



Lupus alpha Sustainable Convertible Bonds

A UCITS fund under German law

PROSPECTUS

including terms of investment

1 January 2022

Lupus alpha Investment GmbH
Speicherstraße 49 - 51
D-60327 Frankfurt am Main

THIS TRANSLATION IS INTENDED FOR CONVENIENCE PURPOSES ONLY AND SOLELY THE GERMAN VERSION IS BINDING.

SALES RESTRICTIONS

Lupus alpha Investment GmbH is not and will not be registered in accordance with the United States Investment Company Act of 1940, as amended. Units in the fund are not and will not be registered in accordance with the United States Securities Act of 1933 as amended, or under the securities legislation of any state of the United States of America. Units in the fund may not be offered or sold in the United States or to US Persons or for the account of US Persons. Potential purchasers of units may be required to state that they are not US Persons, are not acquiring units on behalf of US Persons and will not sell units on to US Persons. US Persons include, inter alia, private individuals who are resident in the United States. Partnerships or corporations may also be US Persons if they have been established in accordance with the laws of the USA or any US state, territory or possession.

NOTE ABOUT THE PROSPECTUS

fund units are bought and sold on the basis of the Prospectus, the Key Investor Information and the General Terms of Investment in conjunction with the Specific Terms of Investment, each as amended from time to time. The General Terms of Investment and Specific Terms of Investment are included in this document after the Prospectus.

The Prospectus is to be provided on request and free of charge to potential purchasers of fund units and to all investors in the fund. It will be supplied together with the most recent published annual report and any subsequent semi-annual report. Potential purchasers of fund units are also to be provided with the Key Investor Information free of charge in good time prior to entering into any agreement.

No information may be provided and no declarations made that deviate from the Prospectus. Any unit purchase based on information or declarations that are not contained in the Prospectus or the Key Investor Information is exclusively at the buyer's own risk.

The prospectus is supplemented by the most recent annual report and, if applicable, the semi-annual report published after the annual report.

Important legal effects of the contractual relationship

By the acquisition of the units the investor becomes a co-owner of the assets held by this fund according to fractions. He cannot dispose over the assets. No voting rights are associated with the units.

All publications and Advertising brochures are to be written in German or accompanied by a German translation. Lupus alpha Investment GmbH shall also conduct all communication with its investors in German.

Enforcement of rights

The legal relationship between Lupus alpha Investment GmbH (the "management company") and the investor as well as pre-contractual relations are governed by German law. The registered office of Lupus alpha Investment GmbH is the place of jurisdiction for actions brought by the investor against the management company arising from the contractual relationship. Investors who are consumers (see the definition below) and reside in another EU state may also bring an action before a competent court in their place of residence. The enforcement of court rulings shall be in accordance with the Code of Civil Procedure, the Act on Forced Sale and Sequestration if applicable) or Insolvency Regulations. Since Lupus alpha Investment GmbH is subject to German law, judgments issued in Germany do not have to be recognised prior to their enforcement.

Investors may assert their rights by bringing legal proceedings before the ordinary courts or by way of alternative dispute resolution proceedings, where such a procedure is available.

The management company undertakes to participate in dispute resolution proceedings before a consumer arbitration board. In the event of disputes, consumers may contact the official consumer arbitration board by the Federal Financial Supervisory Authority:

Bundesanstalt für Finanzdienstleistungsaufsicht
Schlichtungsstelle bei der BaFin Graurheindorfer
Straße 108, D-53117 Bonn

www.bafin.de/schlichtungsstelle

For disputes concerning the application of the rules under the German Civil Code (Bürgerliches Gesetzbuch) on remote sales (distance selling) of financial services, the relevant mediation body is the Mediation Body (Schlichtungsstelle) of the Deutsche Bundesbank. Its contact details are as follows:

Deutsche Bundesbank
Schlichtungsstelle Postfach
11 12 32
60047 Frankfurt
Email: schlichtung@bundesbank.de
www.bundesbank.de

The right to bring the matter before the courts shall remain unaffected hereby.

Brief information about the management company, the custodian, the auditor and the UCITS fund

Management company (Kapitalverwaltungsgesellschaft)

Lupus alpha Investment GmbH

Speicherstraße 49-51
D-60327 Frankfurt am Main

Tel.: +49 69 365058-7000
Fax: +49 69 365058-8700
www.lupusalpha.de

Frankfurt/Main trade register
HRB-Nr. 52705

Investor information contact Service
Center

Tel.: +49 69 365058-7000
Email: info@lupusalpha.de

Capital as of 31 December 2020

subscribed and paid-in capital: EUR 2.56 million

Shareholder

Lupus alpha Asset Management AG (100%)

Supervisory Board

Chairman
Dr. Oleg De Lousanoff, lawyer and notary

Vice Chairman Dietrich Twietmeyer,
Dipl. Agr. Ing.

Dr. Helmut Wölfel, Lawyer

Executive Board

Dr. Götz Albert
Michael Frick
Ralf Lochmüller

Mandates of the Executive Board

Dr. Götz Albert

Management Board of Directors of Lupus alpha Asset Management AG, Frankfurt am Main

Michael Frick

Management Board of Directors of Lupus alpha Asset Management AG, Frankfurt am Main

Ralf Lochmüller

Spokesman of the Management Board of Lupus alpha Asset Management AG, Frankfurt
am Main Shareholder of Lupus alpha Holding GmbH, Frankfurt am Main

Custodian

Kreissparkasse Köln
Neumarkt 18 - 24
D-50667 Cologne

Liabe equity capital as of 31 December 2020
EUR 2,527.3 million

Auditor of the UCITS fund and the management company

KPMG AG Wirtschaftsprüfungsgesellschaft
The Squire
Am Flughafen
D-60549 Frankfurt am Main

The above information is updated in the annual and semi-annual reports.

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1. BASIC PRINCIPLES

The special fund

Lupus alpha Sustainable Convertible Bonds

(hereinafter "fund ") is an undertaking for collective investments, which collects capital from a number of investors in order to invest it for the benefit of these investors pursuant to a stipulated investment strategy (hereinafter "Investment fund"). The fund is an investment fund pursuant to the Directive 2009/65/EC of the European Parliament and the Council of 13 July 2009 for the coordination of the statutory and administrative regulations relating to certain undertakings for collective investment in transferable securities (hereinafter "UCITS") within the meaning of the German Capital Investment Code (hereinafter "KAGB"). It is managed by Lupus alpha Investment GmbH (hereinafter "management company").

The management company invests the capital invested with it in its own name for the joint account of the investors according to the principle of risk spreading in the assets that are permitted according to the KAGB, separately from its own assets in the form of special funds. The corporate object of the fund is limited to the capital investment pursuant to a stipulated investment strategy within the scope of a collective asset management by means of the funds invested with it; an operative activity and an active entrepreneurial management of the held assets is excluded.

In which assets the management company may invest the monies of the investors and which provisions they have to comply with hereby, may be derived from the KAGB, the associated regulations as well as the German Investment Tax Act (hereinafter "InvStG") and the investment conditions, which regulate the legal relationship between the investors and the management company. The terms of investment comprise a general and a special part ("General Terms of Investment" and "Specific Terms of Investment"). Investment conditions for a public investment fund must be approved by the Federal Financial Supervisory Authority ("BaFin") before they are used. The fund does not belong to the insolvency assets of the management company.

The prospectus, the key investor information, the terms of investment as well as the current annual and semi-annual reports are available free of charge from the management company or in the internet under www.lupusalpha.de or www.fundinfo.com.

Additional information about the investment limits of the risk management of this fund, the risk management methods and the most recent developments with the risks and yields of the most important categories of assets are available from the management company upon request in electronic or written form.

Insofar as the management company sends further information to individual investors concerning the composition of the fund portfolio or its performance, it will at the same time make this information available to all investors of the fund. The investors may apply for an electronic access to these data under www.lupusalpha.de under the heading "downloads – mandatory publications – investor information for unit holders". The prerequisite is, among others, the conclusion of a non-disclosure agreement.

The terms of investment are printed at the end of this prospectus in this document. The investment conditions may be changed by the management company. Changes to the investment conditions require an approval by BaFin. Changes to the investment principles of the fund are only permitted under the condition that the management company offers the investors that it will either take their units back without further charges before the changes come into force or that they may exchange their units free of charge against units in investment funds with comparable investment principles if such investment funds are managed by the management company or another company from its group.

The envisaged changes will be announced in the German Federal Gazette and in addition in the electronic information medium www.fundinfo.com or on the homepage of the management company under www.lupusalpha.de. If the changes relate to remuneration and reimbursements of expenses, which may be taken from the fund, or the investment principles of the fund or essential rights of the investors, the investors will additionally be informed through their custodian banks through a medium, on which information is stored, may be viewed and is depicted unchanged for a duration that is appropriate for the purpose of the information, for example in a paper or an electronic form (so-called permanent data carriers). This information comprises the essential contents of the planned changes, their background, the rights of the investors in connection with the change as well as a reference to where and how further information may be obtained.

The changes shall come into force on the day after they are announced at the earliest. Changes to regulations regarding the remuneration and reimbursements of expenses shall come into force four weeks after their announcement at the earliest if no earlier time was determined with the approval of BaFin. Changes to the previous investment principles of the fund shall also come into force four weeks after their announcement at the earliest.

2. MANAGEMENT COMPANY

2.1. Corporate name, legal form and registered office

Since 2001 the management company was permitted to manage money market and investment fund unit special funds in addition to securities special funds.

The management company has the legal form of a Gesellschaft mit beschränkter Haftung (GmbH – Private Limited Company), has a permit as a management company according to the German Capital Investment Code (KAGB).

Since 2001, the management company has been permitted to manage money market and investment fund units in addition to securities funds. After the adjustment to the Investment Act the management company was permitted to manage separate funds, special as well as mixed special funds and special funds with additional risks conform to the Directive since March 2004. Since July 2009 the management company was permitted to manage separate funds, special as well as mixed special funds, other special funds and special funds with additional risks conform to the Directive.

Within the scope of the adjustment to the German Capital Investment Code the management company may manage UCITS fund pursuant to the UCITS Directive since July 2013.

The management company may further manage the following investment funds according to the German Capital Investment Code since July 2014:

- Mixed investment funds (§ 218 et seq. KAGB);
 - Other investment funds (§ 220 et seq. KAGB);
 - Closed-end domestic public AIF pursuant to § 261 et seq. KAGB as well as closed-end domestic special AIFs pursuant to § 285 et seq. KAGB, which invest in the following assets:
 - the assets pursuant to § 261 Para. 1 Section 4 to 6 KAGB,
 - Securities pursuant to § 193 KAGB,
 - Money market instruments pursuant to § 194 KAGB
- and
- bank balances pursuant to § 195 KAGB,
- Open-ended domestic special AIFs with fixed investment conditions pursuant to § 284 KAGB, which invest in the following assets: The assets stated in § 284 Para. 1 and Para. 2 KAGB, with the exception of the assets stated in § 284 Para. 2 Section 2 lit. e), f) and h).
- General open-ended domestic special-AIFs pursuant to § 282 KAGB – including hedge funds pursuant to § 283 KAGB – which invest in the following assets: The assets stated in § 284 Para. 1 and Para. 2, with the exception of the assets stated in § 284 Para. 2 Section 2 lit e), f) and h).

- EU UCITS, EU AIF and foreign AIFs, the admissible assets of which correspond to those for domestic investment funds.

2.2. Management Board/Managing Directors and Supervisory Board

For more detailed information regarding the management and the composition of the Supervisory Board please refer to the beginning of the sales prospectus in the section "brief details relating to the management company, the custodian and the auditor of the financial statements" and then "management company".

2.3. Equity and additional own funds

For more detailed information regarding subscribed capital as well as regarding the liable equity of the management company please refer to the beginning of the prospectus in the section

"Brief information about the management company, the custodian and the auditor" and then "management company".

The management company is exposed to the professional liability risks arising from the management of investment funds that do not comply with the UCITS Directive, known as alternative investment funds (hereinafter: "AIF"), and which are a result of professional negligence on the part its bodies or employees, covered by its own funds in the amount of at least 0.01 per cent of the value of the portfolios of all managed AIFs, whereby this amount is checked and adjusted annually. These own funds are covered by the stated liable equity.

3. CUSTODIAN

The credit institution Kreissparkasse Köln with the registered seat in D-50667 Cologne, Neumarkt 18-24, has assumed the function of custodian for the fund. The custodian is a credit institution according to German law. Its main activity is current account, deposits and credit business transactions as well as securities transactions.

The KAGB envisages a segregation of the management and safekeeping of special funds. The custodian holds the assets in safekeeping in blocked securities accounts or on blocked accounts. In case of assets, which cannot be held in safekeeping, the custodian will examine whether the management company has acquired the ownership of these assets. It monitors whether the disposals of the management company over the assets comply with the regulations of the KAGB and the investment conditions. The investment in bank balances at another credit institution as well as disposals over such bank balances are only permitted with the consent of the custodian. The custodian must grant its consent if the investment or disposal is compatible with the investment conditions and the regulations of the KAGB.

In addition the custodian has in particular the following tasks:

- Issue and redemption of the units of the fund,
- ensuring that the issue and redemption of units as well as determination of the unit value comply with the regulations of the KAGB and the fund's terms of investment,
- to ensure that in case of transactions conducted for the joint account of the investors it obtains the current value for its safekeeping within the customary deadlines,
- to ensure that the income of the fund is used according to the regulations of the KAGB and according to the investment conditions,
- monitoring of the borrowing of loans by the management company for the account of the fund and, if applicable, the consent to the borrowing of a loan,
- to ensure that collateral for securities loans is furnished legally effective and is available at all times.

3.1. Sub-custodians

The custodian has assigned custodian tasks to other companies (sub-custodians). The sub-custodians commissioned by the custodian are listed at the end of this sales prospectus.

The management company was notified of the list of sub-custodians by the custodian. The management company has checked this information for plausibility. It is, however, dependent on the supply of the information by the custodian and cannot check this for accuracy and completeness in detail. The list of sub-custodians may, however, change at all times. As a rule, not all of these sub-custodians are used for the fund either.

3.2. Liability of the custodian

The custodian is principally responsible for all assets that are held in safekeeping by it or, with its consent, by another body. In the event of the loss of such an asset the custodian will be liable towards the fund and its investors, unless the loss is a result of events beyond the scope of influence of the custodian. For damages, which do not consist of the loss of an asset, the custodian will principally only be liable if it has not fulfilled its obligations according to the regulations of the KAGB at least due to negligence.

3.3. Current information pertaining to the custodian

Upon request, the management company will send investors up-to-date information pertaining to the custodian and its obligations, the sub-custodians as

well as possible conflicts of interest in connection with the activity of the custodian or the sub-custodians.

4. THE FUND

The fund was incepted for an indefinite period of time on 1 March 2018.

The investors participate in the assets of the fund in line with the number of their units as co-owners or as creditors according to fractions. The fund is not a sub-fund of an umbrella-construction. The fund currency is the Euro.

Units of three unit classes are currently available, which differ with regard to the minimum investment amount and the management fee. The unit classes are designated "C", "CAV" and "R".

All issued units of a unit class have the same rights. The features of the unit class are described in this prospectus under item 11 "Units" and under item 12.2 "Management and other costs".

5. INVESTMENT OBJECTIVES, STRATEGY, PRINCIPLES AND LIMITS

5.1. Investment objective and strategy

The objective of the fund management is to achieve a significant increase in value by investing in convertible bonds that are selected according to the principles of sustainability. The fund's assets are only invested in convertible bonds that are selected according to the principles of sustainability. To this end, issuers are analysed and classified according to environmental, social and governance criteria. This includes, among other things, the issuers' environmental management, their social standards and corporate governance, as well as their product portfolio. This may lead to the exclusion of companies from certain sectors (such as production of cluster bombs or landmines, nuclear energy). Likewise, investments should not be made in companies that violate human and labour rights or that are involved in corruption. In addition, companies may be selected through the sustainability analysis depending on the contribution they make to the fulfilment of the Sustainable Development Goals of the United Nations. The fund management makes its selection from the investable universe with the help of detailed analyses that evaluate the management company's key figures and growth prospects. The fund management may seek advice from external companies in this regard. Further information may be found on the following website of the management company in the section "Current publications" under the document name

"Lupus alpha Sustainable Convertible Bonds ESG methodology":
<https://www.lupusalpha.de/privatanleger/produkte/fonds/lupus-alpha-sustainable-convertible-bonds-r/>

Based on the sustainability risk assessment made, it is likely that the sustainability risks to which the sub-fund may be exposed will have a lower impact on the value of the sub-fund's investments in the medium to long term due to the application of the sustainability principles explained above.

The fund does not track any securities index, nor does the management company use any established benchmark for the fund. The fund management actively decides on the selection of assets at its own discretion, taking into account the investment strategy set out above.

The fund promotes environmental and/or social features but does not target sustainable investments.

The risks associated with these investment policies are presented in detail in Section 6 "Risk information" and in Section 7 "Explanation of the risk profile of the fund".

NO ASSURANCE CAN BE GIVEN THAT THE OBJECTIVES OF THE INVESTMENT POLICIES WILL ACTUALLY BE ACHIEVED.

5.2. Investment principles

The assets that are admissible according to the KAGB and the investment conditions may be acquired for the fund.

The management company may additionally invest more than 35 per cent of the value of the fund in securities and money market instruments of the issuers named in the section "Investment limits for public issuers".

Even with careful selection of securities, losses may occur due to deterioration in issuers' assets. However, by applying modern analysis methods, the management company tries to minimise the existing risks of an investment in securities and to improve the opportunities.

5.3. Assets in detail

The management company may acquire the following assets for the account of the fund:

- Securities pursuant to § 193 KAGB,
- money market instruments pursuant to § 194 KAGB,
- Bank balances pursuant to § 195 KAGB,
- Investment units pursuant to § 196 KAGB,

- derivatives pursuant to § 197 KAGB,
- So-called other investment instruments pursuant to § 198 KAGB.

The management company may acquire these assets within the investment limits in particular presented in the sections "Investment limits for securities and money market instruments including those using derivatives and bank balances". Details relating to these assets and applicable investment limits are presented below.

5.4. Securities

The management company may acquire securities of domestic and foreign issuers for the account of the fund,

1. if they are authorised for trading on a stock exchange in a member state of the European Union ("EU") or in another contractual state of the Treaty on the European Economic Area ("EEA") or are authorised on another organised market in one of these states or are included in these markets,
2. if they are exclusively authorised for trading on a stock exchange outside of the member states of the EU or outside of the other contractual states of the Treaty on the EEA or are authorised on another organised market in one of these states or are included in these markets, insofar as BaFin authorised the choice of this stock exchange or this organised market.

Securities from new issues may be acquired if, according to their issue conditions, the authorisation on or inclusion in one of the stock exchanges or organised markets named under 1. and 2. has to be applied for and the authorisation or inclusion is carried out within one year after issue.

The following shall also be deemed securities within this meaning

- Units in closed-end investment funds in a contractual or corporate form, which are subject to a control by the shareholders (so-called corporate control), i.e. the shareholders must have voting rights with regard to essential decisions as well as the right to control the investment policies by means of appropriate mechanisms. The investment fund must, moreover, be managed by a legal entity that is subject to the regulations for the protection of investors, unless the investment fund is incepted in a corporate form and the activity of the asset management is not performed by another legal entity.
- Financial instruments that are collateralised by other assets or are coupled with the development of other assets. Insofar as components of derivatives

are embedded in such financial instruments, further requirements will apply so that the management company may acquire these as securities.

The securities may only be acquired under the following prerequisites:

- The potential loss that may be incurred by the fund cannot exceed the purchase price of the security. There may not be any obligation for subsequent payment.
- A lack of liquidity of the security acquired by the fund may not lead to the fact that the fund may no longer comply with the statutory stipulations pertaining to the redemption of units. This applies taking into account the legal possibility of being able to suspend the redemption of units in special cases (see § 11.1 "Issue and redemption of units").
- A reliable valuation of the securities by exact, reliable and common prices must be available; these must either be market prices or be provided by a valuation system that is independent of the issuer of the security.
- Reasonable information must be available with regard to the security, either in the form of regular, exact and comprehensive information of the market about the security or in the form of an, if applicable, associated portfolio.
- The security is tradeable.
- The acquisition of the security is in line with the investment objectives or the investment strategy of the fund.
- The risks of the security are covered by the risk management of the fund to a reasonable extent.

Securities may moreover be acquired in the following form:

- Shares, to which the fund is entitled in case of a capital increase from corporate funds,
- Securities, which are acquired while exercising subscription rights belonging to the fund,

Subscription rights may also be acquired for the fund as securities within this meaning, insofar as the securities, from which the subscription rights stem, may be located in the fund.

5.5. Money market instruments

The management company may invest in money market instruments for the account of the fund, which are usually

traded on the money market, as well as in interest-bearing securities that alternatively

- at the time of their acquisition for the fund have a term or residual term of a maximum of 397 days.
- at the time of their acquisition for the fund have a term or residual term that is longer than 397 days, the interest yield of which however must be regularly adjusted in line with the market according to the issue conditions, at least once in 397 days.
- whose risk profile corresponds with the risk profile of securities that fulfil the criterion of the residual term or that of the interest adjustment.

