

Lupus alpha

Lupus alpha Investment GmbH, Frankfurt am Main

Important Information for Unitholders

Investor Information on the Amendment to the Special Investment Conditions as of 1 September 2023

Lupus alpha Volatility Risk-Premium

(ISIN share class C: DE000A1J9DU7 / ISIN share class R: DE000A3DD2R4)

With the approval of the German Federal Financial Supervisory Authority (BaFin), Lupus alpha Investment GmbH is amending the "Special Investment Conditions " of the UCITS fund "Lupus alpha Volatility Risk-Premium" (ISIN share class C: DE000A1J9DU7 / share class R: DE000A3DD2R4) with effect from 1 September 2023. The background to the change is the redesign of the share classes, the increase in the management fee and the introduction of reinvestment as a further design feature of the appropriation of income. The planned increase in costs will only affect investors in unit class "R":

The updated Special Investment Conditions are listed below:

Special investment conditions 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 man-agement company pursuant to the UCITS Directive

"Lupus alpha Volatility Risk-Premium"

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

INVESTMENT PRINCIPLES AND INVESTMENT LIMITS

§ 1 Assets

The management company may acquire the following assets for the UCITS-special 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

Article 10 of the General Terms of Investment.

§ 2 Investment limits

1. The UCITS fund may invest its funds entirely in securities pursuant to Section 1 (1). The securities taken under repurchase agreements shall be count-ed towards the investment limits of section 206 (1) to (3) KAGB.

2. The UCITS fund may invest its funds entirely in bank deposits in accordance with section 6 of the "General Terms of Investment". The bank balances held for the UCITS fund shall be counted towards this limit. The money market instruments purchased are to be offset against the investment limits of § 206 Para. 1 to 3 KAGB.
3. 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.
4. The management company may invest 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
 - 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 that 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-special fund.

5. The UCITS fund may invest its funds entirely in bank deposits in accordance with § 7 sentence 1 of the "General Terms of Investment". The money market instruments acquired for the UCITS fund shall be counted towards this limit.
6. Up to 10 per cent of the value of the assets of the UCITS may be held in investment units in accordance with § 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 may be formed for the UCITS fund in derogation of § 16 para. 2 of the "General Terms and Conditions of Investment" which differ with regard to the appropriation of income, the currency of the unit value, the use of currency hedging transactions, the issue premium, the minimum investment amount, the distribution fee, the management fee, the custodian fee, the performance fee or a combination of these features. The creation of share classes is permitted at any time and is at the discretion of the Company.
2. Currency hedging transactions may be entered into exclusively for the benefit of a single currency unit class. For currency unit classes hedged in favour of the currency of that unit class (the reference currency), the management company may also, irrespective of Article 9 of the General Terms, employ derivatives as defined by Article 197 (1) KAGB on exchange rates or currencies in order to prevent losses of net asset value through exchange rate losses on assets held by the UCITS fund that are not denominated in the reference currency of the unit class.
3. The unit value shall be calculated separately for each unit class by allocating the costs of launching new unit classes, the distributions (including any taxes to be paid from the UCITS fund), the distribution fee, the performance fee, the management fee, the custodian fee and the results from currency hedging transactions attributable to a specific unit class, including income equalisation where applicable, exclusively to that unit class.

4. The respective existing unit classes shall be listed individually both in the sales prospectus and in the annual and semi-annual reports. The characteristics of the unit classes (use of income, currency of the unit value, front-end load, minimum investment amount, distribution fee, management fee, custodian fee, performance fee or a combination of these characteristics) are described in detail in the sales prospectus and in the annual and semi-annual report.

UNITS, ISSUE PRICE, REDEMPTION PRICE, REDEMPTION OF UNITS AND CHARGES

§ 4 Units

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

§ 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 issue premium for the UCITS-special fund or for one or more unit classes or to refrain from charging an issue premium.
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 per cent of the average net asset value of the UCITS fund in the accounting 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-special 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 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 UCITS 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 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 0.04 per cent of the average net asset value of the UCITS fund in the accounting period, calculated from the month-end values (but at least EUR 8000 per year). The remuneration 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 6 n) as reimbursement of expenses may amount in total to up to 1,17 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. In addition to the aforementioned fees, the management company may receive a performance fee per unit issued of up to 20 per cent of the amount by which the performance of the units at the end of an accounting period exceeds the return on a money market investment used as a benchmark by 3.00 per cent ("hurdle rate") in that accounting period, but in total not more than 2.00 per cent of the average net asset value of the fund in the accounting period, calculated from the values at the end of each month. If the unit value at the beginning of the accounting period is lower than the highest unit value of the fund achieved at the end of the five preceding accounting periods (hereinafter "high water mark"), the high water mark shall replace the unit value at the beginning of the accounting period for the purpose of calculating the unit value development pursuant to sentence 1. If there are fewer than five previous accounting periods for the fund, all previous accounting periods shall be taken into account when calculating the remuneration claim.

