

**SALES PROSPECTUS  
INCLUDING  
MANAGEMENT REGULATIONS**

**LOYS FCP**

An investment fund with the character of a special fund  
(*Fonds commun de placement à compartiments multiples*)  
pursuant to Part I of the amended Luxembourg law of 17 December 2010  
on undertakings for collective investment

The Sales Prospectus is only valid in conjunction with the latest annual report of the Fund, if this has already been prepared and if the cut-off date of this annual report is more than eight months ago, additionally with a more recent semi-annual report.

The Sales Prospectus with the Management Regulations in their current version, as well as annual and semi-annual reports, are available free of charge from the Management Company and from all paying agents.

No person shall be entitled to rely on any information not contained in the Sales Prospectus or in any other document available to the public and referred to in the Sales Prospectus.



**HAUCK  
AUFHÄUSER  
FUND SERVICES**

## **Notes for investors with reference to the United States of America**

The distribution of the units in the United States of America (USA) or to US citizens is excluded. For example, natural persons are considered to be US citizens if they

- a) were born in the USA or one of its territories or possessions,
- b) are naturalised citizens (or green card holders),
- c) were born abroad as a child of a citizen of the USA,
- d) without being a citizen of the USA, reside predominantly in the USA,
- (e) are married to a national of the United States; or
- f) are taxable in the USA.

Other persons also considered to be US citizens are:

- (a) companies and corporations organised under the laws of any of the 50 states of the USA or which were established in the District of Columbia,
- b) a company or partnership formed under an Act of Congress,
- c) a pension Fund established as a US trust; or
- d) a company that is taxable in the USA.

## TABLE OF CONTENTS

Sales Prospectus	Page
THE FUND .....	6
THE MANAGEMENT OF THE FUND .....	6
THE DEPOSITARY .....	7
RISK RATING BY THE MANAGEMENT COMPANY .....	8
THE LEGAL POSITION OF THE SHAREHOLDERS .....	8
INVESTMENT OBJECTIVES AND INVESTMENT POLICY OF LOYS FCP - LOYS GLOBAL L/S .....	9
RISK PROFILE OF THE LOYS FCP - LOYS GLOBAL L/S .....	12
MONITORING OF THE OVERALL RISK .....	12
INVESTMENT OBJECTIVES AND INVESTMENT POLICY OF LOYS FCP - LOYS AKTIEN EUROPA .....	13
RISK PROFILE of the Sub-Fund LOYS FCP - LOYS Aktien EUROPA .....	16
MONITORING OF THE OVERALL RISK OF THE LOYS FCP - LOYS AKTIEN EUROPA SUB-FUND .....	16
Sub-Fund LOYS FCP - LOYS PREMIUM DIVIDENDE .....	17
INVESTMENT OBJECTIVES AND INVESTMENT POLICY OF LOYS FCP - LOYS PREMIUM DIVIDENDE .....	17
RISK PROFILE OF THE SUB-FUND LOYS FCP - LOYS PREMIUM DIVIDENDE .....	20
MONITORING THE OVERALL RISK OF THE LOYS FCP - LOYS PREMIUM DIVIDENDE SUB-FUND .....	20
Sub-Fund LOYS FCP - LOYS PREMIUM DEUTSCHLAND .....	21
INVESTMENT OBJECTIVES AND INVESTMENT POLICY OF LOYS FCP - LOYS PREMIUM DEUTSCHLAND .....	21
RISK PROFILE OF THE SUB-FUND LOYS FCP - LOYS PREMIUM DEUTSCHLAND .....	24
MONITORING OF THE OVERALL RISK OF THE LOYS FCP - LOYS PREMIUM DEUTSCHLAND SUB-FUND .....	24
GENERAL RISK INFORMATION .....	25
CONFLICTS OF INTEREST .....	31
PERFORMANCE (VALUE DEVELOPMENT) .....	31
UNITS .....	31
PROVISIONS FOR THE PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING .....	31
THE ISSUE OF SHARES .....	31
THE CALCULATION OF THE SHARE VALUE .....	32
REDEMPTION AND CONVERSION OF SHARES .....	32
APPROPRIATION OF INCOME AND OTHER PAYMENTS .....	33
PUBLICATIONS AND CONTACTS .....	33
COSTS .....	33
REMUNERATION POLICY .....	33
TAXATION OF THE FUND'S ASSETS AND INCOME .....	34
AUTOMATIC EXCHANGE OF INFORMATION - OECD COMMON REPORTING STANDARD (CRS) .....	34
FATCA - Foreign Account Tax Compliance Act .....	34
ANNEX 1 SUB-FUND LOYS FCP - LOYS GLOBAL L/S .....	36
ANNEX 2 SUB-FUND LOYS FCP - LOYS Aktien Europa .....	39
ANNEX 3 SUB-FUND LOYS FCP – LOYS Premium Dividende .....	43
ANNEX 4 SUB-FUND LOYS FCP – LOYS Premium Deutschland .....	47
MANAGEMENT REGULATIONS .....	51

ANNEX A ..... 67

ANNEX B ..... 76

ANNEX C ..... 85

## **MANAGEMENT**

### **MANAGEMENT COMPANY**

**Hauck & Aufhäuser Fund Services S.A.**

**R.C.S. Luxembourg No. B28878**

1c, rue Gabriel Lippmann  
L-5365 Munsbach

Equity as at 15 March 2022: EUR 11,039,000

Other Funds managed by the Management Company:

An overview of the Funds managed by Hauck & Aufhäuser Fund Services S.A. Investment Fund is available at the registered office of the Company. In addition, interested parties can also find information on the website [www.hal-privatbank.com](http://www.hal-privatbank.com).

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

**Elisabeth ("Lisa") Backes**

**Christoph Kraiker**

**Wendelin Schmitt**

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

#### **Chairman:**

**Dr Holger Sepp**

Member of the Management Board  
Hauck Aufhäuser Lampe Privatbank AG, Frankfurt am Main

#### **Members:**

**Andreas Neugebauer**

Independent Director

**Marie-Anne van den Berg**

Independent Director

The latest annual and semi-annual reports contain up-to-date information on the equity capital of the Management Company and the composition of its executive bodies.

### **DEPOSITARY AND PAYING AGENT**

**Hauck Aufhäuser Lampe Privatbank AG, Luxembourg Branch**

1c, rue Gabriel Lippmann  
L-5365 Munsbach

### **REGISTER AND TRANSFER AGENT**

**Hauck & Aufhäuser Fund Services S.A.**

1c, rue Gabriel Lippmann  
L-5365 Munsbach

### **FUND MANAGER AND DISTRIBUTOR**

**LOYS AG**

Heiligengeiststr. 6-8  
D-26121 Oldenburg

### **AUDITOR**

**KPMG Luxembourg, Société anonyme**

39, Avenue John F. Kennedy  
L-1855 Luxembourg

## THE FUND

The investment fund described in this Sales Prospectus is an umbrella fund (fonds commun de placement à compartiments multiples) established under Luxembourg law and consisting of securities and other assets. It was established under Part I of the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment, as amended from time to time ("2010 Law") and complies with the requirements of Directive 2009/65/EC of the Council of the European Communities of 13 July 2009, as last amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 ("Directive 2009/65/EC").

The **LOYS FCP** ("Fund") is governed by the following Management Regulations, which entered into force on 31 December 2022 and the filing of which with the Luxembourg Trade and Companies Register ("Trade and Companies Register" in the Recueil électronique des Sociétés et Associations, ("RESA") has been disclosed.

## THE MANAGEMENT OF THE FUND

The Fund is managed by Hauck & Aufhäuser Fund Services S.A..

The Management Company was incorporated on 27 September 1988 as a public limited company under Luxembourg law for an indefinite period. It has its registered office in Luxembourg. The Articles of Association of the Management Company have been published in Mémorial C, Recueil des Sociétés et Associations, in 1988 and have been filed with the Registrar of Commerce and Companies. Interim amendments have been published in Mémorial C, Recueil des Sociétés et Associations or RESA.

The purpose of the Management Company is to launch and manage undertakings for collective investment ("UCIs") under Luxembourg law, and to carry out all activities associated with the launch and management of such UCIs. Furthermore, the Management Company carries out activities within the meaning of the Law of 12 July 2013 on Alternative Investment Fund Managers ("AIFM Law"). These include, in particular, the activities listed in Annex I, Point 1. of the aforementioned law, as well as partial activities of the additional administrative activities listed in Annex I. Point 2. a) mentioned additional administrative activities.

The Management Company is responsible, inter alia, for the general administrative tasks arising in the context of the management of the Fund and required by Luxembourg law. These understand, in particular, the calculation of the net asset value of the units and the accounting of the Fund.

The Management Company has delegated, under its responsibility, control and at its expense, the net asset value calculation, the accounting of the Fund and the reporting to Hauck Aufhäuser Lampe Privatbank AG, Luxembourg Branch, with registered office at 1c, rue Gabriel Lippmann, L-5365 Munsbach.

The IT administration of the Hauck Aufhäuser Lampe Group is distributed across the locations in Luxembourg and Germany.

The Management Company has appointed **LOYS AG**, a stock corporation under German law with its registered office in Heiligengeiststr. 6-8, D-26121 Oldenburg, as **Fund Manager** of the Fund. The Fund Manager is licensed to manage assets and is subject to appropriate supervision. The task of the Fund Manager is, in particular, the independent daily implementation of the investment policy of the Sub-Fund's assets and the management of the day-to-day business of asset management under the supervision, responsibility and control of the Management Company, as well as other related services. These tasks shall be performed in compliance with the principles of the investment policy and the investment restrictions of the respective Sub-Fund as described in this Sales Prospectus and in the Management Regulations, and in compliance with the statutory investment restrictions. The Fund Manager is authorised to select brokers, as well as brokers to settle transactions in the assets of the Fund. The investment decision and the placing of orders are the responsibility of the Fund Manager. The Fund Manager shall have the right to obtain advice from third parties, in particular, from various investment advisors, at its own expense and responsibility. The Fund Manager shall be permitted, with the approval of the Management Company, to delegate all or part of its duties to third parties, whose remuneration shall be entirely at its expense. In the event of a comprehensive transfer of tasks, the Sales Prospectus shall be amended in advance. The Fund Manager shall bear all expenses incurred by it in connection with the services it provides. Brokerage commissions, transaction fees and other business expenses incurred in connection with the acquisition and disposal of assets will be borne by the Fund.

In connection with the management of the Fund's assets, the Management Company may, under its own responsibility and control, engage the services of other investment advisors or Fund managers.

Such investment advisors have an exclusively advisory function and do not make any independent investment decisions. They are authorised, under the general control and responsibility of the Management Company for the Fund, to provide assessments, advice and recommendations on the choice of investments and on the selection of securities to be acquired or sold in the Fund as part of the day-to-day implementation of the Management Company's investment policy. The Management Company will ensure the day-to-day management of the Fund's assets; all investment decisions will be made accordingly by the Management Company.

Only the Depositary or the paying agents are authorised to receive client monies.

## THE DEPOSITARY

The Management Company has appointed Hauck Aufhäuser Lampe Privatbank AG, Luxembourg Branch, with registered office at 1c, rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 175937, as Depositary of the Fund by way of a written agreement. The Depositary is a branch of Hauck Aufhäuser Lampe Privatbank AG, Kaiserstr. 24, D-60311 Frankfurt am Main, a German credit institution with a full banking licence within the meaning of the German Banking Act (KWG) and within the meaning of the Luxembourg law of 5 April 1993 on the financial sector (in its most recent version). This is entered in the Commercial Register of the Local Court of Frankfurt am Main under the number HRB 108617. Both Hauck & Aufhäuser Lampe Privatbank AG and its Luxembourg branch are supervised by the German Federal Financial Supervisory Authority (BaFin). In addition, Hauck Aufhäuser Lampe Privatbank AG, Luxembourg Branch is subject to the Commission de Surveillance du Secteur Financier (CSSF) with regard to liquidity, money laundering and market transparency.

All duties and responsibilities of the Depositary shall be performed by the branch. Their function is governed in particular by the 2010 Law, CSSF Circular 16/644, the Depositary Agreement and the Sales Prospectus. As paying agent, it is charged with the obligation to pay out any distributions, as well as the redemption price on redeemed units and other payments.

The Depositary may, in accordance with Article 3 of the Management Regulations, delegate the performance of its task of safekeeping financial instruments and other assets to another undertaking ("Sub-Depositary"). An overview of the sub-Depositaries, if any, appointed will be made available on the Depositary's website (<https://www.hal-privatbank.com/impressum>).

The Management Company has not been informed by the Depositary of any conflicts of interest in connection with the sub-custody.

In the performance of its duties, the Depositary shall act independently, honestly, fairly and professionally and in the interests of the Fund and its investors. This obligation is reflected, in particular, in the duty to carry out and organise the activities as Depositary in such a way that potential conflicts of interest are minimised to a large extent. The Depositary shall not perform any functions in relation to the Fund or the Management Company acting on behalf of the Fund which could create conflicts of interest between the Fund, the investors in the Fund, the Management Company and itself, except where there is a functional and hierarchical separation of the performance of its duties as Depositary from its potentially conflicting duties and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors of the Fund.

The functions of Management Company and Depositary may not be performed by one and the same company.

Conflicts of interest may arise due to the fact that there is a group relationship between the Management Company and the Depositary. Insofar as Hauck Aufhäuser Lampe Privatbank AG, Luxembourg Branch performs the Depositary function, it is obliged to safeguard the interests of the Fund and of the unitholders.

Potential conflicts of interest may arise if the Depositary delegates individual custody tasks or sub-custody to another outsourcing company. Should this further outsourcing company be a company affiliated with the Management Company or the Depositary (e.g. group parent company), this could result in potential conflicts of interest in the interaction between this outsourcing company and the Management Company or the Depositary (e.g. the Management Company or the Depositary could give preference to a company affiliated with it over equivalent other providers in the award of custody tasks or in the selection of the Sub-Depositary). Should such a conflict of interest or any other conflict of interest in connection with the sub-custody be identified in the future, the Depositary will disclose the detailed circumstances and measures taken to prevent or minimise the conflict of interest in the document available under the aforementioned link.

Likewise, conflicts of interest may arise if the Depositary performs administrative tasks pursuant to Annex II, 2nd indent of the Law of 17 December 2010, e.g. tasks of the registrar and transfer agent, fund accounting. In order to manage these potential conflicts of interest, the respective area of responsibility is separated divisionally from the Depositary function.

The Management Company and the Depositary have in place adequate and effective measures (e.g. procedural instructions and organisational measures) to ensure that potential conflicts of interest are minimised to the greatest extent possible. If conflicts of interest cannot be prevented, the Management Company and the Depositary shall identify, manage, monitor and disclose such conflicts in order to prevent damage to investors' interests. Adherence to these measures is monitored by an independent compliance function.

The Management Company has received the above information on conflicts of interest in connection with sub-custody from the Depositary. The Management Company has checked the information for plausibility. However, it relies on the Depositary to supply the information and cannot verify the accuracy and completeness of the information in detail. The list of sub-Depositaries above is subject to change at any time. Updated information regarding the Depositary, its Sub-Depositaries and any conflicts of interest of the Depositary arising from the delegation of the Depositary function are available upon request from the Management Company or the Depositary.

