

**Sales Prospectus**  
August 2015 Edition

**SUNARES**

**This translation is for courtesy purposes only.  
We make no claim as to the accuracy or validity of this text.  
The actual German original Sales Prospectus shall prevail.**

**Name of the sub-fund:**

SUNARES – Sustainable Natural Resources

**Currency of the sub-fund:**

SUNARES – Sustainable Natural Resources: EUR

**Security code no.:**

SUNARES – Sustainable Natural Resources: A0ND6Y

**ISIN:**

SUNARES – Sustainable Natural Resources: LU0344810915

**Date of the first net total valuation:**

04.03.2008

**Transaction fees:**

max. 0.20 % of the actual amount in the case of shares  
max. 0.10 % of the face value or the possible higher list price in the case of fixed or variable interest securities  
max. 0.05 % in the case of unit trusts

**Issue price:**

SUNARES – Sustainable Natural Resources: EUR 100,-

**Sales commission:**

SUNARES – Sustainable Natural Resources: max. 5 %

**Custodian bank fee:**

SUNARES – Sustainable Natural Resources: max. 0,10 % p.a.

**Appropriation of earnings:**

SUNARES – Sustainable Natural Resources: Distributing

**Administration fee:**

SUNARES – Sustainable Natural Resources: max. 1,85 % p.a.  
payable monthly in arrears on the average net sub-fund assets plus EUR 3,000 p.a. from the second share class

**Focus of investments:**

SUNARES – Sustainable Natural Resources: Investment in shares of companies which deal primarily with the elements of earth and water. Among the core sectors are water

management, agriculture and forestry, beverages & food, energy, alternative energy, raw materials and precious metals.

**End of the financial year:**

SUNARES – Sustainable Natural Resources: 31<sup>st</sup> January

**Performance of the sub-fund:**

An overview of key points for investors is attached in the form of a Key Investor Information Document (KIID).

**Further detailed information on the relevant sub-funds is given in the Special Section of the sales prospectus.**

### **Information for investors in relation to the United States of America**

The management company can restrict or forbid the ownership of shares of the fund for any individual who is taxable in the United States of America (USA). A natural person will be considered subject to tax in the USA under the following examples:

- a) someone born in the USA or in its wider sovereign territories,
- b) naturalised citizens of the USA (including green card holders),
- c) someone born outside of US territories to parents of US citizens,
- d) someone who is not a US citizen but who lives predominantly in the USA or,
- e) Someone married to a US citizen.

Those considered to be taxable legal persons in the USA are for example the following:

- a) Corporations and entities that have been established under the laws of any of the 50 US States or under Columbia District
- b) a corporation or partnership, which was founded by or under an Act of Congress
- c) A pension fund that was founded as a US-Trust

## **SUNARES (Société d'Investissement à Capital Variable)**

SUNARES is an investment company (hereinafter called “Company” or “Fund”) with variable capital, which was established on 14<sup>th</sup> February 2008 as a Société d'Investissement à Capital Variable.

The provisions of the law on trading companies dated 10th August 1915 apply, as a “Société d'Investissement à Capital variable” (“SICAV”).

The capital of the individual sub-funds is mainly invested in shares, interest-bearing securities (fixed and variable interest-bearing bonds incl. zero coupon bonds), convertible loan stocks, certificates of beneficial interest and participating certificates, certificates and any other assets permitted by law. No investment of the fund capital is made in derivatives of any kind.

### **SUNARES – Sustainable Natural Resources:**

The intention is to attain shares in companies relating to the elements of earth and water (Yin principle). Core sectors are water management, agriculture and forestry, beverages & food, energy, alternative energy, raw materials and precious metals.

The purchase of shares in the company takes place on the basis of this prospectus supplemented by the respective latest audited annual report to the previous 31st January and additionally through the respective unaudited half-yearly report to the previous 31st July, if this is more recent than the latest annual report.

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No information other than that contained in this prospectus or the documents mentioned in the prospectus and available to the public may be issued. Every purchase of shares on the basis of information or declarations not contained in this prospectus is done exclusively at the risk of the buyer.

The sales prospectus has been divided into two sections. In the “General Section” there are details and descriptions relating to all of the sub-funds and/or the company as a whole, whereas the “Special Section” describes specific features of the relevant sub-fund. The “Special Section” is an integral part of the sales prospectus.

**GENERAL SECTION OF THE SALES PROSPECTUS  
regarding the company SUNARES**

**SUNARES**

26, Avenue de la Liberté,  
L-1930 Luxembourg, Principality of Luxembourg

**Administrative Board:**

**Managing Member of the  
Administrative Board:**

Udo Sutterlüty  
Managing Director  
Sutterlüty Investment Management GmbH  
Austria

**Members of the Administrative  
Board:**

Colin Moor  
Managing Director  
Rometsch& Moor Ltd., London

Ralf Funk  
Board Member and Director  
VP Fund Solutions (Luxembourg) SA  
Luxemburg

**Management Company, Office of Registration and Transfer**

VP Fund Solutions (Luxembourg) SA  
26, Avenue de la Liberté  
L-1930 Luxembourg

**Administrative Board of the  
Management Company:**

Christoph Mauchle  
President of the Board of Directors  
VP Fund Solutions (Luxembourg) SA  
Luxemburg

Romain Moebus  
Vice President of the Board of Directors,  
VP Fund Solutions (Luxembourg) SA  
Luxemburg

Eduard von Kymmel  
Board Member and CEO  
VP Fund Solutions (Luxembourg) SA  
Luxemburg

Ralf Funk  
Board Member and Director  
VP Fund Solutions (Luxembourg) SA  
Luxemburg

**Executive Board of the  
Management Company**

Eduard von Kymmel  
Ralf Funk

**Custodian Bank**

VP Bank (Luxembourg) SA  
26, Avenue de la Liberté  
L-1930 Luxembourg  
Principality of Luxembourg

**Portfoliomanager:**

VP Fund Solutions (Liechtenstein) AG  
Aeulestrasse 6  
FL-9490 Vaduz  
Liechtenstein

**Investment consultants:**

Rometsch & Moor Ltd.  
Lloyd's Building  
One Lime Street  
London  
EC3M 7HA  
United Kingdom

Sutterlüty Investment Management GmbH  
Hub 734  
6863 Egg (Vorarlberg)  
Austria

**Paying agents:**

In Luxembourg: VP Bank (Luxembourg) S.A.  
26, Avenue de la Liberté  
L-1930 Luxembourg  
Principality of Luxembourg

In Germany:  
HSBC Trinkaus & Burkhardt AG  
Königsallee 21-23  
D-40212 Düsseldorf  
and its branches in Germany

In Austria:  
Erste Bank der Österreichischen Sparkassen AG  
Graben 21  
A-1010 Wien

In Liechtenstein:  
VP Bank AG  
Aeulestraße 6  
FL-9490 Vaduz

In the United Kingdom:  
Global Funds Registration  
7 Chertsey Road  
Woking  
Surrey  
GU21 5AB  
United Kingdom

**Independent Auditors:**  
KPMG Audit S.à r.l.  
Réviseur d'Entreprises  
9, allée Scheffer  
L-2520 Luxembourg  
Principality of Luxembourg

**Legal advisors for the company:**  
Arendt & Medernach  
14, rue Erasme  
L-2082 Luxembourg  
Principality of Luxembourg

Copies of the Sales Prospectus are available from the registered office of the Management Company, 26, Avenue de la Liberté, L-1930 Luxembourg

## **1. The company**

SUNARES is an investment company (hereinafter called “company” or “fund”) with variable capital, which was established on 14<sup>th</sup> February 2008 as a “Société d’Investissement à Capital variable” („SICAV“).

The provisions of the law on trading companies dated 10th August 1915 apply as a “Société d’Investissement à Capital variable” („SICAV“).

The sales documents were amended with effect from February 2012 in order that they comply with Part I of the Law dated 17<sup>th</sup> December 2010 concerning undertakings for collective investments (the “Law dated 17<sup>th</sup> December 2010”) as well as the requirements of the amended Directive of the European Parliament 2009/65/EG and of the Council of 13<sup>th</sup> July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (“Guideline 2009/65/EG”).

The accounting year for the company ends on each 31st January

KPMG Audit S.à r.l., Réviseur d’Entreprises in Luxembourg, has been and is appointed as the fund’s independent auditors.

The company is a so-called "umbrella" fund, i.e. the Company consists of one or more sub-funds within the meaning of Article 181 of the Law of 17<sup>th</sup> December 2010. The entirety of the sub-fund amounts to the Company (or the "Umbrella Fund"). The company is not limited either in terms of time or value.

New sub-funds can be launched and/or terminated or merged at any time.

Sub-funds can be established on either specific or indefinite time periods.

Upon creation of new Sub-Funds, the Prospectus will be updated accordingly.

Each investor participates in the company via a sub-fund.

Each sub-fund counts as being a separate fund in proportion to the shares owned by the shareholders.

The rights and duties of the share owner of a sub-fund are separate from the rights of other shares owners.

The net assets of each sub-fund will be reported both individually and separately in the financial statements.

The consolidation will be in EUR.

In relation to third parties, each sub-fund is only liable for those liabilities that are attributable to that particular sub-fund.

The company is not limited either in terms of time or value.

The currently valid version of the Articles of Association of the Company is recorded and published in the Mémorial and in the Trade and Companies Register of Luxembourg.

All amendments to the Articles of Association will be published and recorded in the Mémorial.

By acquiring shares of the Fund shareholders recognize the Articles of Association and its authorized and recorded changes.

The Company is registered with the Trade and Companies Register of Luxembourg under number B136745.

The last change to the Articles of Association took place on 28 February 2014 and will be/ was published in Mémorial on 12 March 2014.

The capital of the company is the sum total of the net assets of the Fund. For changes in capital, the general rules of the Law of 1915 concerning the publication and entry in the commercial register with regard to the increase and reduction of share capital are not relevant. The company's minimum capital is the counter value of EUR 1,250,000 and will be achieved inside of six months after the founding of the company.

The initial capital of the company amounted to EUR 31.000, and was divided into 310 shares with no par value. If the Company's capital falls below two thirds of the minimum capital, the Board of Directors shall propose the dissolution of the Company at the Shareholders' Meeting;

the shareholders' meeting will take place without any duty to attend and will be decided by a simple majority of the shares represented at the meeting. It is similarly the case if the capital of the company falls below a quarter of the minimum capital, whilst in this case the vote can be decided by a quarter of the shares represented at the meeting.

