

**SALES PROSPECTUS  
INCLUDING MANAGEMENT  
REGULATIONS**

**Tungsten TRYCON Basic Invest HAIG**

An investment fund  
(*fonds commun de placement*)  
according to Part I of the Luxembourg Law of 17<sup>th</sup> December 2010  
on Undertakings for Collective Investment

This sales prospectus is only valid in conjunction with the most recent annual report of the fund, once this most recent annual report has been prepared, and additionally, if more than eight months have passed since the reporting date of this annual report, in conjunction with a more up-to-date semi-annual report. Both reports form an integral part of this sales prospectus. The Sales Prospectus with the Management Regulations, as amended, and the annual and semi-annual reports can be obtained free of charge from the management company and all paying agents. No one has the authority to invoke any information that is neither contained in the Sales Prospectus nor in any other documents relating to the Sales Prospectus that are accessible to the public.



**HAUCK & AUFHÄUSER**  
INVESTMENT GESELLSCHAFT S.A.

Issued: 1<sup>th</sup> September, 2015

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

The sale of units in the United States of America (USA) or to US citizens shall be excluded. The following natural persons shall, for instance, be considered US citizens:

- a) persons born in the USA or one of its territories or sovereign territories;
- b) naturalised citizens (or Green Card holders);
- c) persons born as a natural child of a US national in another country;
- d) persons whose habitual abode is the USA, yet who are not US nationals;
- e) persons who are married to a US national; or
- f) persons who are liable for taxation in the USA.

In addition, the following persons shall be considered US citizens:

- a) Companies and incorporated firms established in accordance with the laws of one of the 50 Federal States of the US or the District of Columbia;
- b) a company or partnership established in accordance with an "Act of Congress";
- c) a pension fund established as a US trust fund; or
- d) a company liable for taxation in the USA.

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## **MANAGEMENT**

### **MANAGEMENT COMPANY**

**HAUCK & AUFHÄUSER INVESTMENT GESELLSCHAFT S.A.**  
**R.C.S. LUXEMBURG NR. B. 31.093**  
1c, rue Gabriel Lippmann  
L-5365 Munsbach

Equity as of 31<sup>st</sup> December 2014: EUR 2,700,000

Other funds managed by the management company:

An overview of the investment funds managed by Hauck & Aufhäuser Investment Gesellschaft S.A. can be obtained from the registered offices of the management company. Interested parties can also obtain information about the management company on the homepage [www.haig.lu](http://www.haig.lu).

### **Management Board of the Management Company:**

**Stefan Schneider**  
**Achim Welschoff**

### **Supervisory Board of the Management**

#### **Chairman:**

**Michael O. Bentlage**  
Partner  
Hauck & Aufhäuser Privatbankiers KGaA, Frankfurt am Main

#### **Members:**

**Jochen Lucht**  
Personally liable partner  
Hauck & Aufhäuser Privatbankiers KGaA, Frankfurt am Main

**Marie-Anne van den Berg**  
Branch manager  
Hauck & Aufhäuser Privatbankiers KGaA, Luxembourg branch

### **DEPOSITARY BANK**

**Hauck & Aufhäuser Privatbankiers KGaA**  
Kaiserstraße 24  
D-60311 Frankfurt am Main

*Depositary banking services provided by:*

**Hauck & Aufhäuser Privatbankiers KGaA, Luxembourg branch**  
1c, rue Gabriel Lippmann  
L-5365 Munsbach

### **REGISTRAR AND TRANSFER AGENT**

**Hauck & Aufhäuser Investment Gesellschaft S.A.**  
1c, rue Gabriel Lippmann  
L-5365 Munsbach

### **PAYING AGENT**

**Hauck & Aufhäuser Privatbankiers KGaA, Luxembourg branch**  
1c, rue Gabriel Lippmann  
L-5365 Munsbach

**FUND MANAGER**

**Tungsten Capital Management GmbH**  
Hochstrasse 35-37  
D - 60313 Frankfurt am Main

**INVESTMENT  
ADVISOR**

**TRYCON G.C.M. AG**  
Hochstrasse 35-37  
D - 60313 Frankfurt am Main

**AUDITOR**

**PriceWaterhouseCoopers Société Coopérative**  
Réviseurs d'entreprise  
2, rue Gerhard Mercator  
L-1014 Luxembourg

## THE FUND

The investment fund described in this Sales Prospectus is a separate asset of securities and other assets, set up in the form of a single fund (fonds commun de placement) according to Luxembourg law. It was incorporated according to part I of the Luxembourg law of 17<sup>th</sup> December 2010 on Undertakings for Collective Investment (the "Law of 2010") and fulfils the Directive of the Council of the European Communities 2009/65/EC of 13<sup>th</sup> July 2009.

The Management Regulations provided hereinafter form an integral part of the Tungsten TRYCON Basic Invest HAIG ("Fund") and the notice of filing for these Management Regulations was published on 13<sup>th</sup> Juli 2015 in Mémorial C, Recueil des Sociétés et Associations ("Mémorial"), the Official Journal of the Grand Duchy of Luxembourg.

## MANAGEMENT OF THE FUND

The fund is managed by Hauck & Aufhäuser Investment Gesellschaft S.A. Hauck & Aufhäuser Privatbankiers KGaA is the sole shareholder of this company.

The management company was incorporated for an unlimited period in the form of a joint-stock company under Luxembourg law on 18<sup>th</sup> July 1989. It is based in Luxembourg. The articles of the management company were published in Mémorial C, Recueil des Sociétés et Associations of 22<sup>nd</sup> September 1989 and are filed in the commercial and companies register of Luxembourg district court. Amendments to the articles have been published in Mémorial C, Recueil des Sociétés et Associations on 23<sup>rd</sup> August 1995, 19<sup>th</sup> May 1998, 21<sup>st</sup> March 2002, 19<sup>th</sup> February 2003, 17<sup>th</sup> February 2004, 12<sup>th</sup> August 2005, 31<sup>st</sup> October 2008, 7<sup>th</sup> April 2011 and 20<sup>th</sup> December 2013.

The purpose of the management company is to launch and manage Undertakings for Collective Investment ("UCIs") according to Luxembourg law and to perform all activities pertaining to the launch and management of these UCIs. Moreover, the management company performs activities as defined in the Luxembourg law of 12<sup>th</sup> July 2013 on alternative investment fund managers (AIFM Law). In particular, these include the activities described in Annex I, clause 1. of the aforementioned Law, as well as the partial activities specified under additional administrative functions in Annex I, clause 2. a).

The management company's responsibilities include any general administrative tasks that arise in the course of Fund management and that are required by Luxembourg law. These tasks comprise, in particular, calculating the net asset value of the units and Fund accounting.

The management company has transferred, at its own cost and under its own responsibility and control, the calculation of the net asset value, the Fund accounting and reporting to Hauck & Aufhäuser Privatbankiers KGaA, Luxemburg branch, with registered offices at 1c, rue Gabriel Lippmann, L-5365 Munsbach, as of 1<sup>st</sup> December 2011. The IT administration of the Hauck & Aufhäuser Group is distributed across the locations of Luxembourg and Germany.

The management company has appointed Tungsten Capital Management GmbH, a private limited company according to German Law as fund manager of the Fund.

The fund manager is licensed to manage assets and is subject to relevant supervision. In particular, the fund manager is responsible for the autonomous daily implementation of the investment policy for the Fund's assets and the management of day-to-day asset management operations under the supervision, responsibility and control of the management company, as well as other associated services. These tasks are performed while taking due account of the principles of the investment policy and the investment restrictions of the Fund, as described in this Sales Prospectus and in the Management Regulations, as well as the statutory investment restrictions. The fund manager is authorised to select intermediaries and brokers for the processing of transactions of the Fund's assets. Investment decisions and order placement are incumbent upon the fund manager. The fund manager is entitled to consult third parties at his own expense and responsibility; this applies in particular to different investment advisors. The fund manager is permitted to delegate his tasks in whole or in part to third parties with the approval of the management company and shall cover all remuneration of such third parties. In the event of a comprehensive delegation of tasks, the Sales Prospectus shall be amended in advance. The fund manager covers all expenditures incurred in relation to the services provided by him. The Fund will cover brokerage commissions, transaction fees and other business costs in connection with the acquisition and disposal of assets.

The fund manager has appointed TRYCON G.C.M. as investment advisor of the Fund. TRYCON G.C.M. AG is a tied agent within the meaning of Section 2 para. 10 of the German Banking Act (KWG). TRYCON G.C.M. AG as tied agent shall perform the role of an investment manager for the account and under the responsibility of Tungsten Capital Management GmbH.

The investment advisor's main tasks are observing the financial markets, analysing the composition of the Fund's assets and issuing investment recommendations to the fund manager in accordance with the principles of the Fund's investment policy and investment restrictions.

The investment advisor functions exclusively as a consultant and does not make any independent investment decisions. The investment advisor is entitled to issue to the fund manager estimations, advice and recommendations for the Fund concerning the choice of investments and the choice of securities that are to be acquired or sold in the Fund, as part of the day-to-day investment policy. The fund manager will provide the day-to-day management of the Fund's assets; accordingly, all investment decisions are made by the fund manager.

To fulfil its tasks, the investment advisor can enlist the services of third-party natural or legal persons and consult subadvisors at its own cost and under its own responsibility, whereby these parties always perform their function under the responsibility of the investment advisor. The subadvisor is remunerated by the investment advisor.

Only the depositary bank and the paying agent are authorised to accept client funds.

## **THE DEPOSITARY BANK**

The management company has appointed Hauck & Aufhäuser Privatbankiers KGaA with registered offices at Kaiserstraße 24, D-60311 Frankfurt am Main, as depositary bank ("depositary bank"). The depositary bank is a German financial institution authorised to engage in banking transactions as defined in Section 1 Subsection 1 of the German Banking Act (KWG). The registered offices of the depositary bank are in Frankfurt am Main and it is registered at the local registry court at Frankfurt am Main under number HRB 20065.

The depositary bank provides its depositary banking services via its Luxembourg branch. Hauck & Aufhäuser Privatbankiers KGaA, Luxembourg branch, is authorised to provide such services under the freedom of establishment within the European Union according to the Luxembourg Law of 5<sup>th</sup> April 1993 on the Financial Sector (including subsequent alterations and supplements). The registered offices of Hauck & Aufhäuser Privatbankiers KGaA, Luxembourg branch, are in Luxembourg and it is registered at the Registre de Commerce et des Sociétés de Luxembourg (R.C.S.) under number B 175937. The depositary bank is responsible for the safekeeping of the assets of the fund.

