Fund or of a sub-fund (in this paragraph reference is in this regard made to the “Fund”) may enter into repurchase (“repo”) transactions which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and term specified by the two parties in their contractual arrangement. The Fund can act either as purchaser or seller in repo transactions. Its involvement in such transactions is however subject to the following rules:

- a.** A sub-fund may not buy or sell securities using a repo transaction unless the counterpart in such transactions is a first class financial institution specializing in this type of transaction.
- b.** During the life of a repo contract of purchase, the Company cannot sell the securities which are the object of the contract, either before the right to repurchase these securities has been exercised by the counterparty, or the repurchase term has expired.

A sub-fund must take care to ensure that the level of its exposure to repo transactions is such that it is able, at all times, to meet its repurchase obligations. Securities underlying derivative financial instruments, lent or acquired via reverse repurchase agreements may not be sold via repurchase agreements.

5. Collateral and Haircut Policy

Where the Management Company on behalf of the Fund or of a sub-fund enters into OTC financial derivative and / or efficient portfolio management transactions, collateral may be used to reduce counterparty risk exposure subject to the following conditions. Haircuts may be made to the collateral which, in principle, amount to 100% of the legal requirements and vary according to the type of securities, the issuer rating and, where applicable, the remaining term. After deduction of the haircuts, the collateral must at all times be sufficient to meet the legal requirements.

The following is a description of the Management Company’s collateral and haircut policy, which takes into account the statutory eligibility criteria in CSSF Circulars 08 / 356 and 11 / 512 in connection with CSSF Circular 14 / 592:

- a.** The provision of the collateral for the purpose of securities lending, repo and reverse repo transactions shall be in line with CSSF Circulars 08 / 356 and 14/592. The collateral must always be:
 - Liquid funds (these do not only include cash and short-term bank deposits, but also money market instruments as set out in Commission Directive 2007 / 16 / EC of 19 March 2007 implementing Council Directive 85 / 611 / EEC on the

coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions.

- Bonds issued or guaranteed by an OECD Member State or its public local authorities or via supranational bodies and undertakings with a community, regional or global character,
 - Shares or units issued by money market UCIs which calculate a net asset value on a daily basis and have an AAA-rating, or equivalent,
 - Shares or units issued by UCITS which invest in bonds / shares listed in the next three points,
 - Bonds issued or collateralized by first-class issuers with adequate liquidity, or
 - Shares which are listed on a stock exchange or traded on a Regulated Market of an EU Member State or a securities market of an OECD State, if said shares are included in a major index.
 - Collateral which is not provided in cash or in shares / units of a UCI / UCITS is issued by a company not affiliated to the counterparty.
- b. The provision of collateral in order to reduce the counterparty risk on OTC derivatives is stipulated in CSSF Circular 11 / 512. The criteria, pursuant to CSSF Circular 08 / 356 (see a. above) as well as the general principle of CESR guideline CESR / 10-788 (Box 26), as amended by ESMA Directive 2014 / 937 in conjunction with CSSF Circular 14 / 592, are also taken into account:
- Liquidity: all received non-cash collateral is highly liquid and traded at a transparent price on a Regulated Market or within a multilateral trading system, so that it can be sold at short notice at a price which is near to the valuation determined prior to being sold. Received collateral shall also comply with the provisions of Article 56 of the UCITS Directive.
 - Valuation: The collateral received is valued on each trading day as a minimum, taking into account the available market prices by consulting independent third-party data sources which ensure the objective valuation of collateral. Daily variation margins will be used, if required. Assets with a high price volatility are only accepted as collateral if appropriate conservative haircuts are applied. No haircuts will be employed for non-cash collateral in accordance with the haircut policy of Structured Invest S.A. if the remaining term of the non-cash collateral is up to one year and the price volatility is low. Issuer rating: the issuer of the accepted securities has a high rating.
 - Correlation: securities accepted by the UCITS are issued by a legal entity which is independent of the counterparty and does not have a high correlation with the performance of the counterparty.
 - Diversification of collateral (investment concentration): as far as collateral is concerned, care is taken to ensure an adequate diversification in relation to countries, markets and issuers. This adequate diversification criterion with regard to the issuer concentration has been met.
- c. Securities lending, repo, reverse repo, futures, options and swap transactions are only made with counterparties subject to supervisory regulations which are equivalent to EU legislation.
- d. Received cash collateral should only
- be invested as sight deposits with legal entities, pursuant to Article 50(f) of the UCITS Directive;
 - be invested in high-quality government bonds;
 - be used for reverse repo transactions, provided that these are transactions with credit institutions which are subject to supervision and the UCITS can claim back the entire accrued amount at any time;
 - be invested in money market funds with a short maturity structure, pursuant to the definition in the CESR's guidelines on a general definition for European money market funds.
- It should be noted that the Fund may suffer losses through the investment of cash collateral received. This type of loss may result, for example, from an impairment of the investment in which the cash collateral has been invested. The impairment of an investment would also lead to a decrease in cash collateral. The Fund would have to offset the difference when returning the collateral to the counterparties, which may result in a loss for the Fund. Please see section **"F) Risk Factors"** of this Prospectus with regard to other risks which may occur in relation to the investment of cash collateral received.
- e. Collateral and haircuts accepted by the Management Company:
(as set out in collateral agreement):

Cash collateral	Haircut
Monetary amounts in EUR	0%

Securities

German Bunds with a residual maturity of up to 1 year	0%
German Bunds with a residual maturity of 1 to 2 years	1%
German Bunds with a residual maturity of 2 to 5 years	2%
German Bunds with a residual maturity of 5 to 10 years	3%
German Bunds with a residual maturity of more than 10 years	5%
Pfandbriefe of German mortgage banks, jumbos and public-sector bonds with a rating by Standard and Poor's Rating Services, Inc. (S&P) for senior unsecured debt of at least Aa1 (valid on a relevant valuation day).	
and a residual maturity of up to 1 year	0%
of 1 to 2 years	1%
of 2 to 5 years	2%
of 5 to 10 years	3%
of more than 10 years	5%
Euro (bearer) bonds, except for those issued by companies affiliated to the guarantor, with an S&P rating for senior unsecured debt of at least Aa1 (valid on a relevant calculation day).	
and a residual maturity of up to 1 year	0%
of 1 to 2 years	1%
of 2 to 5 years	2%
of 5 to 10 years	3%
of more than 10 years	5%

- f. Accepted non-cash collateral must not be sold, reinvested or securitized.
- g. The assets which are employed for securities financing transactions and total return swaps and the collateral received are held in custody by the Depositary of the Fund. Please see section **"F) Risk Factors"** of this Prospectus with regard to risks which occur in relation to the safekeeping of collateral received by the Depositary

6. Specific. Regulation and Tax interests

Specific U.S. regulation and tax interests

Foreign Account Tax Compliance

The requirements of the Foreign Account Tax Compliance Act ("FACTA") under the Hiring Incentives to Restore Employment Act of 2010 impose new reporting requirements and potential withholding taxes of up to 30% on certain U.S.-based income (including dividends and interest) as well as gross earnings from the sale or other alienation of property which may generate interest or dividends from US income ("Withholdable Payments"). Essentially, the new rules are designed so that direct or indirect property of non-U.S. accounts and non-U.S. enterprises of

- a. U.S. persons and
- b. non-U.S. enterprises controlled by one or more persons designated as a "specified U.S. person"

are subject to reporting requirements to the U.S. Internal Revenue Service (the "IRS"). The withholding tax of 30% is applied if the relevant FATCA disclosure requirements are not met.