## **2. The Depositary Bank (custodian) and Paying Agent**

The depositary bank for the company is VP Bank (Luxembourg) S.A. The depositary bank is a limited company in accordance with the laws of Luxembourg, registered at 26, Avenue de la Liberté, L-1930 Luxembourg.

It was granted the authorization to carry out banking transactions of all kinds within the meaning of the amended law of 5<sup>th</sup> April 1993 for the financial sector.

The Custodian bank is responsible for the safekeeping of the fund's assets.

The function of the custodian bank is governed by the law of 17 December 2010, the Custodian and Principal Paying Agent Agreement as well as the Articles of Incorporation and the Prospectus.

The Custodian acts in the interest of the shareholders.

The Custodian may entrust the custody of the fund assets, in whole or in part, to securities clearing operations, correspondent banks or other third parties.

This is in particular the case for assets that are officially listed on a foreign stock exchange or traded on a foreign market, and for assets that are admitted to custody under a foreign clearing system.

Foreign securities that are purchased or sold abroad or which the company holds using a Custodian domestically or abroad are often subject to a foreign jurisdiction and legal systems.

Therefore, rights and obligations of the Custodian or the Company shall be governed by these laws, which may also provide for disclosure of the name of the investor.

The investor should be aware when purchasing shares of the Company, that the Custodian shall provide any appropriate information to foreign jurisdictions, as it has a legal and / or regulatory obligation to do so.

Both the Custodian and the Management Company shall be entitled to terminate the custody order at any time in accordance with the Custody Agreement.

In such circumstance, the Management Company will make every effort to appoint another bank as Custodian subject to the approval of the competent authority within two months;

until the appointment of a new Depositary/ custodian the previous Custodian shall continue to fulfil its obligations, to protect the interests of the shareholders as custodian, in full.

The Custodian has further been appointed as the Principal Paying Agent for the Company, with the obligation to pay any dividends and the redemption price for redeemed shares in the fund and any other payments.

### **3. Management Company, Fund Accounting and Investment Advisors**

The management company is VP Fund Solutions (Luxembourg) SA, a limited company in accordance with the laws of Luxembourg and its registered address is 26, Avenue de la Liberté, L-1930 Luxembourg. VP Fund Solutions (Luxembourg) SA was established on 28<sup>th</sup> January 1993 with the name De Maertelaere Luxembourg S.A. and its Articles were published in Mémorial on 30<sup>th</sup> April 1993.

The latest amendment of the Articles of VP Fund Solutions (Luxembourg) SA took effect on 03 August 2015. In the context of this amendment the company name “VPB Finance S.A.” was changed to “VP Fund Solutions (Luxembourg) SA”. The Management Company is registered under registration number B 42828.

The capital of the Management Company stood at CHF 5,000,000 as of 31 December 2014.

It is approved as a management company within the meaning of Section 15 of the Act of 17 December 2010.

The purpose of the company is the creation and management of undertakings for collective investment in transferable securities ("UCITS") within the meaning of Directive 2009/65/EC and of other undertakings for collective investment ("UCI").

The Management Company shall perform all such functions relating to day-to-day management of the company.

In particular, the Management Company shall undertake the functions of central administration and is therefore also responsible for fund accounting (including recording the net asset value), as well as other administrative responsibilities on behalf of the Company in addition to its function as Registrar and Transfer Agent.

The Management Company may pass on part of the management fee and all or part of any sales charges to its distribution partners in the form of commission payments for their mediation services.

The amount of commission payments will be calculated depending on the role undertaken in distribution of the shares or based on the average value of operations according to the fund volume.

This means that a substantial portion of the management fee in the form of commission payments can be passed on to distributors of the Management Company.

In addition trail fees can flow, in whole or in part, from target fund investments\* to the Custodian, the Portfolio Manager, the Management Company or the Distributors (\*target fund investment means units of funds that the fund itself purchases as part of the holdings of the fund).

In addition a proportion of the annual management fee for this fund can flow from target fund investments of this fund, in whole or in part, as reimbursement to the Custodian, the Investment Manager, the Management Company or the Distributors.

The distributor can also earn an additional payment from the Management Company, beyond the management fee, if they also sell products from the entire range of the Management Company to a level that exceeds a predefined threshold.

In addition, the Management Company can make further contributions to its distribution partners in the form of support in kind (e.g. staff training) and, if applicable, bonuses to

reward success, being associated with the mediation services of the Distributors but which are not invoiced separately to the fund's assets.

These awards are not in conflict with investors' interests but are designed to maintain and continue to improve the quality of services by the distribution partners.

More information about these awards is available directly from the distribution partners. The Management Company acts at all times independently of the custodian and solely in the interest of the shareholders.

The Management Company, in connection with the administration of the assets of the Company, may delegate to a third party under their own responsibility and control their own activities in whole or in part.

In addition to the company described in this Prospectus, the Management Company currently manages other funds.

A list of names of these funds is available free of charge and on request at the registered office of the Management Company.

### **Registrar and Transfer Agent**

The function of the Registrar and Transfer Agent of the Company is exercised by the management company.

The Registrar and Transfer Agent is responsible for the execution of requests for subscription, redemption, conversion and transfer of shares and for maintaining the share register.

### **Fund Accounting**

The Management Company has outsourced fund accounting to: Internationale Kapitalanlagegesellschaft mbh, Yorckstraße 21, D-40476 Düsseldorf.

### **Portfolio Management**

VP Fund Solutions (Liechtenstein) AG has been selected as the Portfolio Manager for the Fund.

VP Fund Solutions (Liechtenstein) AG is registered with the Office of Justice of the Principality of Liechtenstein under company registration number FL-0002.000.772-7. The company's registered office is located at Aeulestrasse 6, FL-9490 Vaduz, Liechtenstein.

The Management Company continuously monitors and is responsible for the Portfolio Manager's activities in relation to this investment fund.

The Portfolio Manager may delegate its duties in part or in whole with the prior consent of the Management Company but shall continue to bear responsibility for portfolio

management and the resulting costs. Any delegation of individual duties must be reported in the form of an amendment to this Sales Prospectus.

The Portfolio Manager is not entitled to accept monies or securities from customers.

### **Investment Advisors**

The Board of Directors of the Management Company is assisted in the management of the Company assets by investment advisers.

The relevant fee for the respective investment adviser is paid by the Manager from the fees collected and received by the Manager.

ROMETSCH & Moor Ltd., Great Britain and SUTTERLÜTY Investment Management GmbH, Austria have been appointed as investment advisers for the assets of the company. Investment decisions remain with the management company.

ROMETSCH & MOOR Ltd., United Kingdom  
- Colin Moor

Colin Moor is CEO and partner of the London-based private asset management company Rometsch & Moor Ltd and has been responsible for investment management with the company since July 1999. Prior to this he was a director of Private Banking in UBS London.

SUTTERLÜTY Investment Management GmbH, Austria  
- Udo Sutterlüty

Udo Sutterlüty was treasurer and senior fund manager from 1998 to the beginning of 2008 and from 2002 was already responsible for the management of five publicly listed funds. Subsequently he founded Sutterlüty Investment Management GmbH. Prior to this he worked in Vienna as the head of dealing for share and derivative trading after previously being a market maker for options and futures on the Austrian Futures and Options Exchange (ÖTOB).

The Investment Advisers are not entitled to receive any subscription monies for the fund from investors.

### **4. Investment Policy and Investment Limits**

The company assets are invested observing the basic principle of risk spreading in accordance with the basic principles of investment policy, as well as within the investment limits set out below. The administrative board of the company determines the

investment policy of the respective sub-funds in the Special Section of the sales prospectus.

**A.** The company aims to purchase only those assets for each sub-fund which can be expected to yield an income and/or growth with the goal of generating a reasonable, steady or high growth in value. The assets of a sub-fund can basically be invested in shares, share certificates, interest-bearing securities (fixed and variable interest-bearing bonds incl. zero coupon bonds), convertible loan stocks, certificates of beneficial interest and participating certificates, certificates and any other assets permitted by law.

Liquid funds may also be held for the individual sub-funds.

Shares in other UCITs and other UCIs may only be purchased for the net sub-fund assets to a total of 10% of the net worth of the sub-fund.

The company refrains from investing the company assets in derivatives of any kind.

## **B. Notes on risks and risk factors:**

### **1. General notes on risks:**

Shares in funds are securities, the prices of which are determined directly or indirectly by the daily fluctuations in rates of the assets in the fund on the exchanges and can therefore fall as well as rise.

**No assertion is made that the investment policy goals will be achieved.**

### **2. Risk Factors**

An investment in the sub-fund is associated in particular with the following risk factors:

#### a) Interest rate change risk

To the extent the fund is invested in interest-bearing securities it is exposed to potentially fluctuating interest rates. If the market interest rate level rises then the market value of the interest-bearing securities belonging to the fund can fall significantly. This applies to an increased extent if the fund also includes interest-bearing securities with longer remaining terms and lower nominal interest.

#### b) Creditworthiness risk

The creditworthiness (ability and willingness to pay) of the issuer of a security held in the fund can fall afterwards. This generally leads to a decline in prices, which extends beyond the general market fluctuations.

#### c) General market risk

So far as the fund is invested in shares, it is exposed to many trends and tendencies on the stock market based partially also on irrational factors. This can lead to a possibly considerable and long-term decline in prices affecting the whole market. Securities from first class issuers are basically exposed in the same way to the general market risk.

#### d) Company-specific risk

The price trend of the securities and money market instruments held in the fund is also dependent on company-specific factors, for example the economic position of the issuer. If the company-specific factors deteriorate then the market value of the specific security can fall significantly and permanently, possibly even if there is a general positive trend on the exchanges.

e) Counterparty risk

The issuer of a security or money market instrument held in the fund or the debtor of a debt belonging to the fund can default. The corresponding assets in the fund can become economically worthless as a result.

f) Contracting party risk

So far as transactions for the fund are not done on a stock exchange or a regulated market (“OTC transactions”), there is the risk that the counterparty of the transaction defaults or does not fulfil its obligations fully.

g) Currency risk

If the fund holds assets in foreign currencies then they are exposed to a currency risk (unless foreign currency items are hedged). A possible devaluation of the foreign currency in relation to the base currency of the fund leads to the value of the assets in the foreign currency falling.

h) Sector risk

In the case of industry funds, the risk cannot be spread across various sectors due to the very specification of the investment goals. Industry funds are dependent in a particular way on the trends in company profits in a single sector or related ones. A corresponding sector risk also exists if individual sectors have too great a weight in a fund.

i) Liquidity risk

In the case of illiquid (narrow market) securities even a not altogether large order can lead to significant price changes when purchased or sold. If an asset is not liquid there is the danger that if the asset is to be sold it can only be done by accepting a significant deduction on the purchase price, or not at all. In the case of a purchase the illiquidity of an asset can lead to a significant increase in the purchase price.

j) Country and transfer risk

Economic or political instability arising in countries in which the sub-fund is invested can lead to the fund not receiving the money for the respective securities or not to the full extent despite the creditworthiness of the issuer. Decisive factors here can be currency or transfer restrictions, for example, or other legal changes.

k) The doubling of fees when investing in target funds

To the extent that the Fund invests in shares of target funds that are issued and / or managed by other companies, it should be noted that, where applicable, sales charges and

redemption fees and additional fees for their services will apply and be charged for these target funds.