The assets of all Sub-Funds are held in custody by the Depositary within its network of Depositaries.

**Bank deposits, if any, held with credit institutions other than the Depositary may not be protected by a deposit protection device.**

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

The Management Company shall assign a corresponding risk profile to the Funds or Sub-Funds it manages. This is done on the basis of the respective investment policy combined with the investment objectives. In addition, the "GENERAL RISK NOTES" set out in the Sales Prospectus apply to the relevant Sub-Fund.

The risk profiles are expressly not to be understood as an indication of possible returns. The classification may be adjusted by the Management Company if necessary. This leads to an adjustment of the sales documents.

### **Risk profile - "Defensive"**

The Fund is particularly suitable for investors who only accept low risks and at the same time want to achieve returns in the short maturity spectrum. Due to the investment policy combined with the investment objectives, the investor is prepared to accept capital losses depending on the extent of the possible fluctuations in value. The investor's investment horizon should be rather short-term.

The Management Company shall endeavour to minimise the risks through the number and diversification of the investments of the Fund.

However, no assurance can be given that the objectives of the investment policy will be achieved.

### **Risk profile - "Moderate"**

The Fund is particularly suitable for investors who accept moderate risks and at the same time wish to participate in moderate returns over the short to medium term. Due to the investment policy combined with the investment objectives, the investor is prepared to accept capital losses depending on the extent of the possible fluctuations in value. The investor's investment horizon should be short to medium term.

The Management Company shall endeavour to minimise the risks through the number and diversification of the investments of the Fund.

However, no assurance can be given that the objectives of the investment policy will be achieved.

### **Risk profile - "Income-oriented"**

The Fund is particularly suitable for investors who accept increased risks and at the same time wish to participate in possible higher returns over the medium to long term. Due to the investment policy combined with the investment objectives, the investor is prepared to accept increased capital losses in the short term depending on the extent of the fluctuations in the value of the Sub-Fund's investments. The investor's investment horizon should be medium to long-term.

The Management Company shall endeavour to minimise the risks through the number and diversification of the investments of the Fund.

However, no assurance can be given that the objectives of the investment policy will be achieved.

### **Risk profile - "Opportunity-oriented"**

The Fund is particularly suitable for investors who accept high risks and at the same time wish to participate in potentially high returns over the long term. Due to the investment policy combined with the investment objectives, the investor is prepared to accept high capital losses in the short term depending on the extent of the fluctuations in the value of the Sub-Fund's investments. The investor's investment horizon should be long-term.

The Management Company shall endeavour to minimise the risks through the number and diversification of the investments of the Fund.

However, no assurance can be given that the objectives of the investment policy will be achieved.

### **Risk profile - "Speculative"**

The Fund is particularly suitable for investors who accept very high risks and at the same time wish to participate in very high potential returns over the long term. Due to the investment policy combined with the investment objectives, the investor is prepared to accept very high capital losses in the short term, depending on the extent of the fluctuations in the value of the Sub-Fund's investments. The investor's investment horizon should be long-term.

The Management Company shall endeavour to minimise the risks through the number and diversification of the investments of the Fund.

However, no assurance can be given that the objectives of the investment policy will be achieved.

## **THE LEGAL POSITION OF THE SHAREHOLDERS**

The Management Company shall invest the Fund's assets in its own name and for the joint account of the unitholders in accordance with the principle of risk diversification in securities and other permissible assets. The capital provided and the assets acquired with it constitute the Fund assets, which are held separately from the management company's own assets.

unit holders participate in the Fund assets as co-owners in the amount of their units.

Each Sub-Fund shall be regarded as a separate Fund in the relationship between the unitholders. The rights and obligations of the unitholders of one Sub-Fund are separate from those of the unitholders of the other Sub-Funds. In relation to



third parties, the assets of a Sub-Fund shall only be liable for liabilities and payment obligations relating to that Sub-Fund.

The Management Company draws the unitholders' attention to the fact that any unitholder may only enforce his rights in their entirety directly against the Fund if the unitholder is registered himself and in his own name in the unitholder register of the Fund. In cases where a unitholder has invested in a Fund through an intermediary which undertakes the investment in its name but on behalf of the unitholder, not all rights may necessarily be enforceable directly by the unitholder against the Fund. unitholders are advised to inform themselves of their rights.

## **Sub-Fund LOYS FCP - LOYS GLOBAL L/S**

### **INVESTMENT OBJECTIVES AND INVESTMENT POLICY OF LOYS FCP - LOYS GLOBAL L/S**

The investment objective of LOYS FCP - LOYS Global L/S is to achieve capital appreciation of the assets contributed by the unitholders. In order to achieve this investment objective, the Sub-Fund's assets will be invested in accordance with the principle of risk diversification.

The Fund Manager will take into account any risks related to sustainability (environmental, social and governance aspects) when making investment decisions, as well as on an ongoing basis during the investment life of the Sub-Fund's existing investments. Further information is contained in the "Pre-contractual Information", which is attached to this Sales Prospectus as Annex A.

**However, no assurance can be given that the aforementioned investment policy objectives will be achieved.**

This Sub-Fund is a financial product promoting, inter alia, environmental or social features and qualifies under Article 8 (1) of Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector ("SFDR"). However, the Sub-Fund does not seek to make sustainable investments within the meaning of the EU Taxonomy Regulation.

In addition to and taking into account Article 4 of the Management Regulations, the Sub-Fund may, in accordance with the principle of risk diversification, acquire equities, ADRs and GDRs, bonds and dividend-right certificates, warrants on securities, share certificates and bonds of all types, including zero-coupon bonds, floating-rate securities, convertible bonds and bonds with warrants, as well as subscription rights, worldwide, including in emerging markets.

The Sub-Fund invests at least 60% of its assets in shares which qualify as equity investments pursuant to Article 4 No. 1. i) of the Management Regulations. The Sub-Fund's investment policy also provides for the acquisition of shares in companies with small market capitalisation. Due to the low market capitalisation, it may be that the shares of these companies are less liquid and therefore more difficult to sell under certain circumstances. The unhedged equity exposure amounts to a maximum of 60% of the Sub-Fund's assets.

Investments in bonds with a rating lower than B- (S&P or Fitch) or B3 (Moody's) are not permitted. If several ratings are available for a bond, the worst rating is used as a basis. In the event of a downgrade of bonds in the portfolio so that the rating falls below B- (S&P) or B3 (Moody's) and the proportion of total bonds in the portfolio has not exceeded the threshold of 3% of these bonds, these bonds are tolerated for a period of up to six months (after downgrade). If these bonds have not been upgraded again within this period, they must be sold by the Fund Manager within a further period of six months. If the share of the respective bonds exceeds the threshold of 3% in the Fund's portfolio, the bonds concerned must be sold by the Fund Manager within a period of six months.

The acquisition of asset-backed securities and CoCo bonds as structured products is not permitted.

No units in investment funds are acquired for the net Sub-Fund assets. The Sub-Fund is, therefore, eligible for target funds.

The Sub-Fund may hold up to 20% liquid assets depending on the financial market situation. The aforementioned limit may be exceeded temporarily and for a strictly necessary period if circumstances so require due to exceptional market conditions and if such an excess is justified taking into account the interests of investors, such as in very serious circumstances like the attacks of 11 September 2001 or the bankruptcy of Lehman Brothers in 2008.

Cash and cash equivalents are sight deposits available at any time at a credit institution to make current and extraordinary payments, as well as payments in connection with the disposition of permissible assets pursuant to Article 41 (1) of the 2010 Act.

In addition, for liquidity management purposes, the Sub-Fund may hold demand deposits in the form of overnight money and callable deposits within the meaning of Article 4 No. 1. f) of the Management Regulations, as well as invest in money market instruments within the meaning of Article 4 No. 1. of the Management Regulations.

In addition, the Sub-Fund may not invest in any other permitted assets pursuant to Article 4 of the Management Regulations below.

In implementing the investment policy, no total return swaps or other assets with similar characteristics will be acquired. In the event of a change in the investment policy in respect of the aforementioned instruments, the Sales Prospectus will be amended accordingly in accordance with Directive 2015/2365/EU of the European Parliament and of the Council of 25 November 2015.

For hedging purposes and efficient portfolio management, the Sub-Fund may use derivatives and other techniques and instruments in accordance with Article 4 No. 6. of the Management Regulations. If these techniques and instruments relate to the use of derivatives within the meaning of Article 4 No. 1. g) of the Management Regulations, the relevant investment restrictions of Article 4 of the Management Regulations must be taken into account. Furthermore, the provisions of Article 4 No. 7. concerning risk management procedures for derivatives shall be observed.

Within the framework of OTC transactions, the Management Company may accept collateral in the form of bank deposits made available to reduce the counterparty risk. For each counterparty, certain currencies are determined for this purpose, which are exchanged. Non-cash collateral is not accepted.

The collateral may be realised at any time without reference to or approval from the counterparty. In the context of the valuation of the cash collateral received, the Management Company may apply valuation discounts, which can be taken from the overview below.

The extent of the collateralisation will be 100%, taking into account the minimum transfer amount.

Cash collateral received from the counterparty under OTC transactions will only be fully invested in one or a combination of the following assets:

- High quality government bonds;
- Money market funds with a short maturity structure as defined in CESR's Guidelines on a Common Definition for European Money Market Funds (CESR 10-049);
- as deposits on demand with entities referred to in Article 50 (1) (f) of the UCITS Directive (Directive 2009/65/EC)

When investing the cash collateral, the issuer or counterparty limits from Article 4 No. 3. of the Management Regulations shall apply analogously. The investment of the cash collateral may expose the Sub-Fund to, among other things, counterparty default risk, interest rate risk or market risk.

The counterparty of the OTC transactions has no influence on the portfolio management, i.e. the selection lies solely in the decision of the Management Company or the mandated Fund Manager.

### **Securities lending**

In application of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and re-use ("SFTR") and applicable Luxembourg laws and regulations, in particular, CSSF Circular 08/356, CSSF Circular 11/512 and CSSF Circular 14/592, the Sub-Fund may enter into securities lending transactions in accordance with the relevant investment guidelines as part of efficient portfolio management.

Securities lending transactions count as securities financing transactions within the meaning of the SFTR. These are transactions by which a counterparty transfers securities in connection with the obligation that the transferring party will return the securities at a later date or at the request of the transferring party in equivalent securities.

No other securities financing transactions, such as repurchase agreements, buy/sell-back transactions or sell/buy-back transactions, and no total return swaps are currently used for the Sub-Fund. However, should the use of further securities financing transactions and/or total return swaps be intended in the future, the Sales Prospectus will be updated prior to the use of such techniques and instruments.

#### **(i) Settlement and counterparty**

The Sub-Fund is permitted to transfer securities out of its assets to a counterparty for a specified period of time in return for a market-based fee. This ensures that all securities transferred within the scope of securities lending can be transferred back at any time and that all securities lending agreements entered into can be terminated at any time.

The Sub-Fund may enter into securities lending transactions to achieve capital or income growth or to reduce its costs or risks. The use of securities lending transactions may under no circumstances lead to changes in the respective investment policy in accordance with the Management Regulations and the Sales Prospectus, or to the assumption of additional risks which are not in line with the risk profile set out in the Sales Prospectus.

Up to 10% of the Sub-Fund's assets may be lent. The proportion of assets expected to be used in securities lending is 5%. This is a forecast. The actual share of lent assets may vary depending on, among other things, the respective Sub-Fund-specific investment policy, the respective current portfolio allocation, the market situation on the securities lending market. An important criterion for the rate of securities lent is the demand for them, which can fluctuate over time and cannot be predicted. In addition, the composition of the respective portfolio is also a criterion that helps determine the ratio of securities lent.

The Sub-Fund may lend the assets in its portfolio either directly or indirectly through the intermediary of a standardised securities lending system, a recognised securities clearing institution or a securities lending system organised by

a financial institution. In any case, the borrower must be subject to prudential rules considered by the CSSF as equivalent to those prescribed by Community law.

The Management Company uses Hauck Aufhäuser Lampe Privatbank AG ("HAL") as principal for the implementation of securities lending transactions, whereby HAL also performs collateral management in connection with the securities lending transactions.

HAL is the only direct borrower and thus the only direct counterparty in securities lending transactions.

The principal will take into account various aspects when executing the securities lending transactions and selecting the Sub-Funds concerned. These include, without claiming to be exhaustive, economic and operational aspects. In addition, the principal will seek to give special consideration to those Sub-Funds which have a lower ratio of securities already lent compared to other Sub-Funds of the Management Company.

## **(ii) Collateral Management**

Furthermore, the Sub-Fund must receive collateral as part of securities lending, the value of which, taking into account the haircuts listed below, must correspond to at least 90% of the total value of the securities lent for the duration of the agreement (taking into account interest, dividends and any other claims). These collaterals must, in particular, comply with the requirements laid down in CSSF Circulars 08/536 and 14/592 and consist, for example, but not exclusively, of liquid assets, Fund units, bonds and shares.

### **Valuation discount strategy (haircut strategy)**

Collateral received will be valued on a daily valuation basis using available market prices and taking into account appropriate haircuts applied by the Management Company for each asset type of the Sub-Fund based on the Management Company's haircut strategy. This strategy takes into account several factors depending on the collateral received, such as the creditworthiness of the counterparty, the issuers' home country, the maturity, currency and price volatility of the assets.

The valuation discounts applied by the Management Company are shown in the table below:

<b>Valuation discounts for collateral received</b>	
<b>Type of security</b>	<b>Percentage discount</b>
Cash	Up to 2%
Government bonds	Up to 6%
Corporate bonds / bank bonds (maximum 10 years to final maturity)	Up to 6%
Shares listed on a regulated market within the EU or OECD and included in a leading index.	Up to 5%
Convertible bonds	Up to 15%
Target funds (daily valuation)	Up to 10%

In addition, the Management Company reserves the right to increase the valuation discounts on the collateral in the event of unusual market situations or other justified individual cases.

Supplementary information on the valuation discounts will also be provided free of charge by the Management Company upon request.

Cash collateral received may be invested in accordance with the criteria set out below:

- be invested as demand deposits with entities referred to in Article 50 (f) of Directive 2009/65/EC, as amended;
- invested in high-quality government bonds;
- for reverse repo transactions, provided that the transactions are with credit institutions subject to prudential supervision and the UCITS can reclaim the full amount of money accrued at any time;
- invested in money market funds with a short maturity structure as defined in CESR's Guidelines on a Common Definition for European Money Market Funds.

In contrast, securities collateral may neither be sold nor otherwise provided or pledged as collateral.

If leverage arises in the context of reinvestment, this must be taken into account in the overall risk limit of the Sub-Fund.

The income from the securities lending transactions, less all direct (e.g. transaction fees or fees of the principal) and indirect operational costs and fees (e.g. costs within the framework of the securities lending, possibly necessary legal opinions), shall accrue to the Sub-Fund's assets. The Management Company or an appointed third party reserves the right to charge a fee of a maximum of 20% of the income received from securities lending transactions for expenses incurred in connection with securities lending transactions (e.g. control activities or reporting requirements). The net profit after deduction of the direct and indirect operational

costs/fees shall flow in full to the Fund assets/Sub-Fund assets. The remaining 80% (minimum quota) shall accrue to the respective Sub-Fund assets. The aforementioned direct and indirect costs are not to be considered as fixed revenues.