The governments of the United States of America and Luxembourg have signed an IGA on the FATCA. This makes Luxembourg a FATCA partner state, which transposes FATCA provisions into national law. Provided that a sub-fund meets the requirements of the IGA, the sub-fund is not subject to any withholding tax and, in general, is not obligated to withhold any sums. In addition, the sub-fund cannot enter into any specific agreements with the IRS. Instead, each sub-fund must collect information on its unit holders and report any information that is relevant under the provisions of the IGA to the Luxembourg tax authorities, who will forward the information received to the IRS.

Potential investors should consult their tax advisers to learn about potential FATCA obligations in their specific situation. Every unit holder and every beneficiary of a transfer of units in a sub-fund must provide the Company, or a third party designated by the Company (the "Designated Third Party"), with all information, assurances, disclaimers and forms with regard to the unit holder (or the direct or indirect owner or account holder of the unit holder) including changes in form and within the time frame reasonably requested by the Company or Designate Third Party (including electronic certification).

This information will be used to:

- a. identify the tax domicile(s) of every unit holder;
- b. collect information that may be required by the Luxembourg tax authority under the FATCA reporting procedure; and
- c. enact the following exemptions, reductions or repayments:
 - withholding taxes or other taxes imposed on a sub-fund by tax authorities or other government agencies (including withholding taxes imposed within the framework of the Hiring Incentives to Restore Employment Act of 2010, or any similar or subsequent laws or intergovernmental agreements, or any agreements concluded based on these laws or intergovernmental agreements);
 - amounts paid to the sub-fund; or
 - amounts assignable or distributable by a sub-fund to unit holders or beneficiaries.

If the unit holder or beneficiary in a transfer of units cannot submit the required information, assurances, disclaimers or forms to the Company or the Designated Third Party, then the Company or the Designated Third Party shall be entitled to repossess the units in any sub-fund of the relevant unit holder or beneficiary.

The Company or the Designated Third Party reserves the right to pass any and all information on the unit holders (including unit holder information that was submitted as per this subsection) to the government or tax authorities in Luxembourg, if this information may be requested within the framework of the IGA requirements.

The Fund respective its sub-funds are classified under FATCA as a “Collective Investment Vehicle”. To maintain this chosen status, the sub-funds must ensure at all times that all investors in possession of sub-fund units are entitled to be investors. According to the FATCA-specific requirements and restrictions on U.S. investors (see above), the following persons are deemed entitled to be investors:

- exempt beneficial owners;
- active Non-Financial Foreign Entities (NFFEs); and
- Non-Participating Foreign Financial Institutions (NPFIs).

Common Reporting Standard – CRS

The OECD received a mandate by the G8/G20 countries to develop a Common Reporting Standard (CRS) to achieve a comprehensive and multilateral automatic exchange of information (AEOI) in the future on a global basis. The CRS has been incorporated in the amended Directive on Administrative Cooperation (DAC 2), adopted on 9 December 2014, which the EU Member States had to incorporate into their national laws by 31 December 2015. In this respect, the Luxembourg CRS law dated 18 December 2015 (“AEOI Law”) was published in the Mémorial A – N° 244 on 24 December 2015.

The CRS requires Luxembourg Financial Institutions to identify their account holders (including in the case of an Investment Entity equity and debt holders) and establish where they are fiscally resident. In this respect, a Luxembourg Financial Institution should obtain a self-certification to establish the CRS status and/or tax residence of its investors at account opening.

Luxembourg Financial Institutions will need to perform their first reporting of financial account information for the year 2016 about investors and (in certain cases) their Controlling Persons that are tax resident in a Reportable Jurisdiction (identified in a Grand Ducal Decree) to the Luxembourg tax authorities (Administration des contributions directes) by 30 June 2017. The Luxembourg tax authorities will automatically exchange this information with the competent foreign tax authorities by the end of September 2017.

The Fund qualifies as “Exempt Collective Investment Vehicle (Exempt CIV)” for CRS purposes. To maintain this status, the AEOI Law requires the Fund to ensure that all of the interests in the Fund are held by or through individuals or entities that are not Reportable Persons. In this respect, the term “Reportable Person” means an individual or entity that is resident in a Reportable Jurisdiction (identified in a Grand Ducal Decree) under the tax laws of such jurisdiction other than (i) a corporation the stock of which is regularly traded on one or more established securities markets; (ii) any corporation that is a related entity of a corporation described in clause (i); (iii) a Governmental Entity; (iv) an International Organisation; (v) a Central Bank; or (vi) a Financial Institution. In addition, the AEOI Law excludes Passive Non-Financial Entities (Passive NFEs) with Controlling Persons who are Reportable Persons from the eligible investors for the Exempt CIV status. Therefore, the Fund does not accept any investor qualifying as Passive NFE and having one or more Controlling Persons who are Reportable Persons.

Data protection:

According to the AEOI Law and Luxembourg data protection rules, each individual concerned shall be informed on the processing of his/her personal data before the Luxembourg Financial Institution processes the data. If the individual qualifies as Reportable Person in the aforementioned context, the Management Company will inform the individual in accordance with the Luxembourg data protection law.

- In this respect, the Management Company as Luxembourg Financial Institution will be responsible for the personal data processing and will act as data controller for the purpose of the AEOI Law.
- The personal data is intended to be processed for the purpose of the AEOI Law and the CRS/DAC 2.
- The data may be reported to the Luxembourg tax authorities (Administration des contributions directes), which may in turn continue these data to the competent authorities of one or more Reportable Jurisdictions.
- For each information request for the purpose of the AEOI Law sent to the individual concerned, the answer from the individual will be mandatory. Failure to respond within the prescribed timeframe may result in (incorrect or double) reporting of the account to the Luxembourg tax authorities.
- Each individual concerned has a right to access any data reported to the Luxembourg tax authorities for the purpose of the AEOI Law and, as the case may be, to have these data rectified in case of error.

If the individual qualifies as a Reportable Person (i.e. tax resident in a Reportable Jurisdiction) under the AEOI Law, the Fund will be required to report the individual's personal data to the Luxembourg tax authorities, which will forward the data to the tax authorities of all countries of tax residence as identified in the provided self-certification / application forms.

N) THE SUB-FUNDS

1. SI UCITS ETF – UC Thomson Reuters Balanced European Convertible Bond UCITS ETF

Investors are reminded that they should read this sales prospectus in its entirety and should consider the risks described under chapter F “Risk factors” especially those outlined in section 18. “Risks in Relation to the index components”. If you have any doubts you should consult your independent financial adviser.

Investment objective

Investment objective of the UC Thomson Reuters Balanced European Convertible Bond UCITS ETF (under this section the “sub-fund”) is to provide investors with a return, which reflects the return of the Thomson Reuters Monthly Europe Focus Convertible Index (the “Reference Index”) or any other index determined by the Management Company, which is deemed to be an appropriate index for the sub-fund to represent the European convertible bond market.

No assurance can be given that the stated investment objective will be met.

Investment policy

The sub-fund uses the method of Indirect Investment Policy as described in chapter C “Investment objective and investment policy of the sub-funds”, section 2. c) “Methods for tracking the sub-fund’s Reference Index”. The swap counterparty has no discretionary power about the underlying index in regard to the index rules as the swap counterparty is legally independent from the index provider.

