

Investor information

for the merger of the UCITS funds

Lupus alpha Volatility Invest

and

Lupus alpha Volatility Risk Premium

Dear investors,

The Executive Board of Lupus alpha Investment GmbH (the “Management Company”) has resolved to merge the UCITS fund Lupus alpha Volatility Invest (hereinafter the “Transferring Fund”) with the UCITS fund Lupus alpha Volatility Risk-Premium (hereinafter the “Acquiring Fund” and together with the Transferring Fund, the “Funds”) (hereinafter the “Merger”). Both Funds are subject to German law.

In the course of the merger, the unit classes R and C of the Transferring Fund will be merged into unit class C of the Acquiring Fund. The share class allocation in the context of the merger is shown in the table below.

Transferring Fund: Lupus alpha Volatility Invest (unit class, ISIN)		Acquiring Fund: Lupus alpha Volatility Risk Premium (unit class, ISIN)
C (DE000A0HHGG2)	R (DE000A2DTNU9)	C (DE000A1J9DU7)

Pursuant to Section 1 (19) No. 37a of the German Investment Code (hereinafter “KAGB”), the “merger by absorption” shall take place. In this respect, the merger is a transfer of all assets and liabilities of the Transferring Fund to the Acquiring Fund. The Transferring Fund shall be dissolved in the course of the merger.

Both funds are managed by the Management Company. The depositary for the Transferring Fund is Kreissparkasse Köln, for the Acquiring Fund, the State Street Bank International GmbH, with a registered office in Munich.

1. Background and motives behind the planned merger

The objective and background of the planned merger are to increase the investment volume by merging the Funds, in order to achieve more cost-efficient management in the interest of the investors. The merger will result in a larger fund volume. This gives the Fund Management additional flexibility in the search for attractive investment opportunities that are in the interest of the investors.

2. Expected effects of the merger on the investors of the affected Funds

Investors of the Acquiring Fund

The merger will have no effect on the legal position of the investors in the Acquiring Fund. They remain an investor in the Acquiring Fund. The General and Special Terms and Conditions of Investment for this Fund will continue to apply unchanged.

Investors of the Transferring Fund

In the course of the merger, the Transferring Fund shall be dissolved. The units in the Transferring Fund will be converted into units in the Acquiring Fund (unit class C, ISIN DE000A1J9DU7), and the investors in the Transferring Fund will become investors in the Acquiring Fund when the merger takes effect. From that time onwards, the legal relationships will be governed by the General and Special Terms and Conditions of Investment of the Acquiring Fund.

Alternatively, investors in the Transferring Fund will have the opportunity to redeem their Shares in the Transferring Fund by 3.00 p.m. on 22 December 2022, as detailed in Section 3 of this Notice.

For investors of the Transferring Fund who have not exercised their redemption right, the merger has the following further effects, in particular:

Changes in the framework of the cost structure

With regard to the costs of the Fund, there will be some changes for the investors of the Transferring Fund. The differences in the cost structure of the two Funds are compared in the following table:

Cost item	Transferring Fund: Lupus alpha Volatility Invest		Acquiring Fund: Lupus alpha Volatility Risk Premium
	C (DE000A0HHGG2)	R (DE000A2DTNU9)	C (DE000A1J9DU7)
Share class			
Issue surcharge	Up to 4 %	Up to 4 %	Up to 4 %
Redemption discount	-	-	-
Total running costs 2021 (total costs in relation to Fund volume excluding transaction costs)	0.64 %	1.08 %	1.00 %
Management fee	0.50 %	0.80 %	0.70 %
Performance-related fee	20% of the amount over €STR + 2% p.a.	20% of the amount over €STR + 2% p.a.	20% of the amount over €STR + 3% p.a.

The comparative benchmark €STR for the performance fee of the Acquiring Fund is higher than that of the Transferring Fund since the entitlement to a performance fee already exists for the Transferring Fund if the comparative benchmark €STR is exceeded by 2%. In the case of the Acquiring Fund, the comparative benchmark €STR must be exceeded by 3% in order for a performance-related fee to be withdrawn. Thus, there will be no disadvantages for the investors of the Transferring Fund after the transfer date (as defined in section 4 of this notice).

Investment policy and strategy

In the case of the Acquiring Fund, the Fund Management body aims to generate an absolute, positive return that is independent of developments in the equity and bond markets (absolute return approach). For this purpose, the Fund Management body has specialised in collecting the volatility premium with exchange-traded options. The volatility premium is a systematic risk premium as compensation for the assumption of economic risk. Volatility measures the fluctuation intensity of an underlying asset over a certain period of time, and has a low correlation to traditional asset classes.

The Transferring Fund also follows the absolute return approach. Income is generated from an alternative return source based on a volatility strategy.

In this respect, the investment policy and strategy of the two Funds differ only marginally, as both Funds are intended to generate returns by means of a volatility strategy.

Risk and return profile

With reference to the risk and return profile, both Funds have the following differences:

The unit price of the Acquiring Fund is subject to higher fluctuations than the unit price of the Transferring Fund. The Acquiring Fund is classified in Category 5 under the Risk and Return indicator in the Key Investor Information Document. In contrast, the Transferring Fund is classified in category 4. The correlation between the two Funds has been 95.5% since inception.

Thus, both the risk of loss and the chance of gain are higher for the Acquiring Fund than for the Transferring Fund.