Money market instruments may be acquired for the fund, if they

1. are authorised for trading on a stock exchange in a member state of the EU or in any other state that is party to the EEA agreement or are authorised on another organised market in one of these states or are included in this market, are exclusively authorised for trading on a stock exchange outside of the member states of the EU or in another state that is party to the EEA Agreement or in one of these states authorised on an organised market or included in this market, insofar as BaFin has authorised the choice of this stock exchange or this market,
2. are issued or guaranteed by the EU, the federal government, a special fund of the federal government, a federal state, another member state or another central state, regional or local authority or the Central Bank of a member state of the EU, the European Central Bank or the European Investment Bank, a third country or, if this is a federal state, a constituent state of this federal state or of an international institution under public law, to which at least one member state of the EU belongs,
3. are issued by a management company, whose securities are traded on the markets described under numbers 1 and 2,
4. are issued or guaranteed by a credit institution that is subject to criteria of a supervision that is stipulated according to the law of the EU, or a credit institution, that is subject to and complies with supervision provisions, which are equivalent to those of Community law in the opinion of BaFin,
5. are issued by other issuers and the respective issuer a) concerns a company with equity of at least EUR 10 million, that prepares and publishes its annual financial statements according to the European Directive

- pertaining to the annual financial statements of stock corporations, or
- b) concerns a legal entity that is responsible for the financing of this group within a group that comprises one or more listed companies, or
 - c) concerns a legal entity that issues money market instruments backed by liabilities, by using a credit line granted by a bank. These are products, with which credit claims of banks are securitised in securities (so-called Asset Backed Securities).

All stated money market instruments may only be acquired if they are liquid and their value may be precisely determined at all times. Money market instruments are Liquid, which may be sold with limited charges within a sufficiently short period of time. The obligation of the management company is to be taken into consideration hereby to take units in the fund back at the request of the investors and in this case to be in the position to accordingly be able to sell such money market instruments at short notice. An exact and reliable valuation system must, moreover, exist for the money market instruments that enables the determination of the net asset value of the money market instrument and is based on market data or valuation models (including systems, which are based on the amortised acquisition charges). The feature of the liquidity shall be deemed as fulfilled for money market instruments if these are authorised on an organised market within the EEA or are included in this or are authorised on an organised market outside of the EEA or included in this, insofar as BaFin has authorised the choice of this market. This shall not apply if indications are available to the management company, which speak against the sufficient liquidity of the money market instruments.

For money market instruments that are not listed on a stock exchange or not authorised for trading on a regulated market (see above under Sections 3 to 6), the issuer of these instruments must, moreover, be subject to regulations governing the protection of deposits and investors. Reasonable information must be available for these money market instruments that enables an adequate assessment of the credit risks associated with the instruments and the money market instruments must be freely transferrable. The credit risks may, for example, be assessed by a credit rating of a rating-agency.

The following requirements will continue to apply to these money market instruments, unless they have been issued or guaranteed by the European Central Bank or the Central Bank of a member state of the EU:

- If they are issued or guaranteed by the following institutions (stated above under Section 3):

- the EU,
- the federal government,
- a special fund of the federal government,
- a federal state,
- another member state,
- another central state authority,
- the European Investment Bank,
- a third country or, if this is a federal state, a constituent state of this federal state,
- an international institution under public law, to which at least one member state of the EU belongs,

reasonable information regarding the issue or the issue programme or regarding the legal and financial situation of the issuer must be available before the issue of the money market instrument.

- If they are issued or guaranteed by a credit institution that is supervised in the EEA (see above under Section 5) then reasonable information must be available regarding the issue or the issue programme or regarding the legal and financial situation of the issuer before the issue of the money market instrument, which will be updated at regular intervals and in case of significant events. Moreover, data (e.g. statistics) must be available with regard to the issue or the issue programme that enable an adequate assessment of the credit risks associated with the investment.
- If they are issued by a credit institution that is subject to supervisory provisions outside of the EEA, which in the opinion of BaFin are equivalent to the requirements from a credit institution within the EEA, then one of the following prerequisites is to be fulfilled:
 - The credit institution maintains a registered seat in a member state of the Organisation for Economic Co-operation and Development (hereinafter "OECD") that belongs to the so-called group of ten (amalgamation of the most important leading industrial countries – G10).
 - The credit institution at least has a rating with a grade that qualifies as "Investment Grade". A grade with "BBB" or "Baa" or better within the scope of the credit rating by a rating agency is described as an "Investment Grade".
 - By means of a detailed analysis of the issuer it may be proven that the supervisory provisions applicable to the credit institution are at least as strict as those of the law of the EU.

- For the other money market instruments, which are not listed on a stock exchange or are not authorised for trading on a regulated market (see above under Sections 4 and 6 as well as the others stated under Section 3), reasonable information regarding the issue or the issue programme as well as regarding the legal and financial situation of the issuer must be available before the issue of the money market instrument, which is updated at regular intervals and in case of significant events and will be checked by qualified third parties, who are independent of instructions of the issuer. Moreover, data (e.g. statistics) must be available regarding the issue or the issue programme that enable an adequate assessment of the credit risks associated with the investment.

5.6. Investment limits for securities and money market instruments including those using derivatives and bank balances

The fund may invest its assets entirely in securities or money market instruments, or in a combination of securities and money market instruments. Of these, at least 51 per cent of the value of the fund must be invested in convertible bonds. Convertible bonds also include exchangeables, mandatory convertibles and warrant bonds (with options relating to securities). Investments below a speculative grade (e.g. according to Standard and Poor's and Fitch or B3 according to Moody's) are not permitted.

In the event of multiple ratings, the lower rating shall prevail. If a rating agency whose rating was used for the purchase of a convertible bond lowers its rating so that it no longer corresponds to the aforementioned credit rating, the management company shall decide on the sale of the convertible bond concerned at its discretion, taking into account the interests of the unitholders.

All securities held in the fund must fulfil the sustainability criteria described in § 5.1. A total of up to 49 per cent of the value of the fund may be invested in money market instruments.

5.6.1 General investment limits

The management company may invest in securities and money market instruments of the same issuer (debtor) up to 10 per cent of the value of the fund. The total value of the securities and money market instruments of these issuers (debtors) may not exceed 40 per cent of the fund. In addition, the management company may only invest 5 per cent of the value of the fund in each case in securities and money market instruments of the same issuer. Securities purchased under repurchase agreements shall be counted towards this investment limit. The issuers of securities and money market instruments

shall also be taken into account within the limits set if the securities and money market instruments issued by them are acquired indirectly through other securities included in the fund which are linked to their performance.

5.6.2 Investment limit for bonds with special cover assets

The management company may invest up to 25 per cent of the value of the fund in mortgage bonds (Pfandbriefe), municipal bonds as well as bonds issued by a credit institution with its registered office in an EU member state or another state that is party to the EEA agreement. The prerequisite is that the funds borrowed with the bonds are invested so that they cover the liabilities of the bonds over their entire term and are primarily determined for the repayments and the interest if the issuer of the bonds ceases to exist. If more than 5 per cent of the value of the fund are invested in such bonds of the same issuer, the total value of such bonds may not exceed 49 per cent of the value of the fund. Securities purchased under a repurchase agreement will be offset against this investment limit.

5.6.3 Investment limits for public issuers

The management company may respectively invest up to 35 per cent of the value of the fund in bonds, bonded loans and money market instruments of special national and supranational public issuers. These public issuers shall include the federal government, the federal states, member states of the EU or their regional authorities, third countries as well as supranational public institutions to which at least one EU-member belongs.

The management company may invest more than 35 per cent of the value of the fund in bonds, bonded loans and money market instruments of one or more of the following issuers:

- The Federal Republic of Germany
- The federal states:
 - Baden-Württemberg
 - Bavaria
 - Berlin
 - Brandenburg
 - Bremen
 - Hamburg
 - Hesse
 - Mecklenburg-Western Pomerania
 - Lower Saxony
 - North-Rhine Westphalia
 - Rhineland-Palatinate
 - Saarland
 - Saxony
 - Saxony-Anhalt
 - Schleswig-Holstein
 - Thuringia

- European Union:
- As EU Member States:
 - Belgium
 - Bulgaria
 - Denmark
 - Estonia
 - Finland
 - France
 - Greece
 - The Republic of Ireland
 - Italy
 - Croatia
 - Latvia
 - Lithuania
 - Malta
 - Poland
 - Luxembourg
 - The Netherlands
 - Austria
 - Portugal
 - Sweden
 - Slovakia
 - Slovenia
 - Spain
 - Czech Republic
 - Hungary
 - Republic of Cyprus
 - Romania
- As contractual states of the Treaty on the European Economic Area:
 - Iceland
 - Liechtenstein
 - Norway
- Other member states of the Organisation for Economic Cooperation and Development which are not a member of the EEA:
 - Australia
 - Japan
 - Canada
 - South Korea
 - Mexico
 - New Zealand
 - Switzerland
 - Turkey
 - United States of America
 - Chile
 - Israel
 - United Kingdom of Great Britain and Northern Ireland

Insofar as this possibility is used the securities and money market instruments in the fund must stem from at least six different issues, whereby no more than 30 per cent of the values of the fund may be held in one issue.

Securities purchased under a repurchase agreement are offset against this investment limit.

5.6.4 Combination of investment limits

The management company may invest a maximum of 20 per cent of the value of the fund in a combination of the following assets:

- Securities or money market instruments issued by the same institution,
- Deposits at this institution, i.e. bank balances,
- Weightings for the counterparty risk of derivatives transactions entered into with this institution.

In the case of certain public issuers (see section "Investment limits for public issuers"), a combination of the aforementioned assets may not exceed 35 per cent of the value of the fund. The respective individual upper limits shall remain unaffected.

5.6.5 Investment limits by using derivatives The amounts of securities and money market instruments of an issuer, which are offset against the aforementioned limits, may be reduced by the use of derivatives contrary to the market, which have securities or money market instruments of the same issuer as the underlying asset. Thus securities or money market instruments of an issuer may be acquired for the account of the fund in excess of the aforementioned limits if the issuer risk that is increased hereby is reduced by hedging transactions again.

5.7. Bank balances and their investment limits

Up to 49 per cent of the value of the fund may be invested in bank balances that have a maximum term of twelve months. The management company may only invest up to 20 per cent of the value of the fund in bank balances at one credit institution each.

These balances are to be kept on blocked accounts at credit institutions with the registered seat in a member state of the EU or in another contractual state of the Treaty on the EEA. They may also be maintained at credit institutions with the registered seat in a third country, whose supervisory provisions, in the opinion of BaFin, are equivalent to those of the law of the EU.

5.8. Investment units and their investment limits

The management company may invest up to 10 per cent of the value of the fund in units in target funds insofar as these are open-ended domestic and foreign investment funds. The management company shall acquire units in all contractual states of the European Economic Area for the fund.

According to their terms of investment or their articles of association, the target fund may invest up to 10 per cent in units

in other open-ended investment funds. The following requirements shall additionally apply to units in AIF:

- The target fund must have been authorised according to legal regulations, which subject it to an effective public supervision for the protection of investors, and there must be sufficient warranty for satisfactory cooperation between BaFin and the supervisory authority of the target fund.
- The level of investor protection must be equivalent to the level of protection of an investor in a domestic UCITS, in particular with regard to the segregation of management and safekeeping of assets, for the borrowing and granting of loans, as well as for short sales of securities and money market instruments.
- The target fund's business activity must be the object of annual and semi-annual reports and allow investors to form an opinion of assets and liabilities as well as income and transactions in the reporting period.
- The target fund must be a mutual fund for which the number of units is not limited and investors have a right to redeem units.

Only up to 20 per cent of the value of the fund may be invested in units in one single target fund. A total of merely up to 30 per cent of the value of the fund may be invested in AIF. The management company may acquire no more than 25 per cent of the issued units of a target fund for the account of the fund.

Target funds may temporarily suspend the redemption of units within the statutory framework. The management company cannot return the units in the target fund at the management company or custodian of the target fund against payment of the redemption price (see also the section "Risk information– risks in connection with the investment in investment units"). On the homepage of the management company it is listed under www.lupusalpha.de whether and to what extent the fund holds units in target funds, which have currently suspended the redemption of units.

5.9. Other assets and their investment limits

The management company may invest in total up to 10 per cent of the value of the fund in the following other assets:

- Securities, which are not authorities for trading on a stock exchange or not authorised on another organised market or not included in this, however principally meet the criteria for securities. Notwithstanding traded

or authorised securities, a reliable valuation of these securities must be available in the form of a valuation carried out at regular intervals that is derived from information from the issuer or from competent financial analysis. Reasonable information regarding the non-authorised or non-included securities or, if applicable, the associated portfolio, i.e. securitised in the security must be available in the form of regular and precise information for the fund.

- Money market instruments of issuers that do not meet the above requirements if they are liquid and their value can be precisely determined at any time. Money market instruments are deemed as liquid that can be sold with limited charges within a sufficiently short period of time. The obligation of the management company is to be taken into consideration hereby to take units in the fund back at the request. The obligation of the management company is to be taken into consideration to redeem fund units at the request of the investors and in this case to be in the position to accordingly be able to sell these money market instruments at short notice. An exact and reliable valuation system must moreover exist for the money market instruments that enables the determination of the net asset value of the money market instrument and is based on market data or on valuation models (including systems that are based on amortised acquisition charges). The feature of the liquidity shall be deemed as fulfilled for money market instruments if these are authorised on an organised market within the EEA or are included in this or are authorised on an organised market outside of the EEA or are included in this insofar as BaFin has authorised the choice of this market.
- Shares from new issues if, according to their investment conditions
 - their authorisation for trading on a stock exchange in a member state of the EU or in another contractual state of the Treaty on the EEA or their authorisation on an organised market or their inclusion in this in a member state of the EU or in another contractual state of the Treaty on the EEA is to be applied for, or
 - their authorisation for trading on a stock exchange or their authorisation on an organised market or the inclusion in this outside of the member states of the EU or outside of the other contractual states of the Treaty on the EEA is to be applied for, insofar as the choice of this stock exchange of this organised market is authorised by BaFin,

insofar as the authorisation or inclusion is carried out within one year after the issue.

- Bonded loans, which may be assigned at least twice after the acquisition for the fund and were granted by one of the following institutions:
 - a) the federal government, a special fund of the federal government, a federal state, the EU or a member state of the OECD,
 - b) another domestic regional authority or a regional government or local authority of another member state of the EU or another contractual state of the Treaty on the EEA, insofar as the demand for the regulation through supervisory requirements from credit institutions and securities companies may be treated in the same manner as a demand from the central state, on the sovereign territory of which the regional government or authority is based,
 - c) other public corporations or bodies with the registered seat in the domestic country or in another member state of the EU or another contractual state of the Treaty on the EEA,
 - d) companies that have issued securities authorised for trading on an organised market within the EEA or authorised for trading on any other regulated market, which fulfils the essential requirements on regulated markets within the meaning of the directive governing markets for financial instruments in the respective applicable version, or
 - e) other debtors, insofar as one of the bodies described in lit. a) to c) has assumed the warranty for the interest yield and repayment.

5.10. Derivatives

The management company may conduct business with derivatives for the fund as part of the investment strategy. This includes business with derivatives for the efficient portfolio control and in order to generate additional income, i.e. also for speculative purposes. This may lead to an increase in the

A derivative is an instrument, the price of which depends on the price fluctuations or the price expectations of other assets ("underlying asset"). The following statements refer both to derivatives as well as to financial instruments with a derivative component (hereinafter jointly referred to as "derivatives").

The market risk of the fund may double as a maximum by the use of derivatives ("market risk limit"). Market risk is the risk of loss

resulting from fluctuations in the market value of assets held in the fund due to changes in variable market prices or rates, such as interest rates, foreign exchange rates, equity and commodity prices, or changes in an issuer's creditworthiness. The management company has to regularly adhere to the market risk limit. It has to determine the capacity utilisation of the market risk limit daily according to statutory stipulations; these may be derived from the regulation governing the risk management and risk measurement with the use of derivatives in investment funds according to the German Capital Investment Code (hereinafter "Derivative Regulation").

In order to determine the capacity utilisation of the market risk limit the management company applies the so-called qualified approach within the meaning of the Derivative Regulation. For this purpose the management company compares the market risk of the fund with the market risk of a virtual comparable fund, which does not contain any derivatives. The derivative-free comparable fund concerns a virtual portfolio, the value of which always precisely corresponds with the current value of the fund, however that does not include any increases or hedging of the market risk through derivatives. The composition of the comparable fund must also comply with the investment objectives and investment policy applicable to the fund. The derivative-free comparable fund for the fund consists of derivative-free assets, which may be acquired according to the investment conditions.

The risk amount for the market risk of the fund may at no time exceed twice the risk amount for the market risk of the associated derivative-free comparable fund by the use of derivatives.

The market risk of the fund and of the derivative-free comparable fund will respectively be determined by using a suitable own risk model (so-called Value-at-Risk Method).

The management company hereby records the market price risks from all transactions. By the risk model it quantifies the change in value of the assets held in the fund over time. The so-called Value-at-Risk states in this respect a limit for potential losses of a portfolio between two stipulated times expressed in monetary units. This change in value is determined by random events, namely the future developments of the market prices and may therefore not be forecast with certainty. The market risk that is to be determined may respectively only be estimated with a sufficiently high probability.

The management company may – subject to a suitable risk management system – invest in all derivatives for the account of the fund. The prerequisite is that the derivatives are derived from assets that may be acquired for the fund or from the following underlying assets:

- Interest rates
- Exchange rates
- Currencies
- Financial indices, which feature sufficient diversification, represent an adequate reference basis for the market, to which they refer, and are published in an appropriate manner.

These in particular include options, financial futures contracts and swaps as well as combinations of these.

5.10.1 Futures contracts

Futures contracts are absolute mandatory agreements for both contractual partners, to purchase or sell a certain quantity of a certain underlying asset at a price that is determined in advance at a certain time, the maturity date, or within a certain period of time. The management company may conclude futures contracts for the account of the fund within the scope of the investment principles on all assets that are admissible pursuant to § 1 of the Special Investment Conditions.

5.10.2 Option transactions

Option transactions include that a third party is granted the right against payment (option premium) to request the delivery or the purchase of assets or the payment of a difference during a certain time or at the end of a certain period of time at a price agreed from the start (basic price) or also to acquire corresponding options.

The management company may buy and sell call options and put options as well as trade in warrants for the account of the fund within the framework of the investment principles. The option transactions must refer to securities and money market instruments, interest rates, exchange rates or currencies as well as to financial indices, which feature sufficient diversification, represent an adequate reference basis for the market, to which they refer, and are published in an appropriate manner. The options or warrants must envisage being exercised during the entire term or at the end of the term. Moreover, the option value must depend on a straight-line basis on the positive or negative difference between the basic price and the market price of the underlying asset at the time when it is exercised and become zero if the difference has the other algebraic sign.

5.10.3 Swaps

Swaps are exchange contracts, with which the cashflows or risks on which the transactions are based are exchanged between the contractual partners. The management company may enter into interest rate swaps, currency swaps, cross currency interest rate swaps, total return swaps and variance swaps for the account of the fund within the limits of the investment policy.

5.10.4 Swaptions

Swaptions are options on swaps. A swaption is the right, not however the obligation, to enter into a precisely specified swap with regard to the conditions at a certain time or within a certain deadline. Incidentally, the principles presented in connection with option transactions shall apply. The management company may only conclude those swaptions for the account of the fund, which consist of the options and swaps described above.

5.10.5 Credit Default Swaps

Credit Default Swaps are credit derivatives, which enable a potential credit default volume to be transferred to others. In return for the assumption of the credit default risk the seller of the risk pays a premium to its contractual partner. Incidentally, the statement pertaining to swaps shall apply accordingly.

5.10.6 Total Return Swaps

Total Return Swaps are derivatives, with which all income and fluctuations in value of an underlying asset are exchanged for an agreed premium. The payment of the premium may be agreed both variable as well as fixed. A contractual partner, also risk transferor, thus transfers the entire credit and market risk from the underlying asset to the other contractual partner, the risk taker. In return, the risk transferor pays a premium to the risk taker.

Total Return Swaps may be carried out for the fund for hedging purposes as well as for investment purposes. This also includes transactions for speculative purposes, which may increase the fund's risk of loss, at least temporarily. All eligible assets of the fund may be used as the object or underlying value of total return swaps. The fund assets may fully consist of transactions in this case, the object of which is Total Return Swaps. The management company expects that, as a rule, no more than 10 per cent of the fund assets are the object of Total Return Swaps. This is, however, merely an estimated value, which may also be substantially exceeded. The income from Total Return Swaps flows – after deduction of the transaction charges – into the fund in full.

The contractual partners for Total Return Swaps are selected according to the following criteria: It concerns a credit and financial services institution with the registered seat in a member state of the EU, another contractual state of the Treaty on the EEA or a third country, whose supervisory provisions, in the opinion of BaFin, are equivalent to the law of the EU. The contractual partner must principally have a minimum credit rating assessment of "Investment Grade", which may however be waived in justified exceptional cases. Investment grade is defined as a rating of "BBB-" or "Baa3" or better within the scope of the credit rating

by a rating agency (e.g. Standard & Poor's, Moody's or Fitch). The specific contractual partner will in the first place be selected the offered contractual conditions as well as their availability into consideration. The management company also observes the financial circumstances of the contractual partners that may be taken into consideration as well as the offered liquidity and the range of services.