**The bank deposits held at any banks other than the depositary bank are not protected by any institution for securing deposits.**

## **RISK RATING DEFINED BY THE MANAGEMENT COMPANY**

The management company assigns a relevant risk profile to the Fund it manages. Such classification will be in line with the relevant investment policy in connection with the investment objective. In addition, the "GENERAL NOTES ON RISK" stated in the Sales Prospectus apply to the Fund.

The risk profiles are expressly not to be understood as an indication of potential income. If necessary, the rating may be adjusted by the management company.

This will result in an amendment of the sales documents.

### **Risk profile – "Defensive"**

The Fund is particularly suited to investors only accepting a low level of risk while wanting to generate income within a short maturity range. Due to the investment policy together with the investment objective, the investor is prepared to accept a loss of capital in relation to the extent of potential value fluctuations. The investor should have a rather short-term investment horizon.

The management company attempts to minimise the risks through the number and the distribution of the separate asset investments.

However, no guarantee can be given that the objectives of the investment policy will be reached.

### **Risk profile – "Moderate"**

The Fund is particularly suited to investors accepting a moderate level of risk while wanting to generate a moderate income within a short to medium maturity range. Due to the investment policy together with the investment objective, the investor is prepared to accept a loss of capital in relation to the extent of potential value fluctuations. The investor should have a short- to medium-term investment horizon.

The management company attempts to minimise the risks through the number and the distribution of the separate asset investments.

However, no guarantee can be given that the objectives of the investment policy will be reached.

### **Risk profile – "Profit-oriented"**

The Fund is particularly suited to investors accepting a higher level of risk while wanting to participate in higher income in the medium- to long-term. Due to the investment policy together with the investment objective, the investor is prepared to

accept an increased loss of capital in the short-term in relation to the extent of the value fluctuations of the Fund's investments. The investor should have a medium- to long-term investment horizon.

The management company attempts to minimise the risks through the number and the distribution of the separate asset investments.

However, no guarantee can be given that the objectives of the investment policy will be reached.

#### **Risk profile – “Opportunistic”**

The Fund is particularly suited to investors accepting a high level of risk while wanting to participate in a potentially high income in the long-term. Due to the investment policy together with the investment objective, the investor is prepared to accept a high loss of capital in the short-term in relation to the extent of the value fluctuations of the Fund's investments.

The investor should have a long-term investment horizon.

The management company attempts to minimise the risks through the number and the distribution of the separate asset investments.

However, no guarantee can be given that the objectives of the investment policy will be reached.

#### **Risk profile – “Speculative”**

The Fund is particularly suited to investors accepting a very high level of risk while wanting to participate in a potentially very high income in the long-term. Due to the investment policy together with the investment objective, the investor is prepared to accept a very high loss of capital in the short-term in relation to the extent of the value fluctuations of the Fund's investments. The investor should have a long-term investment horizon.

The management company attempts to minimise the risks through the number and the distribution of the separate asset investments.

However, no guarantee can be given that the objectives of the investment policy will be reached.

### **THE LEGAL STATUS OF UNIT-HOLDERS**

The management company invests the Fund's assets in securities and other permissible assets in its own name and for the collective account of the unit-holders in accordance with the principle of risk diversification. The Fund's assets are formed from the capital that has been provided and the assets acquired with this capital; the Fund's assets are kept separate from the management company's own assets.

Unit-holders share in the Fund's assets to the extent of their units as joint owners.

The management company makes the unit-holders aware that each unit-holder can only fully assert his rights directly against the UCITS if the unit-holder is himself registered in the UCITS's unit-holder register in his own name. In cases where the unit-holder has invested in a UCITS via an intermediary agent that undertakes the investment in its own name but on behalf of the unit-holder, it may not be possible for the unit-holder to directly assert all rights against the UCITS. Unit-holders are advised to inform themselves about their rights.

### **INVESTMENT OBJECTIVE AND INVESTMENT POLICY**

The objective of Tungsten TRYCON Basic Invest HAIG is to achieve a continuous increase in value, irrespective of the strength and the direction of price movements in international capital markets. The objective is to generate absolute investment performance from income and changes in value, in both rising and falling stock and bond markets.

To this end, the Tungsten TRYCON Basic Invest HAIG fund invests internationally in listed financial futures and their options in markets and underlyings such as those described below:

**Bond markets:** Euro-Bobl, Euro-Bund, Euro-Schatz, US T-Notes, Euribor;

**Stock market indices:** DAX, Russel 2000, Nasdaq 100, SMI, DJ Euro Stoxx 50, S & P 500, Nikkei 225, Hang Seng;

**Currencies:** EUR/USD, USD/JPY, USD/AUD, USD/CAD, EUR/JPY;

Deposits under the terms of article 4 no. 1 f) of the Management Regulations may be held for the Fund and the following may be purchased for the Fund: money market instruments under the terms of article 4 no. 1 of the Management Regulations and certificates that are based on the performance of commodity indices and commodity prices or other permitted underlying assets (that are based upon the performance of an underlying asset on a 1:1 basis and are officially listed or traded on stock exchanges or other regulated markets that are recognised and open to the public and that operate regularly (“Regulated Markets”)).

Without prejudice to the above provision, the Fund may temporarily hold up to 100% of its net fund assets in cash and cash equivalents and invest in similar assets.

The Fund may also acquire positions in securities (shares, bonds, etc.) from the above-mentioned markets.

Moreover, the Fund may invest in other permitted assets in accordance with article 4 of the Management Regulations below.

Units of investment funds corresponding to article 4 of the Management Regulations below may be acquired to a maximum of 10% of the net fund assets.

For the hedging purposes and for the efficient management of the portfolio, the Fund may deploy derivatives, certificates with embedded derivative components (discount, bonus, leverage, knock-out certificates, etc.), as well as techniques and instruments in accordance with article 4 no. 5 of the Management Regulations. If these techniques and instruments relate to the use of derivatives as defined in article 4 no. 1. g) of the Management Regulations, the relevant investment restrictions defined in article 4 of the Management Regulations must be taken into account. Moreover, the stipulations of article 4 no. 6. pertaining to risk management procedures in the handling of derivatives must be observed.

Within the scope of OTC transactions, the management company may accept collateral in the form of bank deposits provided to reduce counterparty risk. To this end, specific currencies are defined for each counterparty, which are exchanged. Non-cash collateral is not accepted.

The Fund is not permitted to invest in any other assets defined as permissible assets in article 4 of the Management Regulations set out hereinafter.

Collateral may be realised at any time without reference to the counterparty or approval by the counterparty. The cash collateral received is valued without risk discount.

Taking account of the minimum transfer amounts, the level of collaterals will be 100%.

The cash collateral received from the counterparty within the scope of OTC transactions will only be invested in full or in part in the following assets:

- high quality government bonds;
- money market funds with a short maturity structure in accordance with the definition given in the CESR guidelines on a Common Definition of European Money Market Funds (CESR/10-049);
- deposits with legal entities repayable on demand in accordance with article 50 (1) letter f) of the UCITS Directive (Directive 2009/65/EC).

The limits for issuers and counterparties stated in article 4 no. 3 of the Management Regulations apply analogously for the investment of cash collateral. The Fund may be subject to risks including counterparty default, interest rate or market risks due to the investment of cash collateral.

The counterparty in OTC transactions has no influence on the portfolio management, i.e. the management company is the sole decision-maker for the selection.

An explanation of how certificates function:

In most cases, certificates are listed debt instruments. The price development of certificates is dependent on the development of the underlying asset and the structure of the contract. The development of the certificate price may be stronger than, weaker than, equal in strength to or fully independent of the development of the underlying asset's price. Depending on the structure of the contract, the certificate price may lose all of its value.

Details of the investment restrictions are stated in article 4 of the Management Regulations provided hereinafter.

The Fund has been established for an unlimited period.

### **RISK PROFILE OF THE Tungsten TRYCON Basic Invest HAIG Risk profile - "Opportunistic"**

The Fund is particularly suited to investors accepting a high level of risk while wanting to participate in a potentially high income in the long-term. Due to the investment policy together with the investment objective, the investor is prepared to accept a high loss of capital in the short-term in relation to the extent of the value fluctuations of the Fund's investments. The investor should have a long-term investment horizon.

The management company attempts to minimise the risks through the number and the distribution of the separate asset investments.

However, no guarantee can be given that the objectives of the investment policy will be reached.

## **TOTAL RISK MONITORING OF THE FUND:**

### **Global Exposure:**

In order to monitor the market risk, the global exposure is calculated using the absolute value at risk model.

### **Leverage:**

The Fund's investment strategy aims to predominantly use financial derivatives such as index, bond, interest rate or commodity futures or options. Such products have greater exposure in comparison with the Fund's volume, which results in a leverage effect as the percentage change in the gains and losses of derivatives is generally greater than the corresponding change in the particular underlying assets. It is thus expected that this leverage will represent up to 500% of the Fund's volume; it may, however, represent up to 900% of the Fund's volume, depending on the management approach taken by the fund manager. The leverage value is, however, subject to fluctuations in relation to the market situation, such that the expected value may be exceeded in the short term. The leverage value is monitored by the company on a daily basis.

**Because of opposite derivative positions or derivative positions that hedge assets contained in the portfolio, the actual net leverage will be slightly lower than the stated values.**

### **Notes on the calculation of leverage:**

**Leverage is calculated on the basis of the sum of the nominal values as set out in boxes 24 and 25 of the CESR Guidelines 10-788.**

## **GENERAL NOTES ON RISK**

When investing in Tungsten TRYCON Basic Invest HAIG, it should be noted that, based on our experience, this Fund is subject to strong price fluctuations with potential opportunities and risks for the investor. On account of the various risk parameters and factors of influence, this may lead to relevant price gains or declines for the investor within the Fund. Potential risk parameters and factors of influence for the Fund are:

### Market risk

In particular, the price and market development of financial products are dependent upon the development of the capital markets which themselves are influenced by the general state of the world economy and the economic and political framework conditions in the individual countries.

If price declines are noted at the international stock exchanges, a fund is rarely able to remain unaffected. The market risk may be increased with an increasing specialisation of the investment focus of a fund, given that this entails foregoing a broad risk diversification.

### Risks of interest-bearing products

The extent of price fluctuations is dependent upon the maturities of the interest-bearing securities included in a fund. In general, interest-bearing securities with shorter maturities are subject to lower price risks than interest-bearing securities with longer maturities. However, interest-bearing securities with shorter maturities generally generate lower returns while interest-bearing securities with longer maturities generally offer higher interest rates.