The following overview describes the securities financing transactions that are used:

Securities financing transaction	Permitted	Used	Maximum amount	Estimated amount
Total return swaps	Yes	Yes	100%	100%.
Repurchase transaction	Yes	No	n.a.	n.a.
Securities or commodities lending transaction	Yes	No	n.a.	n.a.
Buy/Sell-back transaction	Yes	No	n.a.	n.a.
Sell/Buy-back transaction	Yes	No	n.a.	n.a.
Lombard transaction	Yes	No	n.a.	n.a.

The maximum share of assets managed for this Fund which may be used for total return swaps therefore amounts to 100%. The share of managed assets which will likely be used for total return swaps amounts to 100%.

Specific investment restrictions

The sub-fund may only acquire units in other UCITS or other UCIs for a total value not exceeding 10% of net sub-fund assets.

General description of the Reference Index

The Reference Index, which is published by Reuters Limited (“Thomson Reuters”), is a Total Return Index designed to provide a broad measure of the performance of the balanced investable European convertible bond market.

The Reference Index is rebalanced monthly and reviewed on a quarterly basis to ensure the constituents’ continued compliance with the Reference Index rules. Constituents may be also removed from the Reference Index during the month as outlined in the Reference Index description.

Any proceeds in the Reference Index that may be generated by deletions, income received or reduced issue weights from constituents in-between monthly rebalancing dates will be held as cash in local currency of respective proceeds until next monthly rebalancing.

Qualifying fixed income securities may be rated investment grade or non-investment grade by a recognised rating agency or unrated, may be issued with fixed or floating rates and must meet minimum size requirements in their local currency.

Individual convertible bond issuers are capped at 8% of the Reference Index at each monthly rebalancing date.

Issues with mandatory conversion (i.e. convertible bonds which must be converted into equities at a given date) and perpetual issues (i.e. convertible bonds which do not have a maturity date) are excluded from the Reference Index.

Further details of the Reference Index, its components, its rebalancing frequency and its performance can be found at <http://thomsonreuters.com/monthly-europe-focus-convertible-index>.

The above Reference Index overview summarizes the key features of the Reference Index at the time this sales prospectus was drawn up, but does not intend to provide a full description of the Reference Index. Investors are advised to obtain information on the current Reference Index composition or any Reference Index adjustments or changes (e.g. with regard to the index calculation method applied) on a regular basis from the aforesaid website. In the event of any inconsistencies between the above Reference Index overview and the full Reference Index description, the Index Provider’s full Reference Index description shall prevail.

Reference Index Disclaimer

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Profile of typical investor

An investment in this sub-fund is suitable only for investors who are able to appraise the risks and economic value of the investment. The investor must be prepared to accept a high volatility of the fund units and potentially substantial capital losses in order to achieve higher returns. The sub-fund is intended for investors with a medium- to long-term investment horizon.

Risk management procedure

The Management Company establishes a risk management procedure for the Fund respective its sub-funds in line with the Law of 17 December 2010 and other applicable provisions, particularly CSSF circular 11 / 512. Using the risk management procedure, the Management Company records and measures the market risk, liquidity risk, counterparty risk and all other risks, including operational risks material to the sub-fund.

In the context of the risk management procedure, the sub-fund's global exposure will be measured and controlled using the relative Value at Risk (VaR) methodology.

The reference portfolio for the sub-fund is the Thomson Reuters Monthly European Focus Convertible Bond Focus Index. Detailed information on the reference portfolio can be obtained free of charge from the Management Company.

The Management Company calculates the level of leverage for the sub-fund as the sum of the notional of the derivatives used and expects that the level of leverage will be a maximum of 300% (with respect to the net assets of the sub-fund). In exceptional cases, the leverage may exceed this value.

SI UCITS ETF – UC Thomson Reuters Balanced European Convertible Bond UCITS ETF		
Reference Currency	EUR	
Appropriation of income		
UC Thomson Reuters Balanced European Convertible Bond UCITS ETF	Accumulating	At financial year end
UC Thomson Reuters Balanced European Convertible Bond UCITS ETF (dis)	Distributing	Distribution amount based on financial year end; payment at the earliest in January of the subsequent year
ISIN:		
UC Thomson Reuters Balanced European Convertible Bond UCITS ETF	LU1199448058	
UC Thomson Reuters Balanced European Convertible Bond UCITS ETF (dis)	LU1372156916	
WKN		
UC Thomson Reuters Balanced European Convertible Bond UCITS ETF	A14PYG	
UC Thomson Reuters Balanced European Convertible Bond UCITS ETF (dis)	A2AEZ5	
Stock exchange ticker		
UC Thomson Reuters Balanced European Convertible Bond UCITS ETF	ECBD	
UC Thomson Reuters Balanced European Convertible Bond UCITS ETF (dis)	ECBC	
SEDOL		
UC Thomson Reuters Balanced European Convertible Bond UCITS ETF	BWB8V14	
UC Thomson Reuters Balanced European Convertible Bond UCITS ETF (dis)	BYY7LZ6	
Subscription period	None	
Initial issue date / Launch date	18 May 2015	
Initial unit value		
UC Thomson Reuters Balanced European Convertible Bond UCITS ETF	EUR 100.00	On inception date
UC Thomson Reuters Balanced European Convertible Bond UCITS ETF (dis)	EUR 100.00	On inception date
Initial issue price	Up to EUR 105.00	On inception date
Initial redemption price	Up to EUR 95.00	On inception date
Denomination	1 unit	
First NAV calculation	19 May 2015	
Minimum initial investment	50,000 units	On primary market
Minimum subsequent investment:	50,000 units	On primary market
Minimum units for redemption	1 unit	

Valuation day	Means, each day where the NAV is calculated by the Management Company or one of its agents under the supervision of the Depository Bank, being each Business Day	
Sub-fund specific business day rule	None	
Order acceptance	5 p.m. CET	All subscription, redemption and conversion orders are placed on the basis of an unknown unit value. Orders received by the Fund Administrator by no later than 5 p.m. CET on a Valuation Day shall be processed on the basis of the unit value of the current Valuation Day. Orders received after 5 p.m. CET shall be processed on the basis of the unit value on the following Valuation Day.
Due date for the (initial) issue price	2 banking days after the (first) issue date	
Due date for the redemption price	2 banking days after Valuation Day	
Sales Fee*:	Up to 5% Min. EUR 50,000 for each subscription order	In favour of the Main Distributor
Redemption Fee*:	Up to 5% Min. EUR 50,000 for each redemption order	In favour of the Main Distributor
Conversion Fee*:	Not applicable	Only in between the same sub-fund
All-in Fee**12F ²	Up to 1.5 % (currently 0.75 %) p.a. of NAV	This fee is calculated and accrued on each Valuation Day and is paid retroactively. The All-in fee includes the Fixed Fee and Index Replication Fee. Fixed Fee: 0.50 % p.a. of NAV paid to the Management Company Index Replication Fee: Up to 1.00 % (currently 0.45 %) p.a. of NAV paid to swap counterparty Moreover the Management Company may charge for the coordination of special reportings (e.g. Solvency II, VAG) and the processing of underlying data for regulatory reportings a fee of maximum EUR 1,500 per reporting.
Performance-related Fee	None	
Taxe d'abonnement	Exempt	
Tracking Error	Up to 1% under normal market circumstances	
Risk class	Reduced risk tolerance	
Listing Stock Exchange(s)		
UC Thomson Reuters Balanced European Convertible Bond UCITS ETF	XETRA Deutsche Börse AG, Borsa Italiana S.p.A., SIX Swiss Exchange AG	
UC Thomson Reuters Balanced European Convertible Bond UCITS ETF (dis)	XETRA Deutsche Börse AG, Borsa Italiana S.p.A., SIX Swiss Exchange AG	
Reference Index	Thomson Reuters Monthly Europe Focus Convertible Index	
Index Provider	Reuters Limited ("Thomson Reuters")	Also acting as Index Calculation Agent
Investment policy	Indirect Investment Policy	
Management Company savings scheme	None	

*This charge is not applicable to any stock exchange transactions on the secondary market, but is payable to the sub-fund by investors who ask the financial intermediary who holds their units to create or redeem those units with the sub-fund for cash or to convert those units into units of (one of) the other unit class of the same sub-fund.