5.11. Financial instruments securitised in securities

The management company may also acquire the financial instruments described above for the account of the fund if these are securitised in securities. The transactions, of which the object is financial instruments, may also only partly be contained in securities (e.g. option-bonds). The statements pertaining to opportunities and risks apply accordingly to those securitised financial instruments, however under the condition that the risk of losses with securitised financial instruments is limited to the value of the security.

5.12. OTC-Derivative transactions

The management company may conduct both derivative transactions for the account of the fund, which are authorised for trading on a stock exchange or are authorised on another organised market or are included in this, as well as off-market transactions, so-called over-the-counter (OTC) transactions. The management company may only conduct derivative transactions, which are not authorised for trading on a stock exchange or not authorised on another organised market or are not included in this, with suitable credit institutions or financial service institutions on the basis of standardised framework contracts. In the case of derivatives traded over-the-counter, the counterparty risk in respect of a contracting party is limited to 5 per cent of the value of the fund. If the contractual partner is a credit institution with the registered seat in a member state of the EU, in another contractual state of the Treaty on the EEA or a third country with a comparable standard of supervision, then the counterparty risk may amount to up to 10 per cent of the value of the fund. Derivative transactions traded over-the-counter, which are concluded with a central clearing house of a stock exchange or another organised market as contractual partner will not be offset against the counterparty limits if the derivatives are subjected to a daily valuation at market prices with daily margin compensation. Claims of the fund against an intermediary are, however, to be offset against the limits, even if the derivative is traded on a stock exchange or on another organised market.

5.13. Collateral strategy

Within the scope of derivative transactions the management company accepts collateral for the account of the fund. The collateral items serve to reduce the default risk of the contractual partner of these transactions in full or in part. The management company accepts the following assets as collateral with derivative transactions and repurchase agreements:

- Bank balances; also in foreign currency, insofar as this is permitted according to the fund's terms of investment.
- Securities

The collateral provided by a contractual partner must, among others, be adequately diversified in terms of risks with regard to issuers. If several contractual partners provide collateral of the same issuer, these are to be aggregated. If the value of the collateral items of the same issuer provided by one or more contractual partners does not exceed 20 per cent of the value of the fund, the diversification will be deemed as adequate.

Derivatives and repurchase agreements must be collateralised to an extent that ensures that the offset amount for the default risk of the respective contractual partner does not exceed five per cent of the value of the fund. If the contractual partner is a credit institution with the registered seat in a member state of the EU or in another contractual state of the Treaty on the EEA or in a third country, in which the equivalent supervisory provisions apply, then the offset amount for the default risk may amount to ten per cent of the value of the fund.

5.13.1 Strategy for discounts to the valuation (Haircut-strategy)

Valuation haircuts are applied to the eligible collateral listed in the "Collateral strategy" section. The valuation discount stipulated as a percentage refers to the residual term and not to the total term of the collateral. Valuation discounts for collateral are carried out with a graduated percentage rate, depending on the type of security, residual term, creditworthiness of the issuer and currency.

5.13.2 Investment of cash collateral

Cash collateral in the form of bank deposits may be held in blocked accounts with the fund's custodian or, with its consent, with another credit institution. The re-investment may only be carried out in government bonds of a high quality or in money with a short term structure. Moreover, cash collateral may be invested by way of a reversed repurchase agreement with a credit institution if the claim for refund of the accrued credit balance is guaranteed at all times.

The management company may accept securities as collateral for the account of the fund within the scope of derivatives and repurchase agreements. If these securities were assigned as collateral, they must be held in safekeeping at the custodian. If the management company has been pledged the securities as collateral within the scope of derivative transactions, they may also be held in safekeeping at another body that is subject to an effective public supervision and is independent of the collateral provider. It is not permitted to re-use the securities.

5.14. Borrowing of loans

The borrowing of short-term loans for the joint account of the investors is permitted up to 10 per cent of the value of the fund if the conditions for the borrowing of the loan are customary for the market and the custodian approves the borrowing of the loan.

5.15. Leverage

Leverage describes each method, with which the management company increases the degree of investment of the fund (leverage). Such methods are in particular the borrowing of loans or the acquisition of derivatives with embedded leverage financing. The management company may use such methods for the fund to the extent as described in this sales prospectus. The possibility to use derivatives is presented in section "Investment objectives, strategy, principles and limits assets derivatives". The possibility to borrow loans is explained in the section "Investment objectives, strategy, principles and limits borrowing of loans".

The market risk may be doubled as a maximum through the use of derivatives.

The leverage of the fund is determined from the relationship between the risk of the fund and its net asset value. The calculation of the net asset value is explained in the section "Units", subsection "Issue and redemption price". The risk of the fund is calculated according to a gross method. It describes the total amount of the absolute values of all positions of the fund with the exception of bank balances, which are valued in line with the statutory stipulations. It is not permitted to offset individual derivative transactions or security positions against one another (i.e. no consideration of so-called netting and hedging agreements). The management company expects that the risk of the fund calculated according to the gross method will exceed its net asset value by four times as a maximum. Depending on the market conditions the leverage may, however, fluctuate, so that despite the constant monitoring by the management company there may be overlapping of the intended market.

Derivatives may be used by the management company with various objectives, for example for hedging or for the optimisation of the returns. However, the calculation of the total exposures does not make a distinction between the various objectives of the derivative use. For this reason, the sum of the nominal amounts is not an indicator of the fund's risk exposure.

6. RISK INFORMATION

Before deciding to purchase units in the fund, investors should carefully read the following risk information together with the other information contained in this prospectus

and take this into account when making their investment decision. The occurrence of one of more of these risks may, on its own or together with other circumstances, have a detrimental effect on the performance of the fund or the assets held in the fund and therefore also have a detrimental effect on the unit value.

If the investor sells units in the fund at a time, at which the prices of the assets held in the fund have fallen compared to the time when he acquired the unit, then he will not get the capital invested by him in the fund back or not in full. The investor could partly or (in individual cases) even fully lose his capital invested in the fund. Growth in value cannot be guaranteed. The risk of the investor is limited to the invested total amount. There is no obligation for a subsequent payment in excess of the capital invested by the investor.

In addition to the risks and uncertainties described below or in another place in the sales prospectus the performance of the fund may be impaired by various other risks and uncertainties, which are not known at present. The order, in which the following risks are listed, neither contains a statement regarding the probability of its occurrence, nor regarding the extent or the significance with the occurrence of individual risks.

6.1. Risks of a fund investment

The risks are presented below that are typically associated with an investment in an UCITS. These risks may have a detrimental effect on the unit value, on the capital invested by the investor as well as on the holding period of the fund investment planned by the investor.

6.1.1 Fluctuation in the fund unit value

The fund unit value is calculated from the value of the fund, divided by the number of the units put into circulation. The value of the fund corresponds with the total amount of the market values of all assets in the fund minus the total amount of the market values of all liabilities of the fund. The fund unit value is therefore dependent on the value of the assets held in the fund and the amount of the liabilities of the fund. If the value of these assets falls or if the value of the liabilities increases then the fund unit value will fall.

6.1.2 Different performance of the unit classes

An economically different performance of the unit classes may result from the legally different design of the units of different unit classes. These include, for example, distribution, reinvestment or different levels of management fees. In the case of different levels of management fees,

payments are regularly made from the fund assets, which reduce the respective unit value to a different extent.

6.1.3 Influence on the individual results by tax aspects

The tax treatment of capital income depends on the individual circumstances of the respective investor and may be subject to future changes. In case of individual questions – in particular by taking the individual tax situation into consideration – the investor should contact his personal tax adviser.

6.1.4 Change in the investment policies or the investment conditions

The management company may change the terms of investment with the approval of BaFin. Rights of the investor may also be affected hereby. The management company may, for example, change the investment policies of the fund by a change in the investment conditions or it may increase the charges to be charged to the fund. The management company may, moreover, change the investment policies within the investment range permitted by law and by contract and thus without changing the investment conditions and without their approval by BaFin. The risk associated with the fund may change hereby.

6.1.5 Suspension of the unit redemption

The management company may temporarily suspend the redemption of units if there are exceptional circumstances that make suspension appear necessary, taking into account investors' interests. Exceptional circumstances within this meaning may be e.g.: economic or political crises, redemption request to an exceptional extent as well as the closure of stock exchanges or markets, trade restrictions or other factors, which impair the determination of the unit value. In addition BaFin may order that the management company has to suspend the redemption of the units if this is necessary in the interest of the investors or the public. The investor cannot return his units during this period of time. The unit value may also fall in the event of a suspension of the unit redemption; e.g. if the management company is forced to sell assets during the suspension of the unit redemption below market value. The unit value may be lower after the recommencement of the unit redemption than the value before suspension of the redemption. A suspension may be directly followed by a dissolution of the fund without a renewed re-commencement of the redemption of the units, e.g. if the management company terminates the management of the fund in order to then dissolve the fund. Therefore, the risk exists for the investor that he cannot realise the holding period planned by him and that essential parts of the invested capital are not available to him for an indefinite period of time or are lost in full.

6.1.6 Dissolution of the fund

The management company has the right to terminate management of the fund. The management company may dissolve the fund in its entirety after termination of the management. The right of disposal over the fund will pass to the custodian after a period of notice of six months. Therefore, the risk exists for the investor that he cannot realise the holding period planned by him. With the transfer of the fund to the custodian other taxes than German tax on earnings may be charged to the fund. If the fund units are booked out of the investor's securities account after termination of the liquidation proceedings, tax on earnings may be charged to the investor.

6.1.7 Assignment of all assets of the fund to another open-ended public investment fund (merger)

The management company may assign all assets of the fund to another UCITS. The investor may in this case (i) return his units, (ii) or keep the units with the consequence that he becomes an investor in the UCITS that take over the assets, (iii) or exchange these for units in an open-ended public investment fund with comparable investment principles insofar as the management company or a company affiliated herewith manages such an investment fund with comparable investment principles. This shall apply likewise if the management company assigns all assets of another open-ended public investment fund to the fund. The investor must therefore make an investment decision prematurely once again within the scope of the assignment. Tax on earnings may be due in case the units are returned. With an exchange of the units for units in an investment fund with comparable investment principles tax may be charged to the investor, for example if the value of the received units is higher than the value of the old units at the time of the acquisition.

6.1.8 Assignment of the fund to another management company

The management company may transfer the fund to another management company. The fund will remain unchanged hereby, as well as the position of the investor. The investor must, however, decide within the scope of the assignment whether he considers the new management company to be just as suitable as the previous one. If he would not like to continue to invest in the fund under new management he must return his units. Tax on earnings may be incurred in this case.

6.1.9 Profitability and fulfilment of the investment objectives of the investor

It cannot be guaranteed that the investor achieves his desired investment success. The unit value of the fund may fall and lead to losses for the investor. There are no guarantees on the part of the management company or third parties with regard to a certain minimum payment promise with the return or a certain investment success of the fund. Investors could therefore get a lower

amount back than originally invested. A front load that is paid with the acquisition of units or a redemption discount paid with the sale of units may moreover, in particular with an only short investment duration, reduce the success of an investment or even consume it in full.

6.2. Risks of the negative performance of the fund (market risk)

The risks are presented below associated with the investment in individual assets by the fund. These risks may impair the performance of the fund or the assets held in the fund and thus have a detrimental effect on the unit value and on the capital invested by the investor.

6.2.1 Value change risks

The assets, in which the management company invests for the account of the fund, are subject to risks. Losses in value may occur by the fact that the market value of the assets falls compared to the cost price or spot and futures prices develop differently.

6.2.2 Capital market risk

The price or market value development of financial products in particular depends on the development of the capital markets, which on the other hand is influenced by the general position of the world economy as well as the basic economic and political conditions in the respective countries. Irrational factors such as sentiment, opinions and rumours may also have an impact on the general price trend, especially on a stock exchange. Fluctuations in the price and market values may also be the result of changes in the interest rates, exchange rates or the creditworthiness of an issuer.

6.2.3 Price change risk of units

Based on experience units are subject to sharp fluctuations in prices and therefore also the risk of falls in prices. These fluctuations in prices are in particular influenced by the development of the profits of the issuing company as well as the developments of the industry and the overall economic development. The trust of the market players in the respective company may also influence the price development. This in particular applies with companies, whose units have only been authorised for the stock exchange or another organised market over a shorter period of time; with these companies slight changes in forecasts already may lead to sharp movements in prices. If, with a share of the unit the freely tradeable units in the possession of many shareholders (so-called free float) is low smaller purchase and sales orders already may have a substantial implication on the market price and thus lead to higher price fluctuations.

On 26 July 2016 the Investment Tax Reform Act was announced with which among others the German Investment Tax Act and the German Income Tax Act will be amended. According to this, in order to avoid tax structures (so-called Cum/Cum deals) a regulation is envisaged, according to which dividends of German units and income of German profit participation rights similar to equity will be charged with a definitive capital gains tax. This regulation – as opposed to the main part of this law – came into force retroactively already as of 1 January 2016. It may be summarised as follows:

Unlike in the past, German funds are to be subject to a definitive German capital gains tax of 15 per cent on the gross dividend on the fund input side under certain conditions. This should be the case if German units and German profit participation rights similar to equity are not held by the fund, without interruption, for 45 days within 45 days before and after the time of maturity of the capital gains (= 91-day period) and in these 45 days, not without interruption there are minimum value change risks of 70 per cent ("45-day regulation"). An obligation to pay capital gains directly or indirectly to another person (e.g. through swaps, securities lending transactions, repurchase agreements) also leads to a capital gains tax charge.

In this scope hedging or forward transactions may be harmful, which directly or indirectly protect against the risk from German units or German profit participation rights similar to equity. Hedging transactions through value and price indices are deemed as indirect hedging in this respect. If related parties participate in the fund their hedging transactions may also be harmful.

This leads to various risks. It cannot be excluded that the unit price of a fund turns out to be comparably lower if provisions are formed for a possible tax debt of the fund. Even if the tax debt is not incurred and, therefore, provisions are reversed, the investors may possibly not benefit from a comparably higher unit price, who participated in the fund at the time when the provision was formed. Secondly, the new regulation relating to the dividend key date could lead to the fact that the purchase and sales prices for relevant units diverge more than normal, which on the whole may lead to more unfavourable market conditions.

6.2.4 Interest change risk

The investment in fixed-income securities is associated with the possibility that the market interest level changes that exists at the time when a security is issued. If the market interest rises compared to the interest rate at the time of the issue then as a rule the prices of the fixed-income securities will fall. If, on the other hand, the market interest falls the price of fixed-income securities will rise. This price development leads to the fact that the current yield of the fixed-income security approximately corresponds

to the current market interest. These price fluctuations will, however, vary considerably depending on the (residual) term of the fixed-income securities. Fixed-income securities with shorter terms have less price risks than fixed-income securities with longer terms. Fixed-income securities with shorter terms have, on the other hand, as a rule lower yields than fixed-income securities with longer terms. Money market instruments tend to have less price risks owing to their short term of a maximum of 397 days. In addition the interest rates of various interest-based financial instruments with a comparable residual term that are denominated in the same currency may develop differently.

6.2.5 Risk of negative credit interest

The management company invests liquid funds of the fund at the custodian or other banks for the account of the fund. An interest rate has partly been agreed for these bank balances, which corresponds with the European Interbank Offered Rate (Euribor) minus a certain margin. If the Euribor falls below the agreed margin this will lead to negative interest on the corresponding account. Depending on the development of the interest policies of the European Central Bank both short-, medium as well as long-term bank balances may generate a negative interest yield.

6.2.6 Price change risk of convertible and option bonds

Convertible bonds and bonds with warrants securitise the right

to convert the bond into units or to acquire units. The development of the value of convertible and option bonds is therefore dependent on the price development of the share as an underlying asset. The risks of the performance of the underlying units may therefore also have implications on the performance of the convertible and option bond. Option bonds, which grant the issuer the right to offer the investor a number of units, stipulated in advance, instead of the repayment of a nominal amount (Reverse Convertibles), are dependent on the corresponding share price to a substantial extent.

6.2.7 Risks in connection with derivative transactions

The management company may enter into derivative transactions for the fund

. The purchase and sale of options as well as the conclusion of futures contracts or swaps are associated with the following risks:

- Losses may be suffered by the use of derivatives, which are not foreseeable and may even exceed the amounts employed for the derivative transaction.
- Price changes of the underlying asset may reduce the value of an option or futures contract. If the value is reduced and if the derivative becomes worthless hereby the management company may be forced to allow the acquired rights

to lapse. Due to changes in value of the asset upon which a swap is based the fund may also suffer losses.

- A liquid secondary market for a certain instrument may be missing at a given time. A position in derivatives might be, under certain circumstances not be neutralised (closed) in a cost effective manner.
- Due to the leverage of options the value of the fund assets may be influenced more than is the case with the direct acquisition of the underlying assets. The loss risk cannot be determined upon conclusion of the transaction.
- The purchase of options poses the risk that the option is not exercised, because the prices of the underlying assets do not develop as expected so that the option premium paid by the fund lapses. With the sale of options there is the risk that the fund is obliged to purchase assets at a higher price than the current market price or to deliver assets at a lower price than the current market price. The fund will then suffer a loss in the amount of the price difference minus the collected option premium.
- In the case of futures contracts, there is a risk that the management company may be obliged to bear, for the account of the fund, the difference between the price at the time the contract is entered into and the market price at the time the transaction is closed out or matures. The fund would thus suffer losses. The risk of the loss cannot be determined upon conclusion of the futures contract.
- The, if applicable, necessary conclusion of an offsetting transaction (balancing) involves charges.
- The forecasts made by the management company regarding the future development of underlying assets, interest rates, prices and foreign exchange markets may subsequently prove to be incorrect.
- The assets upon which the derivatives are based cannot be purchased or sold at a per se favourable time or must be purchased or sold at a more unfavourable time.

With off-market transactions, so-called over-the-counter (OTC) transactions, the following risks may arise:

- An organised market may be missing so that the management company finds it difficult or even impossible to sell the financial instruments acquired for the account of the fund on the OTC market.
- The conclusion of an offsetting transaction (balancing) may be difficult, impossible or involve substantial charges owing to the individual agreement.

6.2.8 Risks in connection with the receipt of collateral

The management company receives collateral for derivative transactions

. Derivatives may increase in value. The received collateral could then no longer be sufficient in order to cover the delivery or re-assignment claim of the management company against the counterparty in the full amount.

The management company may invest cash collateral on blocked accounts, in government bonds of a high quality or in money market funds with a short term structure. The credit institution, at which the bank balances are held in safekeeping, may however cease to exist. Government bonds and money market funds may feature a negative development. Upon termination of the transaction, the collateral invested may no longer be available in full, although it must be returned by the management company to the fund in the amount originally granted. The fund would then have to bear the losses incurred on the collateral.

6.2.9 Risk with securitisation positions without excess

Risk with securitisation positions without excess

The fund may only acquire securities, which securitise receivables (securitisation positions) and were issued after 1 January 2011, still if the debtor of the receivable retains at least 5 per cent of the volume of the securitisation as a so-called excess and complies with further stipulations. The management company is therefore obliged to initiate remedial measures in the interest of the investors if securitisations are located in the fund assets that do not comply with these EU standards. Within the scope of these remedial measures the management company could be forced to sell such securitisation positions. Owing to legal stipulations for banks, fund company and insurances there is the risk that the management company cannot sell such securitisation positions or only with substantial price discounts or with a great time delay.

6.2.10 Inflation risk

The inflation includes a devaluation risk for all assets. This shall also apply to the assets held in the fund. The inflation rate may be higher than the growth in value of the fund.

6.2.11 Currency risk

Assets of the fund may be invested in another currency than the fund currency. The fund receives the income, repayments and proceeds from such investments in the other currency. If the value of this currency compared to the fund currency then the value of such investments will be reduced and thus also the value of the fund assets.

6.2.12 Concentration risk

In case a concentration of the investment is carried out in certain assets or markets then the fund is particularly strongly dependent on the development of these assets or markets.

6.2.13 Risks in connection with the investment in investment units

The risks of units in other investment funds acquired for the fund (known as

"target funds") are closely related to the risks of the assets contained in these target funds or the investment strategies pursued by them. As the managers of the individual target funds act independently from one another, it may however also occur that several target funds pursue the same or contradictory investment strategies. Existing risks may be accumulated hereby and possible opportunities may cancel each other out. As a rule, it is not possible for the management company to control the management of the target funds. Their investment decisions must not necessarily concur with the assumptions or expectations of the management company. The management company will often not be aware of the current composition of the target fund in real time. If the composition does not meet its assumptions or expectations, it may only react with a significant delay by redeeming target fund units.

Open-ended investment funds, in which the fund acquires units, could moreover temporarily suspend the redemption of the units. The management company is then prevented from selling the units in the target fund by the fact that it returns these against disbursement of the of the redemption price to the custodian or custodian of the target fund.