### Counterparty default risk, counterparty risk

The counterparty default risk (credit risk) is the risk of the other party to a reciprocal contract failing to fulfil its obligation with respect to a receivable despite the provision of the relevant consideration. This applies to all reciprocal contracts concluded for the account of the Fund. In addition to the capital markets' general trends, the particular developments of the relevant issuer will affect the price of a security. The careful selection of securities cannot, for instance, exclude the risk that losses are incurred due to the financial collapse of an issuer. Losses incurred due to the financial collapse of an issuer will affect the Fund to the extent that it has acquired transferable securities from this issuer. Due to the Fund's investment strategy (investment in non-investment grade bonds), the Fund may be subject to increased exposure to such risks.

### Custody risk

The custody of assets entails a risk of loss which results from the insolvency, negligence, or improper conduct by the custodian or a sub-custodian.

### Concentration risk

Additional risk may result from a concentration of the investment in particular assets or markets.

### Performance risk

As no guarantee is granted by a third party, a positive performance cannot be assured. Moreover, the performance of the assets acquired for the Fund may differ from the performance that could be expected at the time of acquisition.

#### Settlement risk

In particular, if unlisted transferable securities are acquired, or derivative instruments are used, there is a risk that the transaction is not settled as expected due to one counterparty failing to pay or deliver in due time or as agreed.

#### Risks in connection with bonds on assets not included in the Fund's assets

The risks of bonds (certificates, structured products, etc.) acquired for the Fund that are associated with assets not included in the Fund's assets as their underlying assets are closely related to the special risks of such underlying assets and the investment strategies which such underlying asset may adopt, e.g. commodities as underlying assets. However, the aforementioned risks can be reduced by means of investment diversification within the Fund.

#### Special risk of investment in certificates

The investment in certificates entails the risk that no regulated market price is available for such certificates due to a certain illiquidity; this also applies to listed certificates and certificates traded in a regulated market. This applies to an increased extent if a significant share of these certificates is held by the Fund and in the case of OTC transactions. In order to counteract the associated valuation risk, the management company may use the valuation provided by an independent broker at its own discretion. Moreover, it cannot be ruled out that higher discounts than the actual price of the certificates have to be accepted in their disposal for the reasons stated above. In addition, a counterparty default risk exists for certificates (see paragraph counterparty default risk, counterparty risk).

#### Risks resulting from the use of derivatives

Due to the leverage of derivatives, the value of the Fund's assets can be positively and negatively affected to a greater extent when using derivatives than when directly acquiring transferable securities or other assets; thus, their use entails special risks.

Unlike traditional transferable securities, leverage facilitates a stronger positive or negative impact on the value of the Net Fund Assets. Financial-futures contracts used for any other purpose than hedging also entail significant opportunities and risks, as in each case only a fraction of the relevant contract value (margin) has to be paid up immediately. Therefore, price fluctuations can result in significant profits or losses with the Fund's assets. This can increase the risk and volatility of the Fund.

#### Risks in connection with OTC transactions

Fundamentally, the Fund may conclude transactions in the OTC market (in particular derivatives) (insofar as this is mentioned in the relevant fund-specific investment policy). These are individual over-the-counter agreements. The conclusion of OTC transactions exposes the Fund to the risk of the contracting party failing to fulfil its payment obligation in full, in part or in due time (counterparty risk). This can affect the development of the relevant Fund and may result in the partial or total loss of an unrealised profit.

#### Risks in connection with currencies

The Fund may invest in transferable securities denominated in local currencies and it may hold cash funds in such currencies. Therefore, fluctuations in the value of such currencies against the Euro will affect the value of the Fund in Euros accordingly. Finally, currency exposure to currencies other than the Euro may result in a loss on conversion of foreign currencies and in addition such investments entail a transfer risk.

#### Risks in connection with the investment in newly industrialised nations

The potential investment in investment funds and/or transferable securities from newly industrialised nations entails various risks. These risks are primarily related to the fast economic development process that some of these countries experience and in this context, no assurance can be made that this development process will continue in the coming years. In addition, these markets tend to have a low level of market capitalisation and they tend to be volatile and illiquid. Other factors (e.g. political change, exchange rate fluctuations, stock exchange controls, taxes, restrictions on the investment of foreign capital and capital recovery, etc.) can further compromise the marketability of the assets and the resulting income.

Moreover, these companies may be subject to a significantly lower degree of governmental supervision and a less differentiated legislature.

Their accounting and auditing are not always of the standard enforced in this country.

#### Country risk

The value of the Fund's assets can also be compromised by unforeseeable events, e.g. international political developments, changes in state policies, restrictions on foreign investment and currency recovery, as well as other developments and applicable laws and regulations.

## **PERFORMANCE**

An overview of the Fund is provided in the key investor information (*Key Investor Information Document*).

## UNITS

Units of Tungsten TRYCON Basic Invest HAIG are units of the Fund.

### THE ISSUE OF UNITS

Fund units of the Fund are issued at the issue price which is composed of the unit value and any sales commission specified in the overview. If stamp duties or other charges are incurred in a country in which the units are issued, the issue price increases accordingly.

The management company is authorised to issue new units on an ongoing basis. However, the management company reserves the right to cease issuing units temporarily or completely within the scope of the stipulations of the Management Regulations given below; in such a case, payments that have already been made are reimbursed without delay.

The units can be acquired from the management company, the depositary bank and the paying agents specified in this Sales Prospectus.

**The acceptance deadlines for the subscription requests shall be determined by the deadlines stated in the provisions of the Management Regulations.**

### THE CALCULATION OF UNIT VALUE

To calculate the unit value, the value of the assets is determined less the liabilities (the "Net Fund Assets") at each valuation day under the terms of the Management Regulations; this value is then divided by the number of units in circulation.

Further details regarding the calculation of the unit value are specified in the Management Regulations, particularly article 7 thereof.

### REDEMPTION AND EXCHANGE OF UNITS

The unit-holders are entitled to demand that their units be redeemed or exchanged at the redemption or exchange price specified in the Fund's Management Regulations via one of the paying agents, the depositary bank or the management company.

**The acceptance deadlines for the redemption requests shall be determined by the deadlines stated in the provisions of the Management Regulations.**

### DISTRIBUTION AND OTHER PAYMENTS

The distribution policy will be specified for each unit class of the Fund. Within the scope of the stipulations of article 11 of the Management Regulations, the ordinary net income, the price gains realised in the Fund's assets and other assets of the Fund can be distributed.

Any Fund unit distributions are paid via the paying agents, the depositary bank or the management company. The same applies to any other payments to the unit-holders.

### PUBLICATION AND POINT OF CONTACT

The current applicable issue and redemption prices of the units and all other information intended for the unit-holder can be requested from the head office of the management company, the depositary bank or the paying and distribution agents at any time.

Key investor information (*Key Investor Information Document*) can be downloaded from the following internet address of the management company: [www.haig.lu](http://www.haig.lu). In addition, a hard copy will be provided by the management company on request.

The Sales Prospectus with Management Regulations, as amended, and the annual and semi-annual reports can also be obtained there, and the agreement arranged with the depositary bank and the fund manager and the articles of the management company can be viewed.

As a matter of principle, the current applicable issue and redemption price is published on the management company's website ([www.haig.lu](http://www.haig.lu)) and may also be published in a supra-regional daily newspaper or another online medium.

Other important information for the unit-holders will always be published on the website of the management company ([www.haig.lu](http://www.haig.lu)). Insofar as required in law, there will be an additional publication in Luxembourg in a daily Luxembourg newspaper.

Investor complaints can be directed to the management company, the depositary bank or any paying agents. They will be processed in an orderly manner, within 14 days.

## **COSTS**

The management company receives a remuneration for the management of the Fund from the Net Fund Assets to the amount derived from the calculation and payment defined in the section "Tungsten TRYCON Basic Invest HAIG - an overview" below.

The depositary bank receives a remuneration from the Net Fund Assets to the amount derived from the calculation and payment defined in the section "Tungsten TRYCON Basic Invest HAIG - an overview" below.

The above-mentioned remunerations are defined and paid in accordance with the stipulations of the Fund. In addition, the management company or the depositary bank can be compensated for further costs, in addition to the costs relating to the acquisition and disposal of Fund assets, as listed in the Fund's Management Regulations.

These further costs are also listed in the annual reports.

Moreover, the Fund's assets may be charged costs in accordance with article 24 of the Management Regulations.

## **TAXATION OF THE FUND'S ASSETS AND INCOME**

The Fund's income is not taxed in the Grand Duchy of Luxembourg. The income may, however, be subject to source taxation or other taxes in countries in which the assets of the Fund are invested. Neither the management company nor the depositary bank will collect receipts for such taxes for any individual or for all unit-holders.

The Fund's assets are subject to a *taxe d'abonnement* in the Grand Duchy of Luxembourg, currently at a maximum of 0.05% p.a. The *taxe d'abonnement* is payable on a quarterly basis, for the Net Fund Assets indicated at the end of each quarter.

Unit-holders not resident or permanently established in Luxembourg are not subject to income tax, inheritance tax or property tax on their units or income from these units in Luxembourg. The relevant national tax regulations apply to them. However, the implementation of Directive 2003/48/EC of the Council of 3<sup>rd</sup> June 2003 (the EU Savings Directive) on taxation of savings income in the form of interest payments in Luxembourg law provides for a taxation of interest income as of 1<sup>st</sup> July 2005. According to the EU Savings Directive, the portions of income that are to be taxed are to be identified on the basis of direct and indirect interest income in the Fund's assets. The affected spectrum of investors is restricted to natural persons who maintain an investment account or a custodian account in Luxembourg and reside in another EU state. For this purpose will the competent authority of the member state, in which the beneficial owner is resident for tax purposes, provide information within the meaning of the EU Savings Directive.

As of 1<sup>st</sup> January 2006, natural persons who reside in the Grand Duchy of Luxembourg and are not tax residents of any other state must pay a source tax (in the form of compensation) of 10% on interest income in accordance with the relevant Luxembourg law implementing the EU Savings Directive. In certain conditions, this source tax may also become due for investment funds.

Thus, prospective investors should inform themselves of the laws and ordinances that apply to the acquisition, possession and redemption of units and seek advice as required.

Prospective investors should inform themselves of the laws and ordinances that apply to the acquisition, possession and redemption of units and seek advice as required.

Investors should consult their own tax advisors with regard to the effect of their investments in the Fund in accordance with the tax legislation that applies to them, particularly the tax legislation for the country in which they are resident.