In total, there are seven categories for this risk and return indicator, with category 1 typically representing lower risk and typically lower return, and category 7 typically representing higher return and higher risk.

Use of income

In the case of both the Transferring Fund and the Acquiring Fund, the income is generally distributed within the first 4 months of each year.

Minimum investment amount

With regard to the minimum investment amount, the following changes will result for investors in the Transferring Fund:

	Transferring Fund: Lupus alpha Volatility Invest		Acquiring Fund: Lupus alpha Volatility Risk Premium
Share class	C □ (DE000A0HHGG2)	R □ (DE000A2DTNU9)	C □ (DE000A1J9DU7)
Minimum investment amount	500,000 EUR	None	500,000 EUR

There is no minimum investment amount for the acquisition of units in the Transferring Fund (unit class R, ISIN DE000A2DTNU9), whereas there is a minimum investment amount of EUR 500,000 for the acquisition of units in the Acquiring Fund. However, this minimum investment amount does not apply to existing investors in the Transferring Fund with regard to the merger, i.e. investors with less than EUR 500,000 invested in the Transferring Fund will nevertheless become investors in the Acquiring Fund.

Tax implications

It is expressly pointed out that the tax treatment of the investors of the Transferring Fund may be subject to changes in the course of the merger. In this respect, it is recommended to consult a tax advisor in case of questions regarding the tax effects of the merger.

In the event of a merger of investment funds pursuant to Articles 181 to 191 German Investment Code (KAGB), the Acquiring Fund shall assume the legal status of the Transferring Fund. The issue of units in the Acquiring Fund to the investors of the Transferring Fund shall not be deemed to be an exchange. The acquired units shall rather take the place of the units in the Transferring Fund. Insofar as a cash payment is also made in accordance with Section 190 German Investment Code (KAGB), this shall be deemed income in accordance with Section 16 (1) No. 1 Investment Tax Act (Investmentsteuergesetz).

3. Investor rights

The investors in both Funds are entitled to demand that the Management Company redeem their units free of charge. The right of return will commence upon the publication of this notice of proposed merger and will expire at 3:00 p.m. on 22 December 2022. This right may be asserted with the Management Company via the Depositary of the Transferring Fund or the Custodians. Please contact your Custodian for the order acceptance deadline applicable to you.

Notwithstanding the foregoing, the Federal Financial Supervisory Authority (BaFin) may require (or permit) the temporary suspension of unit redemption if such suspension is justified for reasons of investor protection.

As of 1 January 2023, the unitholders of the Transferring Fund may exercise their rights as unitholders of the Acquiring Fund if they have not redeemed their units within the redemption period by 3:00 p.m. on 22 December 2022. They may redeem their units as of that date in accordance with the Terms and Conditions of Investment of the Acquiring Fund.

The costs in connection with the merger of the Funds must be borne by the Management Company.

Upon request, investors in the Funds will be provided free of charge with a copy of the declaration of the auditor of the Funds (KPMG AG Wirtschaftsprüfungsgesellschaft) on the audit of the merger. The report may be requested in writing from Lupus alpha Investment GmbH, Speicherstraße 49-51, 60327 Frankfurt am Main. The audit will only take place after the merger has been completed.

4. Further information

Transfer date

The planned transfer date for the merger is 31 December 2022, which is also the end of the financial year of both Funds. The merger will, therefore, take effect on 1 January 2023. The assets of the Transferring Fund shall be transferred 1:1 to the Acquiring Fund by the depositaries involved on the transfer date.

All assets and liabilities of the Transferring Fund shall be deemed to have been transferred to the Acquiring Fund upon the expiry of the transfer date. The investors of the Transferring Fund shall become investors of the Acquiring Fund. The Transferring Fund shall cease to exist at the end of the transfer date.

Exchange ratio

Based on the asset valuation of the two Funds on 31 December 2022, the exchange ratio will be determined on 1 January 2023. According to the determined exchange ratio, the units in the Transferring Fund shall be exchanged for units in the Acquiring Fund. The determined exchange ratio and the merger will be reviewed by an auditor. The exchange ratio is determined with 7 decimal places.

Unit certificates of the Transferring Fund

Issued unit certificates of the Transferring Fund shall be withdrawn from the Custodians by Clearstream Banking AG Frankfurt (central securities depository) on the transfer date, and shall become invalid upon expiry of the transfer date. At the same time, taking into account the exchange ratio, new units of the Acquiring Fund shall be issued to the existing unit holders of the Transferring Fund.

Reorganisation of the portfolio

The Management Company does not intend to reorganise the portfolio of the Transferring Fund before the merger takes effect. Only after 22 December 2022 will the portfolio of the Transferring Fund be adjusted to that of the Acquiring Fund. A reorganisation of the portfolio of the Acquiring Fund is not planned. After the merger, the Acquiring Fund shall be continued with the previous investment principles.

Miscellaneous

The key investor information of the Acquiring Fund is attached to this merger information. Investors are invited to read this information.

Further information on the Acquiring Fund, such as the sales prospectus, annual and, if applicable, semi-annual reports, can be requested free of charge in written form from Lupus alpha Investment GmbH, Speicherstraße 49-51, 60327 Frankfurt am Main, Germany, and can also be accessed in electronic form at www.lupusalpha.de.

Frankfurt am Main, 8 November 2022

Lupus alpha Investment GmbH

-Executive Management-