6.2.14 Risks from the investment range

By complying with the investment principles and limits stipulated by law and the investment conditions, which envisage a very broad framework for the fund, the actual investment policies can also be oriented to primarily acquiring assets e.g. only of a few industries, markets or regions/countries. This concentration on a few special investment sectors can be associated with risks (e.g. narrowness of the market, high fluctuation range within certain economic cycles). The annual report informs retrospectively about the contents of the investment policies for the closed reporting year.

6.3. Risks of the restricted or increased liquidity of the fund and risks in connection with increased subscriptions or redemptions (liquidity risk)

The risks are presented below that may impair the liquidity of the fund. This may lead to the fact that the fund temporarily or permanently cannot satisfy its payment obligations or that the management company cannot fulfil the return request of investors temporarily or permanently. The investor may, if applicable, not realise a holding period planned by him and the invested capital or parts hereof cannot be available to him for an indefinite period of time. Through the realisation of the liquidity risks the value of the fund assets and therefore the unit value could moreover fall, for example if the management company is forced, insofar as permitted by law, to sell assets for the fund below the market value. If the management company is not in the position to fulfil the return request of the investors this may additionally lead to the suspension of the redemption and, in an extreme case, to the subsequent dissolution of the fund.

6.3.1 Risk from the investment in assets

Assets may also be acquired for the fund that are not admitted to a stock exchange or admitted to or included in another organised market. These assets may, if applicable, only be resold with high price discounts, a time delay or cannot be resold at all. Depending on the market situation, the volume, the time frame and the planned charges, assets admitted to a stock exchange may also not be sold or may only be sold at a high discount. Although only assets may be acquired for the fund, which may principally be liquidated at all times, it cannot be excluded that these may temporarily or permanently only be sold at a loss.

6.3.2 Risk from borrowing of loans

The management company may borrow loans for the expense of the fund. Loans with a variable interest yield may have a negative effect on the fund assets due to rising interest rates. If the management company must repay a loan and cannot settle it by a follow-up financing or by liquidity available in the fund, it may be forced to sell assets prematurely or at worse conditions than planned.

6.3.3 Risk by increased redemptions or subscriptions

By purchase and sales orders of investors liquidity will flow into the fund assets or liquidity will flow out of the fund assets. The inflows and outflows may after netting lead to a net inflow or outflow of the –the liquids funds of the fund. This net inflow

or outflow may cause the fund manager to buy or sell assets, thereby incurring transaction charges. This shall in particular apply if, by the inflows or outflows a quota of liquid funds that is envisaged for the fund by the management company is exceeded or fallen short of. The transactions charges incurred hereby will be charged to the fund and may impair the performance of the fund. In case of inflows an increased fund liquidity may have a negative effect on the performance of the fund if the management company cannot invest the funds or not promptly at reasonable conditions.

6.3.4 Risk with public holidays in certain regions/countries

According to the investment strategy investments should, in particular, be made for the fund in certain regions/countries. Owing to local public holidays in these regions/countries there may be deviations between the trading days on stock exchanges of these regions/countries and valuation days of the fund. The fund may possibly not react on one day, which is not a valuation day, to market developments in the regions/countries on the same day or not trade on the market in said regions/countries on a valuation day, which is not a trading day in these regions/countries. The fund may be prevented hereby from selling assets in the required time. This may have a detrimental influence on the ability of the fund to satisfy return requests or other payment obligations.

6.4. Counterparty risk including credit and receivable risk

The risks are presented below, which may arise for the fund within the scope of a business relationship with another party (so-called counterparty). There is the risk that the contractual partner may no longer satisfy its agreed obligations. This may impair the performance of the fund and thus also have a detrimental effect on the unit value and the capital invested by the investor.

6.4.1 Counterparty default risk / counterparty risks (except central counterparties)

By the default of an issuer (hereinafter "Issuer") or a contractual partner (hereinafter "Counterparty"), against which the fund has claims, losses may be incurred for the fund. The issuer risk describes the implication of the special developments of the respective issuer, which besides the general tendencies of the capital markets have an effect on the price of a security. Even with a careful selection of the securities it cannot be excluded that losses occur due to a deterioration in assets of issuers. The parties of a contract concluded for the account of the fund may partly or fully cease to exist (counterparty risk). This shall apply to all contracts, which are concluded for the account of the fund.

6.4.2 Risk by central counterparties

A central counterparty ("CCP") enters into certain transactions on behalf of the fund as an intermediary institution, in particular transactions involving derivative financial instruments. In this case he will operate as a buyer towards the seller and as a seller towards the buyer. A CCP hedges his counterparty default risks by a host of protective mechanisms, which enable him at all times to compensate for losses from the transactions that were entered into, for example by so-called incoming payments (e.g. collateralisations). Despite this protective mechanism it cannot be excluded that the CCP ceases to exist, through which claims of the management company for the fund may be affected. This may lead to losses for the fund, which are not hedged.

6.5. Operational and other risks of the fund

Risks are presented below, which for example may arise from insufficient internal processes as well as from human error or system failure at the management company or external third parties. These risks may impair the performance of the fund and thus also have a detrimental effect on the unit value and on the capital invested by the investor.

6.5.1 Risks due to criminal acts, deplorable conditions or natural disasters

The fund may become the victim of fraud or other criminal acts. It may suffer losses as a result of errors made by employees of the management company or external third parties, or it may be harmed by external events such as natural disasters or pandemics.

6.5.2 Country or transfer risk

There is the risk that a foreign debtor, despite solvency, cannot make payments within the deadline, not at all or only in another currency owing to a lack of ability to transfer the currency, lack of willingness to transfer of his country of registered seat or for similar reasons. Thus, e.g. payments, to which the management company is entitled for the account of the fund, are not made, are made in a currency, which owing to foreign exchange restrictions cannot (no longer) be converted or are made in another currency. If the debtor pays in another currency, then this position is subject to the currency risk presented above.

6.5.3 Legal or political risks

Investments may be made for the fund in legal systems, in which German law does not apply or in the event of lawsuits the place of jurisdiction is outside of Germany. The resulting rights and obligations of the management company for the account of the fund may differ from those in Germany to the detriment of the fund or the investor. Political or legal developments, including changes in the legal framework

in these jurisdictions, may not be noticed by the management company, or may be noticed too late, or may lead to restrictions with regard to assets that may be acquired or have already been acquired. Political or legal developments including the changes to basic legal conditions in these legal systems may not be recognised by the management company or too late or lead to restrictions with regard to the assets that may be acquired or already acquired assets.

6.5.4 These consequences may also arise if the basic legal conditions for the management company and/or the safekeeping of the fund in Germany change.

The tax information in this prospectus is based on the currently known legal situation. The brief details concerning regulations under tax they are oriented to the persons who are liable to income tax in Germany to an unlimited extent or persons liable to corporate income tax to an unlimited extent. However, no guarantee may be assumed for the fact that the tax assessment does not change due to legislation, case law or degrees of the tax authorities.

6.5.5 Key person risk

If the investment result of the fund is very positive in a certain period of time this success also possibly depends on the suitability of the acting persons and thus on the right decisions of the management. The personnel composition of the fund management may, however, change. New decision-makers may then possibly act less successfully.

6.5.6 Custodian risk

The safekeeping of assets in particular overseas involves a loss risk that may result from insolvency or breaches in duties to show care and attention by the custodian or force majeure.

6.5.7 Risks from trading and clearing mechanisms (processing risk)

With the processing of securities transactions there is the risk that one of the contractual parties delays or does not make the payment as agreed or does not supply the securities within the deadline. This settlement risk also applies to trading in other assets for the fund.

7. Explanation of the risk profile of the fund

The risk profile of the fund is derived from the investment objectives and limits stated in § "5" in combination with the risk information stated from § "6". The risk profile may vary depending on the market situation and the asset and may change over the course of time. In addition the interested investors may use the risk indicator from the essential investor information in order to assess the risk profile (to be found under "Risk and income profile" in the respective essential investor information of the fund). The essential investor information may be downloaded free of charge from the website www.lupusalpha.de or www.fund-info.com or obtained from the management company free of charge on request.

8. INCREASED VOLATILITY

The Fund can feature an increased volatility owing to its composition and the use of derivative techniques, i.e. the unit prices can also be subjected to substantial fluctuations upwards and downwards within short periods of time.

9. PROFILE OF THE TYPICAL INVESTOR

Investing in the fund is suitable for investors who have already gained fundamental knowledge and experience with financial products and who pursue the goal of asset accumulation or asset optimisation respectively. The investor must be willing and able to bear a significant capital loss up to the complete loss of the capital invested and does not attach any importance to capital protection. The investment horizon should be medium to long-term.

10. VALUATION

10.1. General rules for asset valuation

10.1.1 Assets authorised on a stock exchange / traded on an organised market

Assets, which are authorised for trading on a stock exchange or are authorised on another organised market or are included in this as well as subscription rights for the fund will be valorised at the last available tradeable price, which guarantees a reliable valuation, insofar as not otherwise stated in the following section "Special rules for the valuation of individual assets".

10.1.2 Assets not listed on stock exchanges or not traded on organised markets or assets without a tradeable price

Assets that are neither admitted to trading on stock exchanges

nor admitted to or included in another organised market, or for which no tradable price is available, are valued at the current fair value that is appropriate based on a careful assessment using suitable valuation models and taking into account current market conditions, unless stated otherwise in the following section "Special rules for the valuation of individual assets".

10.2. Special rules for the valuation of individual assets

10.2.1 Non-listed bonds and bonded loans

For the valuation of bonds, which are not authorised for trading on a stock exchange or are not authorised on another organised market or not included in this (e.g. non-listed units, Commercial Papers and deposit certificates),

and for the valuation of bonded loans the prices agreed for comparable bonds and bonded loans are, if applicable, the price values of bonds of comparable issuers with a corresponding term and interest yield are used, if necessary with a discount for compensation of the reduced ability for sale.

10.2.2 Options and futures contracts

The options belonging to the fund and liabilities from an option granted to a third party, which are authorised for trading on a stock exchange or on another organised market or are included in this, will be valued at the respective last available, tradeable price that guarantees a reliable valuation.

The same shall apply for receivables and liabilities from futures contracts sold for the account of the fund. The subsequent payments made for the expense of the fund will be added to the value of the fund by including the valuation profits and valuation losses determined on the stock exchange day.

10.2.3 Bank balances, fixed-term deposits and units in investment funds

Bank balances are principally valued at their new value plus received interest.

Fixed-term deposits are valued at the market value, insofar as the fixed-term deposit may be terminated at all times and the repayment in case of the termination is not carried out at the nominal value plus interest.

Units in investment funds are principally recognised with their last determined redemption price or at the last available, tradeable price, which guarantees a reliable valuation. If these values are not available units in investment funds are valued at the current market value, which with a careful estimate is reasonable according to suitable valuation models by taking the current market conditions into consideration.

10.2.4 Assets denominated in foreign currency

Assets denominated in foreign currencies are translated into euros using Bloomberg daily closing rates.

11. UNITS

The rights of the investors are exclusively securitised in global certificates. Securitised share certificates are securitised exclusively in global certificates. These global certificates are deposited with a central securities depository. The investor has no entitlement to delivery of individual unit certificates. Units may only be purchased for holding in custody accounts. The units are made out to the bearer and are issued for one unit, or the fraction of a unit, or a plurality of units. Upon transfer of a unit certificate, the rights evidenced therein shall also be transferred.

11.1. ISSUE AND REDEMPTION OF UNITS

11.1.1 Issue of units

The number of issued units of all unit classes is in principle not limited. The units of all unit classes may be purchased from the custodian. They are issued by the custodian at the issue price, which for all unit classes corresponds to the net asset value per unit ("unit value") plus a front load. The calculation of the net asset value is explained in the section "Units", subsection "Issue and redemption price".

In addition, the acquisition is possible through third parties acting as intermediaries, additional charges may be incurred hereby. The management company reserves the right to temporarily suspend or fully discontinue the issue of units.

The minimum investment amount for the acquisition of unit class "C" is EUR 50,000. The minimum investment amount for the acquisition of unit class "CAV" is 50,000,000 Euros. The management company may, at its discretion, accept a lower minimum investment amount.

11.1.2 Redemption of units

Investors may request the redemption of units on each valuation date, irrespective of the minimum investment amount, provided that the management company has not temporarily suspended unit redemption (see the section entitled "Suspension of unit redemption").¹ Redemption orders are to be placed with the custodian or the management company itself.

The management company undertakes to take the units back at the redemption price applicable on the settlement key date, which corresponds with the unit value determined on this day – if applicable minus a redemption discount. The redemption may also be carried out by the third party acting as an intermediary, additional charges may be incurred hereby.

11.1.3 Settlement with unit issue and unit redemption

Unit calls and unit redemptions on the issue and redemption days provided for this purpose that are received by the custodian by 3:00 p.m. on a stock exchange day will be settled at the issue price of the valuation date following the stock exchange day, which is also the valuation date. The issue price is payable in the fund currency within two banking days (Frankfurt am Main banking centre) after the relevant valuation date. The redemption price is paid out in the fund currency within two banking days (banking centre Frankfurt am Main) after the next valuation date. Unit calls and unit redemptions on the issue and redemption date provided for this purpose which are received by the custodian by 3:00 p.m. on a stock exchange day

¹ Insofar as a minimum investment amount is envisaged.

shall be settled at the issue price or redemption price on the next valuation date. The issue price is payable in the fund currency within two banking days (Frankfurt am Main banking centre) after the relevant valuation date. The redemption price is paid out in the fund currency within two banking days (banking centre Frankfurt am Main) after the next valuation date.

11.1.4 Suspension of the unit redemption

The management company may temporarily suspend the redemption of the units insofar as exceptional circumstances exist, which allow a suspension to be appear necessary by taking the interests of the investors into consideration. Such extraordinary circumstances exist, for example, if a stock exchange on which a substantial portion of the fund's securities are traded is closed on an unscheduled basis or if the fund's assets cannot be valued. In addition BaFin may order that the management company has to suspend the redemption of the units if this is necessary in the interests of the investors or the public.

The management company reserves the right to only take the units back at the then valid redemption price or to exchange these if it has sold assets of the fund without delay, however by safeguarding the interests of all investors. A temporary suspension may be directly followed by a dissolution of the fund without a renewed commencement of the redemption of the units (see in this respect section "Dissolution, assignment and merger of the fund").

The management company shall inform the investors by announcement in the German Federal Gazette and additionally on the website www.fundinfo.com or under www.lupusalpha.de about the suspension and the commencement of the redemption of the units. In addition, the investors will be informed about their custodian banks by permanent data carriers, for example in a paper form or an electronic form.

11.2. LIQUIDITY MANAGEMENT

The management company has stipulated written principles and procedures for the fund, which enable it to monitor the liquidity risks of the fund and to guarantee that the liquidity profile of the investments of the fund correspond with the underlying liabilities of the fund.

The principles and procedures comprise:

- The management company monitors the liquidity risks, which may arise on the level of the fund or the assets. It will carry out an estimate of the liquidity of the assets held in the fund in relation to the

fund assets and for this purpose will stipulate a liquidity ratio. The assessment of the liquidity includes, for example, an analysis of the trading volume, the complexity of the assets, the number of trading days, which are required for the sale of the respective asset, without exerting an influence on the market price. The management company also monitors the investments in target funds and their redemption principles and thus resulting possible implications on the Liquidity of the fund.

- The management company monitors the liquidity risks, which may arise by increased requests of the investors for unit redemption. In doing so, it forms expectations about changes in net assets, taking into account available information about the investor structure and empirical values from historical changes in net assets. It takes into account the effects of major call risks and other risks (e.g. reputational risks).
- The management company has stipulated adequate limits for the liquidity risks for the fund. It monitors the compliance with these limits and has stipulated procedures with an exceeding or possible exceeding of the limits.
- The procedures set up by the management company guarantee a consistency between liquidity ratio, the liquidity risk limit and the expected net fund changes.

The management company checks these principles regularly and updates these accordingly.

The management company performs stress tests on a regular basis, at least once a year, which enable it to assess the liquidity risks of the fund. The management company carries out the stress tests based on reliable or current quantitative or, if this is not reasonable, qualitative information. Investment strategy, redemption deadlines, payment obligations and deadlines, within which the assets may be sold, as well as information with regard to general investor behaviour and market developments are included. The stress tests simulate if applicable insufficient liquidity of the assets in the fund as well as in the number and scope of atypical request for unit redemptions. They cover market risks and their implications, including subsequent payment claims, requirements of the collateralisation or credit lines. They take valuation sensitivities under stress conditions into account. They are carried out in a frequency by taking the investment strategy, the liquidity profile, the investor type and the redemption principles of the fund into consideration in a manner that is appropriate for the type of fund.

The return rights under normal and exceptional circumstances as well as the suspension of the redemption are presented in the section "Units – issue and redemption of units – suspension of unit redemption". The risks associated herewith are explained under "Risk information– risk of the fund investment– suspension of the unit redemption" as well as "– Risk of the limited restricted of the fund (liquidity risk)".

11.3. STOCK EXCHANGES AND MARKETS

The management company may list the units of the fund on a stock exchange or in organised markets; at present the management company has not availed itself of this option.

It cannot be excluded that the units are also traded on other markets without the consent of the management company. A third party may initiate without the management company's consent that the units are included in the over-the-counter trade or on another off-market trade.

The market price used as a basis for the stock exchange trading or trading on other markets is not exclusively determined by the value of the assets held in the fund, but also by offer and demand. Therefore, this market price may also deviate from the unit value determined by the management company or the custodian.

11.4. FAIR TREATMENT OF THE INVESTORS

The management company has to treat the investors of the fund fairly. It may not place the interests of an investor or a group of investors over the interests of another investor or another group of investors within the scope of the control of the liquidity risk and the redemption of units.

For information on the procedures used by the management company to ensure fair treatment of investors, please refer to the section "Settlement upon issue and redemption of units" and "Liquidity management".

11.5. Unit classes

All units issued in a unit class shall have the same design features. The formation of new unit classes is permissible at the discretion of the management company. The unit classes may differ, in particular, with regard to the appropriation of income, the issue premium, the redemption fee, the currency of the unit value, the management fee, the minimum investment amount or a combination of these features. There are currently three unit classes available. One unit class shall be designated as unit class "C", one unit class shall be designated as unit class "CAV", and another unit class shall be designated as unit class "R".

Units issued up to 9 December have been allocated to unit class "C" since 1 December 2020.

When units of a unit class are issued for the first time, their value shall be calculated on the basis of the value determined for the entire fund pursuant to § 168 (1) Sentence 1 German Capital Investment Code (KAGB).

11.6. ISSUE AND REDEMPTION PRICE

11.6.1 Issue and redemption price

In order to calculate the issue price and the redemption price for the units of the individual unit classes, the management company determines the value of the assets belonging to the fund every valuation day under the control of the custodian minus the liabilities (net asset value). Dividing the net asset value determined in this way by the number of unit certificates issued in the unit class gives the unit value.

The value for the units of the fund is determined on all German stock exchange days. On public holidays in Germany which are stock exchange days as well as on 24 and 31 December of each year, the management company and the custodian may refrain from determining the value. The unit value is currently not calculated on New Year's Day, Good Friday, Easter, Easter Monday, May Day, Ascension Day, Whitsun, Whit Monday, Corpus Christi, Day of German Unity, Christmas Eve, Christmas Day and Boxing Day, and New Year's Eve.

11.6.2 Suspension of the calculation of the issue and redemption price

The management company may temporarily suspend the calculation of the issue and redemption price under the same conditions as the redemption of units. These are explained in more detail in the previous section "Units – suspension of the unit redemption".

11.6.3 Front load

When the issue price is fixed, a front load is added to the respective unit value. The front load for unit class "C", "CAV" and "R" is up to 4.00 per cent. The front load may in particular with a short investment duration reduce the performance of the fund or even consume this in full. The front load essentially represents a remuneration for the distribution of the units of the fund. The management company may pass on the front load to any intermediaries for the purpose of reimbursing distribution services.

11.6.4 Redemption discount

A redemption discount is not charged.

11.6.5 Publication of the issue and redemption price

The Issue and redemption price and the net asset value per unit shall be published regularly on the electronic information platform www.fundinfo.com.

12. COSTS

12.1. Costs with the issue and redemption of the units

The issue and redemption of the units by the management company or by the custodian is carried out at the issue price (unit value/unit value plus front load or redemption price (unit value/unit value minus redemption discount) without calculation of additional costs.

If the investor acquires units through a third party acting as an intermediary, may charge these higher charges as the front load. If the investor returns units through third parties then these may charge own charges with the redemption of the units.

12.2. Management and other costs

The management company shall receive for the management of the fund an annual fee of up to 0.75 per cent in respect of unit class C, an annual fee of up to 0.45 per cent in respect of unit class CAV and an annual fee of up to 1.35 per cent in respect of unit class R of the average net asset value of the fund for the accounting period calculated on the basis of month-end values. The remuneration shall be charged monthly on a pro rata basis.