## AN OVERVIEW OF Tungsten TRYCON Basic Invest HAIG

<b>Incorporation of the Fund:</b>	17 <sup>th</sup> December, 2009
<b>Initial issue phase:</b>	
<b>Unit classes B and C:</b>	15 <sup>th</sup> - 29 <sup>th</sup> January, 2010
<b>Unit class D:</b>	none
<b>Initial issue price (excl. sales commission):</b>	
<b>Unit class B</b>	EUR 100
<b>Unit class C</b>	EUR 100
<b>Unit class D</b>	USD 100
<b>Initial issue date:</b>	
<b>Unit classes B and C</b>	1 <sup>st</sup> February, 2010
<b>Unit class D</b>	1 <sup>st</sup> September, 2015
<b>Sales commission:</b> (in % of the unit value payable to the relevant agent)	
<b>Unit class B</b>	up to 5 %
<b>Unit class C</b>	up to 3 %
<b>Unit class D</b>	up to 3 %
<b>Exchange commission:</b>	none
<b>Redemption commission:</b>	bis zu 1 %
<b>Minimum investment<sup>1</sup>:</b>	
<b>Unit class B</b>	EUR 1.000
<b>Unit class C</b>	EUR 100.000
<b>Unit class D</b>	USD 2.500.000
<b>Savings and withdrawal plans:</b>	None offered by the management company; investors can obtain supplementary information from the relevant depository institution
<b>Management Fee (as % of the Net Fund Assets):</b>	
<b>Unit class B</b>	up to 0,20 % p.a.
<b>Unit class C</b>	up to 0,20 % p.a.
<b>Unit class D</b>	up to 0,20 % p.a.
The management fee is to be calculated daily for the previous valuation day's Net Fund Assets of each unit class paid out monthly in arrears. However, the minimum management fee is EUR 2.500 per month per unit class. <sup>2</sup> This management fee is subject to VAT as applicable.	
<b>Custodian Bank Fee (as % of the Net Fund Assets):</b>	
<b>Unit class B</b>	up to 0,08 % p.a.
<b>Unit class C</b>	up to 0,08 % p.a.
<b>Unit class D</b>	up to 0,08 % p.a.
The custodian bank fee is to be calculated daily for the previous valuation day's Net Fund Assets of each unit class and paid out monthly in arrears. However, the minimum custodian bank fee is EUR 700 per month per unit class. <sup>3</sup> This custodian bank fee is subject to VAT as applicable.	
<b>Fund Management Fee (as % of the Net Fund Assets):</b>	
<b>Unit class B</b>	up to 1,90 % p.a.
<b>Unit class C</b>	up to 1,25 % p.a.
<b>Unit class D</b>	up to 1,25 % p.a.
The fund management fee is to be calculated daily for the previous valuation day's Net Fund Assets of each unit class and paid out monthly in arrears. This management fee is subject to VAT as applicable.	
<b>Performance Fee (payable to the fund manager):</b>	up to 20 % <sup>4</sup>

<sup>1</sup> In exceptional cases, the management company can approve subscriptions that deviate from the minimum deposit without stating reasons.

<sup>2</sup> The management company may waive the claim to its remuneration per unit class in full or in part at any time, at its own discretion and without stating reasons.

<sup>3</sup> The depository bank may waive the claim to its remuneration per unit class in full or in part at any time, at its own discretion and without stating reasons.

<sup>4</sup> The fund manager receives a success-related remuneration (performance fee) for the Fund.

The performance fee can be up to 20% of the absolute increase in net asset value per unit of fund per unit class. A performance fee, if one is due, is paid on 31<sup>st</sup> March and 30<sup>th</sup> September of the year (= the reporting dates), with the first payment being made on 30<sup>th</sup> September 2010. Entitlement to the performance fee is determined on a daily basis (the observation date) and this is taken into account in the published unit value.

The high water mark is the higher price of the initial issue price and the unit value on the previous reporting date on which a performance fee was last paid. If the unit value is lower than the current high water mark on an observation date, no calculation of the performance fee is performed.

A positive accrued entitlement to a performance fee is only paid on the reporting date if the unit value is above the high water mark. In this case, the high water mark is adjusted in accordance with the unit value on the reporting date for the next observation period.

Any negative accrual on the reporting date is correspondingly taken into account in the following observation. Performance fees that have already been paid cannot be reimbursed.

This remuneration is subject to VAT as applicable.

<b>Effective total cost burden (as % of the Net Fund Assets) Performance:</b>	Specified in the Fund's annual report Specified in the key investor information (Key Investor Information Document)
<b>Currency of the Fund:</b>	EUR
<b>Currency of each unit class:</b>	
Unit class B	EUR
Unit class C	EUR
Unit class D	USD
<b>Banking day:</b>	Each day which is a banking day in both Luxembourg and Frankfurt am Main
<b>Valuation day:</b>	Each banking day
<b>End of the financial year:</b>	30 <sup>th</sup> September; end of the first financial year 30 <sup>th</sup> September 2010
<b>Semi-annual report:</b>	31 <sup>st</sup> March
<b>Annual financial report:</b>	30 <sup>th</sup> September
<b>The first report will be an unaudited semi-annual report on:</b>	31 <sup>st</sup> March 2010
<b>Deadline for the acceptance and redemption of subscriptions and redemptions:</b>	12 noon of the previous day
<b>Payment of the issue and redemption price:</b>	Within two (2) banking days
<b>Division into units:</b>	Book Entry Registered
<b>Utilisation of income:</b>	
Unit class B	Distribution
Unit class C	Distribution
Unit class D	Distribution
<b>Stock exchange listing:</b>	Not envisaged
<b>German securities identification number/ISIN:</b>	
Unit class B	HAFX28 / LU0451958135
Unit class C	HAFX29 / LU0451958309
Unit class D	HAFX70 / LU1251115991
<b>Price publikation:</b>	Daily on the management company's website ( <a href="http://www.haig.lu">www.haig.lu</a> ) and possibly in a national newspaper or an online medium

## **MANAGEMENT REGULATIONS**

### **Tungsten TRYCON Basic Invest HAIG**

The Management Regulations define the general principles for the Fund Tungsten TRYCON Basic Invest HAIG (“Fund”) and they came into effect on 1<sup>st</sup> September 2015. The relevant notice of filing for these Management Regulations was published on 22<sup>nd</sup> September 2015 in Mémorial C, Recueil des Sociétés et Associations (“Mémorial”), the Official Journal of the Grand Duchy of Luxembourg.

The Management Regulations constitute the applicable contractual terms for the Fund.

#### **Article 1 THE FUND**

1. The Fund is a legally independent separate asset (“fonds commun de placement”) consisting of securities and other permitted assets (“Fund’s Assets”), which shall be managed while taking due account of with the principle of risk diversification. The Fund’s assets less the liabilities attributable to the Fund (“Net Fund Assets”) must reach the value of at least EUR 1,250,000 within six months after the approval of the Fund. The Fund will be managed by the management company. The depositary bank is responsible for the safekeeping of the assets of all assets included in the Fund’s assets.
2. The contractual duties and obligations of the holders of the units (“unit-holders”), the management company and the depositary bank are set down in the Fund’s Management Regulations compiled by the management company in agreement with the depositary bank.

With the purchase of a unit, each unit-holders accepts the Fund’s Management Regulations and all approved amendments thereof.

#### **Article 2 THE MANAGEMENT COMPANY**

1. The management company is Hauck & Aufhäuser Investment Gesellschaft S.A.
2. The management company manages the Fund in its own name yet exclusively in the interest of and for the collective account of the unit-holders. Management authorisation extends to the exercising of all rights that relate, either directly or indirectly, to the assets of the Fund.
3. The management company specifies the investment policy of the Fund, observing the legal and contractual investment restrictions. The management company’s board of directors may entrust one or several members of the board with the execution of the day-to-day investment policy. It may also outsource the execution of the day-to-day investment policy to a third party under its own responsibility and control and at the expense of the Fund, insofar as such a third party is licensed or registered for the purpose of asset management and subject to a supervisory authority. If the execution of the day-to-day investment policy is outsourced to a third party, this shall be mentioned in the Sales Prospectus. Moreover, the management company will ascertain that the third party has taken all measures to ensure the compliance with all organisational requirements and the avoidance of conflicts of interest as specified in the applicable Luxembourg laws and regulations, and that it monitors the compliance of these requirements.
4. The management company may consult investment consultants or fund managers and, in particular, an investment committee under its own responsibility. The relevant costs may be charged to the Fund in accordance with the provisions of the Management Regulations and will be mentioned in the Sales Prospectus.
5. The management company prepares a Sales Prospectus for the Fund and compiles the key investor information (*Key Investor Information Document*).

#### **Article 3 THE DEPOSITARY BANK**

1. Hauck & Aufhäuser Privatbankiers KGaA is the depositary bank for the Fund. The depositary bank provides its depositary banking services via its Luxembourg branch. Hauck & Aufhäuser Privatbankiers KGaA, Luxembourg branch, is authorised to provide such services under the freedom of establishment within the European Union according to the Luxembourg Law of 5<sup>th</sup> April 1993 on the Financial Sector (including subsequent alterations and supplements). The registered offices of Hauck & Aufhäuser Privatbankiers KGaA, Luxembourg branch, are in Luxembourg and it is registered at the Registre de Commerce et des Sociétés de Luxembourg (R.C.S.) under number B 175937.

2. The depositary bank is commissioned with the safekeeping of the Funds' assets. The depositary bank's rights and obligations are determined by legislation, the Fund's Management Regulations and the depositary bank agreement with the Fund in its currently valid version.
3. The depositary bank safeguards all securities and other assets of the Fund in blocked accounts and depositary accounts that can only be accessed in compliance with the stipulations of the Fund's Management Regulations. The depositary bank can, under its own responsibility and with the agreement of the management company, commission third parties, particularly other banks and security depositories, with the safeguarding of securities and other assets.
4. Insofar as legally permitted, the depositary bank is authorised and obliged, in its own name:
  - a) to assert the unit-holders' claims against the Management Company or a previous depositary bank;
  - b) to object to and proceed against enforcement measures of third parties if these enforcement measures are based on a claim for which the Fund's assets are not liable.
5. The depositary bank is bound to instructions from the management company, insofar as such instructions do not breach the law, the Fund's Management Regulations or Sales Prospectus in its currently valid version.
6. The management company and the depositary bank are also entitled to terminate the appointment of the depositary bank at any time, in compliance with the depositary bank agreement. In the event of a termination of the appointment of the depositary bank, the management company is obliged to appoint another bank as the depositary bank within two months with the approval of the responsible supervisory authority, otherwise the termination of the appointment of the depositary bank will inevitably result in the dissolution of the Fund; until then, the former depositary bank will fulfil its duties as depositary bank to protect the interests of the unit-holders in full.

#### **Article 4 GENERAL GUIDELINES FOR THE INVESTMENT POLICY**

The following principles and restrictions of the investment policy shall categorically apply to the Fund. In addition the specific supplementary or deviating provisions are mentioned in the Sales Prospectus.