** Any distribution costs incurred are paid out of the All-in-fee. The payments from the All-in fee for distribution expenses are inclusive of any value added tax applicable.

Length of sub-fund term	Established for an indefinite period	
Form of units	Global certificate and registered shares	There shall be no entitlement to the delivery of physical securities.
Settlement of units	Cash settlement	

*This charge is not applicable to any stock exchange transactions on the secondary market, but is payable to the sub-fund by investors who ask the financial intermediary who holds their units to create or redeem those units with the sub-fund for cash or to convert those units into units of (one of) the other unit class of the same sub-fund.

** Any distribution costs incurred are paid out of the All-in-fee. The payments from the All-in fee for distribution expenses are inclusive of any value added tax applicable.

O) DEFINITIONS

"All-in Fee"	means an all-in fee comprising the Fixed Fee and Index Replication Fee (if any);
"Authorized Participant"	means each first class credit institution or financial services institution, which is regulated by a recognized authority in a member country of the Financial Action Task Force to conduct investment services and which may be a market-maker on a stock exchange, which has entered into a Participation Agreement for the purposes of subscribing for and redeeming units of the Fund respective its sub-funds on an in kind basis.
"Business Day"	means each Reference Index Calculation Day where the TARGET2 system (Trans-European Automated Real-time Gross settlement Express Transfer–System) as well as banks and financial institutions are generally open for business in Luxembourg, except for 24 and 31 December of each year. If not otherwise defined for the specific sub-fund (see chapter N))
"Daily NAV Per Unit"	means the official NAV Per Unit for each unit of the relevant unit class in a sub-fund calculated by the Fund Administrator at the relevant Valuation Day (normally also a Dealing Day) for the purposes of all cash redemptions approved on the second preceding Dealing Day.
"Dealing Day"	means a day on which subscriptions for and redemptions of units may be accepted and approved by the Fund Administrator, being each Valuation Day
"EU Savings Directive"	means the Council Directive 2003 / 48 / EC of 3 June 2003 on taxation of savings income in the form of interest payments.
"Fixed Fee"	means, as further described under Chapter H) 2. "Fees and Expenses", the comprehensive fee payable by each sub-fund in respect of the ordinary fees, expenses and costs incurred by that sub-fund;
"Initial Dealing Day"	means the first dealing day on the XETRA Deutsche Börse AG and / or on additional stock exchanges indicated on SI' website (www.structuredinvest.lu) for a sub-fund and / or a unit class, as specified for that sub-fund and / or unit class in chapter N "The sub-funds"; should there not be any subscriptions accepted on this day, the Initial Dealing Day will be the next following dealing day when the first subscription will have been accepted by the Fund administrator in relation to the relevant sub-fund and/or unit class.
"MIFID Directive 2004 / 39 / EC"	means the Directive 2004 / 39 / EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85 / 611 / EEC and 93 / 6 / EEC and Directive 2000 / 12 / EC and repealing Council Directive 93 / 22 / EEC.
"Primary Market Transaction Costs"	means in relation to subscriptions or redemptions on the primary market, costs which may be charged to Authorized Participants, which may include: part or all of any transaction costs; all stamp and other duties; taxes; governmental charges; brokerage; bank charges; foreign exchange spreads; interest; Depositary charges (relating to sales and purchases); transfer fees; registration fees and other duties and charges whether in connection with the original acquisition or increase of the assets of the relevant sub-fund or the creation, issue, sale, conversion or redemption of shares or the sale or purchase of Investments or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable. For the avoidance of doubt this may include a provision for the difference between the price at which assets were valued for the purpose of calculating the Net Asset Value and the estimated or actual price at which such assets shall be bought as a result of a subscription or sold as a result of a redemption. It shall not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Shares in the relevant sub-fund;
"Qualified Holder"	means any person, corporation or entity other than (i) a US Person (as defined in section 7701(a)(30) of the U.S. Internal Revenue Code of 1986 in its currently applicable version (the "Code") as well as defined in Section 902(k)(1) of the Regulation S promulgated under the Securities Act of 1933 in its currently applicable version; and); (ii) a non-U.S. enterprise controlled by one or more persons designated as "specified U.S. persons" under Article. 1.1 et seq. of the Intergovernmental Agreement between Luxembourg and the United States of America (the "IGA"); (iii) any other person, corporation or entity which cannot acquire or hold units without violating laws or regulations whether applicable to it or the Fund or otherwise or whose holding might result (either individually or in conjunction with other investors in units in the same circumstances) in the Fund incurring any liability to taxation or suffering pecuniary disadvantages which the Fund might not otherwise incur or suffer or the Fund being required to register or register any class of its securities under the laws of any jurisdiction (including, without limitation, the Securities Act, the 1940 Act, CEA or the Hiring Incentives to Restore Employment Act of 2010), or (iv) a Depositary, nominee or trustee for any person, corporation or entity described in (i) to (iii) above.
"Redemption Fee"	means, where units of a sub-fund are redeemed for cash from the assets of the Fund, the fee payable to the Main Distributor by the investor from the proceeds of redemption, the amount of that charge being specified for each sub-fund in the chapter N "The sub-funds".
"Reference Currency"	means for each sub-fund the Reference Currency in which its NAV will be calculated, as specified in the chapter N "The sub-funds" for each sub-fund.

"for each sub-fund	the investment objective of each sub-fund is to aim to track a specific index, the Reference Index
"Regulated Market"	means a regulated market as defined in article 4, paragraph 1 (14) of the MIFID Directive 2004 / 39 / EC
"Sales Fee"	means, where units of a sub-fund are subscribed, the fee payable to the Main Distributor by the investor, the amount of that charge being specified for each sub-fund in the chapter N "The sub-funds".
"UCI"	undertaking for collective investment
"UCITS"	undertakings for collective investment in transferable securities subject to directive 2009 / 65 / EC
"Valuation Day"	means, each day where the NAV is calculated by the Management Company or one of its agents under the supervision of the Depositary Bank, being each Business Day

INFORMATION FOR INVESTORS IN GERMANY

This supplement is part of the sales prospectus and should be read in conjunction with the sales prospectus of SI UCITS ETF dated July 2017.

Paying and Information Agent in Germany

The bank

CACEIS Bank S.A. Germany Branch

Lilienthalallee 36

D-80939 Munich

has assumed the function of Paying and Information Agent as defined in Section 309 KAGB in Germany (German Paying and Information Agent). Following the pre-conditions set out in chapter D) "Investment in units of the Fund" it accepts subscription, conversion and redemption orders.