The management company will continue to charge the fund for charges incurred by external service providers in the administration of derivative transactions, the reporting of derivative transactions and in the management of collateral for these transactions. In addition, the charges from the regulation of non-exchange-traded derivatives, from the requirements of the central counterparties and the reports to trade repositories may also be charged directly to the fund (so-called EMIR charges, resulting from EU Regulation 648/2012). The above charges are not covered by the management fee. In this case, the external service providers together receive remuneration of up to 0.05 per cent p.a. of the average value of the fund, calculated from the values at the end of each month. The management company shall have the discretion to refrain from charging remuneration in whole or in part.

The custodian receives for its activity an annual remuneration of 0.05 per cent p.a. (however at least EUR 20,000 p.a.). The volume of the fund is calculated as an average value of the respective final month values. The remuneration is charged monthly pro rata.

Besides the aforementioned remuneration the following expenses will be for the expense of the fund:

- a) customary bank securities account and account fees, if applicable including the customary bank charges for the safekeeping of foreign assets overseas;

- b) charges for printing and mailing the legally required sales documents (annual and semi-annual reports, prospectus, key investor information) intended for investors;
- c) costs of the publication of the annual and semi-annual reports, the Issue and redemption price and if applicable the distributions or re-investment and the dissolution report;
- d) costs of the preparation and use of a permanent data carrier, except in the event of information about investment assets and information about measures in connection with breaches of investment limits or calculation errors with the unit valuation;
- e) costs for the audit of the fund by the auditor of the financial statements of the fund;
- f) costs for the publication of the taxation bases and the certificate that the tax-related details were determined according to the rules of German tax law;
- g) costs for the assertion and enforcement of legal claims by the management company for the account of the fund as well as the defence against claims made against the management company at the expense of the fund;
- h) fees and charges, which are charged by state bodies with regard to the fund;
- i) costs for legal and tax advice with regard to the fund;
- j) charges as well as all charges, which may be incurred with the acquisition and/or the use or naming of a comparable benchmark or financial index;
- k) charges for the commissioning of voting right authorised agents;
- l) taxes incurred in connection with the remuneration to be paid to the management company, the custodian and third parties as well as the aforementioned expenses including the taxes incurred in connection with the management and safekeeping.
- m) taxes incurred in connection with the remuneration to be paid to the management company, the custodian and third parties as well as the aforementioned expenses including the taxes incurred in connection with management and safekeeping;
- n) costs for the provision of analytical material or services by third parties in relation to one or more financial instruments or other assets or in relation to the issuers or potential issuers of financial instruments or closely related to a

particular industry or market up to an amount of 0.08 per cent p.a. of the average net asset value of the fund in the accounting period calculated from the values at the end of each month.

Besides the aforementioned remuneration and expenses, the charges incurred in connection with the acquisition and the sale of assets will be charged to the fund.

In the annual report the management charges incurred in the fiscal year for the expense of the fund are disclosed and shown as a ratio of the average fund volume (total cost ratio). The management charges are composed of the remuneration for the management of the fund, the remuneration of the custodian as well as the expenses, which may additionally be charged to the fund (see section "Costs – management and other costs" as well as "– special features with the acquisition of investment units"). The total cost ratio does not include any secondary charges and charges, which are incurred with the acquisition and the sale of assets (transaction charges). The total cost ratio is published in the essential investor information as so-called "regular charges".

The management company will not receive any refunds of the remuneration paid to the custodian and to third parties and reimbursement of expenses from the fund.

The management company may pass on parts of its management remuneration to intermediary bodies. The amount of this remuneration is assessed as a rule depending on the brokered fund volume.

12.3. Special features with the acquisition of investment units

In addition to the remuneration for managing the fund, a management fee is charged for the units in target funds held in the fund.

The following types of fees, charges, taxes, commission and other expenses are typically to be indirectly or directly borne by the investors of the fund: Remuneration for the management of the fund (fund management, administrative activities); remuneration of the custodian; customary bank securities accounts charges, if applicable including the customary bank charges for the safekeeping of foreign securities overseas; charges for the printing and sending of the annual and semi-annual reports determined for the investors; charges of the publication of the annual and semi-annual reports, of the Issue and redemption price and if applicable the distributions; charges for the audit of the fund by the auditor of the financial statements of the management company; charges for the publication of the taxation bases and the certificate that the tax-related details were determined according to the rules of German tax law; charges for the distribution.

The front load and redemption discounts are disclosed in the annual and semi-annual report, which were charged to the fund in the reporting period for the acquisition and the redemption of units in target funds. The remuneration is further disclosed, which was charged to the fund by a domestic or foreign company or a company, with which the management company is affiliated by a substantial direct or indirect participation, as a management remuneration for the target fund units held in the fund.

12.4. Details of a total cost ratio

The management charges incurred in the fiscal year for the expense of the fund are disclosed in the annual report and shown as a ratio of the average fund volume ("total cost ratio"). The management charges are composed of the remuneration for the management of the fund, including the performance-related remuneration, the remuneration of the custodian as well as the expenses, which may be additionally charged to the fund (see section "Costs – management and other costs" as well as "special features with the acquisition of investment units"). The total cost ratio does not include any secondary charges and charges, which are incurred with the acquisition and the sale of assets (transaction charges). The total cost ratio is published in the essential investor information as so-called "regular charges".

12.5. Deviating cost disclosure by sales agencies

If the investor is advised by a third party on the purchase of units or if the third party acts as an intermediary in the purchase of units, the investor may be charged charges or expense ratios which are not identical to the cost information in this Prospectus and in the Key Investor Information Document and which may exceed the total expense ratio described here. The reason for this may in particular be that the third party additionally takes the charges of its own activity (e.g. intermediary activity, consultancy or securities account keeping) into consideration. In addition, he will if applicable also take one-off charges into consideration such as front loads and as a rule uses other calculation methods or also estimates for the charges incurred on fund level, which in particular also comprise the transaction charges of the fund.

Deviations in the cost disclosure may arise both in the case of information prior to the conclusion of the contract and in the case of regular cost information on the existing fund investment within the framework of a permanent customer relationship.

13. REMUNERATION POLICIES

Performance-related and entrepreneurial remuneration for employees is

a central component of the management company's remuneration system.

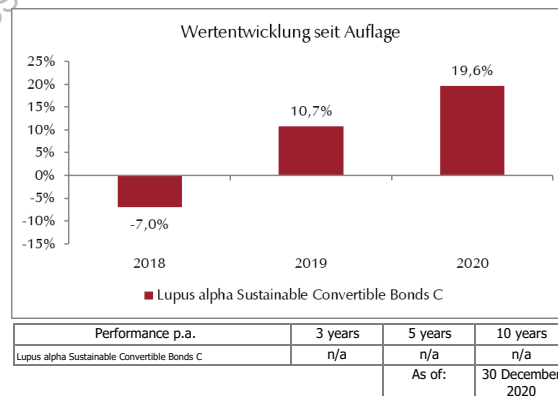
The remuneration of the Management Board is stipulated by the Supervisory Board. For the other employees the employment contract regulates the parameters of the currently valid remuneration system. The employees as well as the Management Board receive a reasonable fixed remuneration for their activity and – insofar as variable remuneration components are paid – the variable remuneration components are in line with the strategic targets and in particular will also be oriented to a sustainable budgeting of the management company.

Further Information pertaining to the calculation of the remuneration, to the other granted benefits, the identity of the persons responsible for the allocation of the remuneration and other benefits and further details relating to the current remuneration policies of the management company are available on the website of the management company under www.lupusalpha.de under the heading "Downloads – mandatory publications – implementation remuneration Lupus alpha". Upon request the current remuneration policies are available in a written form from the management company free of charge.

14. PERFORMANCE, DETERMINATION AND USE OF THE INCOME, FISCAL YEAR

14.1. Performance

Performance is calculated using the BVI method. The historical performance of the fund does not enable any forecast for the future performance. Front loads and redemption discounts are not taken into consideration with the performance.



Unit class R was launched in 2020. Therefore, no information may be provided regarding past performance. Current details relating to the performance of the fund may be taken from the annual and semi-annual reports.

14.2. Determination of income, income equalisation procedure

The fund generates income in the form of the interest, dividends and income from investment units incurred during the fiscal year and not used to cover charges. In addition there are payments from repurchase agreements. Further income may result from the sale of assets held for the expense of the fund.

The fund's income is first distributed according to the value ratio of the unit classes and then to the individual units of the respective unit class. The units of different unit classes, therefore, generally participate in the fund's income to a different extent. The same applies to expenses. They are allocated to the individual unit classes according to their value ratio and proportionately reduce the value of the individual unit in the respective unit class. The investor's claim to partial participation in the economic development is fulfilled solely through a proportionate division of income and expenditure. The allocation must, therefore, ensure that the total return per euro invested is absolutely the same for all investors.

The accounting of income and expenses, as well as inflows and outflows of funds, shall be designed in such a way that their attribution to a unit class is evident and may be audited by the auditor.

The management company applies a so-called income equalisation procedure for the fund. This prevents that the unit of the income eligible for distribution on the unit price fluctuates as a result of cash inflows and outflows. Otherwise, each cash inflow into the fund during the fiscal year would lead to the fact that less income is available for distribution per unit on the distribution dates than would be the case with a constant number of circulating units. Cash outflows on the other hand would lead to the fact that per unit more income would be available for distribution, than would be the case with a constant number of circulating units.

In order to prevent this the income eligible for distribution during the fiscal year, which the unit buyer must pay as part of the issue price and the seller of units is remunerated as part of the redemption price, will be continuously calculated and entered in the income statement as a position eligible for distribution. It will be taken into account hereby that investors, who for example acquire units shortly before the distribution date, will be refunded the part of the issue price relating to income in the form of a distribution, although their deposited capital did not assist in the occurrence of the income.

14.3. Fiscal year

The fiscal year of the fund ends on 31 January of each year.

14.4. Appropriation of income

For the distributing unit classes, the management company shall distribute to the investors the interest, dividends and income from investment units accrued during the fiscal year

for the account of the fund and not used to cover charges, as well as fees from pensions transactions, taking into account the corresponding equalisation paid. Realised capital gains and other income taking into account the corresponding income equalisation may also be used for distribution.

In the case of unit classes "C" and "R", the income is distributed.

The distribution of the distributing unit classes is carried out annually within four months after the close of the fiscal year. Insofar as the securities account is kept at another bank or Sparkasse – local German bank, additional charges may be incurred.

For the accumulating unit classes, the management company shall reinvest the interest, dividends and other income accrued during the fiscal year for the account of the fund and not used to cover charges taking into account the associated income equalisation as well as the realised capital gains of the accumulating unit classes in the fund on a pro rata basis.

In the case of the "CAV" unit class, income is accumulated.

15. DISSOLUTION, TRANSFER AND MERGING OF THE FUND OR

15.1. Prerequisites for the dissolution of the fund

The investors are not entitled to request the dissolution of the fund or a unit class. The management company may terminate its right to manage the fund by adhering to a period of notice of at least six months by an announcement in the German Federal Gazette and additionally in the annual report or semi-annual report. The investors will additionally be informed about the termination through their custodian banks by permanent data carrier, for example in a paper form or an electronics form. When the termination becomes effective the right of the management company to manage the fund will lapse.

The management right of the management company will further end if insolvency proceedings are opened over its assets or when the court order becomes final and binding through which the application for the continuation of the insolvency proceedings is rejected due to insufficient assets.

Upon expiry of the management company's right of management, the right of disposal over the fund shall pass to the custodian, which shall wind up the fund and distribute the proceeds to the investors or, with the approval of the Federal Financial Supervisory Authority (BaFin), transfer the management to another management company.

15.2. Procedure with the dissolution of the fund or unit class

With the assignment of the right of disposal over the fund to the custodian the issue and redemption of units will be discontinued and the fund will be wound up. Upon the dissolution of a unit class, the issue and redemption of units of the unit class by the custodian shall cease.

The proceeds from the sale of the assets of the fund minus the charges still to be borne by the fund and the charges caused by the dissolution will be distributed to the investors, whereby these have claims to disbursement of the liquidity proceeds in the amount of their respective units in the fund.

In the event of the dissolution of a unit class, the investors shall receive the equivalent value of the redemption price of the corresponding unit class determined for the last time on the dissolution date.

The management company shall draw up a dissolution report on the day, on which its management right lapses, which meets the requirements of an annual report. By no later than three months after the key date of the dissolution of the fund the dissolution report will be announced in the German Federal Gazette. While the custodian is winding up the fund it will draw up a report annually as well as on the day, on which the winding up is ended, which meets the requirements of an annual report. These reports are also to be announced in the German Federal Gazette no later than three months after the key date.

15.3. Assignment of the fund

The management company may assign the management and disposal right over the fund to another management company. The assignment shall require the prior approval of BaFin. The approved transfer shall be announced in the German Federal Gazette and also in the annual report or semi-annual report of the fund as well as in the electronic information media specified in this prospectus. The time at which the transfer becomes effective shall be determined in accordance with the contractual agreements between the management company and the receiving management company. The assignment may, however, become effective three months after its announcement in the German Federal Gazette at the earliest. All rights and obligations of the management company in relation to the fund shall then be transferred to the receiving management company.

15.4. Prerequisites for the merger of the fund

All assets of this fund may, with the approval of BaFin, be transferred to another existing investment fund or to an investment fund newly established as a result of the merger, which must meet the requirements of a UCITS established in

Germany or in another EU or EEA state.

The assignment will become effective as of the end of the fiscal year of the transferring fund (assignment key date), insofar as no other assignment key date is determined.

15.5. Rights of the investors with the merger of the fund

The investors either have the possibility, up to five workdays before the planned assignment key date, to return their units without further charges, with the exception of the charges to cover the dissolution of the fund, or to exchange their units for units of another open-ended public investment fund that is also managed by the management company or a company of the same group and whose investment principles are comparable with those of the fund.

The management company shall inform the investors of the fund prior to the planned transfer date by durable medium, e.g. in paper or electronic form, about the reasons for the merger, the potential effects on the investors, their rights in connection with the merger and about relevant procedural aspects. Moreover, the essential investor information for the investment fund, to which the assets of the fund will be assigned, is to be sent to the investors. The investor must receive the aforementioned information at least 30 days before the expiry of the deadline for the return or the exchange of his units.

On the assignment key date the net asset value of the fund and of the absorbing investment fund will be calculated, the exchange ratio will be stipulated and the entire exchange process will be audited by the auditor of the financial statements. The exchange ratio is determined according to the ratio of the net asset values of the unit of the fund and the absorbing investment fund at the time of the take-over. The investor will receive the number of units in the absorbing investment fund, which corresponds with the value of his units in the fund.

Insofar as the investors do not exercise their return or exchange right, they will become investors of the absorbing investment fund on the assignment key date. The management company may, if applicable, also stipulate with the management company of the absorbing investment fund that the investors of the fund will receive a payout of up to 10 per cent of the value of their units in cash. The fund will be cancelled with the assignment of all assets. If the assignment takes place during the ongoing fiscal year of the fund the management company must draw up a report on the assignment key date, which meets the requirements from an annual report.

The management company will announce in the German Federal Gazette, and additionally in electronic information media that are designated in this sales prospectus, if the fund was merged with another investment fund managed by the management company and the merger has become effective. Should the fund be merged with another investment fund that is not managed by the management company, then the management company will take over the announcement of when the merger will become effective, which manages the absorbing or newly founded investment fund.

16. OUTSOURCING

The management company has assigned the following tasks to other companies:

- Internal auditing department of the management company,
- Payroll and financial accounting,
- Tasks in the field of portfolio management,
- Administration of collateral for repurchase agreements and derivative transactions of funds.
- Securities transactions for the account of the management company,
- Central administration for the umbrella fund "Lupus alpha Fonds",
- Registrar and Transfer Agent for the umbrella fund "Lupus alpha Fonds".

There are no conflicts of interest for the management company arising from these outsourcing activities.

17. CONFLICTS OF INTEREST

The following conflicts of interest may arise at the management company:

The interests of the investors may conflict with the following interests:

- Interests of the management company and the companies affiliated therewith,
- Interests of the employees of the management company or
- Interests of the other investors in this or other special funds.

Circumstances or relationships, which may substantiate conflicts of interest, in particular comprise:

- Incentive systems for employees of the management company,
- Employee transactions,
- Benefits to employees of the management company,
- Regrouping in the fund,

- Key-date-related improvement in the fund performance ("window dressing"),
- Business transactions between the management company and the investment fund managed by it or individual portfolios respectively.
- Business transactions between the investment funds managed by the management company and/or individual portfolios,
- Summary of several orders ("block trades"),
- Commissioning of closely affiliated companies and persons,
- Individual investments of a substantial extent,
- Transactions after the close of trading at the already foreseeable closing price of the current day, so-called "Late Trading".

Pecuniary advantages may be incurred to the management company in connection with transactions for the account of the fund (broker research, financial analyses, market and price information systems), which are used in the interest of the investors when making the investment decisions.

The management company will not receive any refunds of the remuneration paid to the custodian and to third parties and reimbursement of expenses from the fund.

To manage conflicts of interest, the management company employs the following organisational measures to identify, prevent, manage, monitor and disclose conflicts of interest:

- Existence of a Compliance department, which monitors the compliance with laws and rules and which is to be informed without delay in case of occurring or indicated conflicts of interest;
- Obligations for disclosure;
- Organisational measures such as
 - Set-up of confidentiality areas for individual departments in order to prevent the abuse of confidential information,
 - Allocation of responsibilities in order to prevent the inappropriate exertion of an influence,
 - The segregation of own trading and customer trading.
- Set-up of a remuneration system that does not create any incentive to place the personal interests over those of the investment funds or investors and customers managed by the management company;

- Rules of conduct for employees with regard to employee transactions, obligations for the compliance with insolvency law;
- Set-up of remuneration systems, which prevent conflicts of interest;
- The management company has implemented regulations for the disclosure and the handling of the acceptance and the granting of benefits;
- Principles for the consideration of customer interests and for the advice of the investors suitable for the investments or compliance with the agreed investment guidelines;
- The management company has taken measures in order to prevent key date-based improvement of the fund performance ("window-dressing") in the investment funds managed by it;
- The management company takes into account the interests of investors who wish to redeem their fund units in its internal liquidity management;
- Principles for the best possible execution of your order for the acquisition or the sale of financial instruments;
- Principles for the exercising of voting rights;
- Principles for the sharing of partial executions;
- Set-up of order acceptance times (cut-off-times).

18. BRIEF DETAILS REGARDING REGULATIONS UNDER TAX LAW

The statements relating to the tax regulations shall only apply to investors, who are liable to tax in Germany to an unlimited extent. We recommend that foreign investors³ consult with their investment advisor before acquiring units in the fund described in this prospectus and clarify the possible tax consequences of the acquisition of units in their home country on an individual basis.

The fund as special purpose assets is principally exemption from corporate income and trade tax. It is, however, partly liable to corporate income tax with its domestic participation income and other domestic income within the meaning of the limited liability to tax with the exception of profits from the sale of units in stock corporations. The tax rate is 15 per cent. Insofar as the taxable income is levied by way of the capital gains tax deduction,

² Investors with unlimited tax liability are hereinafter also referred to as tax residents.

³ Foreign investors are investors who are not subject to unlimited tax liability. These are also referred to below as non-residents for tax purposes.

the tax rate of 15 per cent already comprises the solidarity surcharge. The investment income is, however, with the private investor as income from capital assets subject to income tax insofar as this exceeds the currently applicable saver's lump sum amount⁴ together with other capital gains.

Income from capital assets is principally subject to a tax deduction of 25 per cent (plus solidarity surcharge and if applicable church tax). The income from capital assets also includes income from investment funds (investment income), i.e. the distributions of the fund, the advance lump sums and the profits from the sale of the units.

The tax deduction principally has a deductive effect for the private investor (so-called flat rate capital gains tax on investment income) so that the income from capital assets does not have to be entered in the income tax return as a rule. With the undertaking of the tax deduction losses are principally offset already by the custodian bank and foreign withholding taxes stemming from the direct investment are offset.

The tax deduction will however, among others, have no deductive effect if the personal tax rate is less than the flat rate Der Steuerabzug capital gains tax on investment income of 25 per cent. In this case the income from capital assets may be entered in the income tax return. The Inland Revenue Office then applies the lower personal tax rate and offsets the undertaken tax deduction against the personal tax debt (so-called most favourable tax treatment).

If income from capital assets has not been subject to a tax deduction (e.g. because a profit is made from the sale of fund units in a foreign custody account), this must be stated in the tax return. Within the scope of the assessment the income from capital assets is then also subject to the flat rate capital gains tax on investment income of 25 per cent or the lower personal tax rate.

Insofar as the units are held in business assets the income will be entered as business income for tax purposes.

18.1. Units in private assets (resident taxpayer)

18.1.1 Distributions

Distributions of the fund are principally liable to tax. The taxable distributions are generally subject to a tax deduction of 25 per cent (plus solidarity surcharge and church tax, if applicable). The tax deduction may be waived if the investor is a tax resident and submits an exemption order, provided that the taxable income components do not exceed the currently applicable savers' flat-rate amount⁵.

⁴ The saver's lump-sum amount has been EUR 801.00 with a single assessment and with a joint assessment EUR 1,602.00 since 2009.