The following definitions shall apply:

"Third country": A third country in terms of these Management Regulations shall mean any state which is not a member of the European Union.

"Money market instruments":

Shall mean instruments which are normally traded on the money market that are liquid and whose value can be accurately determined at any time.

"Regulated market": Shall mean the market defined in Article 4, clause 20 of the Directive 2004/39/EC of 21st April 2004 on Markets for Financial Instruments (in its most recent valid version)

"Law of 2010": The Luxembourg law of 17<sup>th</sup> December 2010 on Undertakings for Collective Investment

"Member state": a member state of the European Union. Within the scope of this agreement and the associated legal instruments, countries which are contracting parties to the Agreement on the European Economic Area are considered equal with the member states of the European Union.

"UCI": Undertakings for Collective Investment. Each UCI subject to part II of the Law of 2010, categorically qualifies as an AIF as defined in the Luxembourg law of 12<sup>th</sup> July 2013 on alternative investment fund managers (AIFM Law).

"UCITS": Undertakings for Collective Investment subject to the Directive 2009/65/EC.

“Directive  
2009/65/EC”:

Directive 2009/65/EC of 13<sup>th</sup> July 2009 on the coordination of the laws, regulations and administrative provisions relating to certain undertakings for collective investments in transferable securities.

“Transferable securities”:

- shares in companies and other securities equivalent to shares in companies (“shares”)
- bonds and other securitised debt instruments (“bonds”)
- all other marketable securities which permit purchasing securities by either subscription or exchange, except for those techniques and instruments specified under no. 5 below of this article.

The Fund’s investment policy is subject to the following regulations and investment restrictions. The Net Fund Assets is invested in accordance with the principle of risk diversification. The investment policy of the Fund may comprise investments in transferable securities, money market instruments, fund units, derivative financial instruments, as well as all other permissible assets as defined in article 4 of the Management Regulations. A detailed description of the fund’s investment policy can be found in the Sales Prospectus.

1. Investments of the Fund may comprise the following assets:

Due to the specific investment policy of the Fund, some of the investment options described below may not apply to the Fund. This is mentioned in the Sales Prospectus.

- a) Transferable securities and money market instruments listed or traded in a regulated market;
- b) Transferable securities and money market instruments that are traded in any other recognised, regulated and properly functioning regulated market in a member state of the European Union that is open to the public;
- c) Transferable securities and money market instruments that have been admitted to official listing on a stock exchange of a third country and are traded on another regulated market in that country that is recognised and open to the public and that operates regularly;
- d) d) Transferable securities and money market instruments arising from new issues, if the terms of the issue contain the obligation to request admission to official listing on a stock exchange or to trade on a regulated market as defined in the provisions stated under no. 1 a) to c) above and this admission is obtained no later than one year after the issuance;
- e) Units in a UCITS approved in accordance with Directive 2009/65/EC and/or other UCI as defined in Article 1, paragraph 2 of Directive 2009/65/EC, whether established in a Member State or third country, provided that:
  - such other UCIs are authorised under laws which provide that they are subject to regulatory supervision that the CSSF considers to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured. In accordance with this regulation, only units in open-ended target funds may be acquired which have their registered office and central administration in a member state, Norway, Liechtenstein, Switzerland, the USA, Canada, Hong Kong or Japan;
  - the level of guaranteed protection for unit-holders in such other UCIs is equivalent to that provided for unit-holders in a UCITS, and in particular that the rules on Fund asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
  - the business activities of such other UCIs are the subject of semi-annual and annual reports which allow an assessment of the assets and liabilities, and income and transactions within the reporting period;
  - pursuant to the Management Regulations or constitutional documents of the UCITS or these other UCI, in which units shall be acquired, no more than an aggregate total of 10% of the net assets may be invested in units of other UCITS or other UCIs.
- f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in 12 months or less, if the relevant financial institution is based in a member state or, in the case of financial institution based in a third country, if it is subject to supervisory provisions that the CSSF deems to be equivalent to those applicable under Community Law.

g) derivative financial instruments, i.e. in particular, options and futures, as well as swaps (“derivatives”), including equivalent instruments which are settled in cash and traded on one of the regulated markets named under letters a), b) and c), and/or over-the-counter derivative financial instruments (“OTC derivatives”), if

- the underlying assets are instruments as defined in this no. 1. a) to h), financial indices (including bond, equity and commodity indices that fulfil all criteria of financial indices and which must, amongst other things, be recognised and sufficiently diversified), interest rates, exchange rates or currencies;
- the counterparties are institutions subject to regulatory supervision for transactions with OTC derivatives which have been licensed by CSSF;

and

- the OTC derivatives are subject to a reliable and verifiable evaluation on a daily basis and can be sold, liquidated or closed at any time by a symmetric transaction at fair value at any time on initiative of the Fund.

h) money market instruments, which are not traded in a regulated market and are not covered by the definitions above if the issuer or the issuer is itself subject to regulations on the protection of investments and investors, and provided that these instruments are:

- issued or guaranteed by a central, regional or local authority, 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, by one of the members making up this federation, or an international public body that includes one or several member states amongst its members; or
- issued by an organisation, whose transferable securities are traded on a regulated market as described under the above letters a), b) and c); or
- issued or guaranteed by an institute that is subject to regulatory supervision pursuant to the criteria defined in Community Law, or by an institute that is subject to and complies with supervision provisions that the CSSF deems to be as strict as those provided by Community Law; or
- issued by other issuers that belong to a category which has been approved by the CSSF, provided that provisions for investor protection apply to the investment in these instruments, which are equivalent to the first, second or third point above, and that the issuer is either an organisation with equity capital of at least ten million Euros (10,000,000.00 Euro) that has prepared and published its annual financial statements pursuant to the provisions of the fourth directive 78/660/EEC,
- or it is a legal entity that undertakes to finance the securitisation vehicles which benefit from a credit line granted by a bank, or it is a legal entity that undertakes to finance the securitisation vehicles which benefit from a credit line granted by a bank.

2. In addition, the Fund may:

- a) invest up to 10% of its respective Net Fund Assets in transferable securities or money market instruments other than defined under no. 1 above;
- b) hold cash and cash equivalents and similar assets to a maximum amount of 49% of its respective Net Fund Assets;
- c) take out a short-term credit loan equivalent to a maximum of 10% of its net assets. These credits may be pledged or seized. Hedging transactions in relation with the sale of options or the acquisition or sale of forward contracts and futures do not constitute raising of credit in terms of this investment restriction;
- d) acquire foreign currencies as part of a back-to-back transaction.

3. In addition, the Fund will observe the following investment restrictions in the investment of its assets:

- a) The Fund may invest a maximum of 10% of its respective Net Fund Assets in transferable securities or money market instruments from the same issuer, whereby the securities held directly in the portfolio and the underlying assets of structured products will be considered jointly. The Fund may invest a maximum of 20% of its respective Net Fund Assets in deposits from the same issuer. The counterparty's credit risk must not exceed 10% of the Fund's Net Assets for transactions with OTC derivatives, if the counterparty is a financial institution as defined in no. 1 f). Otherwise, this maximum limit is 5% of the Fund's Net Assets.

- b) The total value of the transferable securities and money market instruments of the issuers with whom the Fund invests more than 5% of its net assets each, must not exceed 40% of the value of its Net Fund Assets. This restriction does not apply to deposits and transactions with OTC derivatives with financial institution subject to regulatory supervision.

Notwithstanding the individual maximum limits stated in no. 3, the Fund may invest a maximum of 20% of its Net Fund Assets in a combination of

- transferable securities and money market instruments issued by this issuer,
- deposits at this institution, or
- OTC derivatives acquired from this institution.

- c) The maximum limit stated in no. 3 a) clause 1 is 35% or less, if the transferable securities or money market instruments are issued or guaranteed by a member state or its regional authorities, a third country or a public international institution that counts at least one of the member states amongst its members.
- d) The maximum limit stated in no. 3 a) clause 1 is 25% or less for certain bonds, if these are issued by a financial institution based in a member state which is subject to special regulatory supervision on account of statutory provisions for the protection of the holders of such bonds. In particular, the income from the issuance of such bonds must be invested in assets that cover any liabilities arising from such bonds throughout their entire term and that are take precedent with regard to capital repayments falling due and interest payments in the event of the issuer defaulting in accordance with the statutory provisions.

If the Fund invests more than 5% of its net assets in bonds as defined in the sub-paragraph above, which are issued by the same issuer, the total value of such investments must not exceed 80% of the value of the net assets of the UCI.

- e) The transferable securities and money market instruments specified in no. 3. c) and d) are not taken into account in the investment limit of 40% provided in no. 3 b).

The limits specified in no. 3. a), b), c) and d) must not be accumulated; thus, investments in transferable securities or money market instruments issued by the same issuer in accordance with no. 3. a), b), c) and d) or deposits with this issuer or investments in derivatives must not exceed 35% of the Fund's net assets.

Companies which are part of the same group of companies in respect to the preparation of consolidated financial statements as defined in the Directive 83/349/ECC or the recognised international accounting standards shall be considered as a single issuer for the calculation of the investment restrictions provided under these clauses a) to e).

Cumulatively, the Fund may invest up to 20% of its net assets in transferable securities and money market instruments from the same group of companies.

- f) Notwithstanding the investment restrictions defined in no. 3. k), l) and m) below, the maximum limits for the investment in shares and/or bonds from the same issuer stated in no. 3. a) to e) shall be 20% or less, if the objective of the Fund's investment strategy is the reproduction of a particular share or bond index recognised by CSSF.

The prerequisites for such a case are that

- the composition of the index is sufficiently diversified;
- the index is an adequate benchmark for the market to which it refers;
- the index is published in an appropriate manner.

- g) The limit defined in no. 3. f) is 35%, if this is justified on account of extra-ordinary market conditions; in particular in regulated markets in which certain transferable securities or money market instruments heavily dominate. An investment up to the maximum limit can only be realised with a single issuer.

- h) **Notwithstanding the provisions under no. 3. a) to e), the Fund may, in accordance with the principle of risk diversification, invest up to 100% of its Net Fund Assets in transferable securities and money market instruments from various issuers, which are issued or guaranteed by a member state or its regional authorities, or an OECD country, or a public international institution that counts at least one of the member states amongst its members, provided that (i) such transferable securities have been issued as part of a minimum of six distinct issuances and (ii) a maximum of 30% of the Fund's net assets are invested in transferable securities from the same issuer.**
- i) The Fund may acquire units in other UCITS and/or UCI as defined in no. 1. e), if it invests a maximum of 20% of its Net Fund Assets in the same UCITS or another UCI.
- j) Total investments in units of other UCI as a UCITS must not exceed 30% of the Net Fund Assets of the Fund.