Detailed information on the investment limits is contained in Article 4 of the Management Regulations below.

The Sub-Fund is established for an indefinite period.

#### **Supplementary information on possible currency hedging in the CHF unit class**

For the unit class CHF of LOYS FCP - LOYS Global L/S, a currency hedge is carried out at unit class level by LOYS AG. This is done taking into account the Opinion of the European Securities and Markets Authority with reference ESMA34-43-296.

The CHF Share Class is denominated in Swiss Francs whereas Euro is the currency of the Sub-Fund. The change in the CHF/EUR exchange rate can therefore lead to currency losses but also to currency gains for investors in the CHF unit class. In the course of currency hedging, the exchange rate risk with regard to the Sub-Fund currency to the unit class currency is hedged. This hedging can be achieved through the use of various instruments (e.g. forward exchange contracts). Investors wishing to invest in the said Share Class should be aware that a currency hedging process cannot provide a precise and complete hedge of the said exchange rate risk. In particular, strong market distortions or larger equity movements have an impact on currency hedging. Therefore, no guarantee can be given that LOYS AG's hedging will be successful in all respects.

### **RISK PROFILE OF THE LOYS FCP - LOYS GLOBAL L/S**

#### **Risk profile – “Income-oriented”**

The Fund is particularly suitable for investors who accept increased risks and at the same time wish to participate in possible higher returns over the medium to long term. Due to the investment policy combined with the investment objectives, the investor is prepared to accept increased capital losses in the short term depending on the extent of the fluctuations in the value of the Sub-Fund's investments. The investor's investment horizon should be medium to long-term.

The Management Company shall endeavour to minimise the risks through the number and diversification of the investments of the Fund.

However, no assurance can be given that the objectives of the investment policy will be achieved.

### **MONITORING OF THE OVERALL RISK**

#### **Global Exposure:**

To monitor market risk, the global exposure is calculated using an absolute value-at-risk approach.

#### **Leverage:**

The leverage caused by the use of derivatives and other financial products with derivative components amounts to up to 200% of the Fund volume. Depending on the market situation, however, the leverage value is subject to fluctuations, so that it can be exceeded in the short term. The leverage value is monitored daily by the Management Company.

Note on leverage calculation:

The calculation is based on the sum of the nominal values as set out in Boxes 24 and 25 of ESMA Guideline 10-788.

#### **Sustainability risks:**

Key risk indicators can be used to assess sustainability risks. The risk indicators can be quantitative or qualitative in nature and are oriented towards environmental, social and governance aspects and serve to measure the risk of the aspects under consideration.

## **Sub-Fund LOYS FCP - LOYS Aktien Europa**

### **INVESTMENT OBJECTIVES AND INVESTMENT POLICY OF LOYS FCP - LOYS AKTIEN EUROPA**

The objective of the investment policy of LOYS FCP - LOYS AKTIEN EUROPA is to achieve a sustained increase in the value of the investment funds contributed by the unitholders.

The Fund Manager will take into account any risks related to sustainability (environmental, social and governance aspects) when making investment decisions, as well as on an ongoing basis during the investment life of the Sub-Fund's existing investments. Further information is contained in the "Pre-contractual Information", which is attached to this Sales Prospectus as Annex B.

**However, no assurance can be given that the aforementioned investment policy objectives will be achieved.**

This Sub-Fund is a financial product promoting, inter alia, environmental or social features and qualifies under Article 8 (1) of Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector ("SFDR"). However, the Sub-Fund does not seek to make sustainable investments within the meaning of the EU Taxonomy Regulation.

In order to achieve this investment objective, the Sub-Fund shall invest at least 60% of the Active Assets in shares listed on a stock exchange or traded on other Regulated Markets which qualify as equity investments pursuant to Article 4 No. 1 i) of the Management Regulations. The Sub-Fund's investment policy also provides for the acquisition of shares in companies with small market capitalisation. Due to their low market capitalisation, the shares of these companies may be less liquid and, therefore, more difficult to sell.

Furthermore, in addition to and taking into account Article 4 of the Management Regulations, profit participation certificates similar to shares and bonds, ADRs and GDRs, warrants on securities, share certificates and bonds of all types – including zero-coupon bonds, variable-interest securities, convertible bonds and bonds with warrants as well as subscription rights – may be acquired for the Sub-Fund in accordance with the principle of risk diversification.

Investments in bonds with a rating lower than B- (S&P or Fitch) or B3 (Moody's) are not permitted. If several ratings are available for a bond, the worst rating is used as a basis. In the event of a downgrade of bonds in the portfolio so that the rating falls below B- (S&P) or B3 (Moody's) and the proportion of total bonds in the portfolio has not exceeded the threshold of 3% of these bonds, these bonds are tolerated for a period of up to six months (after downgrade). If these bonds have not been upgraded again within this period, they must be sold by the Fund Manager within a further period of six months.

If the proportion of the respective bonds exceeds the threshold of 3% in the portfolio of the Sub-Fund, the bonds concerned must be sold by the Fund Manager within a period of six months.

An acquisition of asset-backed securities as well as CoCo bonds as structured products is not permitted (warrants, convertible bonds and bonds with warrants, as well as certificates are expressly not covered by this prohibition and are therefore permitted as acquirable assets for the Sub-Fund).

The Sub-Fund invests mainly in securities issued by issuers domiciled in Europe. Securities of issuers domiciled in emerging markets or in the USA may be acquired to a small extent in each case.

Units in investment funds are not acquired for the Sub-Fund. The Sub-Fund is, therefore, eligible for target funds.

The Sub-Fund may hold up to 20% liquid assets depending on the financial market situation. The aforementioned limit may be exceeded temporarily and for a strictly necessary period if circumstances so require due to exceptional market conditions and if such an excess is justified taking into account the interests of investors, such as in very serious circumstances like the attacks of 11 September 2001 or the bankruptcy of Lehman Brothers in 2008.

Cash and cash equivalents are sight deposits available at any time at a credit institution to make current and extraordinary payments, as well as payments in connection with the disposition of permissible assets pursuant to Article 41 (1) of the 2010 Act.

In addition, for liquidity management purposes, the Sub-Fund may hold demand deposits in the form of overnight money and callable deposits within the meaning of Article 4 No. 1. f) of the Management Regulations, as well as invest in money market instruments within the meaning of Article 4 No. 1. of the Management Regulations.

In addition, the Sub-Fund may not invest in any other permitted assets pursuant to Article 4 of the Management Regulations below.

In implementing the investment policy, no total return swaps or other assets with similar characteristics will be acquired. In the event of a change in the investment policy in respect of the aforementioned instruments, the Sales Prospectus will be amended accordingly in accordance with Directive 2015/2365/EU of the European Parliament and of the Council of 25 November 2015.

For hedging purposes and efficient portfolio management, the Sub-Fund may use derivatives and other techniques and instruments in accordance with Article 4 No. 6. of the Management Regulations. If these techniques and instruments

relate to the use of derivatives within the meaning of Article 4 No. 1. g) of the Management Regulations, the relevant investment restrictions of Article 4 of the Management Regulations must be taken into account. Furthermore, the provisions of Article 4 No. 7. concerning risk management procedures for derivatives shall be observed.

Within the framework of OTC transactions, the Management Company may accept collateral in the form of bank deposits made available to reduce the counterparty risk. For each counterparty, certain currencies are determined for this purpose, which are exchanged. Non-cash collateral is not accepted.

The collateral may be realised at any time without reference to or approval from the counterparty. In the context of the valuation of the cash collateral received, the Management Company may apply valuation discounts, which can be taken from the overview below.

The extent of the collateralisation will be 100%, taking into account the minimum transfer amount.

Cash collateral received from the counterparty under OTC transactions will only be fully invested in one or a combination of the following assets:

- High quality government bonds;
- Money market funds with a short maturity structure as defined in CESR's Guidelines on a Common Definition for European Money Market Funds (CESR 10-049);
- as deposits on demand with entities referred to in Article 50 (1) (f) of the UCITS Directive (Directive 2009/65/EC)

When investing the cash collateral, the issuer or counterparty limits from Article 4 No. 3. of the Management Regulations shall apply analogously. The investment of the cash collateral may expose the Sub-Fund to, among other things, counterparty default risk, interest rate risk or market risk.

The counterparty of the OTC transactions has no influence on the portfolio management, i.e. the selection lies solely in the decision of the Management Company or the mandated Fund Manager.

Explanation of how certificates work:

Certificates are mostly listed debt securities. The price development of certificates depends on the development of the underlying asset and the contractual arrangement. The price of the certificate can develop more strongly, less strongly, equally strongly or completely independently of the price of the underlying asset. Depending on the contractual arrangement, there may be a total loss of value.

## **Securities lending**

In application of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and re-use ("SFTR") and applicable Luxembourg laws and regulations, in particular, CSSF Circular 08/356, CSSF Circular 11/512 and CSSF Circular 14/592, the Sub-Fund may enter into securities lending transactions in accordance with the relevant investment guidelines as part of efficient portfolio management.

Securities lending transactions count as securities financing transactions within the meaning of the SFTR. These are transactions by which a counterparty transfers securities in connection with the obligation that the transferring party will return the securities at a later date or at the request of the transferring party in equivalent securities.

No other securities financing transactions, such as repurchase agreements, buy/sell-back transactions or sell/buy-back transactions, and no total return swaps are currently used for the Sub-Fund. However, should the use of further securities financing transactions and/or total return swaps be intended in the future, the Sales Prospectus will be updated prior to the use of such techniques and instruments.

### **(i) Settlement and counterparty**

The Sub-Fund is permitted to transfer securities out of its assets to a counterparty for a specified period of time in return for a market-based fee. This ensures that all securities transferred within the scope of securities lending can be transferred back at any time and that all securities lending agreements entered into can be terminated at any time.

The Sub-Fund may enter into securities lending transactions to achieve capital or income growth or to reduce its costs or risks. The use of securities lending transactions may under no circumstances lead to changes in the respective investment policy in accordance with the Management Regulations and the Sales Prospectus, or to the assumption of additional risks which are not in line with the risk profile set out in the Sales Prospectus.

Up to 10% of the Sub-Fund's assets may be lent. The proportion of assets expected to be used in securities lending is 5%. This is a forecast. The actual share of lent assets may vary depending on, among other things, the respective Sub-Fund-specific investment policy, the respective current portfolio allocation, the market situation on the securities lending market. An important criterion for the rate of securities lent is the demand for them, which can fluctuate over time and cannot be predicted. In addition, the composition of the respective portfolio is also a criterion that helps determine the ratio of securities lent.

The Sub-Fund may lend the assets in its portfolio either directly or indirectly through the intermediary of a standardised securities lending system, a recognised securities clearing institution or a securities lending system organised by

a financial institution. In any case, the borrower must be subject to prudential rules considered by the CSSF as equivalent to those prescribed by Community law.

The Management Company uses Hauck Aufhäuser Lampe Privatbank AG ("HAL") as principal for the implementation of securities lending transactions, whereby HAL also performs collateral management in connection with the securities lending transactions.

HAL is the only direct borrower and thus the only direct counterparty in securities lending transactions.

The principal will take into account various aspects when executing the securities lending transactions and selecting the Sub-Funds concerned. These include, without claiming to be exhaustive, economic and operational aspects. In addition, the principal will seek to give special consideration to those Sub-Funds which have a lower ratio of securities already lent compared to other Sub-Funds of the Management Company.

## (ii) Collateral Management

Furthermore, the Sub-Fund must receive collateral as part of securities lending, the value of which, taking into account the haircuts listed below, must correspond to at least 90% of the total value of the securities lent for the duration of the agreement (taking into account interest, dividends and any other claims). These collaterals must, in particular, comply with the requirements laid down in CSSF Circulars 08/536 and 14/592 and consist, for example, but not exclusively, of liquid assets, Fund units, bonds and shares.

### Valuation discount strategy (haircut strategy)

Collateral received will be valued on a daily valuation basis using available market prices and taking into account appropriate haircuts applied by the Management Company for each asset type of the Sub-Fund based on the Management Company's haircut strategy. This strategy takes into account several factors depending on the collateral received, such as the creditworthiness of the counterparty, the issuers' home country, the maturity, currency and price volatility of the assets.

The valuation discounts applied by the Management Company are shown in the table below:

<b>Valuation discounts for collateral received</b>	
<b>Type of security</b>	<b>Percentage discount</b>
Cash	Up to 2%
Government bonds	Up to 6%
Corporate bonds / bank bonds (maximum 10 years to final maturity)	Up to 6%
Shares listed on a regulated market within the EU or OECD and included in a leading index.	Up to 5%
Convertible bonds	Up to 15%
Target funds (daily valuation)	Up to 10%

In addition, the Management Company reserves the right to increase the valuation discounts on the collateral in the event of unusual market situations or other justified individual cases.

Supplementary information on the valuation discounts will also be provided free of charge by the Management Company upon request.

Cash collateral received may be invested in accordance with the criteria set out below:

- be invested as demand deposits with entities referred to in Article 50 (f) of Directive 2009/65/EC, as amended;
- invested in high-quality government bonds;
- for reverse repo transactions, provided that the transactions are with credit institutions subject to prudential supervision and the UCITS can reclaim the full amount of money accrued at any time;
- invested in money market funds with a short maturity structure as defined in CESR's Guidelines on a Common Definition for European Money Market Funds.

In contrast, securities collateral may neither be sold nor otherwise provided or pledged as collateral.

If leverage arises in the context of reinvestment, this must be taken into account in the overall risk limit of the Sub-Fund.

The income from the securities lending transactions, less all direct (e.g. transaction fees or fees of the principal) and indirect operational costs and fees (e.g. costs within the framework of the securities lending, possibly necessary legal opinions), shall accrue to the Sub-Fund assets. The Management Company or an appointed third party reserves the right to charge a fee of a maximum of 20% of the income received from securities lending transactions for expenses incurred in connection with securities lending transactions (e.g. control activities or reporting requirements). The net profit after deduction of the direct and indirect operational costs/fees shall flow in full to the Fund assets/Sub-Fund assets. The remaining 80% (minimum quota) shall accrue to the respective Sub-Fund assets. The aforementioned direct and indirect costs are not to be considered fixed income.

Detailed information on the investment limits is contained in Article 4 of the Management Regulations below.

The Sub-Fund is established for an indefinite period.

## **RISK PROFILE of the Sub-Fund LOYS FCP - LOYS Aktien EUROPA**

### **Risk profile - "Speculative":**

The Sub-Fund is particularly suitable for investors who accept very high risks and at the same time wish to participate in very high potential returns over the long term. Due to the investment policy combined with the investment objectives, the investor is prepared to accept very high capital losses in the short term, depending on the extent of the fluctuations in the value of the Sub-Fund's investments. The investor's investment horizon should be long-term.

The Management Company shall endeavour to minimise the risks through the number and diversification of the investments of the Fund.

However, no assurance can be given that the objectives of the investment policy will be achieved.

## **MONITORING OF THE OVERALL RISK OF THE LOYS FCP - LOYS AKTIEN EUROPA SUB-FUND**

### **Global Exposure:**

To monitor market risk, the global exposure is calculated using a relative value-at-risk approach.