⁵ The saver's lump-sum amount has been EUR 801.00 with a single assessment and with a joint assessment EUR 1,602.00 since 2009.

The same shall also apply with the submission of a certificate for persons, who are not expected to be assessed for the income tax (so-called non-assessment certificate, hereinafter "NV certificate").

If the domestic investor holds the units in a domestic custody account, the custodian bank as paying agent shall refrain from deducting tax if it is presented, prior to the specified distribution date, with an exemption order issued in a sufficient amount in accordance with the official model or a non-assessment certificate issued by the tax office for a maximum period of three years. In this case, the investor is credited with the entire distribution without deductions.

18.1.2 Advance lump sums

The advance lump sum is the amount by which the distributions of the fund within a calendar year fall short of the basic income for this calendar year. The basic income is determined by multiplying the redemption price of the unit at the beginning of a calendar year by 70 per cent of the basic interest rate, which is derived from the yields of public bonds that may be generated in the long-term. The basic income is limited to the additional amount, which is produced between the first and the last redemption price fixed in the calendar year plus the distributions within the calendar year. In the year of acquisition of the units the advance lump sum is reduced by a twelfth for each full month, which precedes the month of acquisition. The advance lump sum shall be deemed as received on the first workday of the following calendar year.

Advance lump sums are principally liable to tax.

The taxable advance lump sums are, as a rule, subject to the tax deduction of 25 per cent (plus solidarity surcharge and, if applicable, church tax).

The tax deduction may be refrained from if the investor is a resident taxpayer and submits an exemption order, insofar as the taxable income parts do not exceed the currently applicable saver's-lump sum amounts.

The same shall also apply with the submission of a certificate for persons, who are not expected to be assessed for the income tax (so-called non-assessment certificate, hereinafter "NV certificate").

If the resident taxpayer holds the units in safekeeping in a domestic securities account then the custodian bank as paying agent will refrain from the tax deduction if an exemption order issued in a sufficient amount according to the official sample or an NV certificate, which is issued by the Inland Revenue Office for the maximum duration of three years, is submitted to it before the time of inflow. In this case no tax will be remitted. Otherwise,

the investor must provide the domestic custodian with the amount of tax to be withheld. For this purpose the custodian bank may collect the amount of the tax to be remitted from an account maintained in its bank and kept in the investor's name without the investor's consent. Insofar as the investor does not object before the inflow of the advance lump sum, the custodian bank may collect the amount of the tax to be remitted from an account kept in the investor's name, insofar as an overdraft facility agreed with the investor for this account was not drawn. Insofar as the investor does not satisfy his obligation to make the amount available for the tax that is to be remitted to the domestic custodian bank, the custodian bank has to report this to the Inland Revenue Office that is responsible for the bank. The investor must in this case enter the advance lump sum accordingly in his income tax return.

18.1.3 Sales profits on investor level If units in the fund are sold after 31 December 2017 the sales profits will be subject to the flat rate capital gains tax on investment income of 25 per cent. This shall apply both to units, which were acquired before 1 January 2018 and which are deemed as sold as of 31 December 2017 and as acquired again as of 1 January 2018, as well as to units acquired after 31 December 2017.

With the profits from the sale of units, which were acquired before 1 January 2018 and those which are deemed as sold as of 31 December 2017 and as acquired again as of 1 January 2018, attention is to be paid that, at the time of the actual sale, the profits from the fictitious sale carried out as of 31 December 2017 are also to be taxed, if the units were actually acquired after 31 December 2008.

Insofar as the units are held in safekeeping in a domestic securities account the custodian bank will carry out the tax deduction by taking possible partial exemptions into consideration. The tax deduction of 25 per cent (plus solidarity surcharge and, if applicable, church tax) may be avoided by the submission of a sufficient exemption order or an NV certificate. If such units are sold at a loss by a private investor then the loss is offsetable against other positive income from capital assets. If the units are held in safekeeping in domestic securities account and positive income from capital assets was generated at the same custodian bank in the same calendar year, the custodian bank will carry out the offsetting of losses.

In case of a sale of the fund units acquired before 1 January 2009 after 31 December 2017 the profit, which is produced after 31 December 2017, is principally tax-free with private investors up to an amount of EUR 100,000. This allowance may

only be claimed if these profits are declared towards the tax office that is responsible for the investor.

With the determination of the sales profits the profit is to be reduced by the advance lump sums recognised during the period of possession.

18.2. Units in business assets (resident taxpayer)

18.2.1 Refund of the corporate income tax of the fund

The corporate income tax incurred on fund level may be refunded to the fund for forwarding to an investor insofar as the investor is a domestic corporation, association of individuals or total assets, which according to the articles of association, the foundation business or the other constitutions and according to the actual management exclusively and directly serve non-profit-making, charitable or church purposes or is a foundation under public law, which exclusively and directly serves non-profit-making or charitable purposes, or is a legal entity under public law, which exclusively and directly serves church purposes; this shall not apply if the units are held in a commercial business operation. The same shall apply to comparable foreign investors with the registered seat and management in a foreign state that provides official and debt collection assistance.

The prerequisite for this is that such an investor files a corresponding application and the due corporate income tax ceases to exist pro rate to his period of possession. Moreover, the investor must have been the beneficial owner of the units under civil law for at least three months before the inflow of the income of the fund that is liable to corporate income tax, without an obligation existing to assign the units to another person. The refund further essentially presumes, with regard to the corporate income tax due on fund level on German dividends and income from German profit participation rights similar to equity that German units and German profit participation rights similar to equity were held by the fund as beneficial owner, for an uninterrupted period of 45 days within 45 days before and after the time of maturity of the capital income and in these 45 days, without interruption, minimum value change risks existed in the amount of 70 per cent.

Proof of the tax exemption and an investment unit portfolio proof issued by the custodian bank are to be enclosed with the application. The investment unit portfolio proof is a certificate created according to an official sample concerning the scope of the units continuously held by the investor during the calendar year as well as the time and scope of the acquisition and the sale of units during the calendar year.

The corporate income tax incurred on fund level

may also be refunded to the fund for forwarding to an investor insofar as the units are held in the fund within the scope of retirement provision or basic pension contracts, which were certified according to the Retirement Provision Contracts Certification Act. This presumes that the provider of a retirement provision or basic pension contract informs the fund within one month after this end of the fiscal year at which time and to what extent units were acquired or sold.

There is no obligation for the fund or the management company to have the corresponding corporate income tax refunded to it for forwarding to the investor.

Owing to the high degree of complexity of the regulation it appears useful to involve a tax adviser.

18.2.2 Distributions

Distributions of the fund are principally income or corporate income tax-and liable to trade tax. The distributions are, as a rule, subject to the tax deduction of 25 per cent (plus solidarity surcharge).

18.2.3 Advance lump sums

The advance lump sum is the amount by which the distributions of the fund within a calendar year fall short of the basic income for this calendar year. The basic income is determined by multiplying the redemption price of the unit at the beginning of a calendar year by 70 per cent of the basic interest rate, which is derived from the yields of public bonds that may be generated in the long-term. The basic income is limited to the additional amount, which is produced between the first and the last redemption price fixed in the calendar year plus the distributions within the calendar year. In the year of acquisition of the units the advance lump sum is reduced by a twelfth for each full month, which precedes the month of acquisition. The advance lump sum shall be deemed as received on the first workday of the following calendar year.

Advance lump sums are principally liable to income or corporate income tax and trade tax. Advance lump sums are, as a rule, subject to the tax deduction of 25 per cent (plus solidarity surcharge).

18.2.4 Sales profits on investor level

Profits from the sale of the units are principally subject to income or corporate income tax and the trade tax. When determining the capital gain, the profit is to be reduced by the advance lump sums recognised during the period of ownership.

The profits from the sale of the units are, as a rule, not subject to any tax deduction.

18.2.5 Negative tax income

A direct attribution of the negative tax income to the investor is not possible.

18.2.6 Processing taxation

During the processing of the fund distributions shall only be deemed as income to the extent that these include the growth in value of a calendar year.

18.3. Non-resident taxpayer

If a non-resident taxpayer holds the fund units in safekeeping in the securities account at a domestic custodian bank, the tax deduction on distributions, advance lump sums and profits from the sale of the units will be refrained from, insofar as he proves his capacity as non-resident taxpayer. Insofar as the capacity as non-resident of the custodian bank is not known or is not proven in time, the foreign investors is forced to apply for the refund of the tax deduction in line with the German Fiscal Code. The Inland Revenue Office that is responsible for the custodian bank is responsible.

18.4. Solidarity surcharge

A solidarity surcharge is to be levied on the tax deduction to be remitted on distributions, advance lump sums and profits from the sale of units in the amount of 5.5 per cent. The solidarity surcharge is offsettable against the income tax and corporate income tax.

18.5. Church tax

Insofar as the income tax is levied already by a domestic custodian bank (party liable to deduction) through the tax deduction, the church tax due on this will be levied according to the church tax rate of the religious community, to which the person liable to church tax belongs, as a rule as a surcharge to the tax deduction. The deductibility of the church tax as a special expense will be taken into consideration to reduce tax with the tax deduction already.

18.6. Foreign withholding tax

Withholding tax is partly retained on the foreign income of the fund in the countries of origin. This withholding tax cannot be taken into consideration to reduce tax with the investors.

18.7. Consequences of the merging of special funds

In the cases of the merger of a domestic special fund with another domestic special fund there will be no discovery of hidden reserves either on the level of the investors or on the level of the involved special funds, i.e. this process is tax-neutral. The same applies to the transfer of all assets of a domestic special fund to a domestic investment joint stock corporation [Aktiengesellschaft] with variable capital or partial corporate assets of a domestic investment joint stock corporation with variable capital. If the investors of the transferring special fund receive a cash payment envisaged in the merger plan, this is to be treated as a distribution.

18.8. Automatic exchange of information in tax matters

The importance of the automatic exchange of information in order to combat cross-border tax fraud and cross-border tax evasion has increased substantially on an international level in the last few years. Therefore, the OECD published by order of the G20 in 2014 a global standard for the automatic exchange of information about financial accounts in tax matters (Common Reporting Standard, hereinafter "CRS"). The CRS was agreed by more than 90 states (participating states) by way of a multilateral treaty. In addition, it was integrated at the end of 2014 with the Directive 2014/107/EU of the Council of 9 December 2014 into the Directive 2011/16/EU with regard to the obligation for the automatic exchange of information in the field of taxation. The participating states (all member states of the EU as well as numerous third countries) will principally apply the CRS from 2016 with reporting obligations from 2017. Merely individual states (e.g. Austria and Switzerland) will be permitted to apply the CRS one year later. Germany implemented the CRS into German law with the Financial Accounts Information Exchange Act of 21 December 2015 and will apply this from 2016.

With the CRS reporting financial institutions (essentially credit institutions) will be obligated to obtain certain information about their customers. If the customers (natural persons or legal entities) concern persons who are liable to reporting and are based in other participating states (these do not include e.g. listed stock corporations or financial institutions) their accounts and securities accounts will be classified as accounts liable to reporting. The reporting financial institutions will then send certain information to their home tax authority for each account liable to reporting. It will then send the information to the home tax authority of the customer.

The information to be transmitted essentially concerns the personal data of the customer liable to reporting (name; address; tax identification number; date of birth and place of birth (with natural persons); country of domicile) as well as information pertaining to the accounts and securities accounts (e.g. account number; account balance or account value; total gross amount of the income as well as interest, dividends or distributions of investment funds); total gross proceeds from the sale or return of financial assets (including fund units)).

Consequently, concretely affected are investors liable to reporting, who maintain an account and/or securities account at a credit institution that is based in a participating state. Therefore, German credit institutions will report information about investors, who are based in other participating states, to the Federal Central Tax Office that forwards the information to the respective tax authorities of the countries of domicile of the investors. Credit institutions in other participating states will accordingly report information about investors,

who are based in Germany, to their respective home tax authorities, which will forward the information to the Federal Central Tax Office. Finally it is conceivable that credit institutions based in other participating states report information about investors, who are based on the other hand in other participating states, to their respective home tax authority, which will forward the information to the respective tax authorities of the countries of domicile of the investors.

19. AUDITORS

The auditing company KPMG AG Wirtschaftsprüfungsgesellschaft, The Square – Am Flughafen, D-60549 Frankfurt am Main, is commissioned with the audit of the fund and the annual report.

The auditor will audit the annual report of the fund. The results of the audit are to be summarised by the auditor in a special comment; the comment is to be depicted in its full wording in the annual report. With the audit the auditor also has to determine whether the regulations of the KAGB as well as the provisions of the investment conditions have been complied with during the management of the fund. The auditor has to submit the report on the audit of the fund to BaFin.

20. PAYMENTS TO THE INVESTORS / DISTRIBUTION OF THE REPORTS AND OTHER INFORMATION

By the commissioning of the custodian it is ensured that the investors receive the distributions and that units will be taken back.

The respective last annual report and, if applicable, the semi-annual report, the current sales prospectus with the applicable version of the investment conditions as well as the essential investor information are available at the management company, at the custodian as well as in the internet under www.lupusalpa.de or www.fundinfo.com.

Further information may be obtained from the management company. The contact is the Service Center, telephone: +49 69 365058-7050.

21. FURTHER INVESTMENT FUNDS MANAGED BY THE MANAGEMENT COMPANY

The management company also manages the following funds, which are not covered by this prospectus:

Investment fund pursuant to the UCITS Directive:

- La Tullius Absolute Return Europe
- Lupus alpha CLO High Quality Invest
- Lupus alpha Dividend Champions
- Lupus alpha Equity Protect
- Lupus alpha Sustainable Return
- Lupus alpha Sustainable Smaller Pan European Champions

- Lupus alpha Volatility Invest
- Lupus alpha Volatility Risk-Premium

As well as all Sub-funds of the Umbrella fund "Lupus alpha Fonds":

- Lupus alpha All Opportunities fund
- Lupus alpha Global Convertible Bonds
- Lupus alpha Micro Champions
- Lupus alpha Sustainable Smaller Euro Champions
- Lupus alpha Smaller German Champions

The management company also manages 12 domestic special AIFs.

22. Right of revocation with the purchase of outside of the constant business premises

IF the purchase of units in open-ended investment funds is concluded owing to oral negotiations outside of the constant business premises of the party, which sells the units or which acted as an intermediary in the sale, then the buyer is entitled to revoke his purchase declaration in writing and without stating any reasons within a deadline of two weeks (e.g. letter, fax, e-mail). The right of revocation shall also exist if the party, which sells the units or which acted as an intermediary in the sale, has no constant business premises.

The deadline for the revocation shall only begin to run when the copy of the application for the conclusion of the contract has been handed over to the buyer or a purchase settlement has been sent to him and this includes instructions regarding the right of revocation, which satisfies the requirements of § 360 Para. 1 BGB [German Civil Code]. In order to adhere to the deadline the timely sending of the revocation is sufficient. If the start of the deadline is disputed the seller will bear the burden of proof. The revocation shall be declared in writing, stating the person of the declarant including his/her signature, whereby a statement of reasons is not required.

The revocation is to be sent to

Lupus alpha Investment GmbH

Speicherstraße 49-51
D-60327 Frankfurt am Main Fax:
+49 69 365058-8700
Email: info@lupusalpa.de

A right of revocation shall not exist if the seller proves that either the buyer is not a consumer within the meaning of § 13 BGB or he has visited the buyer for the negotiations, which led to the purchase of the units, owing to a prior order pursuant to § 55 Para. 1 of the German Trade Regulations.

If the revocation is carried out effectively and if the buyer has already made payments then the paid charges and an amount is to be paid out to him by the management company, if applicable, step-by-step against re-assignment of the acquired units, which corresponds with the value of the paid

units on the days after the receipt of the declaration of revocation. The right of revocation cannot be waived.

The aforementioned statements shall apply accordingly with the sale of the units of the fund by the investor.

23. INFORMATION FOR INVESTORS IN THE REPUBLIC OF AUSTRIA

The bank UniCredit Bank Austria AG with its registered office in A-1020 Vienna, Rothschildplatz 1, has assumed the function of the facility in the sense of Art. 92 RL (EU) 2019/1160. KPMG Alpen-Treuhand GmbH auditing and tax consultancy company with its registered office in A-1090 Vienna, Porzellangasse 51, has assumed the function of tax representative for the Republic of Austria.

Redemption and exchange applications for the units may be filed at the Austrian facility in the sense of Art. 92 RL (EU) 2019/1160. Redemption prices, possible distributions and other payments intended for the unitholders will be paid out, at their request, through the Austrian paying agent.

The prospectus, the key investor information, the terms of investment as well as the current annual and semi-annual reports are available free of charge from the facility in the sense of Art. 92 RL (EU) 2019/1160 as well as from the management company or online at www.lupusalphade.com or www.fundinfo.com. The net asset value per unit of each sub-fund, the issue, redemption and exchange prices and all other financial information about the fund which is available to the unitholders at the registered office of the fund, are available from the Austrian facility in the sense of Art. 92 RL (EU) 2019/1160.

24. FURTHER SALES RESTRICTIONS

The issued units of this fund may only be offered for purchase or sold in countries, in which such an offer or such a sale is permitted. Insofar as no permit was obtained by the management company or a third party commissioned hereby for the public distribution from the local supervisory authorities and is available to the management company, this sales prospectus and the essential investor information will not concern a public offer for the acquisition of investment units or this sales prospectus or the essential investor information may not be used for the purpose of such a public offer.

This prospectus and the Key Investor Information Document may only be used for distribution purposes by persons who have the express written consent of the management company (directly or indirectly through authorised distributors)

. Declarations or assurances of third parties, which are not included in this prospectus or in the documents, have not been authorised by the management company. The documents are publicly available at the registered office of the management company.

25. GENERAL INFORMATION PERTAINING TO SUB-CUSTODIANS

The following information was communicated to the management company by the custodian. The management company has checked the information for plausibility. It is, however, dependent on the supply of the information by the custodian and cannot check this for accuracy and completeness in detail.

The custodian has assigned the following custodian tasks:

Custody of the assets for the sub-custodians involved by the Clearstream Banking Frankfurt pursuant to the enclosed list for the relevant markets. The central custodians are not listed in the list, Their involvement is stipulated by law in the respective country. Insofar it concerns a market infrastructure and not sub-custodians actively commissioned by the custodian.

The following conflicts of interest could be derived from the sub-custodian activity:

The custodian could not determine any conflicts of interest with regard to the involved sub-custodians.

26. LIST OF SUB-CUSTODIANS

The custodian has commissioned the sub-custodians listed below:

Country	Sub-custodian
Belgium	Banque National Belgique Brussels Euroclear Belgium Brussels KBC Securities N.N. Brussels BNP Paribas Securities Services Paris
Denmark	VP Securities A/S Copenhagen Danske Bank A/S Copenhagen
Germany	Clearstream Banking Frankfurt
Finland	Euroclear Finland Ltd. Helsinki Nordea Bank Finland Plc. Helsinki
France	Euroclear France Paris BNP Paribas Securities Services Paris
Great Britain	Euroclear UK and Ireland Ltd. London Citibank N.A. London
Honkong	Honkong and Shanghai Banking Corp. Honkong
Italy	Monte Titoli S.P.A. Milano Banca Intesa San Paolo S.P.A. Milano
Luxembourg	LuxCSD S.A.
The Netherlands	Euroclear Nederland Amsterdam BNP Paribas Securities Services Paris
Norway	Verdipapirsentralen VPS Oslo DNB Markets Custody ASA Oslo
Austria	Österreichische Kontrollbank Wien Erste Group Bank AG Vienna
Sweden	Euroclear Sweden AB Stockholm Skandinaviska Enskilda Banken Stockholm
Switzerland	Six SIS AG Zürich UBS AG Zürich

Country	Sub-custodian
Spain	Iberclear Madrid Banco Bilbao Vizcaya Argentaria S.A. Madrid
USA	Citibank N.A. New York Depository Trust Company New York

THIS TRANSLATION IS INTENDED FOR CONVENIENCE PURPOSES ONLY AND SOLEY THE GERMAN VERSION IS BINDING.

27. GENERAL TERMS OF INVESTMENT

General Terms of investment for the regulation of the legal relationship between the investors and Lupus alpha Investment GmbH, Frankfurt am Main, ("Company") for the investment fund managed by the management company pursuant to the UCITS Directive, which only apply in conjunction with the "Specific Terms of Investment" installed for the respective UCITS fund.

§ 1 Basic principles

1. The management company is a UCITS management company and is subject to the regulations of the German Capital Investment Code ("KAGB").
2. The management company invests the money invested with it in its own name for the joint account of the investors according to the principle of risk spreading in the assets that are permitted according to the KAGB, separately from its own assets in the form of a UCITS fund. Global certificates are issued regarding the thus arising rights of the investors. The corporate object of the UCITS fund is limited to the capital investment pursuant to a stipulated investment strategy within the scope of a collective asset management by means of the funds invested with it; an operative activity and an active entrepreneurial management of the held assets is excluded.
3. The legal relationship between the management company and the investor is oriented to the General Terms of Investment (AABen) and the Specific Terms of Investment (BABen) of the UCITS fund and the KAGB.