Redemption proceeds, any distributions, and payments to the investors may be made through the German Paying and Information Agent.

The following documents are available from the German Paying and Information Agent:

The full sales prospectus and the Key Investor Information

The Management and Special Regulations

The current annual report and, if published, the current semi-annual report

All the documents listed under the heading "Publications"

Information for investors is published to the extent required by law in the Federal Republic of Germany, in the online version of the Bundesanzeiger. The issue and redemption prices are published online every trading day at www.structuredinvest.lu and can be obtained free of charge from the Paying and Information Agent in Germany.

Tax notice for income from investment units for private and corporate investors subject to taxation in Germany

Tax notice for Germany

The following notice on the taxation of income from investment units is general in nature, limited to the investment funds listed in this sales prospectus and refers to investors who are fully taxable in Germany and who hold their investment units privately or in operating assets.

This information should not be construed as tax advice and is not intended to replace tax advice. This information is based on the current legal situation resulting from tax laws and administrative regulations, as interpreted and supplemented by the tax authorities and legislation. Subsequent changes to the legal situation can be imposed retroactively and may have a disadvantageous impact on the tax consequences described below. This summary does not purport to address all tax aspects that may be of importance for taxation due to the personal circumstances of the individual investor. The individual investor is therefore advised to consult his tax advisor, if necessary, about the consequences of acquiring, holding or selling investment units.

I. Tax notices affecting individual groups of investors

The information below relates to the taxation of German investors in investment funds pursuant to the regulations of the InvStG in terms of current income from investment assets and gains from the sale of investment units. Among other factors, whether the investor holds investment units privately or in operating assets, what types of income the investment fund generates, from what source countries the income originates and if the income is distributed or reinvested may be relevant for taxation.

The taxation of investors in an investment fund under InvStG regulations depends on whether the scope of InvStG applies. The former definition of an investment fund was extended in the process of the implementation of the AIFM Directive. InvStG was adapted to the scope of the AIFM Tax Adaption Act (StAnpG), which entered into force on 24 December 2013. An investment fund is now specifically defined in the InvStG. Accordingly, the InvStG applies to undertakings for collective investment in

securities (UCITS) within the meaning of Section 1(2) KAGB; alternative investment funds (AIF) within the meaning of Section 1(3) KAGB and units in UCITS or AIF (Section 1(1)(1) InvStG).

Pursuant to Section 1(1b) InvStG, UCITS and AIF only fall within the scope of InvStG if:

- ... they are subject to “supervision of assets used for collective capital investments” in their country of domicile (Section 1(1b)(2)(1) InvStG),
- ... investors are granted the right to redeem their units at least once per year (Section 1(1b)(2)(2) InvStG),
- ... the collective capital investment is arranged in line with the principle of passive asset management (Section 1(1b)(2)(3) InvStG),
- ... the principle of risk diversification is adhered to, i.e. capital is invested in at least three assets with different investment risks (Section 1(1b)(2)(4) InvStG),
- ... at least 90% is invested in suitable fixed assets pursuant to Section 2(4) InvG (Section 1(1b)(2)(5) InvStG),
- ... the upper limits for participations in unlisted corporations are complied with (maximum 20% of the value of the investment fund and less than 10% of the capital of a corporation (Section 1(1b)(2)(6) and (7) InvStG),
- ... loans with special features for property funds are restricted to a maximum of 30% of the value of the investment fund and only short-term loans are taken out (Section 1(1b)(2)(8) InvStG),
- ... up to 100% of the value of property funds may be invested in property companies (Section 1(1b)(2)(6) InvStG),
- ... the aforementioned investment provisions (Section 1(1b)(2)(1) to (8) InvStG) arise from the investment conditions of the investment fund (Section 1(1b)(2)(9) InvStG).

If these conditions are met, the taxation of investors in the Fund will be implemented as follows. In the event that the InvStG is not applied, the Fund will be taxed in accordance with general income taxation principles.

Since 01/01/2009, private investors have been subject to the flat-rate tax regime for capital income, with a uniform tax rate of 25% (plus 5.5% solidarity surcharge and church tax if applicable).

For private investors, the current income of the investment fund, as capital income, is subject to income tax, but partly tax-exempt. Gains on the sale of investment units are taxable as capital gains.

If the units are included in operating assets, the income will be taxable as operating income, and partly tax-exempt. In the operating assets of unincorporated companies, dividends and income from the sale of shares of corporations in the Fund are subject to 60% taxation (“partial income procedure”).

1. Units held privately (taxpayers in Germany)

For private investors, certain current income from the investment fund is subject to the provisions on capital income within the meaning of Section 20(1)(1) of the Income Tax Act (EStG). Both distributed and reinvested (deemed distributed) income is subject to taxation.

Distributed income is the income actually paid out, for example, from interest, dividends, gains from sales transactions and other income of the Fund (Section 1(3)(2) InvStG). Deemed distributed income is generally not used for distribution (reinvestment), with the exception of gains from sales transactions (Section 1(3) sentence 3 InvStG). Reinvested gains from futures transactions are still not considered to be deemed distributed income. Investor attention is also drawn to the fact that gains from certificates are assigned to deemed distributed income unless the certificates are based exclusively on equities or equity indices. If the issue yield of financial instruments and other capital assets within the meaning of the EStG is not clearly and easily ascertainable, the unrealised positive changes in value are considered to have been received by the investor (market return). The notional inflow of unrealised income may result in unrealised gains being subject to taxation, although the investment fund subsequently sold the financial instrument at a loss. Only upon the disposal of units by the investor can this early “early taxation” be offset. Distributed income is taxed in the year of actual receipt. Deemed distributed income is considered to have been received by the investor at the end of the year in which it was received by the investment fund.

Note: If, however, a distributing investment fund does not make a distribution decision within four months after the end of the fund’s financial year, the fund is considered under tax law as “reinvesting” and the deemed distributed income is considered to have been received at the end of the fund’s financial year (Section 1(3)(5) InvStG).

Income from capital assets held privately is subject to special regulations. According to Section 32d EStG, a separate tax rate amounting to 25% applies for capital gains. Standard deductions are excluded according to Section 20(9) EStG. Only a saver's tax exemption is granted; the current level is EUR 801 or EUR 1,602. Pursuant to Section 20(6) EStG, losses from capital assets may not be offset against income from other types of income and may not be deducted in accordance with Section 10d EStG. Such losses only reduce the capital gains generated in subsequent years. Losses from the sale of shares may only be offset by gains from the sale of shares. Such losses only reduce the capital gains generated in subsequent years. The loss carryforward with regard to losses that are not offset is in both cases generally unlimited in time. To the extent that the capital gains are subject to capital gains tax according to the explanations of the individual types of income, this also has an offsetting effect according to Section 43(5) EStG.

When foreign investment units are held in custody outside of Germany, no deduction for dividends or deemed distribution income of the investment fund is made, despite the fundamental obligation to withhold capital gains tax. In the case of foreign custody, income not subject to capital gains tax deduction is instead to be included in the assessment of the investor; a tax rate of 25% also applies for this income (Section 32d(3) EStG). An assessment can also be considered in cases in which the investor's personal tax rate is lower than the applied tax rate or allowances to be considered were not included.