### **C. Profile of the investors**

These details are defined in the Special Section of the sales prospectus relating to each sub-fund.

### **D. Performance of the sub-fund**

An overview of each sub-fund is attached to the KIID.

### **E. Risk profile of the sub-fund**

These details are defined in the Special Section of the sales prospectus relating to each sub-fund.

### **F. General guidelines for the investment policy**

The investment goals and the specific investment policy of each fund are set down on the basis of the following general guidelines in the Special Section of the sales prospectus for the respective sub-fund.

The following definitions apply:

"Third country": Third country within the meaning of this sales prospectus means any European state that is not a member of the European Union as well as every state of America, Africa Asia or Australia and Oceania.

„Member State“: Member State within the meaning of the Law of 17 December 2010, is every Member State of the European Union. A Member State within the meaning of the Law of 17 December 2010 also applies to each State participating in the Agreement for the European Economic Area ("EEA Agreement"), which is itself not a Member State of the European Union and assimilated within the limits defined by the afore-mentioned EEA Agreement and related documents .

" Money market instrument " :  
Instruments, which are normally traded on the money markets, are liquid and the value of which can be determined exactly at any time.

" the Law of 17 December 2010":  
The Law of 17 December 2010 on undertakings for collective investment (including subsequent amendments and supplements).

“UCI”:  
Undertaking for collective investments.

“OECD”:  
Organisation for Economic Co-operation and Development.

“UCITS”:  
Undertaking for collective investment in transferable securities, which is subject to the guidelines 2009/65/EC.

" Securities " : - shares and other securities equivalent to shares (“shares”)  
- bonds and other bonded debts (“bonds”)

- all other marketable securities which give entitlement to securities through subscription or exchange

The investment policy of a sub-fund is subject to the following regulations and investment restrictions:

Owing to the specific investment policy of a sub-fund it is possible that some of the investment opportunities mentioned below cannot be applied to particular sub-funds. This will be mentioned if appropriate in the Special Sections of the sales prospectus and in the KIID of the respective sub-fund.

In the event that the Fund has more than one sub-fund, each sub-fund is treated as a separate UCITS under the terms of the investment policy, the investment objectives and restrictions on the funds.

### **1. Investments of the fund can comprise the following assets:**

- Transferable securities and money market instruments that are listed or traded on a regulated market within the meaning of the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments ("Regulated Market");
- Securities and money market instruments, which are traded on another market within a member state of the European Union, which is recognised, regulated and open to the public and the functioning of which is proper;
- Securities and money market instruments, which are officially listed on a stock exchange of a third country or are traded on another regulated market there, which is recognised, open to the public and the functioning of which is proper;
- Securities and money market instruments from new issues, so far as the issue conditions contain the obligation that the listing for trading on a regulated market within the meaning of clauses 1. a) to c) is applied for and the listing is achieved at the latest before the end of one year after the issue;
- Shares of UCITS authorized according to Directive 2009/65/EC and UCITS / or other UCIs within the meaning of Article 1, paragraph 2 a) and b) of Directive 2009/65/EG regardless of whether they are established in a Member State, provided that
  - these other UCIs are listed in accordance with statutory regulations, which make them subject to regulatory supervision, which is equivalent in accordance with Community law in the opinion of the supervisory authorities in Luxembourg responsible for the financial sector (the "CSSF"), (currently the United States, Canada, Switzerland, Hong Kong and Japan), and sufficient guarantee for the co-operation between the authorities exists;

- the level of protection for the shareholders of the other UCI is equivalent to the level of protection for the shareholders of a UCIT and in particular the provisions for the separate safekeeping of the fund assets, the raising of credit, the granting of credit and the short selling of securities and money market instruments are equivalent to the requirements of Council Directive 2009/65/EC;

- the business activities of the other UCI are subject to half-yearly and annual reports which allow an assessment of the assets and liabilities, revenues and transactions within the reporting period to be formed;

- the UCIT or this other UCI, the shares of which are to be purchased, may invest a maximum of 10% of its assets in shares in other UCITs or another UCI in accordance with its articles;

f) sight deposits or other deposits at notice with a term of a maximum of 12 months with banks, so far as the respective bank is registered in a member state of the European Union or, if it is registered in a third country, it is subject to supervisory provisions, which are equivalent to those of Community law in the opinion of the CSSF. The CSSF has created a list of the respective states for this purpose; this list is checked regularly with the deposits in the various states;

g) Money market instruments, which are not traded on a regulated market and do not fall within the above definitions, so far as the issue or the issuer of these instruments is subject to provisions regarding the deposit or investor protection and provided that they are

- issued or guaranteed by a central state, regional or district body or the central bank of a member state, the European Central Bank, the European Union or the European Investment Bank, a third country or in the case of a federal state a member state of the federation, or by an international institution regulated by public law which belongs to at least one member state, or

- is issued by a company the securities of which are traded on a market regulated as described under the above letters a), b) and c) , or

- is issued or guaranteed by an institution that is subject to regulatory supervision according to the criteria set down in Community law, or by an institution which is subject to supervisory provisions which are at least as strict as Community law in the opinion of the CSSF and keeps to these, or

- is issued by other issuers which belong to a category which is admitted by the CSSF, so far as provisions for investor protection apply to investments in these instruments, which are equivalent to those of the first,

second or third dash and so far as the issuer is either a company with equity of at least ten million Euros (10,000,000 Euros), which compiles and publishes its annual reports in accordance with the provisions of the Directive 2013/34/EC, or is a legal entity which is responsible for the financing of a group of one or more companies listed on the stock exchange, or is a legal entity which is to finance the assignment of liabilities as securities by using a borrowing limit granted by a bank.

## **2. The sub-fund can in addition:**

- a) invest up to 10% of its net worth in other securities and money market instruments listed under 1.;
- b) hold liquid assets to a value of up to 49% of the net worth of the sub-fund. In particular exceptions, these can take up a share of more than 49%, if and so far as this appears to be proper in the interest of the shareholders;
- c) raise credits for short periods up to a counter value of 10% of the net worth of the sub-fund.
- d) purchase foreign currency within the scope of a "back-to-back" transaction.

## **3. In addition to this the sub-fund must observe the following investment restrictions when investing its assets:**

- a) The sub-fund may only invest up to 10% of its net worth in securities or money market instruments and the same issuers. The sub-fund may only invest up to 20% of its net worth in deposits with one and the same institution
- b) The net asset value of the securities or money market instruments from issuers with whom the sub-fund invests more than 5% respectively of its net worth may not exceed 40% of the value of the net worth of the sub-fund.

Irrespective of the individual upper limits stated in 3. a) the sub-fund may only invest up to 20% of the net worth of a sub-fund in one and the same institution in a combination of

- securities or money market instruments issued by this institution,
- deposits with this institution.

- c) The upper limit stated in 3. a) paragraph 1 amounts to up to 35%, if the securities or money market instruments are issued by a member state of the European Union or its territorial entities, by a third country or an international institution subject to public law, which belongs to at least one member state of the European Union.

- d) The upper limit stated in 3. a) paragraph 1 amounts to up to 25% for certain bonds, if these are issued by a bank registered in a member state of the European Union, which is subject to special regulatory supervision due to its statutory provisions for the protection of the owners of these bonds. In particular the revenues from the issue of these bonds must be invested in accordance with the statutory provision in assets, which cover the liabilities resulting from them sufficiently over the whole term of the bond and are primarily for the purpose of repayment of the capital and the payment of interest which becomes due in the case of the issuer defaulting.

If a sub-fund invests more than 5% of its net worth in bonds within the meaning of the above sub-paragraph, which are issued by one and the same issuer, then the net asset value of this investment may not exceed 80% of the value of the net worth of the UCIT.

- e) The securities or money market instruments mentioned in 3. c) and d) are not taken into account in the application of the investment limit of 40% provided in 3.b).

The limits mentioned in 3. a), b), c) and d) may not be cumulated; therefore the investments in securities or money market instruments transacted in accordance with 3. a), b), c) and d) of one and the same issuer or in deposits with this issuer or in derivatives from the same may not exceed 35% of the net worth of a sub-fund.

Companies, which belong to the same group of companies as regards the compilation of the consolidated financial statements within the meaning of Directive 2013/34/EC or in accordance with the recognised international financial reporting standards, are to be regarded as a single issuer in the calculation of the investment limits provided in numbers a) to e).

The sub-fund may invest up to 20% cumulatively of its net worth in securities or money market instruments in one and the same group of companies.

- f) Irrespective of the investment limits set out hereinafter in 3. k), l) and m), the upper limits set out in 3. a) to e) for investments in shares and/or debts of one and the same issuer amount to up to 20% if it is the goal of the investment strategy of the sub-fund to recreate a certain share or debt index recognised by the CSSF. The prerequisite for this is that
- the composition of the index is sufficiently diversified;
  - the index represents an adequate subscription basis for the market which it relates to;

- the index is published in a suitable manner.

- g) The limit set out in 3. f) is 35%, so far as this is justified on the basis of extraordinary market conditions, in particular in regulated markets in which certain securities or money market instruments dominate strongly. An investment up to this upper limit is only possible with one single issuer.
- h) **According to the principle of risk spreading and irrespective of the conditions in accordance with 3. a) to e), a sub-fund may invest up to 100% of its net worth in securities and money market instruments of different issuers, which are issued or guaranteed by a member state of the European Union or its territorial entities or by another member state of the OECD or by international organisations subject to public law, belonging to one or more member states of the European Union, provided that (i) such securities have been issued within the scope of at least six different issues and (ii) no more than 30% of the net worth of the sub-fund is invested in one and the same issue.**
- i) Basically the sub-fund may purchase shares in other UCITs and/or other UCIs within the meaning of 1. e) if it does not invest more than 10% of its net worth in one and the same UCIT or other UCI. It is set down in the Special Section of this sales prospectus whether this limit is exploited.