§ 2 Custodian

1. The management company appoints a credit institution as a custodian for the UCITS fund; the custodian shall act independently from the management company and exclusively in the interest of the investors.
2. The duties and obligations of the custodian are governed by the custodian agreement concluded with the management company, according to the KAGB and the terms of investment.
3. The custodian may outsource custodian tasks to another company (sub-custodian) according to § 73 KAGB. The sales prospectus contains more detailed information in this respect.
4. The custodian shall be liable towards the UCITS fund or towards the investors for the loss of a financial instrument that is held in safekeeping within the meaning of § 72 (1) (1)

KAGB by the custodian or by a sub-custodian, to which the safekeeping of financial instruments was assigned according to § 73 (1) KAGB. The custodian shall not be liable if it may prove that the loss is a result of external events, the consequences of which were unavoidable despite all reasonable countermeasures. Further claims, which arise from the regulations of the civil law owing to contracts or illicit acts, shall remain unaffected hereby. The custodian shall also be liable towards the UCITS fund or the investors for all other losses, which they suffer due to the fact that the custodian does not fulfil its obligations according to the regulations of the KAGB due to negligence or willful intent. The liability of the custodian shall remain unaffected by a possible assignment of the custodian tasks according to Para. 3 Sentence 1.

§ 3 Fund management

1. The management company acquires and manages the assets in its own name for the joint account of the investors with the required expertise, honesty, care and conscientiousness. It shall act independently from the custodian and exclusively in the interests of the investors when performing its tasks.
2. The management company is entitled to acquire the assets with the money invested by the investors, to sell said assets again and to invest the proceeds otherwise; it is further authorised to carry out all other legal acts arising from the management of the assets.
3. The management company may neither grant monetary loans, nor enter into obligations from a surety or a guaranteed contract for the joint account of the investors; it may not sell any assets according to § 193, 194 and 196 KAGB, which do not belong to the UCITS fund at the time when the business transaction is concluded. § 197 KAGB shall remain unaffected.

§ 4 Investment principles

The UCITS fund is invested directly or indirectly according to the principle of risk spreading. The management company should only acquire those assets for the UCITS fund, with which an income and/or growth may be expected. It shall determine in the BABen, which assets may be acquired for the UCITS fund.

§ 5 Securities

Insofar as the BABen do not envisage any further restrictions the management company may only acquire securities for the account of the UCITS fund subject to § 198 KAGB, if

- a) they are authorised for trading on a stock exchange in a member state of the European Union or in another contractual state of the Treaty on the European Economic Area or are authorised on another organised market in one of these states or are included in these markets,
- b) they are exclusively admitted to trading on a stock exchange outside the member states of the European Union or outside the other contracting states to the Agreement on the European Economic Area or are admitted to or included in another organised market in one of these states, provided that the choice of this stock exchange or this organised market is approved by the Federal Financial Supervisory Authority ("Bundesanstalt für Finanzdienstleistungsaufsicht")¹,
- c) their admission to trading on a stock exchange in a member state of the European Union or in another state party to the Agreement on the European Economic Area or their admission to an organised market or their inclusion in this market in a member state of the European Union or in another state party to the Agreement on the European Economic Area must be applied for in accordance with the terms of issue, provided that the admission or inclusion of these securities takes place within one year of their issue,
- d) their authorisation for trading on a stock exchange or their authorisation on an organised market or the inclusion in this market outside of the member states or the European Union or outside of the other contractual states of the Treaty on the European Economic Area is to be applied for according to the issue conditions, insofar as the choice of this stock exchange or this organised market is authorised by the Federal Authority and the authorisation or inclusion of these securities is carried out within one year after their issue,
- e) they are units, to which the UCITS fund is entitled with a capital increase from management company funds,
- f) they are acquired while exercising subscription rights, which belong to the UCITS fund,
- g) they are units in closed-end funds which meet the criteria stated in § 193 Para. 1 Sentence 1 Section 7 KAGB,

- h) they are financial instruments that meet the criteria stated in § 193 Para 1 Sentence 1 Section 8 KAGB.

The acquisition of securities according to Sentence 1

a) to d) may only be carried out if, in addition, the prerequisites of § 193 Para. 1 Sentence 2 KAGB have been fulfilled. Subscription rights may also be acquired that stem from securities, which on their part may be acquired according to this § 5.

§ 6 Money market instruments

1. Unless the Specific Terms of Investment provide for further restrictions, the management company may, subject to § 198 KAGB, issue for the account of the UCITS fund instruments that are normally traded on the money market as well as interest-bearing securities that, at the time of their acquisition for the UCITS fund, have a remaining term of no more than 397 days, whose interest rate is regularly adjusted in line with the market during their entire term, but at least once every 397 days, or whose risk profile corresponds to the risk profile of such securities ("money market instruments").

Money market instruments may only be acquired for the UCITS fund, if they

- a) are authorised for trading on a stock exchange in a member state of the European Union or in another contractual state of the Treaty on the European Economic Area or are authorised there on another organised market or are included in these markets,
- b) are exclusively authorised for trading on a stock exchange outside of the member states of the European Union or outside of the other states party to the Agreement on the European Economic Area or are authorised there on another organised market or are included in these markets, insofar as the choice of this stock exchange or this organised market is authorised by the Federal Authority²,
- c) are issued or guaranteed by the EU, the federal government, a special fund of the federal government, a federal state, another member state or another central state, regional or local authority or the Central Bank of a member state of the EU, the European Central Bank or the European Investment Bank, a third country or, if this is a federal state, a constituent state of this federal state or of an international institution under public law, to which at least one

¹ The stock exchange list is published on the homepage of the Federal Financial Supervisory Authority
www.bafin.de

² see footnote 1.

member state of the EU belongs,

- d) are issued by a management company, whose securities are traded on the markets described under the letters a) and b),
 - e) are issued or guaranteed by a credit institution which is subject to supervision in accordance with the criteria laid down in European Union law or by a credit institution which is subject to and complies with supervisory provisions which, in the opinion of the supervisory authority, are equivalent to those laid down in law of European Union, or
 - f) issued by other issuers and which meet the requirements of § 194(1) sentence 1 Section 6 KAGB.
2. Money market instruments within the meaning of paragraph 1 may only be acquired if they meet the respective requirements of § 194 (2) and (3) KAGB.

§ 7 Bank balances

The management company may hold bank balances for the account of the UCITS fund that have a maximum term of twelve months. The credit balances to be held in blocked accounts may be held at a credit institution with its registered office in a member state of the European Union or another state party to the Agreement on the European Economic Area; the credit balances may also be held at a credit institution with its registered office in a third country whose supervisory provisions are equivalent to those law of European Union in the opinion of the Federal Financial Supervisory Authority. Insofar as not otherwise determined in the BABen, the bank balances may also be denominated in foreign currency.

§ 8 Investment units

1. Insofar as not otherwise determined in the BABen, the management company may acquire units in investment funds for the account of the UCITS fund pursuant to the Directive 2009/65/EC (UCITS). Units in other domestic special funds and investment joint stock corporations with variable capital as well as units in open-ended EU-AIF and foreign open-ended AIF, may be acquired if they fulfil the requirements of § 196 Para. 1 Sentence 2 KAGB.
2. The management company may only acquire units in domestic investment funds and investment stock corporations with variable capital, in EU UCITS, in open-ended EU AIFs and in foreign open-ended AIFs if the terms of investment

or the articles of association of the management company, the investment stock corporation with variable capital, the EU investment fund, the EU management company, the foreign AIF or the foreign AIF management company, a total of no more than 10 per cent of the value of its assets may be invested in units in other domestic investment funds, investment stock corporations with variable capital, open-ended EU investment funds or foreign open-ended AIF.

§ 9 Derivatives

1. Unless otherwise stipulated in the Specific Terms of Investment, the management company may use derivatives pursuant to § 197 (1) sentence 1 KAGB and financial instruments with a derivative component pursuant to § 197 (1) sentence 2 KAGB as part of the management of the UCITS fund. It may – in line with the type and the scope of the used derivatives and financial instruments with a derivative component – either apply the simple or the qualified approach to determine the capacity utilisation of the market risk limit fixed according to § 197 Para. 2 KAGB for the use of derivatives and financial instruments with a derivative component within the meaning of the “Regulation governing risk management and risk measurement with the use of derivatives, securities-loans and repurchase agreements in investment funds according to the German Capital Investment Code” (DerivateV) issued pursuant to § 197 Para. 3 KAGB; more specific details are regulated in the sales prospectus.
2. Insofar as the management company applies the simple approach, it may, as a rule, only use basic forms of derivatives and financial instruments with a derivative component or combination of these derivatives, financial instruments with a derivative component as well as underlying assets that are admissible pursuant to § 197 Para. 1 Sentence 1 KAGB in the UCITS fund. Complex derivatives with underlying assets that are admissible pursuant to § 197 Para. 1 Sentence 1 KAGB may only be used in a negligible share. The offset amount of the UCITS fund for the market risk that is to be determined according to § 16 DerivateV may at no time exceed the value of the special fund.

Basic forms of derivatives are:

- a) Futures contracts on the underlying assets according to § 197 Para. 1 KAGB with the exception of investment units according to § 196 KAGB;
- b) Options or warrants on the underlying assets according to § 197 Para. 1 KAGB with the exception of investment units according to § 196

KAGB and on futures contracts according to a) if they feature the following properties:

- aa) an exercising of an option is either possible during the entire term or at the end of the term and
 - bb) at the time when it is exercised the option value depends on a straight-line basis on the positive or negative difference between the basic price and the market price of the underlying asset and becomes nil if the difference has the other algebraic sign;
- c) Interest rate swaps, currency swaps or interest rate-currency swaps;
 - d) Options on swaps according to lit. c) if they feature the properties described in lit. b) under lit. aa) and bb) (swaptions);
 - e) Credit Default Swaps, which refer to an individual underlying asset (Single Name Credit Default Swaps);
 - f) Total Return Swaps, with which all income and fluctuations in value of an underlying assets according to § 197 Para. 1 KAGB are exchanged for an agreed premium.
3. Insofar as the management company applies the qualified approach it may – subject to a suitable risk management system – invest in all financial instruments with a derivative component or derivatives that have been derived from an underlying asset that is admissible pursuant to § 197 Para. 1 Sentence 1 KAGB.
- The potential risk amount for the market risk ("risk amount") that is to be allocated to the UCITS fund may hereby at no time exceed twice the potential risk amount for the market risk of the associated comparable asset pursuant to § 9 DerivateV. Alternatively, the risk amount may at no time exceed 20 per cent of the value of the UCITS fund.
- 4. Under no circumstances may the management company deviate with these business transactions from the investment principles and limits stated in the investment conditions or in the sales prospectus.
 - 5. The management company will use derivatives and financial instruments with a derivative component for the purpose of hedging the efficient portfolio control and for the generation of additional income if and insofar as it considers this necessary in the interest of the investors.
 - 6. When determining the market risk limit for the use of derivatives and financial instruments with

a derivative component, the management company may switch between the simple and the qualified approach in accordance with § 6 sentence 3 of the Derivatives Regulation. The shift does not require the approval of the Federal Authority, the management company must, however, report the shift to the Federal Authority without delay and to announce it in the next semi-annual or annual report.

- 7. With the use of derivatives and financial instruments with a derivative component the management company will comply with the DerivateV.

§ 10 Other investment instruments

Unless otherwise provided for in the Specific Terms of Investment, the management company may invest up to 10 per cent of the value of the UCITS fund in other investment instruments pursuant to § 198 KAGB for the account of the UCITS fund.

§ 11 Issuing limits and investment limits

- 1. With the management the management company has to comply with the limits and restrictions stipulated in the KAGB, in the DerivateV and in the investment conditions.
- 2. Securities and money market instruments including the securities purchased and money market instruments of the same issuer may be acquired up to 5 per cent of the value of the UCITS fund; however up to 10 per cent of the value of the UCITS fund may be invested in these assets if this is envisaged in the BABen and the total value of the securities and money market instruments of these issuers do not exceed 40 per cent of the value of the UCITS fund. The issuers of securities and money market instruments shall also be taken into account within the limits set forth in sentence 1 if the securities and money market instruments issued by them are acquired indirectly through other securities included in the UCITS which are linked to their performance.
- 3. The management company may invest in bonds, bonded loans and money market instruments, which have been issued or guaranteed by the federal government, a country, the European Union, a member state of the European Union or its regional authorities, another contractual state of the Treaty on the European Economic Area, a third country or by an international organisation, which at least one member state of the European Union belongs to, respectively up to 35 per cent of the value of the UCITS fund.

4. The management company may respectively invest up to 25 per cent of the value of the UCITS fund in mortgage bonds [Pfandbrief] and municipal bonds as well as bonds, which have been issued by credit institutions with the registered seat in a member state of the European Union or in another contractual state of the Treaty on the European Economic Area, if the credit institutions are subject to special public supervision owing to statutory regulations for the protection of the bearers of these bonds and the funds borrowed with the issue of the bonds are invested in assets according to the statutory regulations, which during the entire term of the bonds sufficiently cover the liabilities arising from these and which, in case of a default of the issuer, are primarily determined for the due repayments and the payment of the interest. If the management company invests more than 5 per cent of the value of the UCITS fund in bonds of the same issuer according to Sentence 1 then the total value of these bonds may not exceed 80 per cent of the value of the UCITS fund.
5. The limit in Paragraph 3 may be exceeded for securities and money market instruments of the same issuer according to § 206 Para. 2 KAGB if this is envisaged by the BABen by stating the relevant issuers. In these cases the securities and money market instruments held for the account of the UCITS fund must stem from at least six different issues, whereby no more than 30 per cent of the value of the UCITS fund may be held in one issue.
6. The management company may only invest up to 20 per cent of the value of the UCITS fund in bank assets in accordance with § 195 KAGB at the same credit institution.
7. The management company has to ensure that a combination of
 - a) securities or money market instruments, which are issued by the same institution,
 - b) deposits at this institution and
 - c) offset amounts for the counterparty risk of the transactions entered into with this institution,

do not exceed 20 per cent of the value of the UCITS fund. Sentence 1 shall apply to the issuers and guarantors named in Paragraph 3 and 4 with the condition that the management company has to ensure that a combination of the assets and offset amounts stated in Sentence 1 do not exceed 35 per cent of the value of the UCITS fund. The respective individual upper limits shall remain unaffected.

The respective individual upper limits shall remain unaffected in both cases.

8. The bonds, bonded loans and money market instruments stated in Paragraph 3 and 4 will not be taken into consideration with the application of the limits of 40 per cent stated in Paragraph 2. The limits stated in Paragraphs 2 to 4 and Paragraphs 6 to 7 may not be accumulated in deviation from the regulation in Paragraph 7.
9. The management company may only invest up to 20 per cent of the value of the UCITS fund in units in one single investment fund according to § 196 Para. 1 KAGB. The management company may only invest a total of up to 30 per cent of the value of the UCITS fund in units in investment funds according to § 196 Para. 1 Sentence 2 KAGB. The management company may acquire no more than 25 per cent of the issued units of another open-ended domestic, EU or foreign investment fund that according to the principle of the risk spreading is invested in assets within the meaning of § 192 to 198 KAGB, for the account of the UCITS fund.

§ 12 Merger

1. According to § 181 to 191 KAGB the management company may
 - a) assign all assets and liabilities of this UCITS fund to another existing or a new UCITS fund founded hereby or an EU-UCITS or a UCITS investment joint stock corporation with variable capital;
 - b) admit all assets and liabilities of another open-ended public investment fund into this UCITS fund.
2. The merger shall require the approval of the respective responsible supervisory authority. The details of the procedure may be derived from § 182 to 191 KAGB.
3. The UCITS fund may only be merged with a public investment fund that is not a UCITS if the absorbing or newly founded investment fund continues to be a UCITS. Mergers of an EU-UCITS with the UCITS fund may additionally be carried out pursuant to the stipulations of § 2 Para. 1 lit. p Subclause iii of the Directive 2009/65/EC.

§ 13 Securities loans lending

1. The management company may grant a securities loan, which may be terminated at any time, to a securities borrower for the account of the UCITS fund against payment of a fee in line with market conditions after transfer of sufficient collateral in accordance with § 200 (2) KAGB. The market value of the securities to be assigned may together with the market value of the securities assigned as a securities loan already for the account of the UCITS fund to the same securities borrower including companies belonging to the group within the meaning of § 290 HGB not exceed 10 per cent of the value of the UCITS fund.
2. If the collateral for the assigned securities provided into balances by the securities borrower, the balances must be maintained on blocked accounts pursuant to § 200 Para. 2 Sentence 3 Section 1 KAGB. Alternatively, the management company may take advantage of the possibility to invest these balances in the currency of the balance in the following assets:
 - a) in bonds, which feature a high quality and which have been issued by the federal government, a country, the European Union, a member state of the European Union or a regional authority, another contractual state of the Treaty on the European Economic Area or a third country,
 - b) in money market funds with a short term structure in line with the guidelines issued by the Federal Authority based on § 4 Para. 2 KAGB or
 - c) by way of a reversed repurchase agreement with a credit institution that guarantees the claim for refund of the accrued credit balance at all times.

The UCITS fund is entitled to the income from the investment of the collateral.

3. The management company may also use a system organised by a securities clearing and deposit bank for the brokerage and settlement of securities loans which deviates from the requirements pursuant to § 200 (1) sentence 3 KAGB if the right of termination at any time pursuant to subsection 1 is not deviated from.
4. Insofar as not otherwise determined in the BABen the management company may also grant securities loans with regard to money market instruments and investment units insofar as these assets may be acquired for the UCITS fund. The regulations of Paragraphs 1 to 3 shall apply accordingly hereto.

§ 14 Repurchase agreements

1. The management company may enter into securities repurchase agreements within the meaning of § 340b (2) of the German Commercial Code (Handelsgesetzbuch) with credit institutions or financial services institutions for the account of the UCITS fund on the basis of standardised framework agreements.
2. The object of repurchase agreements must be securities, which may be acquired for the UCITS fund according to the investment conditions.
3. The repurchase agreements may have a maximum term of 12 months.
4. Insofar as not otherwise determined in the BABen the management company may also conclude repurchase agreements with regard to money market instruments and investment units insofar as these assets may be acquired for the UCITS fund. The regulations of Paragraphs 1 to 3 shall apply accordingly hereto.

§ 15 Borrowing of loans

The management company may borrow short-term loans up to the amount of 10 per cent of the value of the UCITS fund for the joint account of the investors if the conditions for the borrowing of the loan are customary for the market and the custodian approves the borrowing of the loan.

§ 16 Units

1. The units of the UCITS fund shall be bearer units and shall be certificated in unit certificates or issued as electronic unit certificates.
2. The units may have various design features, in particular with regard to the use of the income, the front load, the redemption discount, the currency of the unit value, the management fee, the minimum investment amount or a combination of these features (unit classes). The details are stipulated in the BABen.
3. The units are transferable insofar as not otherwise regulated in the BABen. With the transfer of a unit the rights securitised in this unit shall pass. The holder of the unit shall in any case be deemed the beneficiary towards the management company.
4. The rights of the investors or the rights of the investors of a unit class will be

securitised in a global certificate. It shall at least bear the handwritten or reproduced signatures of the management company and the custodian.

5. The claim for individual securitisation is excluded.

§ 17 Issue and redemption of units, suspension of the redemption

1. The number of issued units is principally not limited. The management company reserves the right to temporarily suspend or fully discontinue the issue of units.
2. The units may be acquired from the management company, the custodian or by intermediary acts of third parties. The BABen may envisage that units may only be acquired and held by certain investors.
3. The investors may request the redemption of the units from the management company. The management company is obligated to take the units back at the respective applicable redemption price for the account of the UCITS fund. The redemption body is the custodian.
4. However, the management company reserves the right to suspend the redemption of the units pursuant to § 98 Para. 2 KAGB in case of exceptional circumstances, which allow a suspension to appear necessary by taking the interests of the investors into consideration.
5. The management company has to inform the investors by an announcement in the German Federal Gazette and additionally in a business or daily newspaper with a sufficient circulation or in the electronic information media designated in the sales prospectus about the suspension pursuant to Paragraph 4 and the recommencement of the redemption. The investors are to be informed about the suspension and recommencement of the redemption of the units without delay after the announcement in the German Federal Gazette by means of a permanent data carrier.

§ 18 Issue and redemption price

1. Unless otherwise specified in the Specific Terms of Investment, the following shall be used for calculation purposes the Issue and redemption price of the units the market values of the assets belonging to the UCITS fund minus the borrowed loans and other liabilities (net asset value) will be determined and divided by the number of units in circulation ("unit value"). If, pursuant to § 16 Para. 2 different unit classes are introduced for the UCITS fund, the unit value as well as the issue and redemption price is to be

determined separately for each unit class.

The valuation of the assets shall be carried out pursuant to § 168 and 169 KAGB and the capital investment accounting and valuation regulation (KARBV).