For each type of income generated at the level of the investment fund, the following rules apply:

Gains on futures contracts, option premiums and the sale of securities (including short sales)

Private investors have unlimited tax liability on gains on the sale of securities (including short sales), gains on futures contracts and gains on options premiums at the investment fund level for the term of the investment. However, reinvesting investment funds are subject to a tax deferral. Gains are not taxed until distributions are made, in which case the withholding tax regulations are applied. In accordance with Section 7(1) InvStG, the tax is levied by capital gains tax deduction when the investment units are managed or held in custody for the unitholders by a domestic bank or financial services institution. The concept of tax-deferred "futures" is interpreted broadly and includes futures, forwards and all income in connection with option transactions (option premiums, offsetting transactions, etc.), swaps and currency futures, as well as delta 1 and 1-to-1 certificates. However, these certificates are only recognised to the extent they relate to equities or equity indices.

Specifically, for tax purposes the above-described investment gains are accounted for as follows:

In this context, distributed income means, in particular, the gains from sales transactions used by an investment fund for distributions.

Deemed distributed income means, in particular, the capital gains, after deduction of the deductible expenses, not used for distributions, excluding income from option premiums, gains from the sale of shares in a corporation, gains on futures or from the sale of a financial instrument structured as a forward contract and gains from the sale of other capital assets of any kind unless they are from collected and accrued interest, and when it comes to other capital assets:

that have an issue yield;

for which the fee for the provision of capital was assessed only based on a fixed or variable fraction of the capital and a promise was issued or granted to repay the capital by the same amount to which it was paid; an issue discount for fine-tuning of interest rates is not taken into account;

for which neither a partial repayment of capital assets nor a separate fee is issued or granted for the transfer of the capital assets for use and the repayment of the capital is based on the performance of an individual equity or an index published for multiple equities, and this performance is replicated to the same extent;

that are of the type within the meaning of the second indent above, for which the bearer, in addition to a fixed interest payment, also has a right for conversion into corporate shares, or for which the bearer also has the option, upon final maturity, of requesting either the capital repayment or the delivery of a previously determined number of shares of a company, or for which the issuer also has the option, upon maturity, to offer the bearer a fixed number of shares instead of repayment of the nominal amount;

that are profit-sharing bonds or profit participation certificates as defined in Section 43(1)(1)(2) of the Income Tax Act;

for which part the acquisition costs are allocated to detachable warrants and a separately tradable bond.

Interest and similar income

Interest income, irrespective of its distribution, is subject to taxation in the amount of the single flat-tax rate of 25% (plus 5.5% solidarity surcharge and church tax, if applicable) on the gross amount. Accrued income in accordance with Section 3(2)(1)(2) InvStG is also included in the undistributed and distributed income within the meaning of the above statements.

Tax is levied through deduction of a tax at source (capital gains tax). Interest income from foreign investment units is subject to capital gains tax only if the investment units are managed or held in custody for the unitholder by a domestic bank. The capital gains tax will be levied and deducted directly, if the depositary bank of the investor undertakes the payment or credits interest earnings. For domestic custody of foreign reinvesting funds, the capital gains tax for the entire holding period will be retained only if the units are sold or redeemed. This capital gains tax is refunded upon proof of taxation in previous years.

The capital gains tax is not levied on domestic custody if the investor is resident for tax purposes and submits an exemption application, and if the investment income does not exceed the standard deduction (maximum of EUR 801 or EUR 1,602). Investors who are not expected to be assessed for income tax and who submit a corresponding non-assessment certificate (“NV-Bescheinigung”) are completely exempt from the capital gains tax deduction. The same applies to foreign investors if they prove their status as a non-tax resident.

German and foreign dividends

German and foreign dividends that are distributed or reinvested by the investment fund have been, for private investors, (fully) taxed at the flat tax rate of 25% (plus 5.5% solidarity surcharge and church tax, if applicable), since 2009. The partial-income procedure was abolished for private investors in 2009.

Taxation of interim income

Interim income is also subject to taxation (Section 1(4) InvStG).

Interim income means certain income included in the sale or redemption price of the investment unit that has not yet been taxed at the investor level because it was not distributed or included in deemed distributed income.

In general, the scope of the interim income is largely synchronised with the definition of deemed distributed income. However, there are differences which also concern the treatment of “target funds”.

Specifically, interim income is the compensation for investors that is not yet considered to have been received or accrued, as follows:

- Income of the investment fund in relation to the current income from other capital assets of any kind, gains from the sale of interest coupons and interest receivables by the holder or former holder of the bond and gains from the sale of other capital assets of any kind, provided they are included in deemed distributed income within the meaning of the Investment Tax Act;
- Income from units in other investment funds, if such income or profits are included in the above meaning (subsection 1); interim income of the investment fund;
- Interim income published at the date of redemption or sale of the investment units or otherwise applicable values for units in other investment funds that the investment fund holds.

Interim income is calculated and published on each valuation day. In accordance with Section 5(3)(4) InvStG, excepted from this are domestic investment funds within the meaning of Sections 283 and 225 KAGB (hedge funds and funds of hedge funds) and foreign investment funds that are subject to similar requirements in terms of their investment policy. Pursuant to Section 7(1)(4) InvStG, interim income is also in principle (i.e. domestic custody) subject to the capital gains tax deduction.

Capital gains at the level of the private investor

- Pursuant to Section 8(5)(1) and Section 20(2) EStG, gains from the sale of investment units are always subject to income tax, regardless of the holding period. Under Section 8(6) InvStG, capital gains tax must be deducted in the case of domestic

custody. In accordance with Section 20(4) EStG, the income is the difference between the income from the sale after deduction of expenses associated with the sale and acquisition costs, which include a sales charge on the acquisition cost.

Note: Beginning in calendar year 2010, the capital gains tax report is required to be transmitted to the tax office electronically.

Securities account transfer with regard to foreign investment units

As part of a securities account transfer of foreign investment units between domestic depositaries, the amount from the accumulated deemed distributed income can be transferred to the new securities account. In this regard, the amount considered to have accrued as income during the entire holding period is subject to withholding tax (Section 7(1)(3) InvStG).

2. Units held in operating assets (taxpayers in Germany)

Investors who hold their fund units in operating assets, the distributed income and the deemed distributed income, as well as gains from the sale of the units as business income, are subject to income and corporation tax as well as trade tax (plus solidarity surcharge).

For the consideration of the income from the Fund, the general income determination principles apply. For reporting investors, distributed income is accounted for as the claims arise, whereby deemed distributed (reinvested) income is considered to have accrued to and must be accounted for in assets at the end of the financial year in which they have been received from the investment fund. For other corporate investors, the inflow and outflow principle of Section 11 EStG applies.

Gains on futures contracts, option premiums and the sale of securities (including short sales)

At the level of the investment fund, reinvested income from the sale of securities (including short sales) and gains from futures and option premiums are regarded as not received by the investor and are therefore initially irrelevant for tax purposes. On distribution, gains from futures and option premiums and capital gains from bonds are fully taxable for all corporate investors. In contrast, capital gains from equities and GmbH shares are tax exempt for corporate investors (less 5%, which is considered to be non-deductible operating expenses) or 40% tax exempt (for other business investors, e.g. sole proprietors). Corporations for which Section 8b(7) KStG (credit institutions that hold investment units in a trading portfolio) or Section 8b(8) KStG (life and health insurers) apply are fully taxable.