Each sub-fund in an umbrella fund within the meaning of Article 181 of the law dated 17th December 2010 is to be regarded as a separate issuer in the application of this investment limit, provided that the principle of individual liability per sub-fund can be applied with regard to third parties.

- j) Investments in shares of UCIs other than UCITs may not exceed a total of 30% of the new value of a sub-fund.  
If a sub-fund has purchased shares in a UCIT and/or other UCI, the investment value of the respective UCIT or other UCI is not taken into account in relation to the upper limits stated in 3. a) to e).

If a sub-fund purchases shares in other UCITs and/or other UCIs, which are managed directly or indirectly by the same company or another company with which the company shares a common management or control, or is associated with it by a significant direct or indirect holding then this can give rise to a management fee being charged at the level of this target fund. The costs arising in connection with this purchase and the sale of assets with the exception of issue and redemption surcharges in the case of shares in funds are at the expense of the sub-fund. This restriction is likewise applicable in cases where the sub-fund purchases shares in an investment company with which it is associated within the meaning of the previous first paragraph. The exceptions are costs for advertising and other costs which arise directly in

connection with the offering or sales of shares. In the case of target funds the shareholders of a sub-fund can be charged directly or indirectly fees, costs, taxes, commissions and other expenses. Insofar a multiple charging of fees may arise. The costs stated are set out in the annual reports.

- k) The investment company (and therefore the “umbrella” fund) may not purchase voting shares for the total number of sub-funds managed by it in such a volume that would allow it to have a significant influence on the management of the issuer.
- l) Furthermore a sub-fund may not purchase in total more than:
  - 10% of the non-voting shares of one and the same issuer;
  - 10% of the bonds of one and the same issuer;
  - 25% of the shares of one and the same UCIT and/or other UCI;
  - 10% of the money market instruments of one and the same issuer.

The limits provided in the second, third and fourth dashes do not need to be adhered to when purchasing if the gross amount of the bonds or money market instruments or the net amount of the shares given for them cannot be calculated at the time of the purchase.

- m) The above conditions according to 3. k) and l) are not applicable in relation to:
  - aa) securities and money market instruments, which are issued or guaranteed by a member state of the European Union or its territorial entities;
  - bb) securities and money market instruments, which are issued or guaranteed by a third country;
  - cc) securities and money market instruments, which are issued by international organisations subject to public law, to which one or more member states of the European Union belongs;
  - dd) shares in companies, which were established according to the law of a state that is not a member of the EU, so far as (i) such a company invests its assets mainly in securities from issuers from that state, (ii) according to the law of that country a holding of a sub-fund in the capital of such a company is the only possible way to purchase securities from issuers of this state and (iii) this company respects the investment restrictions within the scope of its assets in accordance with 3.a) to e) and 3. i) to l) above.
- n) A sub-fund may not purchase any precious metals or certificates for them.

- o) A sub-fund may not invest in property, whereby investments in property-backed securities or interest thereon or investments in securities issued by companies that invest in property and the interest thereon are permitted.
- p) No credits or guarantees for third parties may be issued on the account of the assets in the sub-fund, whereby this investment restriction on the sub-fund does not prevent its net worth being invested in fully paid-up securities, money market instruments or other financial instruments within the meaning of 1. e) and 1. g) above.
- q) Short selling of securities, money market instruments or other financial instruments mentioned above in 1. e) and g) may not be undertaken.

#### **4. A fund may also:**

under the conditions laid down in the Prospectus and in accordance with the coordinated articles of association, which have been issued by one or more other sub-fund(s) of this respective UCITS or has been issued, subscribe, acquire and / or hold without that UCITS having been created in the **form of society**, the requirements of the amended Law of 10 August 1915 relating to the subscription, purchase and / or holding of own shares by a company is subject, however, to the following requirements that:

- the target Sub-Fund itself will not invest in the Fund, which is applied in this target sub-fund;
- the Target Sub-Fund, whose shares are to be acquired, may invest no more than 10% of its assets in units of other target sub-funds of the same UCI according to their fund rules or constitutional documents;
- the right to vote may be associated with the affected titles will be suspended for as long as they are held by the relevant Sub-Fund, without prejudice to appropriate treatment in the accounts and the periodic reports;
- as long as these items are held by the UCI, in every case, their value is, not taken into account for the calculation of the net assets of the UCI for the audit of the statutory minimum level of net assets; and
- No doubling of the possible management, subscription or redemption fees at the level of the sub-funds of the UCI and where this target sub-fund exists, which has invested in the target sub-fund.

#### **5. Irrespective of conditions to the contrary contained herein:**

- a) the sub-fund does not need to adhere to the investment limits provided above in 1. to 4. when exercising subscription and stock rights, which are linked to

securities or money market instruments which they hold in their sub-fund portfolio.

- b) and irrespective of the obligation to respect the adherence to the basic principle of risk spreading, newly listed sub-funds can deviate from the conditions set out in 3. a) to j) for a period of six months after their listing.
- c) a sub-fund must primarily strive to remedy the situation within the scope of its sales transactions and observing the interests of its shareholders if these conditions are exceeded for reasons which lie outside the power of the respective sub-fund or due to subscription rights and stock rights.

The board of management of the company is entitled to place additional investment restrictions so far as these are necessary to conform to the statutory provisions and those relating to administrative law in those countries in which the shares of the sub-fund are being offered or sold.

## **I. Master Feeder Structure**

The following section applies in case of the election of a master-feeder structure in accordance with Article 77 of the Law of 17 December 2010 and in accordance with the coordinated articles of association.

Due to the derogation in Article 77 of Article 2, paragraph 2, the first clause of the Act of 17 December 2010, the Company may act as a feeder UCITS or master UCITS within the scope of the Law of 17 December 2010.

A feeder UCITS is a UCITS or one of its sub-funds with at least 85% of its assets in units of other UCITS or in a sub-fund of UCITS ("the master UCITS").

A feeder UCITS may hold up to 15% of its assets in one or more of the following assets:

- a) according to the. "General Guidelines for the Investment Policy in F, 2 b) any liquid assets held;
- b) derivative financial instruments, as in Article 41 (1) g) and Article 42, paragraphs 2 and 3 of the Act of 17 December 2010, which shall be used exclusively for hedging purposes; or
- c) if the feeder UCITS is an investment company, with movable and immovable property, which is essential for the direct pursuit of its activities.

For the purposes of compliance with Article 42 paragraph 3 of the Law of 17 December 2010, the feeder UCITS shall calculate its global exposure relating to financial derivative instruments by combining its own direct exposure,

- a) either using the actual risk of the master UCITS to financial derivative instruments in proportion to the assets of the feeder UCITS in the master UCITS; or

- b) with the potential maximum global exposure of the master UCITS, in relation to derivative financial instruments, in accordance with the terms of such founding documents of the master UCITS, or in relation to the investment of the feeder UCITS 'investment into the master UCITS.

A master UCITS is a UCITS or one of its sub-funds, which

- a) has at least one feeder UCITS amongst its Shareholders;
- b) is not itself a feeder UCITS; and
- c) Holds no units of a feeder UCITS.

For a master UCITS, the following variations shall apply:

- a) if a master UCITS has at least two feeder UCITS as unit-holders, Article 2, Paragraph 2, Clause 1 shall apply, and not Article 3, Clause 2 of the Law of 17 December 2010 and the master UCITS has the ability to raise capital from other investors; and
- b) If a master UCITS does not raise capital from the public in another Member State other than that in which it is established, and in which it only has one or more feeder UCITS, the provisions of Chapter XI of the Directive coming 2009/65 / EC and Article 108, paragraph 1, subparagraph 2 of Directive 2009/65/EC shall not apply.

The investment of a feeder UCITS, established in Luxembourg, in a given master UCITS, which exceeds the limit, according to F. "General Guidelines for Investment Policies", 3 i), shall apply to investments in other UCITS subject to the prior approval of the CSSF.

## **5. Risk management process**

A risk management process is applied within the scope of the sub-fund, which enables the company to monitor and measure the risk associated with the investment items in the sub-fund, such as market risk, liquidity risk, counterparty risk and including operational risks, as well as their respective share in the overall risk profile of the investment fund at any time.

The overall risk can be determined and calculated using the Value-at-Risk ("VaR") or the commitment approach, as described in the special section of this Prospectus for every sub-fund.

The VaR approach determines the potential loss that could arise over a specific time interval under normal market conditions and a given level of confidence.

The law of 17 December 2010 gives a confidence level of 99% and a time horizon of one month for this measure.

Further information about each Fund are made in the special section of the Prospectus.

General information on the risk management process, the expected level of leverage and the possibility of higher leverage level (for UCITS using the VaR approach) are available upon request from the Management Company.

To comply with the above provisions, the Management Company will comply with all applicable circulars or orders of the CSSF or the arrangements of any European authority, which is in the position to establish appropriate arrangements or technical standards.

## **6. Taxation of the fund capital**

### **A. Taxation of the sub-fund assets**

Sub-fund assets are currently only subject to a “taxe d’abonnement” in Luxembourg of 0.05% or 0.01% (\*2) p.a., which is payable quarterly on the respective net sub-fund assets reported at the end of the quarter. Those sub-funds that will be subject to a reduced tax rate, insofar as these are to be established at a later date, are marked in the Special Section of the Sales Prospectus with (\*2). Income received from the investment of sub-fund assets may be subject to withholding taxes in countries in which the sub-fund assets are invested. Neither the Management Company nor the Custodian Bank will obtain receipts for such withholding taxes for individual or all shareholders.

If the Fund assets are invested in another Luxembourg investment fund which is itself subject to the “taxe d’abonnement”, then this tax does not apply.

### **B. Taxation of shareholders**

#### General

In accordance with the applicable regulations of the Grand Duchy of Luxembourg, and in accordance with the provisions of the law specified below which implements Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income, investors whose place of residence or domicile is not in the Grand Duchy of Luxembourg or whose business is not permanently established there are not subject to income tax, capital gains tax, withholding tax or other taxes in the Grand Duchy of Luxembourg.

#### *EU Savings Tax Directive*

The European Council adopted Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the “Savings Tax Directive”) on 3 June 2003.