### **Comparative assets:**

A single share index with the following profile is used as a comparative asset:

- The equity index is broadly diversified in terms of countries, sectors and market capitalisation of the securities it contains and is made up of European large-, mid- and small-cap companies from 18 European submarkets.
- The above-mentioned companies are spread across different sectors, such as: Consumer Goods, Finance, Healthcare, Industry, Information Technology, Raw Materials, Telecommunications, Utilities, etc.
- The index is calculated in EUR, with the 600 companies included weighted according to their market capitalisation.

### **Leverage:**

The leverage caused by the use of derivatives and other financial products with derivative components amounts to up to 200% of the Fund volume. Depending on the market situation, however, the leverage value is subject to fluctuations, so that it can be exceeded in the short term. The leverage value is monitored daily by the Management Company.

Note on leverage calculation:

The calculation is based on the sum of the notional amounts as set out in boxes 24 and 25 of ESMA Guideline 10-788.

### **Sustainability risks:**

Key risk indicators can be used to assess sustainability risks. The risk indicators can be quantitative or qualitative in nature and are oriented towards environmental, social and governance aspects and serve to measure the risk of the aspects under consideration.



## **Sub-Fund LOYS FCP - LOYS PREMIUM DIVIDENDE**

### **INVESTMENT OBJECTIVES AND INVESTMENT POLICY OF LOYS FCP - LOYS PREMIUM DIVIDENDE**

The objective of the investment policy of LOYS FCP - LOYS Premium Dividende is to achieve a sustainable increase in the value of the investment funds contributed by the unitholders. To this end, the Fund Manager seeks to invest in companies with a history of sustainable and continuous dividend payments. This is intended to enable investors to increase value in as many situations as possible on the capital market.

The Fund Manager will take into account any risks related to sustainability (environmental, social and governance aspects) when making investment decisions, as well as on an ongoing basis during the investment life of the Sub-Fund's existing investments. Further information is contained in the "Pre-contractual Information", which is attached to this Prospectus as Annex C.

**However, no assurance can be given that the aforementioned investment policy objectives will be achieved.**

This Sub-Fund is a financial product promoting, inter alia, environmental or social features and qualifies under Article 8 (1) of Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector ("SFDR"). However, the Sub-Fund does not seek to make sustainable investments within the meaning of the EU Taxonomy Regulation.

In order to achieve this investment objective, the Sub-Fund shall invest at least 60% of its assets in shares listed on a stock exchange or traded on other regulated markets which qualify as equity investments pursuant to Article 4 No. 1 i) of the Management Regulations. The Sub-Fund's investment policy also provides for the acquisition of shares in companies with small market capitalisation. Due to their low market capitalisation, the shares of these companies may be less liquid and, therefore, more difficult to sell.

Securities of issuers domiciled in emerging markets may be acquired to a limited extent.

Furthermore, in addition to and taking into account Article 4 of the Management Regulations, profit participation certificates similar to shares and bonds, ADRs and GDRs, warrants on securities, share certificates and bonds of all types – including zero-coupon bonds, variable-interest securities, convertible bonds and bonds with warrants as well as subscription rights – may be acquired for the Sub-Fund in accordance with the principle of risk diversification.

Investments in bonds with a rating lower than B- (S&P or Fitch) or B3 (Moody's) are not permitted. If several ratings are available for a bond, the worst rating is used as a basis. In the event of a downgrade of bonds in the portfolio so that the rating falls below B- (S&P) or B3 (Moody's) and the proportion of total bonds in the portfolio has not exceeded the threshold of 3% of these bonds, these bonds are tolerated for a period of up to six months (after downgrade). If these bonds have not been upgraded again within this period, they must be sold by the Fund Manager within a further period of six months.

If the proportion of the respective bonds exceeds the threshold of 3% in the portfolio of the Sub-Fund, the bonds concerned must be sold by the Fund Manager within a period of six months.

An acquisition of asset-backed securities as well as CoCo bonds as structured products is not permitted (warrants, convertible bonds and bonds with warrants, as well as certificates are expressly not covered by this prohibition and are therefore permitted as acquirable assets for the Sub-Fund).

Units in investment funds are not acquired for the Sub-Fund. The Sub-Fund is, therefore, eligible for target funds.

The Sub-Fund may hold up to 20% liquid assets depending on the financial market situation. The aforementioned limit may be exceeded temporarily and for a strictly necessary period if circumstances so require due to exceptional market conditions and if such an excess is justified taking into account the interests of investors, such as in very serious circumstances like the attacks of 11 September 2001 or the bankruptcy of Lehman Brothers in 2008.

Cash and cash equivalents are sight deposits available at any time at a credit institution to make current and extraordinary payments, as well as payments in connection with the disposition of permissible assets pursuant to Article 41 (1) of the 2010 Act.

In addition, for liquidity management purposes, the Sub-Fund may hold demand deposits in the form of overnight money and callable deposits within the meaning of Article 4 No. 1. f) of the Management Regulations, as well as invest in money market instruments within the meaning of Article 4 No. 1. of the Management Regulations.

In addition, the Sub-Fund may not invest in any other permitted assets pursuant to Article 4 of the Management Regulations below.

In implementing the investment policy, no total return swaps or other assets with similar characteristics will be acquired. In the event of a change in the investment policy in respect of the aforementioned instruments, the Sales Prospectus will be amended accordingly in accordance with Directive 2015/2635/EU of the European Parliament and of the Council of 25 November 2015.

For hedging purposes as well as for efficient portfolio management, the Sub-Fund may use derivatives, certificates with embedded derivative components (discount, bonus, leverage, knock-out certificates, etc.), as well as other techniques and instruments pursuant to Article 4 No. 6. of the Management Regulations. If these techniques and instruments relate to the use of derivatives within the meaning of Article 4 No. 1. g) of the Management Regulations, the relevant investment restrictions of Article 4 of the Management Regulations must be taken into account. Furthermore, the provisions of Article 4 No. 7. concerning risk management procedures for derivatives shall be observed.

Within the framework of OTC transactions, the Management Company may accept collateral in the form of bank deposits made available to reduce the counterparty risk. For each counterparty, certain currencies are determined for this purpose, which are exchanged. Non-cash collateral is not accepted.

The collateral may be realised at any time without reference to or approval from the counterparty. In the context of the valuation of the cash collateral received, the Management Company may apply valuation discounts, which can be taken from the overview below.

The extent of the collateralisation will be 100%, taking into account the minimum transfer amount.

Cash collateral received from the counterparty under OTC transactions will only be fully invested in one or a combination of the following assets:

- High quality government bonds;
- Money market funds with a short maturity structure as defined in CESR's Guidelines on a Common Definition for European Money Market Funds (CESR 10-049);
- as deposits on demand with entities referred to in Article 50 (1) (f) of the UCITS Directive (Directive 2009/65/EC)

When investing the cash collateral, the issuer or counterparty limits from Article 4 No. 3. of the Management Regulations shall apply analogously. The investment of the cash collateral may expose the Sub-Fund to, among other things, counterparty default risk, interest rate risk or market risk.

The counterparty of the OTC transactions has no influence on the portfolio management, i.e. the selection lies solely in the decision of the Management Company or the mandated Fund Manager.

Explanation of how certificates work:

Certificates are mostly listed debt securities. The price development of certificates depends on the development of the underlying asset and the contractual arrangement. The price of the certificate can develop more strongly, less strongly, equally strongly or completely independently of the price of the underlying asset. Depending on the contractual arrangement, there may be a total loss of value.

### **Securities lending**

In application of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and re-use ("SFTR") and applicable Luxembourg laws and regulations, in particular, CSSF Circular 08/356, CSSF Circular 11/512 and CSSF Circular 14/592, the Sub-Fund may enter into securities lending transactions in accordance with the relevant investment guidelines as part of efficient portfolio management.

Securities lending transactions count as securities financing transactions within the meaning of the SFTR. These are transactions by which a counterparty transfers securities in connection with the obligation that the transferring party will return the securities at a later date or at the request of the transferring party in equivalent securities.

No other securities financing transactions, such as repurchase agreements, buy/sell-back transactions or sell/buy-back transactions, and no total return swaps are currently used for the Sub-Fund. However, should the use of further securities financing transactions and/or total return swaps be intended in the future, the Sales Prospectus will be updated prior to the use of such techniques and instruments.

#### **(i) Settlement and counterparty**

The Sub-Fund is permitted to transfer securities out of its assets to a counterparty for a specified period of time in return for a market-based fee. This ensures that all securities transferred within the scope of securities lending can be transferred back at any time and that all securities lending agreements entered into can be terminated at any time.

The Sub-Fund may enter into securities lending transactions to achieve capital or income growth or to reduce its costs or risks. The use of securities lending transactions may under no circumstances lead to changes in the respective investment policy in accordance with the Management Regulations and the Sales Prospectus, or to the assumption of additional risks which are not in line with the risk profile set out in the Sales Prospectus.

Up to 10% of the Sub-Fund's assets may be lent. The proportion of assets expected to be used in securities lending is 5%. This is a forecast. The actual share of lent assets may vary depending on, among other things, the respective Sub-Fund-specific investment policy, the respective current portfolio allocation, the market situation on the securities lending market. An important criterion for the rate of securities lent is the demand for them, which can fluctuate over

time and cannot be predicted. In addition, the composition of the respective portfolio is also a criterion that helps determine the ratio of securities lent.

The Sub-Fund may lend the assets in its portfolio either directly or indirectly through the intermediary of a standardised securities lending system, a recognised securities clearing institution or a securities lending system organised by a financial institution. In any case, the borrower must be subject to prudential rules considered by the CSSF as equivalent to those prescribed by Community law.

The Management Company uses Hauck Aufhäuser Lampe Privatbank AG ("HAL") as principal for the implementation of securities lending transactions, whereby HAL also performs collateral management in connection with the securities lending transactions.

HAL is the only direct borrower and thus the only direct counterparty in securities lending transactions.

The principal will take into account various aspects when executing the securities lending transactions and selecting the Sub-Funds concerned. These include, without claiming to be exhaustive, economic and operational aspects. In addition, the principal will seek to give special consideration to those Sub-Funds which have a lower ratio of securities already lent compared to other Sub-Funds of the Management Company.

## (ii) Collateral Management

Furthermore, the Sub-Fund must receive collateral as part of securities lending, the value of which, taking into account the haircuts listed below, must correspond to at least 90% of the total value of the securities lent for the duration of the agreement (taking into account interest, dividends and any other claims). These collaterals must, in particular, comply with the requirements laid down in CSSF Circulars 08/536 and 14/592 and consist, for example, but not exclusively, of liquid assets, Fund units, bonds and shares.

### Valuation discount strategy (haircut strategy)

Collateral received will be valued on a daily valuation basis using available market prices and taking into account appropriate haircuts applied by the Management Company for each asset type of the Sub-Fund based on the Management Company's haircut strategy. This strategy takes into account several factors depending on the collateral received, such as the creditworthiness of the counterparty, the issuers' home country, the maturity, currency and price volatility of the assets.

The valuation discounts applied by the Management Company are shown in the table below:

Valuation discounts for collateral received	
Type of security	Percentage discount
Cash	Up to 2%
Government bonds	Up to 6%
Corporate bonds / bank bonds (maximum 10 years to final maturity)	Up to 6%
Shares listed on a regulated market within the EU or OECD and included in a leading index.	Up to 5%
Convertible bonds	Up to 15%
Target funds (daily valuation)	Up to 10%

In addition, the Management Company reserves the right to increase the valuation discounts on the collateral in the event of unusual market situations or other justified individual cases.

Supplementary information on the valuation discounts will also be provided free of charge by the Management Company upon request.

Cash collateral received may be invested in accordance with the criteria set out below:

- be invested as demand deposits with entities referred to in Article 50 (f) of Directive 2009/65/EC, as amended;
- invested in high-quality government bonds;
- for reverse repo transactions, provided that the transactions are with credit institutions subject to prudential supervision and the UCITS can reclaim the full amount of money accrued at any time;
- invested in money market funds with a short maturity structure as defined in CESR's Guidelines on a Common Definition for European Money Market Funds.

In contrast, securities collateral may neither be sold nor otherwise provided or pledged as collateral.

If leverage arises in the context of reinvestment, this must be taken into account in the overall risk limit of the Sub-Fund.

The income from the securities lending transactions, less all direct (e.g. transaction fees or fees of the principal) and indirect operational costs and fees (e.g. costs within the framework of the securities lending, possibly necessary legal opinions), shall accrue to the Sub-Fund's assets. The Management Company or an appointed third party reserves the right to charge a fee of a maximum of 20% of the income received from securities lending transactions for expenses incurred in connection with securities lending transactions (e.g. control activities or reporting requirements). The portion remaining

after deduction of direct and indirect operational costs/fees shall accrue in full to the Fund assets/Sub-Fund assets. The remaining 80% (minimum quota) shall accrue to the respective Sub-Fund assets. The aforementioned direct and indirect costs are not to be considered fixed income.

Detailed information on the investment limits is contained in Article 4 of the Management Regulations below.

The Sub-Fund is established for an indefinite period.

## **RISK PROFILE OF THE SUB-FUND LOYS FCP - LOYS PREMIUM DIVIDENDE**

### **Risk profile - “Speculative”:**

The Sub-Fund is particularly suitable for investors who accept very high risks and at the same time wish to participate in very high potential returns over the long term. Due to the investment policy combined with the investment objectives, the investor is prepared to accept very high capital losses in the short term, depending on the extent of the fluctuations in the value of the Sub-Fund's investments. The investor's investment horizon should be long-term.

The Management Company shall endeavour to minimise the risks through the number and diversification of the investments of the Fund.

However, no assurance can be given that the objectives of the investment policy will be achieved.

## **MONITORING THE OVERALL RISK OF THE LOYS FCP - LOYS PREMIUM DIVIDENDE SUB-FUND**

### **Global Exposure:**

To monitor market risk, the global exposure is calculated using a relative value-at-risk approach.

### **Comparative assets:**

A single share index with the following profile is used as a comparative asset:

- The equity index is broadly diversified in terms of countries, sectors and market capitalisation of the securities it contains and is made up of European large-, mid- and small-cap companies from 18 European submarkets.
- The above-mentioned companies are spread across different sectors, such as: Consumer Goods, Finance, Health Care, Industry, Information Technology, Raw Materials, Telecommunications, Utilities etc.
- The index is calculated in EUR, the 600 companies included are weighted according to their market capitalisation.

### **Leverage:**

The leverage caused by the use of derivatives and other financial products with derivative components amounts to up to 200% of the Fund volume. Depending on the market situation, however, the leverage value is subject to fluctuations, so that it can be exceeded in the short term. The leverage value is monitored daily by the Management Company.

Note on leverage calculation:

The calculation is based on the sum of the notional amounts as set out in boxes 24 and 25 of ESMA Guideline 10-788.

### **Sustainability risks:**

Key risk indicators can be used to assess sustainability risks. The risk indicators can be quantitative or qualitative in nature and are oriented towards environmental, social and governance aspects and serve to measure the risk of the aspects under consideration.