If the Fund has acquired units of a UCITS and/or other UCI, the assets of the relevant UCITS or other UCI will not be taken into account for the maximum limit stated under no. 3. a) to e).

If the Fund acquires units of other UCITS and/or other UCI that are managed directly or indirectly by the same management company or another company with which the management company is connected through common management or control or a direct or indirect interest, the management company or such other company may not charge any fees for the Fund's subscription or redemption of units of the other UCITS and/or other UCI.

Insofar as the Fund invests in units of target funds launched and/or managed by other companies, the potential charge of sales commissions and redemption commissions for such target funds must be taken into account. The sales commission and redemption commissions paid by the Fund are stated in the annual reports.

Insofar as the Fund invests in target funds, the fees for the fund administration and management of the investing fund, as well as fees for the fund administration management of the target fund will be charged to the Fund's assets. This means that a double burden with respect to the fees for fund administration and management cannot be excluded.

In general, the acquisition of units in a target fund may result in a raised management remuneration on target fund level. The Fund will therefore not invest in a target fund subject to a management remuneration of 3% or more. The Fund's annual report will contain information on the maximum proportion of the management remuneration borne by the Fund and the target funds.

- k) The Fund must not acquire shares with voting rights to an extent which would permit it to exert a significant influence on the management of the issuer.
- l) Moreover, the Fund must not acquire more than:
- 10% of the shares without voting rights from one single issuer;
  - 10% of the bonds from one single issuer;
  - 25% of the units in the same UCITS or other UCI as defined in article 2 p (2) of the Law of 2010;
  - 10% of the money market instruments from one single issuer

The limits provided under the second, third and fourth point need not be observed, if the gross amount of the bonds or money market instruments or the net amounts of the units issued cannot be calculated at the point of acquisition.

- m) The aforementioned provisions under no. 3. k) and l) are not applicable to:
- aa) transferable securities and money market instruments issued or guaranteed by a member state or its regional authorities;
  - bb) transferable securities and money market instruments issued or guaranteed by a third country;
  - cc) transferable securities and money market instruments which are issued or guaranteed a public international institution that counts at least one of the member states amongst its members;

- dd) shares in companies established under the Law of a third country, if (i) such a company mainly invests its assets in transferable securities from issuers based in that country, (ii) the Fund's investment in the equity of such a company represents the only option for acquiring transferable securities from issuers of this country in accordance with the Law of that country, and (iii) this company observes the investment restrictions in accordance with no. 3. a) to e) and no. 3. i) to l) above when realising investments;
- ee) shares in the capital of subsidiary companies which, in the country in which they are based, only and exclusively perform administrative, consultancy or sales activities for the Fund with respect to the redemption of shares on request of the unit-holders.
- n) The Fund must not acquire goods or precious metals, with the exception of certificates that qualify as transferable securities and within the scope of the assets recognised as permissible assets in administrative practice.
- o) The Fund must not invest in property, whereby the investment in transferable securities secured by property or interest on the same, or the investment in transferable securities issued by companies that invest in property and interest on the same, are permissible.
- p) No loans or guarantees may be issued to third parties against the Fund's assets, whereby this investment restriction of the Fund does not hinder the Fund from investing its net assets in securities, money market instruments or other financial instruments referred to in no.1 . e), g) and h) hereabove that are not paid up in full; provided that the Fund has sufficient cash or other liquid assets in order to be able to meet the outstanding payments; such reserves may not already be allocated for the sale of options.
- q) Uncovered sales of transferable securities, money market instruments or other financial instruments referred to in no.1 . e), g) and h) hereabove must not be realised.

4. Notwithstanding any provisions to the contrary contained herein:

- a) the Fund need not comply with the investment limits laid down in no. 1 to 3. above when exercising subscription rights attached to securities or money market instruments that form part of its assets.
- b) the Fund may deviate from the provisions defined in no. 3. a) to j) above for a period of six months after its admission.
- c) if any of these ceilings are broken for reasons that are beyond the control of the Fund or because of the exercise of subscription rights, the Fund shall primarily strive to rectify the situation through sales and whilst acting in the interests of its unit-holders.
- d) if the issuer is a legal entity with several subfunds in which the assets of each subfund are used only to cover investor and creditor claims arising when the subfund is formed, expires or is liquidated, then for the purpose of the application of the rules on risk diversification given in no. 3. a) to g) and no. 3. i) and j) each subfund shall be deemed a separate issuer.

The Fund's management company is entitled to establish additional investment restrictions, insofar as such restrictions are necessary to comply with legal and administrative regulations in those countries in which the units of the Fund are offered or sold.

5. Techniques and instruments

For purposes of hedging and effective management of the portfolio, the maturity or risk management of the portfolio, or the realisation of incomes, i.e. for speculative purposes, the Fund may use derivatives or other techniques and instruments.

If such transactions are related to the use of derivatives, the conditions and restrictions must be in accordance with the provisions of no. 1 to 4 of this article above. Moreover, the stipulations of No. 6. below pertaining to risk management procedures in the handling of derivatives must be observed.

6. Risk management-procedures in the handling of derivatives

If such transactions are related to the use of derivatives, the Fund shall ensure that the total risk associated with the derivatives does not exceed the total net value of its portfolio.

The risk is calculated taking into account the current value of the underlying assets, the counterparty default risk, future market fluctuations and the time available to liquidate the positions.

This shall also apply to the following paragraphs.

- As part of its investment strategy, within the specific investment limits defined in no. 3. e), the Fund may invest in derivatives, if the total risk of the underlying assets is within the investment limits of no. 3. a) to e) of this article. If the Fund invests in index-based derivatives, such investments need not be taken into account for the investment restrictions of no. 3. a) to e) above.
- A derivative that is embedded in a transferable security or money market instrument must be taken into account for the investment restrictions stated in 3. e) of this article.

The management company regularly notifies the CSSF of the types of derivatives contained in the portfolio, the risks associated with each underlying asset, the investment restrictions and the measurement method used for the risks associated with derivative transactions of the Fund.

The investment restrictions specified in this article 4 categorically refer to the time of acquisition of the relevant assets. If the aforementioned ceilings are exceeded after their acquisition due to value increases, the management company will reinstate the investment restrictions whilst giving due account to the investors' interest.

## **Article 5 UNITS**

1. Units in the Fund are securitised by means of unit certificates and, if necessary, associated coupons which are made out to the bearer, unless a different provision is made in the Sales Prospectus.
2. All units in the Fund categorically carry the same rights and are freely transferable.
3. Units are issued to the Fund and are made out to the bearer. They are issued in unit divisions defined by the management company. If a securitisation in global certificates takes place, effective pieces cannot be delivered. This is mentioned in the Sales Prospectus. Insofar as the units are issued in book form via transfer to securities accounts, the management company can issue unit fractions of up to 0.001 units.
4. The management company may, however, provide for several unit classes. If different unit classes are provided for, this will also be mentioned in the Sales Prospectus.

The unit classes can differ as follows:

- a) with regard to the cost structure in terms of the sales commission, redemption commission and any distribution agent commission;
- b) with regard to the cost structure in terms of the particular remuneration for the management company, depositary bank and the investment consultants or fund manager;
- c) with regard to the regulations concerning the sales and the minimum subscription amount or the minimum deposit;
- d) with regard to the utilisation of income;
- e) with regard to the currency in which the unit classes are denominated;
- f) with regard to any other criteria defined by the management company.

From the day of issue, all units are entitled to income, price gains and the liquidation proceeds of their unit class in the same way.

5. The issue and redemption of the units and the payments to units or income certificates are performed by the management company, the depositary bank and via any paying agent.

## **Article 6 THE ISSUE OF UNITS**

1. Fund units are issued at the unit value plus a sales commission on each valuation day. The amount of the sales commission is defined in the Sales Prospectus. The sales commission is charged in favour of the relevant agent. The issue price may be increased by fees or other charges that are incurred in the particular distribution countries.
2. The management company may reject a subscription request for the Fund at its discretion at any time or temporarily restrict, suspend or permanently terminate the issue of units, provided that this is in the interest of all unit-holders, for the protection of the management company, for the protection of the Fund, in the interest of the investment policy or provided that this appears necessary in the event of a threat to the specific investment objective of the Fund. To protect the investor, the management company will in

particular not permit any practices related to market timing and reserves the right to reject subscription requests from an investor whom the management company suspects of deploying such practices and to take appropriate action as required.

3. The Management Company may, in compliance with the legal stipulations of the Grand Duchy of Luxembourg, issue units against the delivery of securities, provided that a provider requests this approach and that these securities are suitable within the scope of the investment policy and the Fund's investment restrictions. In connection with the issuing of units against the delivery of securities, the auditor of the Fund must compile a report to evaluate the securities that are to be received. The costs of an issue of units as described above is borne by the subscriber who requests this approach.
4. The acquisition of units is fundamentally performed at the Issue Price of the valuation day in accordance with article 7 no. 1 of the Management Regulations. Subscription requests that the management company receives by 12.00 p.m. (Luxembourg time) on a valuation day are settled on the basis of the unit value of the following valuation day. Subscription requests that the management company receives after 12.00 p.m. (Luxembourg time) on a valuation day are settled on the basis of the unit value on the valuation day after the following valuation day.

The issue price is payable within two bank working days (that are banking days in both Luxembourg and in Frankfurt am Main) after the corresponding valuation day.

5. The depositary bank allocates the units on behalf of the Management Company without delay after it has received the Issue Price.
6. The depositary bank will pay back payments received for subscription requests that have not been executed with no interest, without delay.
7. Savings plans can be offered by the Fund. If any savings plans are offered, these will be mentioned in the Sales Prospectus. Insofar as the issue is part of the savings plans offered, a maximum of one third of each of the payments agreed for the first year will be used to cover costs and the remaining costs will be distributed equally amongst all subsequent payments.