Interest and similar income

Interest income is always fully liable for income tax and / or corporation tax irrespective of its distribution. This is in principle levied as part of capital gains tax at 25% (plus 5.5% solidarity surcharge and church tax, if applicable). Interest income from foreign funds is subject to capital gains tax only if the investment units are managed or held in custody for the unitholder by a domestic bank. The capital gains tax will be levied and deducted directly, if the depositary bank of the investor undertakes the payment or credits interest earnings. For domestic custody of foreign reinvesting funds, the capital gains tax for the entire holding period will be charged only if the units are sold or redeemed. This capital gains tax is refunded upon proof of taxation in previous years.

Interest income is subject to income or corporate tax at the investor's personal tax rate. Capital gains tax is a prepayment on the investor's personal income or corporation tax debt and can be set off against the debt through the assessment procedure. For this purpose, the capital gains tax and solidarity surcharge are certified by the institutions that charge them.

The capital gains tax is not levied on domestic custody if the investor is not expected to be assessed for income tax or corporate tax and in this respect a corresponding non-assessment certificate (NV-Bescheinigung) is submitted.

German and foreign dividends

Dividends in domestic and foreign joint-stock companies distributed or accumulated on units in corporate assets after 28/02/2013 are in principle subject to taxation in the case of corporations. If distributed and deemed distributed income, which enters or qualifies to enter the corporations after 28/02/2013, is supplied from dividends, which again entered the fund prior to 01/03/2013, it is tax-free in accordance with Section 8b(1) KStG (5% of the dividends, however, are not tax-deductible as operating expenses in accordance with Section 8b(5) KStG, 95% of the dividends are therefore tax-free). Distributed and deemed distributed income supplied from dividends which enters or qualifies to enter the corporations prior to 01/03/2013 is

also tax-free. Sole proprietorships and partnerships are taxed on 60% of this income (“partial-income procedure”). Corporations subject to Section 8b(7) KStG (credit institutions that hold investment units in a trading portfolio) or Section 8b(8) KStG (life and health insurers) are also fully taxable.

Capital gains at the level of the corporate investor

Gains from the sale of investment units held in operating assets are subject to ordinary taxation. Dividends on the deemed distributed income (e.g. interest) already taken into account by the investor are exempt from taxation. Furthermore, dividends attributable to equity income are up to 95% exempt for corporations (5% are considered non-deductible business expense) and tax-free for other corporate investors up to 40%. This includes equity income from not yet distributed or dividends allocated as deemed distributed income to the investor, and price gains of the fund from German and foreign equities. Corporations for which Section 8b(7) KStG (credit institutions that hold investment units in a trading portfolio) or Section 8b(8) KStG (life and health insurers) apply are fully taxable. Other corporate investors are subject to taxation on 60% of such capital gains. Under Section 8(6) InvStG, the gains are in principle subject to capital gains tax. Except for investment units held in custody in Germany, however, the capital gains tax deduction is not made in this case either.

There is an option as to whether the equity income is determined and published by the Company. If it is published, the equity income will be published on each valuation day as a percentage of the redemption price.

II. General tax notice

Negative taxable income

Negative taxable income within the Fund cannot be attributed to the investor for tax purposes, but it may be offset against positive income at the Fund level. Only income of the same type may be offset. Income of the same type means income for which the tax consequences and therefore the material effect of investor are equal. Therefore, for example, gains and losses from interest, dividends and option premiums cannot be offset in any way. Losses that cannot be offset in the year of origin must be carried forward and offset in subsequent years. Investor losses may not be included directly in personal income tax or corporate income tax, but only by offsetting with similar income at the fund level.

Transparent, semi-transparent and non-transparent taxation

The above tax principles (so-called transparent taxation) only apply if the investment fund publishes the basis for taxation outlined in Section (5)(1) InvStG (e.g. amount of distribution and deemed distributed income, capital gains, etc.) within four months of the distribution decision or the end of the Fund’s financial year. This also applies if the Fund participates in other investment assets. The target fund is also obliged to make these tax bases known; in this case the umbrella fund is to receive tax treatment as if the income had not been generated by a target fund, but by the target fund itself.

If the information according to Section (5)(1)(1)(1) letter c) or f) InvStG is not available, the associated tax credits cannot be claimed and the income must be reported in its full amount for tax purposes (semi-transparent taxation / withholding tax for private investors).

If the notice requirement of Section 5(1) InvStG is not complied with and the taxation is not semi-transparent, the assessment basis for taxation of the investor is the distributions of the Fund and 70% of the increase between the first and last unit redemption price established in the calendar year, but amounts to at least 6% of the last redemption price established in the calendar year. The withholding tax of 25% (plus 5.5% solidarity surcharge and church tax, if applicable) is then levied on this flat amount.

Legal and tax risk

The legal and tax treatment of funds may change in unpredictable ways that cannot be influenced. A change in the mistakenly determined tax basis of the Fund for past financial years may result in a correction with tax disadvantages for the investor in that the investor has to pay the tax burden arising from the correction for past financial years even though he may not have been investing in the investment fund at that time. Similarly, the investor may find that a correction that in principle entailed tax advantages for the current and previous financial years during which he had an investment in the Fund may no longer benefit him because he redeemed or sold his units before the correction was implemented.

In addition, a correction of tax information may result in income that is subject to taxation or tax advantages actually being assessed in a different tax assessment period from the appropriate period, and this could have a negative impact on the individual investor.

Note: Risk of change of tax regulations/Law on investment taxation reform (“Investmentsteuerreformgesetz”)

This tax information is based on the current legal situation. It is addressed to unlimited individual or corporate taxable persons in Germany. No guarantee can be given that the tax implications will not change by law or legislation.

On 19 July 2016 the German Federal Parliament (“Bundestag”) resolved the Law on investment taxation reform (“Investmentsteuerreformgesetz”) with the approval of the Federal Council of Germany (“Bundesrat”).

The Law on investment taxation reform (“Investmentsteuerreformgesetz”) provides, inter alia, that as of 01 January 2018 certain domestic income of funds (inter alia dividends, rental income, capital gains from real estate) will already be taxed at fund level. At the level of the investors, distributions and the proceeds from selling the fund shares

To date basically the so-called “principle of transparency” applies, that means taxes are levied only on the level of the investor. As compensation, the Law on investment taxation reform (“Investmentsteuerreformgesetz”) provides that investors, under certain conditions, receive a flat percentage of the revenues earned by the fund free of tax (so-called “part exemption”) to compensate the tax burden on the fund level. This mechanism, however, does not ensure that a complete compensation is provided.

The new taxation procedure is applicable as of 01 January 2018 despite of the financial year of the fund. Despite the fund’s financial year, at the 31.12.2017 the investment funds will form for German tax purposes only a fiscal year end. Therefore deemed distributed income of the funds will be created at 31.12.2017. Further, at this point of time the fund shares will be deemed sold and acquired again at 01.01.2018. A gain out of this fictitious sell under the new investment taxation law will be converted into a taxable gain at the point of effective sell of the fund shares.

Right of revocation in accordance with Section 305 KAGB

If investment units are purchased on the basis of verbal negotiations outside of the permanent business premises of the party making or brokering the sale, then the purchaser may revoke his declaration of the sale in writing to the foreign management company within a period of two weeks (**right of revocation**); this also holds when the party selling or brokering the sale of the units does not have any permanent business premises. For **distance selling** as defined by Section 312c of the German Civil Code (BGB), there is no right of revocation for the acquisition of financial services whose price is subject to fluctuations on the financial market (Section 312g(2)(8) BGB).