## **Sub-Fund LOYS FCP - LOYS PREMIUM DEUTSCHLAND**

### **INVESTMENT OBJECTIVES AND INVESTMENT POLICY OF LOYS FCP - LOYS PREMIUM DEUTSCHLAND**

The objective of the investment policy of LOYS FCP - LOYS Premium Deutschland is to achieve a sustainable increase in the value of the investment funds contributed by the unitholders. To this end, the Fund Manager aims to invest in good quality companies. By "good quality companies" the Fund Manager means those that ideally have no debt, or at least only low and easily sustainable debt. In addition, the companies should generate a high free cash flow, the management should have integrity and solidity, and the business model should fundamentally have structural tailwinds.

The Fund Manager will take into account any risks related to sustainability (environmental, social and governance aspects) when making investment decisions, as well as on an ongoing basis during the investment life of the Sub-Fund's existing investments.

**However, no assurance can be given that the aforementioned investment policy objectives will be achieved.**

No environmental and/or social features are advertised with this financial product. The investment strategy of the financial product does not include binding ESG/sustainability criteria in the context of the investment decision, this includes both the main adverse impacts on sustainability factors pursuant to EU 2019/2088 Article 7 (1) ("Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27. November 2019 on sustainability-related disclosure requirements in the financial services sector"), as well as the EU criteria for environmentally sustainable economic activities pursuant to EU 2020/852 Article 2 (1) ("Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment").

In order to achieve this investment objective, the Sub-Fund shall invest at least 80% of its assets in shares listed on a stock exchange or traded on other regulated markets which qualify as equity investments pursuant to Article 4 No. 1 i) of the Management Regulations and which are issued by issuers domiciled in Germany. The Sub-Fund's investment policy also provides for the acquisition of shares in companies with small market capitalisation. Due to their low market capitalisation, the shares of these companies may be less liquid and, therefore, more difficult to sell. Securities of issuers domiciled in emerging markets may be acquired to a limited extent.

In addition, in addition to and taking into account Article 4 of the Management Regulations, and in accordance with the principle of risk diversification, participation certificates similar to shares and bonds, ADRs and GDRs, warrants on securities, share certificates and bonds of all types – including zero-coupon bonds, variable-interest securities, convertible bonds and bonds with warrants as well as subscription rights – may be acquired for the Sub-Fund.

Investments in bonds with a rating lower than B- (S&P or Fitch) or B3 (Moody's) are not permitted. If several ratings are available for a bond, the worst rating is used as a basis. In the event of a downgrade of bonds in the portfolio so that the rating falls below B- (S&P) or B3 (Moody's) and the proportion of total bonds in the portfolio has not exceeded the threshold of 3% of these bonds, these bonds are tolerated for a period of up to six months (after downgrade). If these bonds have not been upgraded again within this period, they must be sold by the Fund Manager within a further period of six months.

If the proportion of the respective bonds exceeds the threshold of 3% in the portfolio of the Sub-Fund, the bonds concerned must be sold by the Fund Manager within a period of six months.

An acquisition of asset-backed securities as well as CoCo bonds as structured products is not permitted (warrants, convertible bonds and bonds with warrants, as well as certificates are expressly not covered by this prohibition and are therefore permitted as acquirable assets for the Sub-Fund).

Units in investment funds are not acquired for the Sub-Fund. The Sub-Fund is, therefore, eligible for target funds.

The Sub-Fund may hold up to 20% liquid assets depending on the financial market situation. The aforementioned limit may be exceeded temporarily and for a strictly necessary period if circumstances so require due to exceptional market conditions and if such an excess is justified taking into account the interests of investors, such as in very serious circumstances like the attacks of 11 September 2001 or the bankruptcy of Lehman Brothers in 2008.

Cash and cash equivalents are sight deposits available at any time at a credit institution to make current and extraordinary payments, as well as payments in connection with the disposition of permissible assets pursuant to Article 41 (1) of the 2010 Act.

In addition, for liquidity management purposes, the Sub-Fund may hold demand deposits in the form of overnight money and callable deposits within the meaning of Article 4 No. 1. f) of the Management Regulations, as well as invest in money market instruments within the meaning of Article 4 No. 1. of the Management Regulations.

In implementing the investment policy, no total return swaps or other assets with similar characteristics will be acquired. In the event of a change in the investment policy in respect of the aforementioned instruments, the Sales Prospectus will be amended accordingly in accordance with Directive 2015/2635/EU of the European Parliament and of the Council of 25 November 2015.

For hedging purposes as well as for efficient portfolio management, the Sub-Fund may use derivatives, certificates with embedded derivative components (discount, bonus, leverage, knock-out certificates, etc.), as well as other techniques

and instruments pursuant to Article 4 No. 6. of the Management Regulations. If these techniques and instruments relate to the use of derivatives within the meaning of Article 4 No. 1. g) of the Management Regulations, the relevant investment restrictions of Article 4 of the Management Regulations must be taken into account. Furthermore, the provisions of Article 4 No. 7. concerning risk management procedures for derivatives shall be observed.

Within the framework of OTC transactions, the Management Company may accept collateral in the form of bank deposits made available to reduce the counterparty risk. For each counterparty, certain currencies are determined for this purpose, which are exchanged. Non-cash collateral is not accepted.

In addition, the Sub-Fund may not invest in any other permitted assets pursuant to Article 4 of the Management Regulations below.

The collateral may be realised at any time without reference to or approval from the counterparty. In the context of the valuation of the cash collateral received, the Management Company may apply valuation discounts, which can be taken from the overview below.

The extent of the collateralisation will be 100%, taking into account the minimum transfer amount.

Cash collateral received from the counterparty under OTC transactions will only be fully invested in one or a combination of the following assets:

- High quality government bonds;
- Money market funds with a short maturity structure as defined in CESR's Guidelines on a Common Definition for European Money Market Funds (CESR 10-049);
- as deposits on demand with entities referred to in Article 50 (1) (f) of the UCITS Directive (Directive 2009/65/EC)

When investing the cash collateral, the issuer or counterparty limits from Article 4 No. 3. of the Management Regulations shall apply analogously. The investment of the cash collateral may expose the Sub-Fund to, among other things, counterparty default risk, interest rate risk or market risk.

The counterparty of the OTC transactions has no influence on the portfolio management, i.e. the selection lies solely in the decision of the Management Company or the mandated Fund Manager.

Explanation of how certificates work:

Certificates are mostly listed debt securities. The price development of certificates depends on the development of the underlying asset and the contractual arrangement. The price of the certificate can develop more strongly, less strongly, equally strongly or completely independently of the price of the underlying asset. Depending on the contractual arrangement, there may be a total loss of value.

### **Securities lending**

In application of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and re-use ("SFTR") and applicable Luxembourg laws and regulations, in particular, CSSF Circular 08/356, CSSF Circular 11/512 and CSSF Circular 14/592, the Sub-Fund may enter into securities lending transactions in accordance with the relevant investment guidelines as part of efficient portfolio management.

Securities lending transactions count as securities financing transactions within the meaning of the SFTR. These are transactions by which a counterparty transfers securities in connection with the obligation that the transferring party will return the securities at a later date or at the request of the transferring party in equivalent securities.

No other securities financing transactions, such as repurchase agreements, buy/sell-back transactions or sell/buy-back transactions, and no total return swaps are currently used for the Sub-Fund. However, should the use of further securities financing transactions and/or total return swaps be intended in the future, the Sales Prospectus will be updated prior to the use of such techniques and instruments.

#### **(i) Settlement and counterparty**

The Sub-Fund is permitted to transfer securities out of its assets to a counterparty for a specified period of time in return for a market-based fee. This ensures that all securities transferred within the scope of securities lending can be transferred back at any time and that all securities lending agreements entered into can be terminated at any time.

The Sub-Fund may enter into securities lending transactions to achieve capital or income growth or to reduce its costs or risks. The use of securities lending transactions may under no circumstances lead to changes in the respective investment policy in accordance with the Management Regulations and the Sales Prospectus, or to the assumption of additional risks which are not in line with the risk profile set out in the Sales Prospectus.

Up to 10% of the Sub-Fund's assets may be lent. The proportion of assets expected to be used in securities lending is 5%. This is a forecast. The actual share of lent assets may vary depending on, among other things, the respective Sub-Fund-specific investment policy, the respective current portfolio allocation, the market situation on the securities lending market. An important criterion for the rate of securities lent is the demand for them, which can fluctuate over

time and cannot be predicted. In addition, the composition of the respective portfolio is also a criterion that helps determine the ratio of securities lent.

The Sub-Fund may lend the assets in its portfolio either directly or indirectly through the intermediary of a standardised securities lending system, a recognised securities clearing institution or a securities lending system organised by a financial institution. In any case, the borrower must be subject to prudential rules considered by the CSSF as equivalent to those prescribed by Community law.

The Management Company uses Hauck Aufhäuser Lampe Privatbank AG ("HAL") as principal for the implementation of securities lending transactions, whereby HAL also performs collateral management in connection with the securities lending transactions.

HAL is the only direct borrower and thus the only direct counterparty in securities lending transactions.

The principal will take into account various aspects when executing the securities lending transactions and selecting the Sub-Funds concerned. These include, without claiming to be exhaustive, economic and operational aspects. In addition, the principal will seek to give special consideration to those Sub-Funds which have a lower ratio of securities already lent compared to other Sub-Funds of the Management Company.

## (ii) Collateral Management

Furthermore, the Sub-Fund must receive collateral as part of securities lending, the value of which, taking into account the haircuts listed below, must correspond to at least 90% of the total value of the securities lent for the duration of the agreement (taking into account interest, dividends and any other claims). These collaterals must, in particular, comply with the requirements laid down in CSSF Circulars 08/536 and 14/592 and consist, for example, but not exclusively, of liquid assets, Fund units, bonds and shares.

### Valuation discount strategy (haircut strategy)

Collateral received will be valued on a daily valuation basis using available market prices and taking into account appropriate haircuts applied by the Management Company for each asset type of the Sub-Fund based on the Management Company's haircut strategy. This strategy takes into account several factors depending on the collateral received, such as the creditworthiness of the counterparty, the issuers' home country, the maturity, currency and price volatility of the assets.

The valuation discounts applied by the Management Company are shown in the table below:

Valuation discounts for collateral received	
Type of security	Percentage discount
Cash	Up to 2%
Government bonds	Up to 6%
Corporate bonds / bank bonds (maximum 10 years to final maturity)	Up to 6%
Shares listed on a regulated market within the EU or OECD and included in a leading index.	Up to 5%
Convertible bonds	Up to 15%
Target funds (daily valuation)	Up to 10%

In addition, the Management Company reserves the right to increase the valuation discounts on the collateral in the event of unusual market situations or other justified individual cases.

Supplementary information on the valuation discounts will also be provided free of charge by the Management Company upon request.

Cash collateral received may be invested in accordance with the criteria set out below:

- be invested as demand deposits with entities referred to in Article 50 (f) of Directive 2009/65/EC, as amended;
- invested in high-quality government bonds;
- for reverse repo transactions, provided that the transactions are with credit institutions subject to prudential supervision and the UCITS can reclaim the full amount of money accrued at any time;
- invested in money market funds with a short maturity structure as defined in CESR's Guidelines on a Common Definition for European Money Market Funds.

In contrast, securities collateral may neither be sold nor otherwise provided or pledged as collateral.

If leverage arises in the context of reinvestment, this must be taken into account in the overall risk limit of the Sub-Fund.

The income from the securities lending transactions, less all direct (e.g. transaction fees or fees of the principal) and indirect operational costs and fees (e.g. costs within the framework of the securities lending, possibly necessary legal opinions), shall accrue to the Sub-Fund's assets. The Management Company or an appointed third party reserves the right to charge a fee of a maximum of 20% of the income received from securities lending transactions for expenses incurred in connection with securities lending transactions (e.g. control activities or reporting requirements). The portion remaining

after deduction of direct and indirect operational costs/fees shall accrue in full to the Fund assets/Sub-Fund assets. The remaining 80% (minimum quota) shall accrue to the respective Sub-Fund assets. The aforementioned direct and indirect costs are not to be considered fixed income.

Detailed information on the investment limits is contained in Article 4 of the Management Regulations below.

The Sub-Fund is established for an indefinite period.

## **RISK PROFILE OF THE SUB-FUND LOYS FCP - LOYS PREMIUM DEUTSCHLAND**

### **Risk profile - "Speculative":**

The Sub-Fund is particularly suitable for investors who accept very high risks and at the same time wish to participate in very high potential returns over the long term. Due to the investment policy combined with the investment objectives, the investor is prepared to accept very high capital losses in the short term, depending on the extent of the fluctuations in the value of the Sub-Fund's investments. The investor's investment horizon should be long-term.

The Management Company shall endeavour to minimise the risks through the number and diversification of the investments of the Fund.

However, no assurance can be given that the objectives of the investment policy will be achieved.

## **MONITORING OF THE OVERALL RISK OF THE LOYS FCP - LOYS PREMIUM DEUTSCHLAND SUB-FUND**

### **Global Exposure:**

To monitor market risk, the global exposure is calculated using a relative value-at-risk approach.

### **Comparative assets:**

A single share index with the following profile is used as a comparative asset:- The index reflects the performance of all German shares in the Prime - and General Standard.

- The equity index is broadly diversified in terms of sectors and market capitalisation of the securities included.
- The index is calculated in EUR.

### **Leverage:**

The leverage caused by the use of derivatives and other financial products with derivative components amounts to up to 200% of the Fund volume. Depending on the market situation, however, the leverage value is subject to fluctuations, so that it can be exceeded in the short term. The leverage value is monitored daily by the Management Company.

Note on leverage calculation:

The calculation is based on the sum of the notional amounts as set out in boxes 24 and 25 of ESMA Guideline 10-788.

### **Sustainability risks:**

Key risk indicators can be used to assess sustainability risks. The risk indicators can be quantitative or qualitative in nature and are oriented towards environmental, social and governance aspects and serve to measure the risk of the aspects under consideration.



## **GENERAL RISK INFORMATION**

When investing in the Sub-Funds of the LOYS FCP, it should be noted that experience has shown that it can be subject to strong price fluctuations with possible opportunities and risks for the investor. Due to various risk parameters and influencing factors, this can lead to corresponding price gains or price declines within the Sub-Funds for the capital investor. In addition, the Sub-Funds cannot guarantee the growth in value they seek. However, the investor's risk is limited to the amount invested. The list of risks in connection with an investment in the units of the Sub-Funds set out below is not exhaustive. The order in which the risks are listed contains neither a statement about the probabilities of their occurrence nor about the significance if individual risks occur.

Possible risk parameters and influencing factors for the Sub-Funds are:

### **Risks of a Fund investment**

#### **Fluctuation of the unit value**

The unit value is calculated from the value of the Fund/Sub-Fund divided by the number of units in circulation. The value of the Fund/Sub-Fund corresponds to the sum of the market values of all assets in the Fund assets less the sum of the market values of all liabilities of the Fund/Sub-Fund. The unit value is therefore dependent on the value of the assets held in the Fund/Sub-Fund and the amount of the Sub-Funds' liabilities. If the value of these assets falls or the value of the liabilities rises, the unit value falls.