The costs charged to the fund may not be deducted from the performance of the benchmark index before the comparison.

The €STR (ESTRON Index) is set as the benchmark.

The accounting period will begin on 1 January and end on 31 December of a calendar year. The first accounting period shall begin with the entry into force of this cost regulation and shall end only on the second 31 December following the entry into force of this cost regulation.

The performance fee is determined by comparing the performance of the €STR index with the performance of the unit value, calculated according to the BVI method, during the accounting period. In order to determine the unit value performance of the UCITS fund, the unit value at the end of the fiscal year is compared with the unit value at the end of the previous year, whereby distributions and tax payments made to the detriment of the UCITS fund are added back to the unit value (BVI method).

In accordance with the result of a daily comparison, an arithmetically accrued performance fee shall be set aside in the special fund per unit issued or a provision already booked shall be released accordingly. Written back provisions revert to the fund. A performance fee may only be withdrawn if corresponding provisions have been formed.

6. Besides the aforementioned remuneration the following expenses will be for the expense of the UCITS-special 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 required by law for the investors (annual and semi-annual reports, prospectus, PRIIP KID);
 - 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-special fund by the auditor of the financial statements of the UCITS-special 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) The costs of the assertion and enforcement by the management company of legal claims for the account of the UCITS fund and of defence by the management company against claims made against the management company to the detriment of the UCITS fund;
 - h) fees and charges, which are charged by state bodies with regard to the UCITS-special fund;
 - i) costs for legal and tax advice with regard to the UCITS-special 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 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 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 UCITS fund in the accounting period calculated from the values at the end of each month.
7. In addition to the fees and expenses above, costs arising in connection with the acquisition and disposal of assets are charged to the UCITS Fund.

8. 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-special fund as a management fee for the units or units held in the UCITS-special 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 it-self, by another management company or by an-other 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.

APPROPRIATION OF INCOME AND FISCAL YEAR

§ 7 Distribution

1. For the distributing classes of Shares, the Company shall, in principle, distribute for the account of the Company the income received during the financial year for the unit holders of the UCITS fund and not used to cover charges, taking in-to account the associated equalization paid. Realized capital gains, taking into account the related income equalization, may also be used for distribution.
2. Income pursuant to Paragraph 1 that is capable of distribution may be carried forward for distribution in later fiscal years to the extent that the total amount of the forwarded income does not exceed 15 per cent of the respective value of the UCITS-special fund as of the end of the fiscal year. Income from short fiscal years may be carried forward in full.
3. In the interest of the retaining substance in-come may partly, in special cases also in full, be deter-mined for re-investment in the UCITS-special 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 Company shall reinvest the interest, dividends and other income accrued during the financial year for the account of the UCITS fund and not used to cover costs - taking into account the associated income equalization - as well as the realized capital gains of the accumulating unit classes in the UCITS fund on a pro rata basis.

§ 9 Fiscal year

The fiscal year of the UCITS-special fund will begin on 1 January and end on 31 December of each year.

Unit holders of the UCITS fund may redeem their units at no further cost at Lupus alpha Investment GmbH or exchange them for units in another fund that is compatible with the previous investment principles, provided that such a fund is managed by Lupus alpha Investment GmbH.

Further information is available free of charge from Lupus alpha Investment GmbH, Speicherstrasse 49-51, 60327 Frankfurt am Main, on request by telephone +49 69 365058-7000, by e-mail info@lupusalpha.de or via our website www.lupusalpha.de.

An updated edition of the sales prospectus for the designated UCITS fund will be published on 1 September 2023, which is available free of charge on request from Lupus alpha Investment GmbH, Speicherstrasse 49-51, 60327 Frankfurt am Main, or can be downloaded free of charge at any time from www.lupusalpha.de.

Frankfurt am Main June 2023

Lupus alpha Investment GmbH
The Management Board