In accordance with the Savings Tax Directive, Member States of the EU (“EU Member States”) are required to provide the tax authorities of another EU Member State with information on interest or similar income paid by a paying agent (within the meaning of the Savings Tax Directive) if this interest or similar income was paid in their jurisdiction to a natural person or an entity or a legal arrangement not subject to effective taxation

(within the meaning of Article 4.2 of the Savings Tax Directive) located in another EU Member State.

The Savings Tax Directive was transposed in Luxembourg by the Law of 21 June 2005, which was last amended by the Law of 25 November 2014 (the “Luxembourg Law”).

The dividends distributed by a sub-fund of the Fund fall within the scope of the Savings Tax Directive and the Luxembourg Law if more than 15% of the assets of the respective sub-fund are invested in bonds as defined in the Luxembourg Law. Income realised from the assignment, repayment or redemption of shares by shareholders falls within the scope of the Savings Tax Directive or the Luxembourg Law if more than 25% of the corresponding assets of the sub-fund are invested in bonds as defined in the Luxembourg Law (hereinafter the “concerned sub-fund”).

If a Luxembourg paying agent pays dividends or repayment amounts in connection with a concerned sub-fund directly to a shareholder who is located or considered resident for tax purposes in another EU Member State or in territories which have introduced similar measures in relation to the transmission of information, such as Switzerland, the Channel Islands, the Isle of Man, the Principality of Monaco, the Principality of Liechtenstein, the Principality of Andorra, the dependent or associated territories in the Caribbean and the Republic of San Marino, the Luxembourg paying agent shall transmit this information to the tax authorities in accordance with the provisions of the Luxembourg Law or of the agreement that Luxembourg has concluded with the corresponding territory which contains similar measures in relation to the transmission of information.

The Fund reserves the right to reject subscription applications if the information provided by future shareholders does not comply with the legal requirements arising from the Savings Tax Directive.

**The above information is merely a summary of the implications of the Savings Tax Directive and the Luxembourg Law and is based on the current versions thereof. This summary does not claim to be complete. It does not contain any investment or tax advice. Investors are therefore advised to consult their finance or tax consultants in relation to all implications of the Savings Tax Directive and the Luxembourg Law that are relevant to them.**

### ***FATCA***

The Foreign Account Tax Compliance Act (“FATCA”) was adopted in the United States of America as part of the Hiring Incentives to Restore Employment Act of March 2010. FATCA obliges financial institutions outside the United States of America (“foreign financial institutions” or “FFIs”) to transmit information on financial accounts held directly or indirectly by “Special US Persons” to the US tax authorities (“Internal Revenue Service” or “IRS”) on an annual basis. Withholding tax in the amount of 30% is levied on certain US source income of FFIs that do not comply with this obligation.

The Grand Duchy of Luxembourg entered into an IGA in accordance with Model 1 with the United States of America and a corresponding Memorandum of Understanding on 28 March 2014. In order to satisfy the FATCA provisions, the Fund must comply with the

conditions of this Luxembourg IGA as soon as this IGA is implemented into Luxembourg Law, rather than complying directly with the provisions of the US Treasury Regulations, which implement FATCA.

In accordance with the provisions of the IGA, the Fund may be obliged to gather information that serves to identify its direct or indirect shareholders who are “Specified US Persons” for the purposes of FATCA (“US accounts”). All information transmitted to the Fund in relation to US accounts is disclosed to the Luxembourg tax authorities, which will automatically exchange this information with the IRS in accordance with Article 28 of the agreement concluded on 3 April 1996 between the government of the United States of America and the government of Luxembourg on the avoidance of double taxation and the prevention of tax evasion in relation to taxes on income and capital.

The Fund intends to comply with the provisions of the Luxembourg IGA and thus be compliant with FATCA. The Fund will therefore not be subject to a withholding tax of 30% on the payments that are attributable to the Fund’s US investments.

The Fund will assess the scope of the provisions to which it is subject in accordance with FATCA and the Luxembourg IGA in particular on a continuous basis. The US Department of the Treasury shall therefore regard the Fund as compliant with FATCA and not as subject to FATCA withholding tax between the date on which the Luxembourg IGA is signed and the date on which a national measure required for the IGA to enter into force is implemented by the Grand Duchy of Luxembourg.

In order to ensure that the Fund complies with the provisions of FATCA and the Luxembourg IGA, the Management Company may:

- Request information and documents, including a W-8 tax declaration, a Global Intermediary Identification Number, or any other valid proof of the shareholder’s registration with the IRS or a corresponding exemption in order to determine the FATCA status of a shareholder.
- Transmit information concerning a shareholder and their investment in the Fund to the Luxembourg tax authority if such an investment constitutes a US account in accordance with the Luxembourg IGA
- Deduct the corresponding US withholding tax from certain payments to a shareholder in accordance with FATCA and the Luxembourg IGA.

**Investors are advised to familiarise themselves with and, if applicable, seek advice on any legal or tax consequences (including in relation to the application of the EU Savings Tax Directive and/or FATCA) in accordance with the law of their country of nationality, the country of their registered office or the country of their habitual residence that could be relevant to the subscription, purchase, possession, redemption or transfer of shares.**

## **7. Issue of shares**

The shareholders are entitled to purchase shares in a sub-fund, at any time via one of the paying agents, the depositary bank or the company subject to the provisions of the following section “8. Restrictions on the issue of shares” by subscription and payment of the issue price. All issued shares of the sub-fund have the same rights. The shares are allocated by the depositary bank immediately after receipt of the issue price at the depositary bank and transferred by the handing over of share certificates in the corresponding amount.

The issue of shares takes place every valuation day via one of the paying agents, the depositary bank or the company.

Subscription applications, which have been received by 16:00 (Luxembourg time) on a valuation day (as described in section “10. Calculation of the net asset value”) at one of the paying agents, the depositary bank or the company will be invoiced on the basis of the share value of the following valuation day. Subscription applications which are received after 16:00 on a valuation day are deemed to have been received correctly on the following valuation day. The share value is therefore unknown to the share subscriber in each case.

The issue price is the net asset value on the corresponding valuation day plus a sales commission, which is raised in favour of the sales point and the level of which is set down in the Special Section of the sales prospectus, it is payable within three banking days after the corresponding valuation day.

The issue price is increased if appropriate by stamp duties or other charges, which are applicable in the various countries in which the shares are sold.

## **8. Restrictions on the issue of shares**

The company must abide by the laws and regulations of every country in which the shares are offered when the shares are issued. The company can refuse a subscription application at any time at their discretion or restrict the issue of shares for a while, or suspend or finally halt it if the buyer is a natural or legal person who is resident or registered in certain countries or regions. The company can also exclude natural or legal persons from the purchase of shares if such a measure is seen as necessary to protect the shareholders of the sub-fund.

Furthermore, the company can at any time buy back shares held by shareholders who are excluded from the purchase or possession of shares in return for payment of the redemption price.

The company reserves the right to halt the issue of shares if a net asset value is reached which makes it seem that a credible economic administration of the company capital within the meaning of the shareholders is no longer possible.

Payments received for subscription applications that are not executed are paid back immediately by the depositary bank without interest.

## **9. Company shares**

The distribution of actual securities is not intended for the time being. The shares of the sub-fund will be evidenced by global certificates initially. There is therefore no entitlement to the distribution of actual securities. The administrative board can, however, decide to issue share certificates (actual securities) of a sub-fund in the name of the holder at a later date. In the interests of the shareholder the share certificates can then be split up or combined in larger units. Every shareholder has voting rights at the general meetings. The voting rights can be exercised in person or by proxies. Every share gives the right to one vote.

## **10. Calculation of the net asset value**

The share value (hereinafter called “net asset value”) is in the currency set down in the Special Section of the sales prospectus. Irrespective of any regulation to the contrary in the Special Section of the sales prospectus, the net asset value is calculated on every banking day, which is a day when the stock exchanges are open in Luxembourg as well as in Frankfurt am Main (“valuation day”), with the exception of the 24<sup>th</sup> and 31<sup>st</sup> December of every year, by the management company or in Luxembourg by one of its appointees. Irrespective of a regulation to the contrary in the Special Section of the sales prospectus, so far as any third person is to be given the task of executing the share value calculation then he or she must be mentioned by name in the sales prospectus and simplified sales prospectus.

The calculation is done by dividing the net sub-fund assets by the number of shares in the respective sub-fund in circulation on the valuation day. The net fund assets of the sub-fund are calculated based on the following principles:

- a. The target fund shares contained in a sub-fund are valued at the last fixed and obtainable redemption price.
- b. The value of cash holdings or balances in banks, certificates of deposits and outstanding receivables, prepaid expenses, cash dividends and declared or accrued interest not yet paid corresponds to the respective full amount, unless this will probably not be fully paid or received, in which case the value is calculated including a suitable deduction in order to arrive at the actual value.

- c. The value of assets, which are listed or traded at a stock exchange, is calculated based on the last available price at the stock exchange, which is normally the main market for this security. If a security or other asset is listed at several stock exchanges then the last sales price at the stock exchange or regulated market which is the main market for this asset is the one that counts.
- d. The value of assets, which are traded at another regulated market (corresponding to the definition in section “4. Investment policy and investment limits”, point “F. General guidelines for the investment policy” in this sales prospectus, is calculated on the basis of the last available price.
- e. If an asset is not listed or traded at a stock exchange or other regulated market or if assets, which are listed or traded at a stock exchange or other market as mentioned earlier, but the prices corresponding to regulations (c) or (d) do not reflect the actual market value of the corresponding asset adequately, then the price of such assets is calculated on the basis of sales prices that are predicted sensibly according to a careful estimate.
- f. The liquidation value of futures, forwards or options contracts which are not traded on exchanges or on other organized markets shall mean their net liquidating value is determined, as it is determined on a consistent basis for all types of contracts, in accordance with the directives of the Board.

The liquidation value of futures, forwards or options contracts which are traded on exchanges or on other organized markets is based on the last available settlement prices of these contracts on exchanges or organized markets on which the particular futures, forward or options contracts are traded by the Fund;

if a future, forward or option cannot be liquidated on a day where the net asset value is to be determined, then the valuation basis for such a contract is to be determined by the Board in a fair and reasonable manner

Swaps are to be valued with reference to applicable interest rates, and their specific market value.