#### **Influence of tax aspects on the individual result**

The tax treatment of investment income depends on the individual circumstances of the respective investor and may be subject to change in the future. For individual questions - especially taking into account the individual tax situation - the investor should consult his personal tax advisor.

#### **Change of the investment strategy or the investment conditions**

The Management Company may amend the Management Regulations with the approval of the CSSF. The Management Company may also change the investment strategy within the legally and contractually permissible investment spectrum and thus without amending the Management Regulations and their approval by the CSSF.

#### **Suspension of unit Redemption**

The Management Company may temporarily suspend the redemption of units in exceptional circumstances where such suspension appears necessary having regard to the interests of the unitholders. Extraordinary circumstances in this sense may include, for example, economic or political crises, redemption requests on an extraordinary scale in compliance with Article 9 No. 2 of the Management Regulations, as well as the closure of stock exchanges or markets, trading restrictions or other factors affecting the determination of the net asset value per unit. In addition, the CSSF may order the Management Company to suspend the redemption of units if this is necessary in the interest of the unitholders or the public. The unitholder may not redeem his units during this period. The net asset value per unit may also decrease in the event of a suspension of unit redemption, e.g. if the Management Company is forced to sell assets below market value during the suspension of unit redemption. The Net Asset Value per unit after the resumption of redemption may be lower than that before the suspension of redemption.

A suspension may be directly followed by a dissolution of the Fund without a resumption of the redemption of units, e.g. if the Management Company terminates the administration of the Fund in order to dissolve the Fund. For the unit holder, there is therefore the risk that he will not be able to realise his planned holding period and that substantial parts of the invested capital will not be available to him for an indefinite period.

#### **Dissolution or merger of the Fund or Sub-Fund**

The Management Company shall have the right to dissolve the Fund or Sub-Fund at any time at its sole discretion. Furthermore, the Management Company may merge the Fund or Sub-Fund with another Fund or Sub-Fund managed by it or by another Management Company. There is therefore a risk for the unitholder that he will not be able to realise his planned holding period. If the Fund units are derecognised from the unit holder's custody account after the liquidation procedure has ended, the unit holder may be charged income tax.

#### **Risks from the investment spectrum**

In compliance with the investment principles and limits laid down by Luxembourg law and the Management Regulations, which provide for a very broad framework for the Fund, the actual investment policy may, for example, also be geared towards the acquisition of assets in only a few sectors, markets or regions/countries. This concentration on a few specific investment sectors can be associated with risks (e.g. market narrowness, high volatility within certain economic cycles). The annual report provides retrospective information on the content of the investment policy for the past reporting year.

#### **Performance risk**

There can be no guarantee that the investor will achieve his desired investment performance. The unit value of the Fund/Sub-Fund may fall and lead to losses for the investor. There are no guarantees by the Management Company or third parties with regard to a specific minimum payment commitment on redemption or a specific investment performance of the Fund/Sub-Fund. Furthermore, assets acquired for the Fund/Sub-Fund may experience a different performance than was expected at the time of acquisition. Investors could thus receive back a lower amount than originally invested. An initial sales charge paid on the purchase of units or a redemption fee paid on the sale of units can also reduce or even erode the success of an investment, especially if the investment period is short.

## **Risks of the performance of the Sub-Funds or from the investment spectrum**

### **Market risk**

The assets in which the Management Company or the Fund Manager invests for the account of the Sub-Funds are subject to risks. The price or market value development of financial products depends in particular on the development of the capital markets, which is influenced by the general situation of the global economy, as well as the economic and political framework conditions in the respective countries. If prices fall on the international stock exchanges, hardly any Fund will be able to escape this. The market risk can become greater the more specialised the investment focus of the Sub-Funds is, as this regularly entails foregoing a broad diversification of risk. Losses in value can occur in that the market value of the assets falls compared to the cost price or spot and forward prices develop differently.

### **Price change risk of shares**

Experience shows that shares are subject to strong price fluctuations and thus also to the risk of price declines. These price fluctuations are influenced in particular by the development of the issuing company's profits as well as developments in the industry and the overall economic development. The confidence of market participants in the respective company can also influence the share price development. This applies, in particular, to companies whose shares have only been listed on the stock exchange or another organised market for a short period of time; for these, even small changes in forecasts can lead to sharp price movements. If the proportion of freely tradable shares owned by many shareholders (so-called free float) is low for a share, even small buy and sell orders can have a strong effect on the market price and thus lead to higher price fluctuations.

### **Price change risk of convertible bonds and bonds with warrants**

Convertible bonds and bonds with warrants securitise the right to convert the bond into shares or to acquire shares. The development of the value of convertible bonds and bonds with warrants is therefore dependent on the price development of the share as the underlying. The risks of the performance of the underlying shares can therefore also have an impact on the performance of the convertible and warrant bond. Bonds with warrants that grant the issuer the right to offer the investor a predetermined number of shares instead of repaying a nominal amount (reverse convertibles) are increasingly dependent on the corresponding share price.

### **Interest rate risk**

Investing in fixed-income securities involves the possibility of changes in the level of market interest rates prevailing at the time a security is issued. If market interest rates rise compared to the interest rates at the time of issue, the prices of fixed-income securities usually fall. If, on the other hand, the market interest rate falls, the price of fixed-interest securities rises. This price development results in the current yield of the fixed-interest security being approximately equal to the current market interest rate. However, these price fluctuations vary depending on the (remaining) term of the fixed-income securities. Fixed-income securities with shorter maturities have lower price risks than fixed-income securities with longer maturities. Fixed-income securities with shorter maturities, on the other hand, generally have lower yields than fixed-income securities with longer maturities. Money market instruments tend to have lower price risks due to their short maturity of a maximum of 397 days. In addition, the interest rates of different interest-related financial instruments denominated in the same currency with comparable residual terms may develop differently.

### **Risks associated with debt securities on assets not included in the Sub-Fund assets**

The risks of debt securities (certificates, structured products, etc.) acquired for the Sub-Funds and related to assets not included in the Fund assets as underlying assets are closely related to the specific risks of such underlying assets or investment strategies possibly pursued by these underlying assets, such as commodities as underlying assets. However, the above risks can be reduced by diversifying assets within Funds.

### **Special risks when investing in certificates**

When investing in certificates, there is the risk that, even if they are listed on a stock exchange or traded on a regulated market, no regulated market price of these certificates is available due to a certain illiquidity. This is increasingly the case if the certificates are held to a significant extent by the Fund and in the case of OTC transactions. In order to counteract the associated valuation risk, the Management Company may, at its own discretion, use the valuation provided by an independent market maker. Furthermore, it cannot be excluded that higher discounts to the actual price have to be accepted when selling certificates for the aforementioned reasons. In addition, certificates are subject to a counterparty risk (see paragraph Counterparty risk, Counterparty risk).

### **Risks from the use of derivatives**

In the case of Sub-Funds using financial derivative instruments, there can be no assurance that the performance of the financial derivative instruments will have a positive effect for the Sub-Funds and its unitholders. Due to the leverage effect of derivatives, the value of the Sub-Fund's assets can be influenced both positively and negatively to a greater extent than is the case with the direct acquisition of securities and other assets; in this respect, their use is associated with special risks. In contrast to conventional securities, the value of the net Sub-Fund assets can be influenced considerably more strongly, both positively and negatively, due to the associated leverage effect. Financial futures contracts used for a purpose other than hedging are also associated with considerable opportunities and risks, since only a fraction of the respective contract size (margin) has to be paid immediately in each case. Price changes can thus lead to significant gains or losses within the Sub-Fund's assets. This may increase the risk and volatility of the Fund/Sub-Fund.

### **Risks in connection with OTC transactions**

The Sub-Funds may in principle conclude transactions (in particular derivatives) on the OTC market (provided this is mentioned in the respective Sub-Fund-specific investment policy). These are over-the-counter individual agreements. In OTC markets, transactions are less regulated than on an organised exchange. OTC derivatives are executed directly with the counterparty and not through a recognised exchange or settlement agent. Counterparties in OTC derivatives do not enjoy the same protection as on recognised exchanges (e.g. performance guarantee of a settlement agent). By concluding OTC transactions, the respective Sub-Fund is exposed to the risk that the contractual partner does not fulfil its payment obligation at all, or fulfils it incompletely or late (counterparty risk). In addition, investments in OTC derivatives may be exposed to the risk of different valuations due to different valuation methods. Further, unlike exchange-traded derivatives, which have standardised contractual terms, OTC derivatives generally proceed through negotiation with the other party. There is therefore a risk that the parties may not agree on the interpretation of the contractual terms (legal or documentation risk).

This may have an impact on the performance of the relevant Sub-Fund and may result in the partial or total loss of an unrealised gain.

#### **Risks from securities lending transactions**

In addition to the general counterparty risk, securities lending transactions are associated with further counterparty risks, including the risk that the securities lent are not returned or not returned on time, as a result of which the Fund / Sub-Fund is unable to meet its redemption requests in full or at all.

In the event that lent securities cannot be returned on time, there is a risk that the collateral will have to be realised at a lower value than that of the lent securities. At the same time, the value of the collateral received may decrease or the deposited collateral may become worthless in the event of a default of the corresponding issuer. A decline in the value of the collateral received / realised can be based on various factors. These include unexpected market movements in the underlying market, less liquid markets or a deterioration in the rating of the collateral received or its issuer. This may have a negative impact on the performance of the Fund / Sub-Fund.

In the event of reinvestment of the collateral received, there is also the risk that a leverage effect can be caused with corresponding risks and the risk of losses and volatility. Furthermore, there is a risk that the returns on reinvestment will be less than the amount of cash received invested.

Furthermore, operational, legal and custody risks are associated with the use of securities transactions.

Legal risks may arise, inter alia, from the Sub-Fund falling within the scope of new laws and / or regulatory requirements. In addition, in the event of the realisation of collateral, legal risks may arise from the applicable insolvency law.

Custody risks describe the possibility that losses may arise for the Sub-Fund as a result of negligent or intentional actions on the part of the Depositary or Sub-Depositary.

Operational risks in the context of the use of securities lending transactions arise from human error and / or system failures at the Management Company or appointed service providers. This may result in an unexpected loss to the Sub-Fund.

The principal belongs to the same group of companies as the Depositary and the Management Company. Consequently, the conclusion of securities lending transactions may lead to conflicts of interest. For example, the interests of the Management Company and the principal may be different or in conflict with each other in relation to the service provided in the context of securities lending. In such cases, the principal will seek to resolve any potential conflicts of interest fairly and to ensure that the interests of investors are not prejudiced. The latest information on dealing with conflicts of interest is available on the website [www.hauck-aufhaeuser.com](http://www.hauck-aufhaeuser.com).

#### **Inflation risk**

Inflation involves a devaluation risk for all assets. This also applies to the assets held in the Sub-Fund. The inflation rate may be higher than the increase in value of the Sub-Funds.

#### **Risks related to currencies**

The Sub-Funds may invest in securities or cash denominated in currencies different from the Sub-Fund currency. Accordingly, fluctuations in the value of such currencies against the Sub-Fund currency have a corresponding effect on the value of the Fund/Sub-Fund. Currency losses can also occur, and in addition there is a so-called transfer risk with these investments. Due to economic or political instability in countries in which a Sub-Fund may invest, there is a risk that a Sub-Fund may not receive monies due to it, or may not receive them on time, in full or only in another currency, despite the solvency of the issuer of the relevant security or other asset.

#### **Concentration risk**

Further risks may arise from concentrating the investment in certain assets or markets. If a Fund or Sub-Fund holds only a limited number of securities and is considered concentrated, the value of the Sub-Funds may fluctuate more than in a diversified Fund that holds a larger number of securities. The selection of securities in a concentrated portfolio may also lead to sectoral and geographical concentration. For Funds or Sub-Funds with geographical concentration, the value of the Fund/Sub-Fund may be more vulnerable to adverse economic, political, currency, liquidity, tax, legal or regulatory events affecting the relevant market.

#### **Risk of negative interest rates**

For the investment of liquid assets of the Sub-Funds with the Depositary or other credit institutions, an interest rate is generally agreed which corresponds to international interest rates less a certain margin. If these interest rates fall below the agreed margin, this leads to negative interest on the corresponding account. Depending on the development of the interest rate policy of the respective central banks, short-, medium- and long-term credit balances with credit institutions can earn a negative interest rate.

#### **Company-specific risk**

The price performance of securities held directly or indirectly by a Sub-Fund is also dependent on company-specific factors, such as the issuer's business situation. If the company-specific factors deteriorate, the market value of the respective security can fall significantly and permanently, regardless of any otherwise generally positive stock market development.

#### **Risk associated with smaller companies**

Shares in smaller companies can be less liquid and more volatile than the shares of companies with higher market capitalisations and tend to be associated with comparatively higher financial risk.

#### **Risk associated with the exclusion of securities/assets**

The exclusion of companies from the portfolio of a Fund/Sub-Fund that do not meet certain criteria (e.g. social or sustainability factors) or that are not considered socially responsible may result in the Sub-Fund performing differently compared to similar Funds/Sub-Funds that do not have such policies.

#### **Hedging risk**

The Sub-Funds may take measures designed to offset certain risks. These may not function properly, may at times be impractical or may fail completely. The Sub-Funds may use hedging in its portfolio to mitigate currency, duration, market or credit risks and, in relation to certain Share classes, to hedge the currency risk or effective duration of the Share class. Hedging involves costs that reduce the performance of the investment.

#### **Downgrade risk**

The Sub-Funds may invest in investment grade bonds and hold them even after a subsequent downgrade in order to avoid distress selling. To the extent that the Sub-Funds hold such downgraded bonds, there is an increased risk of default which in turn involves the risk of loss of capital to the Sub-Funds. Investors should note that the return or unit value of the Fund/Sub-Fund (or both) may fluctuate.

#### **Risks associated with investing in emerging markets**

There are various risks associated with investing in target funds and/or securities from emerging markets. These are mainly related to the rapid economic development process that these countries are partly going through, and in this context no assurance can be given that this development process will also continue in the coming years. In addition, these tend to be smaller capitalisation markets that tend to be volatile and less liquid. Other factors (such as political changes, exchange rate changes, stock market control, taxes, restrictions on foreign capital investments and capital returns, etc.) may also affect the marketability of the values and the resulting returns.

Furthermore, these companies may be subject to much less state supervision and less differentiated legislation. Their accounting and auditing are not always up to local standards.

#### **American Depositary Receipts (ADR)**

American Depositary Receipts (ADRs) are US dollar-denominated Depositary receipts issued by US Depositary banks in the US that embody a certain number of deposited shares of a foreign company and are traded in their place on the US capital market like shares. Depositary receipts representing shares are, therefore, entitlements intended to give the holder thereof the economic position of a holder of shares, but where legally a third party is the holder of the underlying. The holder of the depositary receipt does not have an original right of membership, but as a rule has a claim under the law of obligations that the right of membership be exercised only according to his will. In addition, in the event of a suspension or closure of the market(s), there is a risk that the value of the ADRs may not accurately reflect the value of the underlying securities. Furthermore, there may be circumstances which cause the Fund Manager not to invest in an ADR or where it is not appropriate to do so or where the characteristics of the ADRs do not accurately reflect the underlying security. Particularly in the event of the insolvency of the Depositary or in the event of enforcement measures against the Depositary, there is a possibility that these shares will be realised economically in the context of a compulsory enforcement measure against the Depositary or that the shares underlying the Depositary receipts will be subject to a restriction on disposal.