## **Article 7 THE CALCULATION OF UNIT VALUE**

1. The value of a unit ("unit value") is denominated in the currency for the unit class ("unit class currency") specified in the overview of the Fund provided in the Sales Prospectus. It is calculated by the management company or by a third-party commissioned by the management company under the supervision of the depositary bank on the day mentioned in the Sales Prospectus of the Fund ("valuation day"). The calculation of the Fund and its unit classes is performed by dividing the net fund assets by the number of units of this Fund that are in circulation on the valuation day. Insofar as annual and semi-annual reports and other financial statistics are obliged to provide information on the situation of the Fund assets as a whole, on the basis of legal regulations or the stipulations of the Management Regulations, such details are provided in Euros ("reference currency"), and the assets of the Fund are converted into the reference currency.
2. The net fund assets are calculated according to the following principles:
  - a) The target fund units contained in the Fund are calculated at the most recently specified and available unit value or redemption price.
  - b) The value of cash holdings or bank deposits, deposit certificates and outstanding debts, prepaid expenses, cash dividends and declared or accumulated and not yet received interest is equivalent to the particular full amount, unless it is probable that this cannot be paid or received in full, in which case the value is identified with an appropriate reduction included to enable the actual value to be reached.
  - c) The value of assets that are listed or traded on a stock exchange or another regulated market is defined on the basis of the most recently available price, unless stipulated otherwise below.
  - d) If an asset is not listed or traded on a stock exchange or on another regulated market or if the prices corresponding to the rulings in (c) do not adequately reflect the actual market value of the assets that are listed or traded on a stock exchange or on another market as mentioned above, then the value of such assets is defined on the basis of the reasonably foreseeable selling price according to a cautious estimate.
  - e) The liquidation value of futures, forwards or options that are not traded on stock exchanges or other organised markets corresponds to the particular net liquidation value as established according to the guidelines of the Management Board on a foundation that is applied consistently for all the various

types of agreements. The liquidation value of futures, forwards or options that are traded on stock exchanges or other organised markets is calculated on the basis of the most recently available conclusion prices of such agreements on the stock exchanges or organised market on which these futures, forwards or option are traded by the Fund; if a future, a forward or an option cannot be liquidated on a day for which the net asset value is defined, then the basis of valuation for such an agreement is defined by the Management Board in an appropriate and reasonable manner.

- f) Swaps are valued at their market value. Care will be taken that swap contracts are concluded in the interest of the Fund in accordance with customary terms.
- g) Money market instruments may be measured at their respective market value as defined by the management company in good faith and according to generally recognised valuation rules that can be verified by auditors.
- h) All other securities or other assets are valued at their reasonable market price, as defined in good faith in accordance with the procedure that is to be issued by the management company.
- i) The accrued pro rata interest on transferable securities will be taken into account unless considered in the price (dirty pricing).

The value of all assets and liabilities not stated in the Fund's currency will be converted into this currency at the most recently available exchange rate offered by a large bank. If such rates are not available, the exchange rate will be determined in accordance with a procedure established by the Management Board in good faith.

The management company may approve other measurement principles at its discretion, if it deems such other measurement principles to be in the interest of a more adequate measurement of an asset of the Fund.

If the Management Company believes that the unit value defined on a certain valuation day does not reflect the actual value of the Fund's units or if considerable movements have occurred in the relevant stock exchanges and/or markets since the Unit Value was defined, the Management Company can decide to update the unit value on the same day. In these conditions, all requests for subscription and redemption that have been received for this valuation day are redeemed on the basis of the unit value that has been updated in good faith.

- 3. If two or more unit classes have been set up for the Fund in accordance with article 5 no. 3 of the management regulations, the calculation of the unit value has the following special features:
  - a) The unit value is calculated separately for each unit class in accordance with the criteria listed under no. 2 of this article.
  - b) The influx of cash on the basis of the issue of units increases the particular unit class's percentage share in the total value of the net fund assets. The outflow of cash on the basis of the redemption of units decreases the particular unit class's percentage share in the total value of the net fund assets.
  - c) In the event of a distribution, the unit value of unit class entitled to distribution drops by the amount of the distribution. The percentage share that this unit class entitled to distribution holds in the value of the net fund assets thus also drops simultaneously, while the percentage share of the unit class not entitled to distribution holds in the net fund assets increases.
- 4. An income settlement can be performed for the Fund.
- 5. The management company can define the unit value for extensive redemption requests that cannot be fulfilled from cash and cash equivalents and permitted loans of the fund on the basis of the prices of the valuation day on which it performs the necessary security sales for the Fund; this also applies for subscription requests that are received for the Fund simultaneously.

## **Article 8            CONFIGURATION OF THE CALCULATION OF THE UNIT VALUE**

- 1. The management company is entitled to temporarily suspend the calculation of the unit value for the Fund if and so long as circumstances prevail that make this suspension necessary and if the suspension is justified in accordance with the interests of the unit-holders, particularly:
  - a) during the time period in which a stock exchange or regulated market on which a significant portion of the Fund's assets are officially listed or traded is closed (with the exception of the usual weekends or bank holidays) or trade on this stock exchange or on the corresponding market is suspended or restricted;

- b) in emergencies, if the management company cannot access investments of the Fund or if it cannot freely transfer the value of investment acquisitions or sales or calculate the unit value in a regular manner.
2. The management company will publish the suspension or the resumption of the unit-value calculation without delay in one or more newspaper in the countries which public distribution of the units of the Fund is permitted may and inform all unit-holders who have offered the units for redemption.

#### **Article 9 REDEMPTION OF UNITS**

1. The unit-holders of the Fund are entitled to demand that their units be redeemed at any time at the Fund's redemption price and in accordance with the terms defined in article 7. This redemption is only executed on a valuation day. The redemption price will be paid against the redemption of the units. If a redemption commission is charged, this will be mentioned in the Sales Prospectus.
2. Redemptions always offered at the redemption price on the relevant valuation day. Redemption requests that the management company receives by 12.00 p.m. (Luxembourg time) on a valuation day are settled at the redemption price of the following valuation day. Redemption requests the management company receives after 12.00 p.m. (Luxembourg time) on a valuation day are settled on the basis of the unit value of the valuation day after following valuation day.  
The redemption price is payable within two banking days (that are banking days in both Luxembourg and in Frankfurt am Main) after the corresponding valuation day.
3. The management company is entitled, with prior permission from the depositary bank, to not effect extensive redemptions that cannot be fulfilled from cash and cash equivalents and permitted loans of the Fund until the corresponding assets of the fund have been sold without delay.  
Investors who have offered their units for redemption will be notified of a suspension of redemption and of the resumption of redemption in an appropriate manner without delay.
4. The depositary bank is only obliged to make a payment insofar as no legal stipulations, e.g. legal regulations concerning foreign currency, or other circumstances beyond the influence of the depositary bank, prohibit the transferral of the redemption price to the country of the party making the request.
5. The management company can repurchase units for the fund against payment of the redemption price insofar as this is in the interest of all the unit-holders or appears necessary to protect the management company or the Fund.

#### **Article 10 FISCAL YEAR AND AUDITING**

1. The fiscal year of the Fund begins on 1<sup>st</sup> October and ends on 30<sup>th</sup> September of the following year.
2. The annual financial statements of the Fund will be audited by an auditor appointed by the management company.

#### **Article 11 DISTRIBUTIONS**

1. The management company shall determine for the Fund, if distributions from the Fund assets to the unit-holders should take place in principle. This is mentioned in the Sales Prospectus.
2. Notwithstanding the above provision, the management company may from time to time decide on a distribution.
3. The ordinary income from interest and/or dividends less costs ("Ordinary Net Income") and net realised price gains can be distributed.  
  
Moreover, non-realised price gains and other assets can be distributed provided the distribution does not cause the Fund's net fund assets to drop below the minimum limit according to article 1 No. 1 of the Management Regulations.
4. Distributions will be paid on the units issued on distribution day. Income not claimed within five years after the publication of a distribution notice will expire in the Fund's favour.
5. If two or more unit class are formed in accordance with article 6 no. 3 of these Management Regulations, the specific utilisation of the income of each unit class will be defined in the Fund's Sales Prospectus.

## **Article 12 DURATION AND DISSOLUTION OF THE FUND**

1. The Fund is established for an unlimited period.
2. Notwithstanding the provision in accordance with no. 1 of this article, the management company may dissolve the Fund, if the Net Fund Assets falls below an amount that the management company considers the minimum amount required for the assurance of an efficient management of the Fund and which has been defined as EUR 5 million, and in the event of changes to the economic and/or political framework conditions. The dissolution of the Fund will be published in advance.
3. Following the dissolution of the Fund, the management company will liquidate the Fund. This includes the divestment of the assets attributable to the Fund, as well as the payment of the liabilities attributable to the Fund. The net proceeds from the liquidation will be paid to the unit-holders in proportion to their unit-holdings. Any liquidation proceeds not claimed after conclusion of the liquidation of the Fund will be deposited for any remaining and uncalled amounts in accordance with the provision contained in article 12 No. 5 of the Management Regulations.
4. The dissolution of the Fund is imperative in the following circumstances:
  - a) the term of the Fund defined in the Management Regulations has expired;
  - b) the appointment of the depositary bank is terminated and no new depositary-bank appointment takes place within the periods stipulated by law or contract;
  - c) insolvency proceedings against the management company are filed of the management company is dissolved for any reason;
  - d) the Fund's assets remain below one quarter of the minimum limit according to article 1 no. 1 of the Management Regulations for more than six months;
  - e) any other cases provided by the Law of 2010 or the Fund's Management Regulations.
5. If a situation occurs that results in the dissolution of the Fund, the issue of units is suspended. The redemption of units may continue, if the equal treatment of all investors can be ensured. The depositary bank will divide the liquidation proceeds less the liquidation costs and remunerations ("net liquidation proceeds") between the unit-holders in the Fund in accordance with their entitlement upon instruction from the management company or, where applicable, from the liquidators appointed by the management company or the depositary bank. The net liquidation proceeds that have not been withdrawn by unit-holders by the conclusion of the liquidation procedure are, insofar as is then legally necessary, converted into Euros and deposited by the depositary bank after the liquidation procedure has been concluded for the account of the entitled unit-holders at the "Caisse de Consignation" in Luxembourg, whereby these sums expire unless they are requested there within the period stipulated by law.
6. Neither the unit-holders nor their heirs, legal successors or creditors can request the dissolution or the division of the Fund.

## **Article 13 MERGER OF THE FUND**

The Management Company can decide, upon decision by the Management Board and in accordance with the conditions and procedures specified in the Law of 2010, to merge the Fund to with undertaking for collective investment in transferable securities ("UCITS"), or subfund thereof, that is managed by the same or another management company, whereby this other UCITS or subfund may be based either in Luxembourg or another member state.

If the UCITS or subfund of a UCITS being terminated is an investment funds (FCP) that expires as part of the merger, the time this merger comes into effect will be decided by the management company of this UCITS, unless stipulated otherwise in the Management Regulations. For each terminated investment funds (FCP), the decision on the effectiveness is subject to a lodgement with the Commercial and Companies Register and the publication thereof in the Mémorial, stating the lodgement of the decision with the Commercial and Companies Register in accordance with the provisions of the Law of 10<sup>th</sup> August 1915 on commercial companies, as amended.

The notification of the investors with regards to the merger of the Fund or a subfund will be published by the management company in an adequate manner in Luxembourg and those countries in which the units of the Fund or Subfund are sold.