- g. The value of money market instruments, which are not listed at a stock exchange or traded on another regulated market and have a remaining term of less than 12 months but more than 90 days is equivalent to the respective face value plus interest accumulated on it. Money market instruments with a remaining term of up to 90 days are calculated on the basis of the repayment costs which correspond approximately to the market value.
- h. All other securities or other assets are valued at their reasonable market value, which is to be determined in good faith and corresponding to the procedures to be set out by the company.

All assets in currencies other than the currency of the sub-fund are converted at the last available average rate.

The net fund assets are shown in the financial reports individually and in a consolidated manner. The consolidation is done in EUR. An income adjustment can be calculated for each sub-fund.

If extraordinary circumstances come to pass, which make the valuation in accordance with the above criteria impossible or improper then the company is authorised to use other valuation rules, which are set down in good faith, are generally recognised and auditable by auditors, in order to achieve a proper valuation of the sub-fund assets.

In the case of extensive redemption applications, which cannot be met from the liquid funds and permissible raising of credit by the sub-fund, the company can determine the net asset value by using the prices of the valuation day on which they sold the securities for the sub-fund which had to be sold according to the situation.

## **11. Redemption and exchange of shares**

The shareholders are entitled to demand the redemption of their shares at any time via one of the paying agents, the depositary bank or the company.

Completed redemption applications that are received by 16:00 (Luxembourg time) on a valuation day at one of the paying agents, the depositary bank or the company are invoiced on the basis of the share value on the following valuation day. Applications received after 16:00 (Luxembourg time) on a valuation day are only deemed to be received correctly on the following valuation day. The share price is therefore unknown to the redeemer of the shares in each case.

The payment of the redemption price is effected within three banking days after the corresponding valuation day. Any possible share certificates issued must be returned before the payment of the redemption price. The company is entitled to delay the payment of very large redemptions until corresponding assets in the sub-fund have been sold without delay.

In this case the redemption takes place in accordance with the conditions of the last paragraph in section “10. Calculation of the net asset value” at the net asset value applicable then. The redemption price is paid into the sub-fund. The company makes sure that the assets of the sub-fund contain sufficient liquid funds so that a redemption of shares on application by the shareholders may take place without delay in normal circumstances.

Investors who have offered their shares for redemption are informed immediately of a suspension of net asset value calculation in accordance with section “14. Suspension of the issue, redemption and exchange of shares and the calculation of the net asset value” and informed promptly once the calculation of the net asset value is resumed.

The depositary bank is only obliged to make a payment if no legal provisions, e.g. currency regulations or other circumstances, which the depositary bank cannot influence, forbid the transfer of the redemption price into the country of the applicant.

The shareholder can exchange shares in a sub-fund for shares in another sub-fund with the company, at the depositary bank or at any paying agent. The exchange takes place on the basis of the net asset value of the respective sub-fund, which is calculated on the next valuation day after receipt of the application to exchange. Exchange applications that are received by 16:00 (Luxembourg time) on a valuation day at one of the paying agents, the depositary bank or the company are invoiced on the basis of the share value on this valuation day. Applications received after 16:00 (Luxembourg time) on a valuation day are only deemed to be received correctly on the following valuation day. An exchange fee of a maximum 2.0% of the amount to be invested in the new sub-fund can be charged in favour of the sales point.

The exchange commission must however be at least 0.5% below the value of the maximum stated sales commission of the sub-fund affected into which the shareholder wishes to exchange his/her already existing sub-fund shares. The remaining sum possibly arising from an exchange is translated into Euro, if necessary, and paid out to the shareholder.

## **12. Market Timing**

Market timing refers to the method of arbitrage in which the investor systematically subscribes and redeems or exchanges shares in an undertaking for collective investment (“UCI”) within a short period using the time differences and/or the imperfections or weaknesses of the valuation system of the net asset value of the UCI.

The company does not allow any practices associated with market timing since these reduce the price trend of the sub-fund through a rise in costs and/or leads to a diluting of profits. The company reserves the right to refuse subscription or exchange applications coming from an investor who is suspected of using such practices and if appropriate use the necessary measures to protect the other investors in the sub-fund.

## **13. Anti Money Laundering**

According to international regulations, Luxembourg laws and regulations (including, but not limited to, the law of 12 November 2004 on combating money laundering and terrorist financing, as amended) and the circulars of the competent supervisory authority, all financial service providers need to proactively ensure that the UCI is not misused for the purposes of money laundering and terrorist financing.

As a result of these regulations the identity of each applicant, must in principle be established by the registrar and transfer agent of a Luxembourg UCI.

In any case, the Registrar and Transfer Agent can at any time request the submission of additional documents to ensure continual compliance with applicable legal and contractual requirements.

Applicants who wish to subscribe shares of the Fund, must provide all the available necessary information to the Registrar and Transfer Agent, required to reasonably verify the identity of the applicant.

For applicants, submitting the applications on behalf of third parties, the Registrar and Transfer Agent is obliged to verify the identity of the beneficial owner (s).

In addition, each applicant is required to inform the Registrar and Transfer Agent prior to any change in the identity of the beneficial owner.

If an applicant is unable to provide the required documents to the Registrar and Transfer Agent later or at all, then the subscription will be rejected or delayed in the case of redemption requests.

In the above cases neither the UCI nor the Registrar and Transfer Agent will be liable for late settlement nor the failure of the business/ trade.

The collection of information transferred to the Fund in this context, is carried out solely to comply with the provisions on the prevention of money laundering and terrorist financing.

#### **14. Suspension of the issue, redemption and exchange of shares and the calculation of the net asset value**

The company is authorised to temporarily suspend the calculation of the net asset value of the sub-fund, as well as the issue, redemption and exchange of shares in one or more sub-funds:

- a) while a securities exchange or another regulated market, which is recognised, is open to the public and the functioning of which is proper where a substantial part of the net asset value of the respective sub-fund is listed or traded, is closed (except for normal weekends or public holidays), or trading at this securities exchange or market is suspended or restricted;
- b) in emergencies, when the company does not have the net asset value of the respective sub-fund available, or it is impossible for the same to transfer the counter value of the shares purchased or sold freely, or to carry out the calculation of the net asset value properly;
- c) if due to the restricted investor horizon of a sub-fund the availability of acquirable assets on the market or the sales opportunity of assets in the sub-fund is restricted.

Investors who have offered their shares for redemption are informed immediately of a suspension of share value calculation and informed without delay once the calculation of the share value is resumed.

### **15. Expenses and costs of sub-funds**

In addition to the costs set down in the Special Section of the sales prospectus the sub-fund bears the following expenses in connection with the management of the sub-fund:

- a) the remuneration of the management company. The management company is entitled to receive the fee set down in the Special Section of the sales prospectus for the sub-fund assets. With that payment the management company pays the remuneration in regard to the payment of the members of the board of management and an investment consultancy.
- b) the remuneration of the depositary bank, as well as their handling charges and external bank charges advanced. The depositary bank takes their remuneration payable to them in accordance with the Special Section of the sales prospectus out of the blocked accounts only after the company agreed to this. The levels of the handling charges and external bank charges are also defined in the Special Section of the sales prospectus.
- c) the costs of redeeming of interim certificates
- d) the costs of printing, publication and dispatch of the reports and sales prospectuses including the articles;
- e) the printing costs for the share certificates;
- f) the costs of printing, publication and dispatch of the reports and sales prospectuses including the articles;
- g) the auditors' fees and costs;
- h) the costs of legal consultancy, which arise for the company or the depositary bank when they act in the interest of the shareholders;
- i) the costs of any possible stock exchange listing or registration and/or sales listing domestically and abroad;
- j) all taxes and duties which are raised on the sub-fund capital, its income and the expenses to the account of the sub-fund;
- k) the expenses and possible remuneration of foreign representatives;

- l) costs of creation, amendment and lodging of the sales prospectus and articles and other documents like the KIIDs, which relate to the respective sub-funds, for example, including costs of applications for registration or the written details for all of the registration authorities and stock exchanges (including local security trading associations), which must be undertaken in connection with the sub-fund or the offering of its shares;
- m) printing and distribution costs of the annual and half-yearly reports for the shareholders in all necessary languages, as well as the printing and distribution costs of all other reports and documents, which are necessary in accordance with the applicable laws and directives of the named authorities;
- n) costs of specific publications for shareholders;
- o) An appropriate share of costs of advertising, marketing support implementation of the marketing strategy and other marketing measures and those which arise directly in connection with the offer and sale of shares, can be charged to the fund capital.
- p) costs of any assessment of creditworthiness of the fund by nationally or internationally recognised rating agencies as well as possible membership of the fund of associations (e.g. ALFI)
- q) all costs arising in connection with the formation of the company as well as the issue of all of the sub-funds, including notary costs, etc.
- r) If a sub-fund purchases shares in other UCITs and/or other UCIs, which are managed directly or indirectly by the same company or another company with which the company shares a common management or control, or is associated with it by a significant direct or indirect holding then this can give rise to a management fee being charged at the level of this target fund. The costs arising in connection with this purchase and the sale of assets with the exception of issue and redemption surcharges in the case of shares in funds are at the expense of the sub-fund. This restriction is likewise applicable in cases where the sub-fund purchases shares in an investment company with which it is associated within the meaning of the previous first paragraph. The exceptions are costs for advertising and other costs which arise directly in connection with the offering or sales of shares. In the case of target funds the shareholders of a sub-fund can be charged directly or indirectly fees, costs, taxes, commissions and other expenses. Insofar a multiple charging of fees may arise. The costs stated are set out in the annual reports.
- s) other costs for the administration of the company, including the costs of interest groups, representatives and other agents of the Company;

- t) costs associated with the preparation and conduct of general meetings and board meetings.

All costs and payments are first charged to the current income, then the capital gains and only then to the sub-fund capital.

The costs associated with the purchase or sale of assets (bank charges for transactions in securities and other assets and rights in the sub-fund) are added to the acquisition price or deducted from the sales revenue.

Costs relating to the entire fund capital are calculated pro-rata for the individual sub-funds proportional to their net fund capital. The individual sub-funds are only liable for the costs and expenses generated by them.

The preliminary expenses are first borne by the management company and then invoiced to the sub-fund capital by the management company within the first incomplete financial year.