#### **Global Depositary Receipts (GDR)**

Global Depositary Receipts (GDR) are Depositary receipts modelled on American Depositary Receipts (ADR) that certify ownership of shares. A GDR may relate to one, several or only one fractional share. GDRs are traded on stock exchanges worldwide as a proxy for the original share. In this respect, the risk information provided for ADR also applies analogously to GDR.

### **Liquidity risks**

#### **Liquidity risk**

The liquidity of the Sub-Funds may be affected by various factors which may result in the Sub-Fund being temporarily unable to process redemption requests and even in exceptional situations may result in a decrease in the Fund's assets and thus in liquidation under the conditions determined by law. Liquidity risks may arise, for example, if liquid securities

are difficult to sell under certain market conditions, even though, as a matter of principle, the Sub-Funds may only invest in instruments that can be sold at any time without high price discounts. Therefore, it cannot be ruled out that the transaction volume may be subject to significant price fluctuations depending on the market situation. The Sub-Funds may also, in the event of increased buy and sell orders from investors, be forced to buy or sell assets on less favourable terms than planned in order to maintain the liquidity of the Sub-Funds, which may also adversely affect the assets of the Sub-Funds.

#### **Risk due to borrowing**

The Management Company may borrow for the account of the Sub-Funds. Loans with a variable interest rate can have a negative impact on the Sub-Fund assets due to rising interest rates. If the Management Company has to repay a loan and cannot offset it with follow-up financing or liquidity available in the Sub-Fund, it may be forced to dispose of assets prematurely or at worse conditions than planned.

#### **Risks due to increased redemptions or subscriptions**

Liquidity flows to and from the respective Sub-Fund's assets as a result of purchase and sale orders from unitholders. The inflows and outflows may result in a net inflow or outflow of the Fund's liquid assets after netting. This net inflow or outflow may cause the Management Company or the Fund Manager to buy or sell assets, thereby incurring transaction costs. The resulting transaction costs will be charged to the Sub-Funds and may affect the performance of the Fund. In the case of inflows, increased Fund liquidity can have a negative impact on the performance of the Sub-Fund if the liquid assets cannot be invested on adequate terms.

#### **Risk for public holidays in certain regions/countries**

The Sub-Fund may make investments in different regions/countries. Due to local holidays in these regions/countries, there may be differences between the trading days on stock exchanges in these regions/countries and valuation days of the Sub-Funds. The Sub-Fund may not be able to react to market developments in the regions/countries on the same day on a day which is not a valuation day or trade on the market there on a valuation day which is not a Dealing Day in those regions/countries. This may prevent the Sub-Fund from disposing of assets in the required time. This may adversely affect the ability of the Sub-Fund to meet redemption requests or other payment obligations.

### **Operational and Other Risks of the Sub-Funds**

#### **Risks from criminal acts, grievances or natural disasters**

The Sub-Funds may fall victim to fraud or other criminal acts. It may suffer losses due to misunderstandings or errors by employees of the Management Company or external third parties or be damaged by external events such as natural disasters.

#### **Counterparty default risk, counterparty risk**

The Sub-Funds carry out transactions through or with brokers, clearing houses, counterparties and other agents. Accordingly, the Fund/Sub-Fund is subject to the risk that such counterparty may default on its obligations due to insolvency, bankruptcy or other causes. The counterparty default risk (credit risk) generally includes the risk of the party to a mutual contract defaulting on its own claim when it becomes due, even though the consideration has already been paid. This applies to all mutual contracts concluded for the account of the Fund. In addition to the general trends of the capital markets, the particular developments of the respective issuers also affect the price of a security. Even with careful selection of securities, it cannot be ruled out, for example, that losses may occur due to asset forfeiture by issuers. The losses due to the asset forfeiture of an issuer have an effect to the extent that securities of this issuer have been acquired for the Fund.

#### **Cyber risk notice**

The Management Company and its service providers may be vulnerable to operational and information security compromise through cyber security incidents and related risks. In general, cyber security incidents can be the result of intentional attacks or unintentional events by third parties. Cyber-attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g. by "hacking" or using malware) for the purpose of stealing assets or sensitive information, corrupting data or causing operational disruption. Cyber-attacks can also be carried out by other means - i.e. without gaining unauthorised access - such as preventing access to services on websites ( i.e. attempts to cripple web services so that they are no longer available to their intended users). Cybersecurity incidents affecting affected persons may cause disruption and affect business operations, potentially leading to financial losses, including by preventing a Sub-Fund from calculating its Net Asset Value, making it difficult to execute trades for a portfolio of the Sub-Funds, preventing unitholders from transacting business with the Fund/Sub-Fund, violating applicable data protection, data security or other laws, resulting in fines and penalties imposed by regulators, reputational damage or the cost of refunds, other compensation or remedies, legal fees or costs associated with other compliance requirements. Similar adverse consequences may result from cyber-security incidents causing harm to issuers of securities in which a Sub-Fund invests, counterparties with whom a Sub-Fund trades, governmental and other regulatory authorities, stock exchanges and other financial market participants, banks, stockbrokers and dealers, insurance companies and other financial institutions and other parties. While information risk management systems and contingency plans have been designed with the purpose of reducing cybersecurity-related risks, they have not yet been implemented. Nevertheless, cyber security risk management systems or contingency plans are inherently subject to limitations, including the possibility that certain risks cannot be identified or have not been identified. In addition, the cyber security plans and systems of the Management Company's service providers or the issuers of securities in which a particular Fund/Sub-Fund invests are beyond the control of the Management Company.

### **Country/regional and sector risk**

The value of the Fund's assets may also be adversely affected by unforeseeable events such as international political developments, changes in the policies of countries, restrictions on foreign investment and currency repatriation, and other developments and applicable laws or regulations. If a Sub-Fund focuses on certain countries, regions or sectors as part of its investment, this reduces risk diversification. Consequently, the Sub-Fund is particularly dependent on the development of individual or interlinked countries and regions or the companies based and/or operating in these, as well as on the general development and the development of corporate profits in individual sectors or mutually influencing sectors.

### **Legal and political risks**

The Sub-Funds may invest in jurisdictions where Luxembourg law does not apply or, in the event of litigation, where the place of jurisdiction is outside Luxembourg. The resulting rights and obligations of the Management Company for the account of the Fund may differ from those in Luxembourg to the detriment of the Sub-Funds or the unitholder. Political or legal developments, including changes in the legal framework in these jurisdictions, may not be recognised by the Management Company, or may be recognised too late, or may lead to restrictions with regard to assets that can be acquired or have already been acquired. These consequences may also arise if the legal framework for the Management Company and/or the management of the Fund in Luxembourg changes.

### **Key person risk**

If the investment result of the Sub-Funds is very positive in a certain period, this success may also depend on the suitability of the acting persons and thus the correct decisions of the management. However, the personnel composition of the Fund management may change. New decision-makers may then be less able to act successfully.

### **Custody risk**

The safekeeping of assets involves a risk of loss which may result from insolvency, breaches of duty of care or abusive conduct by the Depositary or a Sub-Depositary.

### **Settlement risk**

In particular, when acquiring unlisted securities or settling derivative instruments, there is a risk that settlement may not be completed as expected due to a counterparty not paying or delivering on time or as agreed.

## **Sustainability risks**

### **Sustainability risks of assets**

As a matter of principle, the Fund Manager makes investment decisions taking sustainability risks into account. Sustainability risks can arise from environmental and social influences on a potential asset as well as from the corporate governance of the issuer of an asset.

The sustainability risk can either represent a separate type of risk or have a reinforcing effect on other types of risk relevant to the Sub-Fund, such as market risk, liquidity risk, credit risk or operational risk, and in this context can sometimes make a significant contribution to the overall risk of the Sub-Fund.

If sustainability risks occur, they can have a significant impact - up to and including a total loss - on the value and/or return of the assets concerned. Such effects on an asset may adversely affect the return of the Sub-Fund.

The aim of the Fund manager's consideration of sustainability risks is to identify the occurrence of these risks as early as possible and to take appropriate measures to minimise the impact on the affected assets or the overall portfolio of the Sub-Fund.

The sustainability aspects that may have a negative impact on the Sub-Fund's return are divided into environmental, social and governance aspects (hereinafter "ESG"). While environmental aspects include, for example, climate protection, social aspects include, for example, compliance with workplace safety requirements. Consideration of compliance with workers' rights and data protection are among the components of the governance aspects. In addition, aspects of climate change are also considered, including physical climate events or conditions such as heat waves, rising sea levels and global warming.

### **Issuer-specific risk in connection with sustainability**

The risks associated with ESG aspects, can have a negative impact on the market price of an investment of an asset.

The market value of financial instruments issued by companies that do not comply with ESG standards and / or do not (also) commit to implementing ESG standards in the future may be negatively affected by materialising sustainability risks.

Such influences on the market value can be caused, for example, by reputational damage and/or sanctions; other examples are physical risks and transition risks caused, for example, by climate change.

### **Operational risks related to sustainability**

The Sub-Fund or the Management Company may suffer losses due to environmental disasters, socially-induced issues relating to employees or third parties, and corporate governance failures. These events can be caused or exacerbated by a lack of attention to sustainability issues.

## CONFLICTS OF INTEREST

The Management Company and/or employees, agents or affiliates may act as investment adviser, Fund Manager, central administration, registrar and transfer agent or otherwise act as service provider to the Fund or Sub-Fund. The function of Depositary may also be performed by an affiliated company of the Management Company. The Management Company is aware that conflicts of interest may arise due to the various functions performed with regard to the management of the Fund or Sub-Fund. The Management Company shall have sufficient and appropriate structures and control mechanisms in place in accordance with the Law of 2010 and the applicable CSSF administrative rules, in particular to act in the best interests of the Funds or Sub-Funds and to ensure that conflicts of interest are avoided. The Management Company has established a Conflicts of Interest Policy which is available to interested investors on the website at <https://www.hal-privatbank.com/rechtliche-hinweise> as amended from time to time. When outsourcing tasks to third parties and commissioning third parties, conflicts of interest may arise both in the cooperation with the third party and within the third party company.

## PERFORMANCE (VALUE DEVELOPMENT)

A summary of the Sub-Fund's performance is set out in the *Key Investor Information Document*.

## UNITS

units in the LOYS FCP are units in the respective Sub-Funds.

## PROVISIONS FOR THE PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING

The Management Company is responsible for anti-money laundering and anti-terrorist financing measures in accordance with the laws of Luxembourg and the circulars issued by the CSSF in this regard.

In accordance with international regulations and Luxembourg laws and regulations, including but not limited to the Luxembourg Law on Combating Money Laundering and the Financing of Terrorism of 12 November 2004, as amended from time to time, and any amendments or successor regulations thereto, and the relevant regulations and circulars of the Luxembourg Financial Supervisory Authority (CSSF), as amended from time to time, obligations are imposed on all persons and undertakings operating in the financial sector to prevent abuse for the purposes of money laundering and/or the financing of terrorism.

These measures generally require the identification and verification of the identity of an investor as well as the beneficial owners in accordance with the Money Laundering Act.

The collection of information handed over in this context is solely for the purpose of complying with anti-money laundering and anti-terrorist financing regulations.

The Management Company is required to register certain information relating to those investors who qualify as beneficial owners within the meaning of the 2004 Law in the Luxembourg register of beneficial owners in accordance with the Law of 13 January 2019 on the register of beneficial owners (the "2019 Law"), in which case certain information in the register of beneficial owners will be publicly available.

Any person who is deemed to be the beneficial owner of the Fund within the meaning of the 2019 Law is required by law to provide the information required in this context upon request.

## THE ISSUE OF SHARES

Fund units of the aforementioned Sub-Funds are issued at the issue price, which is composed of the unit value and, if applicable, the sales commission shown in the overview. If stamp duties or other charges are incurred in a country in which units are issued, the issue price shall be increased accordingly.

The Management Company is authorised to issue new units on an ongoing basis. However, the Management Company reserves the right to temporarily or permanently suspend the issue of units within the framework of the provisions of the Management Regulations printed below; in this case, payments already made shall be reFunded without delay.

units may be purchased from the Management Company, the Depositary and from the paying agents mentioned in this Prospectus, but not from the aforementioned Distributor.

**The times specified in the provisions of the Management Regulations shall prevail in determining the acceptance times for subscription applications.**

## PRIVACY POLICY

The investor or potential investor is obliged to provide the Management Company with the personal data required for the investment (including, but not limited to, the name, address and invested amount of an investor). These may be collected, recorded, stored, adapted, transmitted and otherwise processed in both electronic and paper form and used by third parties appointed by the Management Company.

Personal data will be used, in particular, for the administration of accounts, processing of subscription, redemption- and conversion requests, for the maintenance of the share register, for the provision of services in relation to the Sub-Funds and for compliance with applicable laws or regulations, in Luxembourg as well as in other jurisdictions, including but not limited to, applicable corporate law, laws and regulations relating to anti-money laundering and counter-terrorist financing and tax law, such as FATCA (Foreign Account Tax Compliance Act), (CRS) Common Reporting Standard or similar laws or regulations.

If an investor or potential investor fails to provide such personal data in the form requested by the Management Company, the Management Company may restrict or prevent the ownership of units in the Sub-Fund as described in this Prospectus. In such a case, the investor or potential investor shall bear the costs incurred by the Management Company, third parties commissioned by the Management Company or the Depositary for these measures and shall indemnify them in this respect.

The data will neither be used for marketing purposes nor passed on to unauthorised third parties.

The collection, storage and processing of personal data and information of individuals shall at all times comply with the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data, on the free movement of such data and repealing Directive 95/46/EC (the "General Data Protection Regulation" or "GDPR"). "GDPR", which is supplemented by any applicable national law (the "Data Protection Law").

#### Other recipients of the data

The Depositary may entrust another legal entity with the processing of personal data. The Management Company undertakes not to transfer any personal data to third parties other than the Agent, unless required by law or with the consent of the shareholders. Where, for the purposes of fulfilling its contractual obligations, the Management Company uses the services of a processor within the meaning of the GDPR to carry out certain processing activities on behalf of the Management Company and where data or information relating to natural persons are processed in the process, the Management Company undertakes to impose on that processor, by way of contract or other legal instrument under Union law or the law of the Member State concerned, the same data protection obligations as the Management Company would have if it were itself a processor. When selecting the processor(s), the Management Company undertakes to ensure in particular that sufficient guarantees are provided that the appropriate technical and organisational measures are implemented in such a way that the processing is carried out in accordance with the requirements of the GDPR.

#### Data subject rights and contact

Upon written request of the investor, access to his own personal data provided to the Management Company shall be granted. In the same form, the investor may assert all rights to which he is entitled under the GDPR. This request must always be complied with.

The current version of the data protection regulations can be viewed on the Management Company's website ([www.hal-privatbank.com](http://www.hal-privatbank.com)). The rights of the investor within the meaning of the GDPR can be viewed either on the "Application Form" or on the website of the Management Company (<https://www.hal-privatbank.com/datenschutz>).