The unit-holders of the absorbing fund or subfund, as well as the transferring fund or subfund are entitled to demand the redemption of their units at the relevant unit value or the exchange of their units in units of another fund with a similar investment policy managed by the same management company or another management company linked to the management company through joint management or supervision or through significant direct or indirect participation within 30 days without incurring costs. This right shall come into effect on the date the unit-holders of the transferring fund or subfund and the unit-holders of the absorbing fund or subfund are notified of the planned merger and it expires five banking days before the date of calculation of the conversion ratio.

The units of unit-holders that have not requested the redemption or exchange of their units will be replaced with units of the absorbing UCITS or subfund thereof on the basis of the unit values on the day on which the merger comes into force. The unit-holders may receive a settlement of fractional amounts.

If funds or subfunds are merged, the affected fund or subfund may suspend the subscription or redemption of units, insofar as this is justified in the interest of the investors.

Any legal, advisory or administrative costs associated with the preparation and the completion of the merger will not be charged to the fund or their unit-holders.

#### **Article 14 COSTS**

1. The Fund's assets can incur the following general costs:
2. The management company receives a remuneration from the relevant Net Fund Assets that is calculated daily for the previous valuation day's Net Fund Assets of each unit class and paid out monthly in arrears. The amount of the remuneration, including any minimum remuneration is mentioned in the Sales Prospectus. This remuneration is subject to VAT as applicable.
3. The investment consultant or fund manager may receive a remuneration from the relevant Net Fund Assets that is calculated daily for the previous valuation day's Net Fund Assets of each unit class and paid out monthly in arrears. The amount of the remuneration, including any minimum remuneration is mentioned in the Sales Prospectus. This remuneration is subject to VAT as applicable.
4. In addition to the remunerations stated above, a performance-related remuneration (performance fee) can be paid from the Fund's assets. The amount applicable to the Fund, the modality of calculation and payment of the performance fee, as well as the recipient of the performance fee is mentioned in the Sales Prospectus. This remuneration is subject to VAT as applicable.
5. The depositary bank receives a remuneration from the relevant Net Fund Assets that is calculated daily for the previous valuation day's Net Fund Assets of each unit class and paid out monthly in arrears. The amount of the remuneration, including any minimum remuneration is mentioned in the Sales Prospectus. This remuneration is subject to VAT as applicable.
6. Any distribution agent may receive a remuneration from the relevant Net Fund Assets that is calculated daily for the previous valuation day's Net Fund Assets of each unit class and paid out monthly in arrears. The amount of the remuneration, including any minimum remuneration is mentioned in the Sales Prospectus. This remuneration is subject to VAT as applicable.
7. In addition to the costs, the Fund may be charged other costs, including the following:
  - a) all costs connected with the acquisition and disposal and the ongoing administration of assets;
  - b) the market price for the provision of direct or indirect operational expenditures of the custodian or management company that result in particular from the use of OTC transactions, including the costs of collateral management incurred as part of OTC transactions, securities lending transactions and repurchase agreements, as well as other costs incurred as part of the trade in OTC derivatives.
  - c) any taxation levied or similar duties on the Fund's assets, its income and expenses charged at the expense of the Fund;
  - d) expenditures for legal advice that are incurred by the management company or the depositary bank to enable them to act in the interest of the unit-holders;
  - e) charges and expenditures of the Fund's auditors;
  - f) cost of the preparation of unit certificates and coupons;
  - g) cost of the redemption of coupons and the renewal of coupon sheets;

- h) cost of compiling, depositing and publishing the management regulations and other documents that relate to the Fund, such as sales prospectuses, including the costs of applying for registration with or supplying written explanations to all registration authorities and stock exchanges (including local securities dealers' associations) as required in connection with the Fund or the offering of its units;
- i) cost of the preparation of the key investor information (*Key Investor Information Document*);
- j) printing and distribution costs of the annual and semi-annual reports for the unit-holders in all the necessary languages, and printing and distribution costs of all other reports and documents that are required in accordance with the applicable laws and ordinances of the named authorities;
- k) cost of the publications intended for the unit-holders, including the cost of notifying the unit-holders of the relevant separate asset by means of a permanent data carrier;
- l) a reasonable share of the costs for advertising, marketing support, implementation of the marketing strategy and other marketing efforts and any costs that are incurred in direct relation to the offering and the sale of units;
- m) cost of risk controlling or risk management;
- n) all costs and remuneration in connection with the processing of unit transaction, as well as distribution services;
- o) cost of assessing the creditworthiness of the Fund through nationally and internationally recognised rating agencies;
- p) costs in connection with any stock exchange approval;
- q) remunerations, expenses and other costs arising from the paying agents any distribution agents, as well as other agents that need to be set up abroad;
- r) expenses for any investment committee or ethics panel;
- s) expenditures of a board of directors or supervisory board;
- t) cost of the establishment of the Fund and the first issue of units;
- u) other administration costs including costs for stakeholder organisations;
- v) cost of performance attribution;
- w) insurance costs;
- x) interest accrued in the scope of loans raised in accordance with article 4 of the Management Regulations; and
- y) costs in relation to the implementation of regulatory requirements / reforms.

All the above-mentioned costs, fees, remunerations and expenses are subject to VAT as applicable.

8. All costs will be charged against the ordinary income first and subsequently against the Fund's assets.
9. The management company, the depositary bank, the fund manager and the investment consultant may the agents' support sales and marketing campaigns from their incomes and pay recurring sales commissions and sales performance commissions. The amount of such commissions will typically be determined in relation to the fund volume referred.
10. The establishment costs can be written off in the Fund's assets within the first financial years in equal rates.
11. The total cost burden with respect to the Fund or its unit classes is mentioned in the Sales Prospectus.

## **Article 15      LIMITATION AND PRESENTATION TIME LIMIT**

Debts of the unit-holders against the management company or the depositary bank can no longer be enforced in judicial proceedings after a period of five years after the claim has arisen; this does not affect the rulings in article 12 no. 4 of the Management Regulations.

The presentation time limit for coupons is five years from the publication of the corresponding distribution statement.

#### **Article 16 AMENDMENTS**

The management company may change the Management Regulations in whole or in part at any time in agreement with the depositary bank.

#### **Article 17 PUBLICATIONS**

1. The first valid versions of the management regulations and amendments to the management regulations are deposited at the commercial register of Luxembourg district court. Their publication in *Mémorial C, Recueil des Sociétés et Associations* is realised by means of publication of a notification of the depositing of the document at the commercial register of the Luxembourg district court in accordance with the stipulations of the law of 10 August 1915 on trading companies (including subsequent changes and additions).
2. The issue and redemption prices can be requested from the management company and any paying agent on any valuation day.
3. The management company compiles a sales prospectus, the key investor information (*Key Investor Information Document*), an audited annual report and a semi-annual report in compliance with the legal stipulations of the Grand Duchy of Luxembourg for the Fund.
4. The documents of the Fund listed under no. 3 of this article can be accessed by the unit-holders at the headquarters of the management company, the depositary bank and at any paying agent or distribution agent.
5. The dissolution of the Fund in accordance with article 12 of the Management Regulations is published in compliance with the legal stipulations of the Management Company in *Mémorial C, Recueil des Sociétés et Associations* and in at least two daily national newspapers, of which one is a Luxembourg newspaper.

#### **Article 18 APPLICABLE LAW, PLACE OF JURISDICTION AND LANGUAGE OF THE CONTRACT**

1. The Fund's management regulations are governed by Luxembourg law. In particular, the regulations of the Law of 2010 apply in addition to the provisions of the Fund's Management Regulations. The same applies to the legal relationships between the unit-holders, the management company and the depositary bank.
2. Any legal dispute between unit-holders, the management company and the depositary bank is subject to the jurisdiction of the responsible court in the Grand Duchy of Luxembourg. With regard to issues relating to the Fund, the management company and the depositary bank are entitled to submit themselves and the Fund to the jurisdiction and the law of any country in which units of the Fund are publicly distributed, provided the claims of those made by investors who are domiciled in the relevant country.
3. The German wording of the management regulations takes precedent, unless expressly stipulated otherwise in the Management Regulations.

#### **Article 19 INCEPTION**

These Management Regulations come into force on the day of their signing, unless otherwise specified. Changes to the Management Regulations also come into force on the day of their signing, unless otherwise specified

## **ANNEX: ADVICE FOR QUALIFIED INVESTORS IN SWITZERLAND**

**This annex contains additional information for Swiss investors concerning the fund “Tungsten TRYCON Basic Invest HAIG” (the “Fund”). This annex forms an integral part of the sales prospectus and it should be read in conjunction with the Fund’s sales prospectus in its most up-to-date version (the “Sales Prospectus”). Unless stated otherwise, all defined terms in this annex have the same meaning as in the Sales Prospectus.**

### **Distribution in Switzerland**

Investor eligibility is restricted to qualified investors as defined under Art. 10 Para. 3 and 4 of the Swiss Collective Investment Schemes Act (CISA) in conjunction with Art. 6 Para. 1 and 2 of the Swiss Collective Investment Schemes Act (CISO).

#### **1. Swiss representative**

The representative in Switzerland is Vescore Fondsleitung AG with registered office in 9001 St.Gallen, Bahnhofstrasse 8.

#### **2. Swiss paying agent**

The paying agent in Switzerland is Notenstein La Roche Privatbank AG, with registered office in 9004 St.Gallen, Bohl 17.

#### **3. Source of relevant documents**

The prospectus, including the management regulations of **Tungsten TRYCON Basic Invest HAIG**, the Key Investor Information Document and the annual and semi-annual reports of the Fund can be obtained free of charge from the head office of the representative, Vescore Fondsleitung AG, in Switzerland.

#### **4. Payment of commissions and rebates**

1. The management company and its agents may pay commissions as compensation for the distribution activity of fund units in Switzerland or from Switzerland. This compensation may apply for the following services in particular:

- distribution activities in Switzerland;
- provision of the required documents;
- support in the acquisition of fund units.

Commissions are not deemed to be rebates even if they are ultimately forwarded to the investors, in whole or in part.

The recipients of the commissions ensure transparent disclosure and inform the investors on their own initiative, free of charge, of the amount of compensation that they may receive for distribution.

Upon request, the recipients of the commissions will disclose the effective sums that they have received for the distribution of the collective investment schemes of these investors.

2. The management company and its agents pay no rebates in distribution in Switzerland or from Switzerland to reduce the fees and costs allotted to the investor, incurred by the Fund.

#### **5. Place of performance and place of jurisdiction**

For the units distributed in Switzerland and from Switzerland, the place of performance and place of jurisdiction are the representative’s registered office.