Neither the management company nor its appointees are entitled to retain any cash payments or other allowances for themselves from a company (represented by brokers or dealers) as consideration for the execution of transactions involving assets of a fund by the company (represented by brokers or dealers), the exceptions being goods and services (“soft commission”) if:

- (a) the broker or dealer has undertaken to execute the transaction with the best possible conditions, and the broker fees do not exceed the normal fees of an institutional Full Service Brokerage;
- (b) the goods or services supplied in accordance with the contract serve for the provision of investment services for the fund; and
- (c) a disclosure is made in the annual and half-yearly reports in the form of a declaration, which explains the practice of the fund manager or investment consultant regarding “soft commissions“ and contains a description of the goods and services received.

## **16. Accounting year and auditing**

Irrespective of a regulation in the Special Section of the sales prospectus of a corresponding sub-fund to the contrary, the company’s and the sub-fund’s accounting year ends on 31st January every year. The company is audited by an independent auditing company, which is to be appointed by the general meeting.

## **17. Appropriation of earnings**

The appropriation of earnings (retained earnings/payment of dividends) is defined in the Special Section of the sales prospectus.

Irrespective of a regulation in the Special Section of the sales prospectus to the contrary the board of management can decide, while observing the statutory provisions, to pay out the majority of the ordinary net earnings and to do this as soon as possible after the conclusion of the annual accounts of the sub-fund.

Interest and dividends, less expenses and costs of the sub-fund are deemed to be the ordinary net earnings in accordance with section “14. Expenses and costs” with the exception of capital gains and capital losses achieved, rises and falls in value that have not been realised and the revenues from the sales of subscription rights and all other income of a non-recurrent nature.

Irrespective of the previous regulation the board of management can decide to pay out wholly or partially the capital gains achieved less capital losses sustained and stated falls in value in dividends from time to time, so far as these are not balanced out by stated rises in value.

A payment of dividends takes place uniformly for all shares that were in circulation on the day before the payment of the dividend amounts.

Dividend amounts that are not claimed within five years from the date of the published dividend declaration expire and are returned to the sub-fund.

## **18. Amendments**

The board of management can amend the sales prospectus at any time either wholly or partially. Any amendments of the articles of association can be decided upon by the general meeting in accordance with the provisions of the articles and are published in the Mémorial.

## **19. Publications and general information**

The issue and redemption prices of the sub-fund are available at the registered office of the company as well as all paying agents and are published in a daily paper in each country where the shares are sold publicly. The net asset value of the sub-fund can be requested at the registered office of the company as well as at any of the paying agents.

After each accounting year has been closed the company will draft an audited annual report available to the shareholders, which gives information about the sub-fund capital, the management of the same and the targeted results. After the end of the first half of each accounting year the company will draft an unaudited half-yearly report available to

the shareholders, which gives information about the sub-fund capital, the management of the same during the corresponding half year. The annual report and all half-yearly reports of the sub-fund can be obtained by the shareholders at the registered office of the company, the depositary bank and every paying office.

All important information for shareholders (e.g. advertisements about dividend payments) is published in at least one daily paper in every country in which the shares are sold publicly. The corresponding daily papers in which the important information is published are stated in the simplified sales prospectus. The contracts mentioned and the articles of association valid at the time are on display for perusal at the registered office of the company as well as at all the paying agents.

The German version of the sales prospectus, articles of association and other documents and publications prevails.

The following documents can be perused at the registered office of the company as well as at all the paying agents during normal office hours or requested free of charge:

- a) the company's articles of association
- b) the contracts mentioned in the sales prospectus
- c) the full sales prospectus
- d) the respective KIID of the sub-fund; and
- e) the annual reports and half-yearly reports of the sub-fund.

## **20. Additional regulatory requirements**

### **Conflicts of interest, complaint management, best execution, voting rights**

**Information on measures taken regarding conflicts of interest, managing complaints, the Best Execution Policy of the Management Company as well as on voting rights, are available to investors on request.**

## **21. a) Continuity and liquidation of the company and b) continuity, liquidation and merging of the sub-funds**

### **a) Continuity and liquidation of the company**

The company is established for an indefinite period of time, it can however be liquidated at any time through a decision of the general meeting. If a state of affairs arises which makes a statutory liquidation necessary then this will be published by the company in accordance with the statutory provisions in the Mémorial and at least two daily papers which have a reasonable circulation. One of these daily papers must appear in Luxembourg.

If a state of affairs arises which leads to the liquidation of the company the issue and redemption of shares is suspended. The depositary bank will distribute the revenue from

the liquidation less the costs of the liquidation and fees among the shareholders of the company according to their entitlement on the instructions of the company or if necessary the liquidators appointed by the same or by the depositary bank in consultation with the regulatory authorities.

Proceeds from the liquidation which are not collected by the conclusion of the liquidation procedure are translated into EUR and deposited by the depositary bank in the name of the entitled shareholder at the Caisse de Consignations in Luxembourg where these amounts will expire if they are not requested within the statutory time limit.

**b) Continuity and liquidation of the sub-funds**

The establishment of sub-funds is decided by the board of management. The board of management can decide if significant political or economic changes make it necessary in the opinion of the board of management to liquidate the capital of a sub-fund and to pay the shareholders the net asset value of their shares on the valuation day on which the decision takes effect. Furthermore, the board of management can declare the annulment of the shares issued in such a sub-fund and the allocation of shares in another sub-fund, conditional upon the approval of the general meeting of the shareholders of this other sub-fund, provided that during the period of one month after publication the shareholders of the relevant sub-fund are given the right in accordance with the following provision to request the redemption or exchange of all or some of their shares at the applicable net asset value free of charge.

**c) Mergers**

The Directors may, with the prior approval of the CSSF acting in accordance with the conditions and procedures listed in the Act of 17 December 2010, merge two or more sub-funds of the Company with each other, or the company or possibly a sub-fund of the Company with another UCITS, which may be established either in Luxembourg or in another Member State.

The decision to merge shall be published in a newspaper designated by the Board of the countries in which the Company's shares, respectively, of the Fund are distributed.

Affected shareholders are always able to demand, during the period of 30 days, the right, without costs, the redemption of their shares at net asset value or, if relevant in a particular case, the conversion of their shares into shares of another fund with similar investment policies and managed by the same management company, or by another company with which the management company is linked by common management, or controlled by a substantial direct or indirect holding.

The shares of the shareholders, who have not requested redemption or conversion of their units, will receive, based on the value of their units values on the effective date of the merger, units of the receiving UCITS or sub-fund. Where appropriate, shareholders will receive a preferential equalisation.

A merger of the Company or a sub-fund, with a Luxembourg or foreign UCI, or a sub-fund of such UCI, which is not a UCITS, is not possible.

## **22. Limitation**

**Receivables due to the shareholders from the company or the depositary bank can no longer be enforced after the elapse of five years after the claim has arisen; the exception being the regulation contained in section “21. Continuation and liquidation of the company”.**

## **23. Applicable law, place of jurisdiction and contractual language**

Any legal dispute between the shareholders, the company and the depositary bank is subject to the jurisdiction of the responsible court in the judicial district of Luxembourg in the Grand Duchy of Luxembourg.

The company and the depositary bank are entitled to submit themselves to the jurisdiction and the law of a country in which the shares are sold publicly, so far as it is a matter of claims from shareholders who are resident or registered in that country and relates to matters regarding the subscription and redemption of shares by these shareholders.

The German version of the articles of association is binding. The company can declare as binding the translations of the articles of association into the languages of countries where the shares have been on sale publicly for themselves and for the fund in relation to shares sold to investors in those countries.

## **24. General Meetings**

General meetings are generally held on the third Wednesday in June at 10.30am. If this day falls on a bank holiday the general meeting takes place on the following banking day.

Invitations to the general meeting are published in the Mémorial and in a Luxembourg newspaper as well as newspapers which the board of management deems to be appropriate in each country of sales.

## **25. Investor Rights**

The management company expressly points out to investors the fact that any investor can only exercise their investor rights with respect to the UCI (TS) in their entirety, in particular the right to participate at shareholders' meetings, if the investor is himself enrolled in his own name in the register of shareholders of the UCI (TS).

In cases where an investor has invested through an intermediary in a UCI (TS), which makes the investment in its own name on behalf of the investor, then all investors rights may not necessarily be asserted directly by the investor with the UCI (TS). Investors are advised to inform themselves of their rights.

## **SPECIAL SECTION OF THE SALES PROSPECTUS of the company SUNARES**

Supplementary to or deviating from the General Section of the sales prospectus the following provisions apply:

SUNARES – Sustainable Natural Resources:

### **Investment Policy**

The capital of the individual sub-funds is mainly invested in shares, interest-bearing securities (fixed and variable interest-bearing bonds incl. zero coupon bonds), convertible bonds, participating certificates, certificates and any other assets permitted by law. No investment of the fund capital is made in derivatives of any kind.

The aspiration is to attain shares in companies in relation to the elements of earth and water (Yin principle). Core sectors are water management, agriculture and forestry, beverages & food, energy, alternative energy, raw materials and precious metals.

Shares in other UCITs and other UCIs may only be purchased for the sub-fund capital to a sum of a total of 10% of the net worth of the sub-fund.

### **Profile of the investors**

The sub-fund is suitable for the long-term investor who wishes to invest innovatively and internationally and is looking at the same time for attractive growth and profits.

### **Risk profile of the sub-fund**

The investor is prepared to tolerate a mid to high risk of breaks in return for the long-term chance of an attractive potential yield.

There can be strictly no guarantee given that the goals of the investment policy will be achieved.

The prices of the shares in the sub-fund and the yields fluctuate so that it can happen that the investor does not get the money back that they originally invested.

The individual risk factors are defined in the General Section of this sales prospectus in section “4. Investment policy and investment limits”, point C “Notes on risk and risk factors”, point 2. “Risk Factors”.

As part of the risk management process, the overall risk of the Fund is measured by an absolute value-at-risk model and monitored. The actual calculation of value-at-risk of the

Fund is based on a biased confidence interval (probability) of 99% and a holding period of 20 days (1 month).

The Fund must guarantee that the overall risk, calculated in accordance with the absolute VaR approach, does not exceed 20% of the total net Fund assets.

**The prices of the shares of the Sub-Fund and the income fluctuate, so it is possible that the investor may not receive back their original investment.**

### **Appropriation of profits**

The sub-fund pays out dividends. The yields and profits from sales that are generated during the accounting year are paid out in dividends once a year.