2. The issue price corresponds with the unit value in the UCITS fund, if applicable, plus a front load that is to be fixed in the Specific Terms of Investment pursuant to § 165 Para. 2 Number 8 KAGB. The redemption price corresponds with the unit value of the UCITS fund, if applicable, minus a redemption discount that is to be fixed in the BABen pursuant to § 165 Para. 2 Number 8 KAGB.
3. The settlement key date for unit call orders and redemption orders is no later than the valuation day following the receipt of the unit call order or redemption order, insofar as not otherwise determined in the BABen.
4. The Issue and redemption price will be determined each stock exchange trading day. Insofar as not otherwise determined in the BABen, the management company and the custodian may refrain from a determination of the value on statutory public holidays, which are stock exchange trading days, as well as on 24 and 31 December of each year; more specific details are regulated in the sales prospectus.

§ 19 Costs

The expenses and the payments to which the management company, the custodian and third parties are entitled, which may be charged to the UCITS fund, are stated in the BABen. For payments within the meaning of Sentence 1 it is additionally to be stated in the BABen according to which method, in which amount and owing to which calculation they are to be paid.

§ 20 Accounting

1. By no later than four months after the close of the fiscal year of the UCITS fund the management company will publish an annual report including an income and expenses statement pursuant to § 101 Para. 1, 2 and 4 KAGB.
2. By no later than two months after the middle of the fiscal year the management company will publish a semi-annual report pursuant to § 103 KAGB.
3. If the right to manage the UCITS fund is transferred to another management company during the fiscal year or if the UCITS fund is merged with another UCITS fund, a UCITS investment stock corporation with variable capital or an EU UCITS during the fiscal year, the management company

shall prepare an interim report as of the transfer date that complies with the requirements for an annual report pursuant to Paragraph 1.

4. If the UCITS fund is wound up the custodian has to draw up a wind-up report annually as well as on the day, on which the winding-up is completed, which shall meet the requirements from an annual report pursuant to Paragraph 1.
5. The reports are available at the management company and the custodian and further bodies, which are to be stated in the sales prospectus and in the essential investor information; they will further be published in the German Federal Gazette.

§ 21 Termination and winding-up of the UCITS fund

1. The management company may terminate the management of the UCITS fund with a period of notice of at least six months by announcement in the German Federal Gazette and, in addition, in the annual report or semi-annual report. The investors are to be informed about a termination announced according to Sentence 1 without delay by means of a permanent data carrier.
2. When the termination becomes effective the right of the management company to manage the UCITS fund shall lapse. In this case the UCITS fund respectively the right of disposal over the UCITS fund shall pass to the custodian, which has to wind it up and to distribute it to the investors. For the time of the winding-up the custodian is entitled to a fee for its work relating to the winding-up as well as to reimbursement of its expenses, which are necessary for the winding-up. With the approval of the Federal Authority the custodian may refrain from the winding-up and distribution and assign the management of the UCITS fund to another management company according to the previous investment conditions.
3. The management company has to draw up a dissolution report on the day, on which its management right lapses according to § 99 KAGB, which shall meet the requirements from an annual report according to § 20 Para. 1.

§ 22 Change of management company and custodian

1. The management company may assign the management and disposal right over the UCITS fund to another management company. The assignment shall require the prior approval by the Federal Authority.
2. The approved transfer shall be published in the German Federal Gazette and also in the annual report or

semi-annual report and in the electronic information media specified in the prospectus. The transfer shall take effect at the earliest three months after its publication in the German Federal Gazette.

3. The management company may change the custodian for the UCITS fund. The change shall require the approval of the Federal Authority.

§ 23 Changes to the investment conditions

1. The management company may change the investment conditions.
2. Changes to the investment conditions shall require the prior approval of the BaFin.
3. All envisaged changes will be announced in the German Federal Gazette and, in addition, in a business or daily newspaper with a sufficient circulation or in the electronic information media designated in the sales prospectus. In a publication according to Sentence 1 reference is to be made to the envisaged changes and their entry into force. In the event of changes to charges within the meaning of § 162 Para. 2 Number 11 KAGB, changes to the investment principles of the UCITS fund within the meaning of § 163 Para. 3 KAGB or changes with regard to essential investor rights the investors are, at the same time as with the announcement according to Sentence 1, to be sent the essential contents of the envisaged changes to the investment conditions and their background as well as information about their rights according to § 163 Para. 3 KAGB in a comprehensible manner by means of a permanent data carrier pursuant to § 163 Para. 4 KAGB. In the event of changes to the previous investment principles, investors must also be informed of their rights under § 163(3) KAGB.
4. The changes shall come into force on the day after their announcement in the German Federal Gazette at the earliest, in the event of changes to the charges and the investment principles, however, not before the expiry of three months after the corresponding announcement.

§ 24 Place of performance

The place of performance is the registered seat of the management company.

§ 25 Dispute resolution procedure

The management company undertakes to participate in dispute resolution proceedings before a consumer arbitration board. In the event of disputes, consumers may contact the official consumer arbitration board by the Federal Financial Supervisory Authority (Schlichtungsstelle bei der BaFin, Graurheindorfer Straße 108, 53117 Bonn, www.bafin.de/schlichtungsstelle).

28. SPECIFIC TERMS OF INVESTMENT

Specific Terms of Investment for the regulation of the legal relationship between the investors and Lupus alpha Investment GmbH, Frankfurt am Main, ("management company") for the special fund managed by the management company pursuant to the UCITS Directive

"Lupus alpha Sustainable Convertible Bonds",

which only apply in conjunction with the "General Terms of Investment" implemented by the management company for this fund.

INVESTMENT PRINCIPLES AND INVESTMENT LIMITS

§ 1 Assets

The management company may acquire the following assets for the UCITS fund:

1. Securities pursuant to § 193 AABen,
2. Money market instruments pursuant to § 194 AABen,
3. Bank balances pursuant to § 195 AABen,
4. Investment units pursuant to § 196 AABen,
5. Derivatives pursuant to § 9 of the General Terms of Investment,
6. Other investment instruments pursuant to § 10 of the General Terms of Investment.

§ 2 Investment limits

1. The UCITS fund may invest all of its funds in securities pursuant to § 1 Section 1. The securities purchased are to be offset against the investment limits of § 206 Para. 1 to 3 KAGB.
2. A minimum of 51 per cent of the UCITS fund's value must be invested in convertible bonds. Convertible bonds also include exchangeables, mandatory convertibles and warrant bonds (with options relating to securities). Convertible bond selection is based on environmental, ethical and governance sustainability criteria.
3. Up to 49 per cent of the value of the assets of the UCITS may be held in money market instruments in accordance with § 6 of the "General Terms of Investment". The money market instruments purchased are to be offset against the investment limits of § 206 Para. 1 to 3 KAGB.
4. Securities and money market instruments of the same issuer may be acquired in excess of 5 per cent up to 10 per cent of the value of the UCITS fund if the total value of the

securities and money market instruments of these issuers does not exceed 40 per cent of the value of the UCITS fund.

5. The management company may in securities and money market instruments of the following issuers

- The Federal Republic of Germany
- The federal states:

- Baden-Württemberg
- Bavaria
- Berlin
- Brandenburg
- Bremen
- Hamburg
- Hesse
- Mecklenburg-Western Pomerania
- Lower Saxony
- North-Rhine Westphalia
- Rhineland-Palatinate
- Saarland
- Saxony
- Saxony-Anhalt
- Schleswig-Holstein
- Thuringia

- European Union:

- As EU Member States:

- Belgium
- Bulgaria
- Denmark
- Estonia
- Finland
- France
- Greece
- The Republic of Ireland
- Italy
- Croatia
- Latvia
- Lithuania
- Malta
- Poland
- Luxembourg
- The Netherlands
- Austria
- Portugal
- Sweden
- Slovakia
- Slovenia
- Spain
- Czech Republic
- Hungary
- Republic of Cyprus
- Romania

- As contractual states of the Treaty on the European Economic Area:

- Iceland
- Liechtenstein
- Norway

- Other member states of the Organisation for Economic Cooperation and Development which are not a member of the EEA:
 - Australia
 - Japan
 - Canada
 - South Korea
 - Mexico
 - New Zealand
 - Switzerland
 - Turkey
 - United States of America
 - Chile
 - Israel
 - United Kingdom of Great Britain and Northern Ireland

respectively invest more than 35 per cent of the value of the UCITS fund.

6. Up to 49 per cent of the value of the UCITS fund may be held in bank balances according to § 7 Sentence 1 of the "General Terms of Investment".
7. Up to 10 per cent of the value of the UCITS fund may be invested in investment units according to § 8 of the "General Terms of Investment". The investment units purchased are to be offset against the investment limits of § 207 and 210 Para. 3 KAGB.

UNIT CLASSES

§ 3 Unit classes

1. Unit classes within the meaning of § 16 para. 2 of the "General Terms and Conditions of Investment" may be formed for the UCITS fund which differ with regard to the appropriation of income, the issue premium, the minimum investment amount, the management fee or a combination of these features.
2. The formation of unit classes is permitted at any time and is at the discretion of the management company. The unit value shall be calculated separately for each unit class by allocating the charges of establishing new unit classes, the distributions (including any taxes to be paid out of the fund assets) and the management fee attributable to a specific unit class, including income equalisation where applicable, and exclusively to that unit class.
3. The unit classes existing in each case shall be listed individually both in the sales prospectus and in the annual and semi-annual reports. The characteristics of the unit classes (appropriation of income, front load, minimum investment amount, management fee or a combination of these features) are

described in detail in the prospectus and in the annual and semi-annual reports.

UNITS, ISSUE PRICE, REDEMPTION PRICE, REDEMPTION OF UNITS AND COSTS

§ 4 Units

The investors shall participate in the respective assets of the UCITS fund in the amount of their units as co-owners according to fractions.

§ 5 Issue and redemption price

1. The front load is up to 4 per cent of the unit value. The management company is free to charge a lower front load for the UCITS fund or for one or more unit classes or to refrain from charging a front load.
2. A redemption discount is not charged.

§ 6 Costs

1. The management company shall receive an annual fee for the management of the UCITS fund of up to 1.35 per cent of the average net asset value of the UCITS fund in the settlement period, calculated in each case from the month-end values. The remuneration shall be charged monthly on a pro rata basis. The management company shall be free to charge a lower remuneration for the UCITS fund or for one or more unit classes or to refrain from charging a remuneration. The management company shall indicate the management fee charged for each unit class in the sales prospectus, the annual report and the semi-annual report.
2. The management company shall charge the charges incurred by external service providers in the management of derivative transactions, the reporting of derivative transactions and the management of collateral for these transactions to the UCITS fund. In addition, the charges arising from the regulation of non-exchange-traded derivatives, from the requirements of central counterparties and the reports to trade repositories may be charged directly to the UCITS fund (so-called EMIR charges, resulting from EU Regulation Section 648/2012). The above charges are not covered by the management fee. In this case, the external service providers together receive remuneration of up to 0.05 per cent p.a. of the average value of the UCITS fund, calculated from the values

at the end of each month. The management company shall have the discretion to refrain from charging remuneration in whole or in part.

3. The custodian shall receive an annual fee for its services of up to 0.05 per cent of the average net asset value of the UCITS fund in the settlement period, calculated from the month-end values (but at least EUR 20,000 p.a.). The fee shall be charged monthly on a pro rata basis.
4. The amount withdrawn annually from the UCITS fund in accordance with the above items 1 to 3 as remuneration and in accordance with 5 n) as reimbursement of expenses may amount in total to up to 1.53 per cent of the average net asset value of the UCITS fund in the accounting period calculated from the values at the end of each month.
5. Besides the aforementioned remuneration the following expenses will be for the expense of the UCITS fund:
 - a) customary bank securities account and account fees, if applicable including the customary bank charges for the safekeeping of foreign assets overseas;
 - b) costs for the printing and dispatch of the sales documents determined for the investors as stipulated by law (annual and semi-annual reports, sales prospectus, essential investor information);
 - c) costs of the publication of the annual and semi-annual reports, the Issue and redemption price and if applicable the distributions or re-investment and the dissolution report;
 - d) costs of the preparation and use of a permanent data carrier, except in the event of information about investment assets and information about measures in connection with breaches of investment limits or calculation errors with the unit valuation;
 - e) costs for the audit of the UCITS fund by the auditor of the financial statements of the UCITS fund;
 - f) costs for the publication of the taxation bases and the certificate that the tax-related details were determined according to the rules of German tax law;
 - g) costs for the assertion of legal claims by the management company for the expense of the UCITS fund as well as the defence of claims asserted against the

management company for the expense of the UCITS fund;

- h) fees and charges, which are charged by state bodies with regard to the UCITS fund;
 - i) costs for legal and tax advice with regard to the UCITS fund;
 - j) costs as well as all charges, which may be incurred with the acquisition and/or the use or naming of a comparable benchmark or financial index;
 - k) charges for the commissioning of voting right authorized agents;
 - l) costs for the analysis of the investment success of the UCITS fund by third parties;
 - m) taxes incurred in connection with the remuneration to be paid to the management company, the custodian and third parties as well as the aforementioned expenses including the taxes incurred in connection with the management and safekeeping; charges for the provision of analytical material or services by third parties in relation to one or more financial instruments or other assets or in relation to the issuers or potential issuers of financial instruments or closely related to a particular industry or market up to an amount of 0.08 per cent p.a. of the average net asset value of the UCITS fund in the accounting period calculated from the values at the end of each month.
6. The management company has to disclose the amount of the front loads and redemption discounts in the annual report and in the semi-annual report, which were charged to the UCITS fund in the reporting period for the acquisition and the redemption of units and units within the meaning of § 196 KAGB.
 7. With the acquisition of units or units, which are managed directly or indirectly by the management company itself or another company, with which the management company is affiliated by an essential direct or indirect participation, the management company or the other company may not charge any front loads and redemption discounts for the acquisition and the redemption. The management company has to disclose the remuneration in the annual report and in the semi-annual report, which was charged to the UCITS fund as a management fee for the units or units held in the UCITS fund by the management company itself, by another management company. The management company shall disclose in the annual report and

in the semi-annual report the remuneration charged to the UCITS fund by the management company itself, by another management company or by another company with which the management company is linked by a substantial direct or indirect holding as management remuneration for the units or units held in the UCITS fund.

§ 9 **Fiscal year**

The fiscal year of the UCITS fund shall begin on 1 February and end on 31 January of each year.

APPROPRIATION OF INCOME AND FISCAL YEAR

§ 7 **Distribution**

1. In principle, the management company shall distribute the dividends, interest and income from investment units as well as fees from lending and repurchase transactions accrued during the fiscal year for the account of the UCITS fund and not used to cover charges taking into account the associated income equalisation on a pro rata basis per unit class. Realised capital gains and other income taking into account the corresponding income equalisation may also be used for distribution on a pro rata basis.
2. Distributable pro rata income pursuant to paragraph 1 may be carried forward for distribution in subsequent fiscal years to the extent that the sum of the income carried forward does not exceed 15 per cent of the respective value of the UCITS fund at the end of the fiscal year. Income from short fiscal years may be carried forward in full.
3. In the interest of asset preservation, a portion of the income or, in special cases, all of the income may be reinvested in the UCITS fund.
4. The distribution is carried out annually within four months after the close of the fiscal year. Interim distributions are permitted.

§ 8 **Accumulation**

For the accumulating unit classes, the management company shall reinvest the interest, dividends and other income accrued during the fiscal year for the account of the UCITS fund and not used to cover charges – taking into account the associated income equalisation – as well as the realised capital gains of the accumulating unit classes in the UCITS fund, on a pro rata basis.

Lupus alpha Sustainable Convertible Bonds

WKN		Custodian	
Unit class "C"	A2DTNQ		
Unit class "CAV"	A2QNKK		
Unit class "R"	A2DTNW		Kreissparkasse Cologne
ISIN		Custodian fee	
Unit class "C"	DE000A2DTNQ7		
Unit class "CAV"	DE000A2QNKK4		0.05 per cent p.a., at least
Unit class "R"	DE000A2DTNW5		EUR 20,000 p.a.
Time of inception		Minimum investment amount	
Unit class "C" Unit class "CAV" Unit class "R"	1 March 2018 8 November 2021 10 December 2020	Unit class "C" Unit class "CAV" Unit class "R"	EUR 50,000 EUR 50,000,000 none
Front load		Fund currency	
Unit class "C" Unit class "CAV" Unit class "R"	up to 4.00 per cent up to 4.00 per cent up to 4.00 per cent		Euro
End of fiscal year		Other charges	
	31 January		see section "Management and other costs".
Management fee		Appropriation of income	
Unit class "C" Unit class "CAV" Unit class "R"	currently 0.75 per cent p.a. currently 0.45 per cent p.a. currently 1.35 per cent p.a.	Unit class "C" Unit class "CAV" Unit class "R"	distributing accumulating distributing
Overseas distribution			
Austria			

ADDENDUM DESTINÉ AU PUBLIC EN FRANCE

La Directive Européenne n° 2009/65/CE du 13 juillet 2009 portant coordination des dispositions législatives, réglementaires et administratives concernant certains organismes de placement collectif en valeurs mobilières (OPCVM), instaure des règles communes en vue de permettre la commercialisation transfrontalière des OPCVM qui s'y conforment. Ce socle commun n'exclut pas une mise en œuvre différenciée. C'est pourquoi un OPCVM européen peut être commercialisé en France quand bien même son activité n'obéit pas à des règles identiques à celles qui conditionnent en France l'agrément de ce type de produit.

Le présent addendum fait corps avec le prospectus de « Lupus alpha Sustainable Convertible Bonds » (ci-après dénommé « l'OPCVM ») daté de janvier 2022.

1. Précisions sur les facilités mises à disposition des investisseurs

Conformément à l'article 93, paragraphe 1, de la directive 2009/65/CE, vous trouverez ci-après des informations sur les facilités permettant d'accomplir les tâches visées à l'article 92, paragraphe 1, de la directive :

- **Traitement des ordres de souscription, de rachat et de remboursement et des autres paiements aux porteurs de l'OPCVM :**

Les souscriptions, rachats et remboursements peuvent être adressés au dépositaire. Les paiements relatifs aux titres de l'OPCVM seront effectués par le dépositaire.

- **Fourniture aux investisseurs des informations sur la façon dont les ordres peuvent être passés et comment les produits des rachats et des remboursements sont payés :**

Les informations sur la manière dont les ordres peuvent être passés et comment les produits des rachats et des remboursements sont payés peuvent être obtenues auprès du dépositaire.

- **Facilitation du traitement des informations et de l'accès aux procédures et modalités visées à l'article 15 de la directive 2009/65/CE relatives à l'exercice, par les investisseurs, des droits liés à leur investissement dans l'OPCVM dans l'État membre où est commercialisé ce dernier :**

Les informations peuvent être obtenues auprès du dépositaire.

- **Mise à disposition des investisseurs des informations et des documents requis en vertu du chapitre IX, dans les conditions définies à l'article 94 :**

Les informations peuvent être obtenues auprès de la Société de gestion.

Le dernier prix d'émission, de vente, de rachat ou de remboursement des titres sont disponibles au siège social de la Société de gestion, sur le site Internet de la Société de gestion (www.lupusalphade.com).

Contact du dépositaire pour les besoins des facilités mentionnées ci-dessus :

Kreissparkasse Köln
Handels- und Treasury Service
Neumarkt 18-24
50667 Koeln

730-order@ksk-koeln.de
+49 221 227 - 6435
+49 221 227 - 2844
Fax: +49 221- 227 – 8603

Contact de la Société de gestion pour les besoins des facilités mentionnées ci-dessus :

Lupus alpha Investment GmbH
Speicherstraße 49-51
60327 Francfort-sur-le-Main
Tel.: +49 69 365058 7000
Fax: +49 69 365058 8700

Point de contact pour les investisseurs
Service Center
Tel.: + 49 69 365058 7000
Email: info@lupusalpha.de

2. Catégories de titres autorisées à la commercialisation en France

Seules les catégories listées ci-dessous ont reçu, de l'Autorité des marchés financiers (AMF), une autorisation de commercialisation en France.

Nom	Date d'autorisation
Lupus alpha Sustainable Convertible Bonds C	3 Juin 2022
Lupus alpha Sustainable Convertible Bonds R	3. Juin 2022

3. Conditions de souscription et de rachat

Parmi les différentes règles de souscriptions et de rachats prévues par le prospectus, la société de gestion peut suspendre temporairement le rachat des parts en cas de circonstances exceptionnelles rendant cette suspension nécessaire compte tenu des intérêts des investisseurs.

La société de gestion applique par ailleurs un dispositif de *swing pricing* partiel. Ce mécanisme ne s'applique que si les excédents de rachats excèdent, le jour d'évaluation concerné, un seuil fixé par la société.

La société détermine le seuil sur la base de plusieurs critères tels que les conditions de marché, la liquidité du marché et l'analyse des risques. Le facteur de *swing pricing* ne dépasse pas 5 % de la valeur nette d'inventaire.

Dans des circonstances de marché exceptionnelles, un facteur de swing plus élevé peut être fixé, sans toutefois dépasser 10 % de la valeur nette d'inventaire. La société publie sur son site Internet un avis indiquant une telle augmentation dans ce cas.

4. Fiscalité

L'attention des investisseurs fiscalement domiciliés en France est attirée sur l'obligation de procéder à la déclaration des revenus qui, résultant des cessions ou conversions des parts des fonds, sont soumis au régime des plus-values sur valeurs mobilières.