Timely dispatch of the revocation notice is sufficient for the purpose of observing the time limit. The revocation must be declared in writing directly to **Structured Invest S.A.** 8-10, rue Jean Monnet, L-2180 Luxembourg including information on the person making the declaration and his signature; no reason for the revocation is required.

The deadline for revocation does not commence until a copy of the concluded contract has been delivered to the purchaser or a contract note has been sent to him or her, including instructions regarding the right of the revocation similar to the above.

If the beginning of the period is in dispute, the burden of proof lies with the seller.

The right of revocation does not apply if the seller can prove that either the investor acquired the units as part of his commercial operations

or

if he called on the investor to conduct negotiations leading to the sale of the units as a result of a previous order in accordance with Section 55(1) of the Industrial Code [GewO].

If the revocation is exercised after the investor has made payment, the foreign management company is obliged to repay the investor’s costs – incrementally as the purchased units are transferred back to the investment company, if necessary – in addition to an amount corresponding to the value of the purchased units the day after the revocation was received.

The right of revocation cannot be waived.

SPECIFIC INFORMATION FOR INVESTORS IN AUSTRIA

This complement is part of the sales prospectus and is to be read in connection with the sales prospectus of SI UCITS ETF dated July 2017.

Pursuant to Section 140 (1) Austrian Investment Fund Act 2011 (“InvFG 2011”), the Austrian Financial Market Authority (“Finanzmarktaufsicht”) has been notified of the intention to publicly distribute share classes of your fund in Austria and is authorised to do so from the end of the notification procedure.

The share classes of the fund are admitted to public distribution in Austria.

Paying agent

UniCredit Bank Austria AG, Schottengasse 6-8, A-1010 Vienna, has been appointed as paying agent in Austria. In addition to the normal redemption and switching procedures shareholders resident in Austria may - following the pre-conditions set out in chapter D) “Investment in units of the Fund” - alternatively redeem or switch their shares through the Austrian Paying Agent. Any payments to shareholders may also be effected through the Austrian Paying Agent.

Information agent

The sales prospectus, the KIIDs, the most recent annual and half-yearly report, as well as the offer and redemption price may also be obtained from UniCredit Bank Austria AG at the stated address.

Tax representative

The Fund has appointed PwC PricewaterhouseCoopers Wirtschaftsprüfung und Steuerberatung GmbH, Erdbergstrasse 200, 1030 Wien as tax representative according to § 186 par. 2 no. 2 in connection with § 188 Investment Fund Act 2011.

Publication of prices

The calculated values of the SI UCITS ETF can be obtained from the paying agent UniCredit Bank Austria AG, Schottengasse 6-8, A-1010 Wien. The calculated values of the sub funds can be seen on the company’s homepage www.structuredinvest.lu.

Taxation in Austria

The following information is supposed to give a general overview of the principles of Austrian taxation on income derived from investment funds for investors subject to unlimited tax liability in Austria based on the legal status applicable since 1 April 2012. Particularities of individual cases are not considered. As no concrete advice on the taxation of individual investors is hereby given, it is recommended that investors seek advice from a tax advisor regarding the taxation of their respective holdings.

1. General information

Investment funds are transparent according to Austrian tax law. This means that income from a fund is not taxed at fund level but at investor level (tax transparency).

The fund’s income is generally taxable, when it is distributed to the investors. Income, which is not distributed, is taxable as deemed distributed income (“DDI”) once a year.

The Investment Fund Act 2011 generally provides for two tax categories for foreign investment funds:

- Investment funds, which have a tax representative, who calculates the 25 % withholding tax on distributions and DDI and reports the tax figures to the OeKB (reporting funds) and
- Investment funds, which do not have a tax representative and which are therefore subject to the lump-sum taxation (black funds). The lump-sum taxation is based on the higher of the following two amounts: 90% of the difference between the first and the last redemption price of the calendar year or 10% of the last redemption price of the calendar year

2. Private investors

2.1. Taxation of the fund’s income

The taxable fund’s income consists of

the net investment income (i.e. interest income, dividend income, other ordinary income minus the fund’s expenses) and

- 60% or 100% of the realised capital gains from the sale of securities and of the income from derivative instruments.

Realised capital losses (after netting with realised capital gains) can be credited against the ordinary income (dividends, interest and other income minus expenses). If capital losses exceed the net investment income, the exceeding amount can be carried forward at share class level. Also a negative net investment income can be offset against realised capital gains and carried forward if the negative net investment income exceeds the realised capital gains. In the following financial years, these carry forwards have to be offset in a first step against realised capital gains and in a second step against the net investment income.

2.2. Taxation of the DDI

In case of foreign investment funds, the annual Austrian DDI figures have to be reported within seven months after the fund's financial year end by the Austrian tax representative. The applicable tax rate for private investors on the fund's income is generally 25% KESt. In case the fund shares are held on Austrian deposit, the 27.5% KESt on the DDI is withheld by the Austrian depository bank when the tax figures are reported to OeKB. In case the fund shares are held on foreign deposit the DDI (which is deemed to be distributed four months after the fund's financial year-end in this case) has to be included in the private investor's personal income tax return and is subject to special 27.5% tax rate.

2.3. Taxation of distributions

Distributed income is subject to 25% tax. In case the fund shares are held on Austrian deposit, the 25% tax on the distribution (KESt) is withheld by the Austrian depository bank. In case the fund shares are held on foreign deposit the distributed income has to be included in the private investor's personal income tax return and is subject to special 27.5% tax rate.

2.4. Sale of fund shares

In case private investors sell their fund shares, the difference between the sales price and the purchase price is subject to 27.5% KESt irrespective of the holding period. In order to avoid a double taxation of the DDI (i.e. annual taxation and taxation as part of the gain derived from the sale of the fund shares) the fund share's purchase price is increased annually by the taxed DDI. It has to be considered that the sales (preliminary) charge must generally not be considered as incidental acquisition cost. If the fund shares are held on Austrian deposit, the 27.5% tax on the capital gain shall be withheld by the Austrian depository bank. In case the fund shares are held on foreign deposit, the capital gain has to be included in the private investor's personal income tax return.

3. Individuals holding the fund shares as business property

If fund shares are held by individuals as business property (sole proprietors or partnerships), the tax rules as described above for private investors are generally applicable with the following exemptions:

- Individuals holding the fund shares as business property have to include the realised capital gains into the income tax return. The capital gains are subject to 27.5% tax. Any tax withheld on capital gains by the Austrian depository bank will be credited on the individual's income tax.
- 100% of the accumulated realised capital gains are taxable.
- The sales (preliminary) charge can be considered as incidental acquisition cost and have to be included in the individual's income tax.

4. Corporate Investors

The net investment income as well as all realised capital gains are subject to 25% Corporate Income Tax and must be included in the corporate income tax return of the corporation. If the corporate investor sells fund shares, the difference between the purchase price and the sales price less already taxed DDI is subject to 25% Corporate Income Tax (irrespective of the holding period) and must be included in the corporate income tax return. The DDI is deemed to be received by corporate investors at the financial year-end of the fund.

Corporate investors can avoid the withholding tax deduction by way of providing the Austrian bank with a certificate of exemption. If no certificate of exemption is provided, the deducted withholding tax can be credited against the Corporate Income Tax.

5. Disclaimer

Please note that the information on the tax consequences according to the above is based on the tax rules as of January 2015. The correctness of this tax information can be affected by subsequent changes in the law or changes in the application of the law.