### **Expenses and costs of the fund**

1. The management company receives a payment out of the sub-fund assets of max. 1.85% p.a. of the average net sub-fund assets each month, which is to be invoiced and paid monthly in arrears.
2. The fee for the Portfolio Manager is included in the fee for the Management Company and will not be invoiced separately to the Fund.
3. The Custodian is entitled to receive fees from the Fund according to the contract agreed with the management company, which shall not exceed the following limits:
  - compensation for the performance of the Custodian's duties and the safekeeping of the fund's assets in the amount of max. 0.1% p.a., which is subsequently calculated and paid monthly based on the average net asset value of each month, plus any applicable VAT.
  - a handling fee for transactions executed on behalf of the Fund
  - Compensation for fees incurred by third-parties for exceptional services, that do not occur in normal course of business, which may therefore provide for a service fee;
  - a commission for any dividends in an amount of 0.75% of the amount to be paid

### **Fund currency, first issue price, issue of shares and accounting year**

The net asset value (shares value) is in EUR. The issue price was EUR 100.00 during the introduction period (14.02.2008 – 03.03.2008).

Subscription price is the first issue price plus a sales commission of max. 5%.

The company reserves the right to suspend the issue of shares if a net worth volume which makes the sensible economic management of the company capital to the benefit of shareholders no longer possible.

The accounting year of the sub-fund ends on 31<sup>st</sup> January.

## **UK Addendum to the prospectus of SUNARES, an investment company with variable share capital (“SICAV”), for Investors in the United Kingdom**

### **General**

This UK Addendum (the “**Addendum**”) should be read in conjunction with, and is authorised for distribution only when accompanied by the prospectus dated August 2015 (the “**Prospectus**”) for Sunares (the “**Company**”) and/or the key investor information document (the “**KIID**”), of which it forms part. Unless otherwise defined, defined terms in this Addendum shall have the same meaning as provided in the Prospectus.

### **Facilities in the United Kingdom**

Global Funds Registration Limited has been appointed by the Company to act as the UK Facilities Agent and to provide its facilities at their offices; 1st Floor, 10 New Street, London, EC2M 4TP, (the “**Facilities Agent**”).

The following documents related to the Company will be available for inspection and for the obtaining of copies during regular business hours, on a weekday (Saturday, Sunday and public holidays excepted) at the offices of the Facilities Agent:

- The Company's Articles of Incorporation;
- The current Prospectus;
- The current KIIDs;
- The latest annual and semi-annual reports.

Copies of the Prospectus and the KIIDs are available to prospective investors upon request, in English, and free of charge, at the offices of the Facilities Agent. The Facilities Agent may charge for the delivery of copies of the articles of incorporation and the latest annual and half-yearly reports. Any person wishing to make a complaint about the Company or its operations can submit a complaint to the Compliance Officer of the Facilities Agent at the address set out above, for transmission to the Company.

The Management Company, VP Fund Solutions (Luxembourg), is responsible for all aspects of asset management within the Company. The Facilities Agent does not manage the Company's investments.

### **Subscription and redemption of fees**

The Prospectus contains information describing where information can be obtained about the Company's most recent published sale and purchase prices of shares, where a participant in a sub-fund of the Company may redeem shares in the relevant sub-fund and from which payment of the redemption price may be obtained. For UK investors, information in English can be obtained about prices of the scheme and where a participant may arrange for the redemption of units in the scheme and arrange payment from the Facilities Agent. Any request in relation to the redemption of Shares shall be

provided by the Facilities Agent to the Company's Registrar and Transfer Agent; VP Fund Solutions (Luxembourg) SA , 26 Avenue de la Liberté, L-1930, Luxembourg, who will deal with such requests.

### **Risk factors**

There are certain risk factors associated with the operation and investments of the Company that are described below and more fully in the Prospectus and the KIIDs.

Investment in the Company may not be suitable for all investors. Investors should seek advice from their investment advisor for information concerning the Company and the suitability of making an investment in the Company in the context of their individual circumstances. Particular attention should be drawn to the sections headed "Investment Policy and Investment Restrictions" in the Prospectus.

### **Foreign Account Tax Compliance Act (FATCA)**

The government of the Grand Duchy of Luxembourg has entered into an intergovernmental agreement ("IGA") with the USA to facilitate the transposition of FATCA. The Company will be obliged to comply with the provisions of FATCA and importantly the laws and regulations of Luxembourg which implements the IGA. For more information on FATCA, please refer to the section headed "Taxation of the fund capital", of the Prospectus.

### **Taxation**

The following information is solely intended to offer general guidance to persons holding Shares as an investment and on the United Kingdom taxation of the Company and its investors, but does not constitute legal or tax advice.

This summary should not be taken to constitute legal or tax advice, and any prospective investors should consult their own professional advisers on the implications of making an investment in, and holding or disposing of, Shares and the receipt of distributions (whether or not on redemption) with respect to such Shares under the law of the countries in which they are liable to taxation.

### **The Company**

The affairs of the Company are intended to be conducted in such a manner so that it does not become resident in the UK for taxation purposes. Therefore, provided that the Company does not carry on a trade in the UK through a permanent establishment located there, then the Company will not be subject to UK corporation tax on income or chargeable gains arising to it, other than on certain UK source income. However, it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment, branch or agency coming into being will at all times be satisfied.

Income and gains received by the Company that has a United Kingdom source may be subject to withholding or similar taxes imposed by the United Kingdom.

## **Shareholders**

UK resident investors in a reporting fund are subject to tax on the share of the reporting fund's income attributable to their holding in the fund, whether distributed or not.

Subject to their personal tax position, UK resident Shareholders holding Shares at the end of each 'reporting period' (as defined for UK tax purposes) will potentially be subject to UK income tax or corporation tax on their share of a Sub-Fund's 'reported income' (and any dividends received to the extent that the reported amount exceeds dividends received). The terms 'reported income', 'reporting period' and their implications are discussed in more detail below. Both reported income and dividends will be treated as dividends received from a foreign corporation, subject to any re-characterisation as interest, as described below.

Individual Shareholders resident or ordinarily resident in the UK under certain circumstances may benefit from a non-refundable tax credit in respect of reported income or dividends received from corporate offshore funds invested largely in equities (i.e. where the offshore fund is not considered a bond fund for UK tax purposes).

Dividends reported or paid by offshore corporate funds made to companies' resident in the UK are likely to fall within one of a number of exemptions from UK corporation tax (each corporate investor will need to consider its own position). In addition, dividends reported or paid to non-UK companies carrying on a trade in the UK through a permanent establishment in the UK should also fall within the exemption from UK corporation tax on dividends to the extent that the shares held by that company are used by, or held for, that permanent establishment.

The Investment Manager intends to operate each relevant Sub-Fund so that it does not invest more than 60% of its assets in interest-bearing (and economically similar) assets at any time. Under the rules for the taxation of corporate and government debt contained in the Corporation Tax Act 2009, if any Portfolio at any time has more than 60% by market value of its investments in debt securities, money placed at interest (other than cash awaiting investment), building society shares or in holdings in unit trusts or other offshore funds with, broadly, more than 60% of their investments similarly invested, investors within the charge to corporation tax in the United Kingdom will be taxed on any increase (or relieved for any loss) in the value of their interest at the end of each accounting period and at the date of disposal of their interest as income as calculated on a fair value accounting basis.

Each portfolio is deemed to constitute an "offshore fund" for the purposes of the Taxation (International and Other Provisions) Act 2010. The Offshore Funds (Tax) Regulations 2009 as introduced through Statutory Instrument 2009/3001 provide a reporting

framework in the UK for the taxation of investments in offshore funds. Under this legislation a fund will be a reporting fund if it successfully opts into the reporting regime.

The following Sub-Fund has received certification by the HM Revenue & Customs as a reporting fund with effect from its respective effective dates as stipulated in the table below, and the Directors intend to manage their affairs so that they continue to be certified as reporting funds:

	Sub-Fund Name	Effective Date
1.	Sunares Sustainable Natural Resources	27 May 2010

Once reporting fund status is obtained from HM Revenue & Customs for the relevant Sub-Funds, it will remain in place permanently provided that the annual reporting requirements are satisfied.

The above Sub-Fund is subject to certain annual reporting requirements.

Such annual duties will include calculating and reporting 100% of the income returns of the offshore fund for each reporting period (as defined for UK tax purposes) on a per-Share basis to all relevant Shareholders (as defined for these purposes). UK Shareholders which hold their interests at the end of the reporting period to which the reported income relates, will be subject to income tax or corporation tax on the higher of the full reported amount and any cash distribution paid. The reported income will be deemed to arise to UK Shareholders on the date the report is issued by the Directors provided that the Sub-Fund reports within 6 months of the year end.

Information regarding the Sub-Fund that may generate reportable income will be made available on the website of the Company: [www.vpfundolutions.com](http://www.vpfundolutions.com). Investors should therefore check this website to confirm the reportable income per unit of the Sub-Funds each year, in order to include their reportable income (which will be reportable income per unit multiplied by the number of units held at the relevant year-end) on their tax return. Investors will not receive notification by post of the reportable income per unit unless they request the information in this format in writing. Requests should be made in writing to the address below within 2 months of the end of the relevant accounting period for which the notification by post is required.

Registrations Manager  
Global Funds Registration Limited  
1st Floor  
10 New Street  
London  
EC2M 4TP

UK resident individuals who are not domiciled in the UK may be liable to UK income and capital gains tax only on amounts remitted to the UK depending on their personal

circumstances and whether they have paid the remittance basis charge for the relevant year.

### **Anti-Avoidance Provisions**

The UK tax rules contain a number of anti-avoidance codes that can apply to UK investors in offshore funds in particular circumstances. It is not anticipated that they will normally apply to investors. Any UK taxpaying investor who (together with connected persons) holds over 10% of the Company should take specific advice.

### **Other Provisions**

Any individual shareholder domiciled or deemed to be domiciled in the UK for UK tax purposes may be liable to UK inheritance tax on their Shares in the event of death or on making certain categories of lifetime transfer.

Since the Company is not incorporated in the UK and the register of Shareholders will be kept outside the UK, no liability to UK stamp duty reserve tax should arise by reason of the transfer, subscription for, or redemption of Shares. Liability to UK stamp duty will not arise provided that any instrument in writing, transferring Shares in the Company, or shares acquired by the Company, is executed and retained at all times outside the UK. However, the Company may be liable to transfer taxes in the UK on acquisitions and disposals of investments. In the UK, stamp duty reserve tax or stamp duty at a rate of 0.5% will be payable by the Company on the acquisition of shares in companies that are either incorporated in the UK or that maintain a share register there.

For more information regarding tax please see the section heading “Taxation of the fund capital” in the Prospectus.