The current contact details of the Data Protection Officer appointed by the Management Company can be found at <https://www.hal-privatbank.com/datenschutz>.

By investing in the Sub-Funds, each investor consents to the processing of his personal data. This consent shall be formally given in writing on the respective underlying "Application Form".

### THE CALCULATION OF THE SHARE VALUE

In order to calculate the unit value, the value of the assets less the liabilities ("net Fund assets") is determined on each valuation day in accordance with the provisions of the Management Regulations and divided by the number of units in circulation and rounded to two decimal places.

Further details on the calculation of the unit value are set out in the Management Regulations, in particular in Article 7 thereof.

### REDEMPTION AND CONVERSION OF SHARES

unitholders are entitled to request the redemption or conversion of their units at any time via the Management Company, the Depositary or a paying agent named in this Prospectus (but not via the named distributor) at the redemption price specified in the Fund's Management Regulations. Applications for the conversion of Shares may be submitted to the



registrar and transfer agent in the form of orders for amounts only.

**The times specified in the provisions of the Management Regulations shall be decisive for determining the acceptance times for redemption applications.**

## **APPROPRIATION OF INCOME AND OTHER PAYMENTS**

The use of income is determined for each share class of the Sub-Fund.

Provided that income of the unit class concerned may in principle be distributed, the provisions of Article 11 of the Management Regulations shall apply.

Any distributions on Fund units shall be made via the paying agents, the Depositary or the Management Company. The same applies to any other payments to the unitholders.

## **PUBLICATIONS AND CONTACTS**

The current issue and redemption prices of the units as well as all other information intended for the unitholders can be obtained at any time from the registered office of the Management Company, the Depositary and the Paying and Distribution Agents.

The Sales Prospectus and the Management Regulations, as amended from time to time, as well as the annual and semi-annual reports may also be obtained at the same address, and the Articles of Association of the Management Company may also be inspected there.

The Key Investor Information *Document* (*Key Investor Information Document*) can be downloaded from the following internet address of the Management Company: [www.hal-privatbank.com](http://www.hal-privatbank.com). Furthermore, a paper version will be made available by the Management Company or Distributors upon request.

The applicable issue and redemption prices shall be published on the website of the Management Company ([www.hal-privatbank.com](http://www.hal-privatbank.com)) and may also be published in a national daily newspaper or an online medium.

Other important information to unitholders is generally published on the Management Company's website ([www.hal-privatbank.com](http://www.hal-privatbank.com)). In addition, a publication in a Luxembourg daily newspaper is also placed in Luxembourg in cases prescribed by law.

Investor complaints may be addressed to the Management Company, the Depositary and any paying agent or Distributor. They will be properly processed there and within 14 days.

## **COSTS**

For the management of the Fund and its Sub-Funds, the Management Company receives a fee from the respective net Sub-Fund assets, the amount, calculation and payment of which are set out in the following section '**LOYS FCP AT A GLANCE**'.

The Depositary receives a fee from the respective net Sub-Fund assets, the amount of which is also shown in the following overview "**LOYS FCP AT A GLANCE**".

The aforementioned remunerations shall be determined and paid in accordance with the provisions of the respective Sub-Fund.

In addition, the Management Company or the Depositary may be reimbursed for other expenses in addition to the costs in connection with the acquisition and disposal of assets from the Fund's assets, which are listed in the Fund's Management Regulations.

The aforementioned costs are also listed in the annual reports.

Furthermore, the further costs pursuant to Article 14 of the Management Regulations may be charged to the respective Sub-Fund's assets.

## **REMUNERATION POLICY**

The Management Company has established a remuneration policy in accordance with the 2010 Law, in particular taking into account the principles set out in Article 111ter of the 2010 Law, which are consistent with and conducive to sound and effective risk management. This remuneration system is based on the sustainable and entrepreneurial business policy of the Hauck Aufhäuser Lampe Group and is therefore not intended to provide incentives to assume risks that are incompatible with the risk profiles and management regulations or articles of association of the investment funds managed by the Management Company. The remuneration system shall always be in line with the business strategy, objec-

tives, values and interests of the Management Company and the Funds it manages and the investors in these Funds and shall also include measures to avoid conflicts of interest. In particular, the variable remuneration elements are not linked to the performance of the investment funds managed by the Management Company.

The fixed and variable components of the total remuneration are proportionate to each other, with the fixed component representing a high enough share of the total remuneration to offer complete flexibility with regard to the variable remuneration components, including the possibility to waive payment of a variable component. The remuneration system is reviewed at least once a year and adjusted if necessary.

The details of the current remuneration policy, including a description of how remuneration and other benefits are calculated and the identity of the persons responsible for awarding the remuneration and other benefits, including the composition of the remuneration committee, if there is such a committee, will be made available on the Management Company's website (<https://www.hal-privatbank.com/rechtliche-hinweise>). Furthermore, a paper version will be provided by the Management Company free of charge upon request.

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

The income of the Fund and its Sub-Funds is not taxed in the Grand Duchy of Luxembourg. However, they may be subject to any withholding or other taxes in countries in which the respective Sub-Fund is invested. Neither the Management Company nor the Depositary will collect receipts for such taxes on behalf of any or all unitholders.

The Fund assets are subject to a *taxe d'abonnement* in the Grand Duchy of Luxembourg of currently a maximum of 0.05% per annum. This *taxe d'abonnement* is payable quarterly on the relevant net Fund assets reported at the end of each quarter.

As of 10 November 2015, the Council of the European Union adopted Directive (EU) 2015/2060 repealing the EU Savings Directive (Directive 2003/48/EC). As a consequence, full tax transparency has been in place within the EU since 2018 and the EU withholding tax became obsolete as of that date. Luxembourg applies the automatic exchange of information on financial accounts in this context. Until the repeal of the EU Savings Directive, all Member States of the European Union were obliged to provide the competent authorities of the Member States with information on interest and equivalent payments made in the Member State providing the information to a person resident in another Member State. However, some states were granted for a transitional period to levy a withholding tax instead.

Prospective investors should regularly inform themselves of the taxes applicable to the acquisition, holding and disposal of shares and to distributions under the laws of their country of citizenship, residence or domicile before subscribing for Shares. Investors should consult their tax adviser as to the implications of their investment in the Sub-Funds under the tax law applicable to them, in particular, the tax law of the country in which they are resident, domiciled or domiciled.

## **AUTOMATIC EXCHANGE OF INFORMATION - OECD COMMON REPORTING STANDARD (CRS)**

The OECD has developed a Common Reporting Standard ("CRS") to address the problem of tax evasion to offshore jurisdictions on a global scale. Based on this standard, participating countries have committed themselves by means of a multilateral treaty under international law and in the European Union by means of an administrative assistance directive to exchange financial information of persons resident abroad for tax purposes. Accordingly, domestic financial institutions are legally obliged to automatically report identified reportable accounts of foreign taxpayers to the Luxembourg tax authorities on an annual basis based on the joint due diligence and reporting procedure. The Grand Duchy of Luxembourg implemented the CRS with the law of 18 December 2015 on the automatic exchange of financial information in the field of taxation.

The collection of data in the context of the exchange of information may also include information relating to Sub-Funds. Accordingly, the Management Company is required to comply with the due diligence and reporting procedures under the CRS as provided for in the Luxembourg Implementation Law of 2015.

Accordingly, investors may be required to provide additional information to the Management Company or an appointed third party to enable the Management Company or a third party to comply with its obligations under the CRS. Failure to provide requested information may result in the investor being liable for taxes, fines or other payments. The Management Company reserves the right to effect a compulsory redemption of the units of such an investor.

## **FATCA - Foreign Account Tax Compliance Act**

Sections 1471 to 1474 of the US Internal Revenue Code of 1986, as amended (FATCA), impose reporting requirements and a possible 30% withholding tax obligation ("FATCA Withholding Tax") on payments:

- to all non-U.S. financial institutions (each a foreign financial institution, or "FFI", unless it is a "Participating FFI", i.e. FFIs that are
  - enter into a contractual arrangement with the Internal Revenue Service ("IRS") to provide the IRS with certain information regarding its account holders or investors; or
  - are otherwise exempt from the FATCA provisions or
  - have the status of a deemed-compliant FFI, or

- to investors (Recalcitrant Holders) who are not otherwise exempt from the FATCA provisions and who do not provide sufficient information to establish
  - whether these investors are “US persons” or
  - whether they should otherwise be treated as holders of a corresponding “US account”.

The FATCA withholding tax regime applies to payments originating from sources within the United States and may come into force at a later (currently undefined) date for foreign passthru payments.

The United States has entered into intergovernmental agreements (“IGAs”) with numerous other countries to facilitate the implementation of the FATCA requirements. Under FATCA and the Model 1 and Model 2 IGAs, an FFI in an IGA signatory country may be treated as a “reporting FI” or, in the case of various exempt entities, a “non-reporting FI” and accordingly would not be subject to withholding tax on payments it makes or receives. Under both IGA models, a Reporting Financial Institution is always required to report certain information regarding its account holders or investors either to the authorities of its country of residence or to the IRS.

The United States and the Grand Duchy of Luxembourg signed an intergovernmental agreement on 28 March 2014 (the “Luxembourg IGA”) based largely on the “Model 1” IGA. The regulations of the Luxembourg IGA were transposed into national law by a law of 24 July 2015. The Management Company expects that the Fund will be treated as a Reporting Financial Institution under the rules of the Luxembourg IGA and that accordingly, in principle, no FATCA withholding tax will be required to be withheld on payments made by the Fund in respect of its units. However, such an obligation cannot be ruled out entirely. However, payment in excess of the FATCA withholding tax withheld should be excluded.

Investors may be required to provide additional information to the Management Company or an appointed third party in order to enable the Management Company or a third party to comply with its obligations under the FATCA Regulations.

The above description of the extremely complex FATCA regime is based on the existing regulations, the official guidelines, the IGA models, as well as the Luxembourg IGA. All of these documents are subject to change.

Prospective investors should consult their own tax advisers as to how these rules are relevant to any payments they might receive in connection with an investment in the Fund Shares. In addition, other tax regimes of the United States or its local authorities may apply in certain circumstances which are not discussed in this section.

## LOYS FCP AT A GLANCE

### ANNEX 1 SUB-FUND LOYS FCP - LOYS GLOBAL L/S

<b>Fund and Sub-Fund formation:</b>	21 December 2011
<b>Initial issue price (plus sales commission):</b>	
Unit class P	EUR 50
Unit class I	EUR 50
Unit class IAN	EUR 500
Unit class ITN	EUR 500
Unit class CHF	CHF 500
<b>First day of issue:</b>	
Unit class P	30 December 2011
Unit class I	30 December 2011
Unit class IAN	02 December 2016
Unit class ITN	02 December 2016
Unit class CHF	02: January 2023
<b>Sales commission:</b> (in % of the unit value in favour of the respective intermediary)	
Unit class P	up to 5 %
Unit class I	None
Unit class IAN	None
Unit class ITN	None
Unit class CHF	None
<b>Exchange commission:</b>	None
<b>Redemption commission:</b>	None
<b>Minimum investment<sup>1</sup>:</b>	
Unit class P	None
Unit class I	EUR 500,000
Unit class IAN	EUR 500,000
Unit class ITN	EUR 500,000
Unit class CHF	CHF 500,000
<b>Savings plans:</b>	None on the part of the Management Company. Supplementary information can be obtained by investors from the respective Depositary.
<b>Withdrawal plans:</b>	Investors can obtain additional information from the respective Depositary.
<b>Management fee (in % of the Sub-Fund's net assets):</b>	
Unit class P	up to 0.15 % p.a.
Unit class I	up to 0.15 % p.a.
Unit class IAN	up to 0.15 % p.a.
Unit class ITN	up to 0.15 % p.a.
Unit class CHF	up to 0.15 % p.a.
The management fee is calculated daily on the net Sub-Fund assets of the respective unit class of the previous valuation day and paid monthly in arrears. The management fee is exclusive of any applicable value added tax.	
<b>Depositary fee (in % of the Sub-Fund's net assets):</b>	
Unit class P	up to 0.04 % p.a.
Unit class I	up to 0.04 % p.a.
Unit class IAN	up to 0.04 % p.a.
Unit class ITN	up to 0.04 % p.a.
Unit class CHF	up to 0.04 % p.a.
The Depositary fee is calculated daily on the net Sub-Fund assets of the respective unit class of the previous valuation day and paid monthly in arrears. The Depositary fee is exclusive of any applicable value added tax.	

<sup>1</sup> In exceptional cases, the Management Company may allow subscriptions which deviate from the minimum investment indicated without giving reasons.

**Distributor fee (in % of the Sub-Fund's net assets):**

<b>Unit class P</b>	up to 0.60 % p.a.
<b>Unit class I</b>	None
<b>Unit class IAN</b>	None
<b>Unit class ITN</b>	None
<b>unit class CHF</b>	None

The distributor fee is calculated daily on the net Sub-Fund assets of the respective unit class of the previous valuation day and paid monthly in arrears. The distributor fee is exclusive of any applicable value added tax.

**Fund management fee (in % of net Sub-Fund assets):**

<b>Unit class P</b>	up to 0.90 % p.a.
<b>Unit class I</b>	up to 0.75 % p.a.
<b>Unit class IAN</b>	up to 1.10 % p.a.
<b>Unit class ITN</b>	up to 1.10 % p.a.
<b>Unit class CHF</b>	up to 0.75% p.a.

The Fund management fee is calculated daily on the net Sub-Fund assets of the respective unit class of the previous valuation day and paid monthly in arrears. The Fund management fee is exclusive of any applicable value added tax.

**Performance fee (in favour of the Fund Manager):**

up to 15% for unit class P <sup>2</sup>
up to 15% for unit class I <sup>2</sup>
None for the unit class IAN
None for the unit class ITN
up to 15% for the CHF unit class <sup>2</sup>

<sup>2</sup> The Fund Manager receives a performance fee for unit classes P, I and CHF of the Sub-Fund **LOYS FCP - LOYS Global L/S**. The performance fee is calculated on the basis of the net asset value per unit of the Sub-Fund.

The amount of the performance fee is up to 15% of the amount by which the unit value per unit class exceeds the high water mark at the end of an accounting period (absolute increase in value). The initial high water mark corresponds to the initial issue price at the launch of the respective unit class.

The reference period for the High Water Mark began with the launch of a unit class and corresponds to its entire term. The accounting period generally corresponds to the financial year of the Fund. The first accounting period began with the initial price calculation of the unit class and ended on the closing date of the following financial year-end. In future, payment will be possible at the earliest 12 months after the start of the accounting period.

The determination of an entitlement to a performance fee takes place daily (observation day) and is taken into account accordingly in the respective unit value determined. The determination is made net of all costs and taking into account subscriptions and redemptions. A performance fee entitlement determined during the accounting period does not necessarily result in a payout at the end of the accounting period.

The **High Water Mark** is the higher of the initial issue price and the unit value at the end of the accounting period at which a performance fee was last paid. If the unit value exceeds the current high water mark on a review date, a performance fee claim will accrue and be deferred. If the unit value is below the current high water mark on an observation date, the performance fee will not be calculated. If the unit value falls below the high water mark, positive reserve amounts are reversed in favour of the respective unit class.

A positive accrued performance fee entitlement will only be paid at the end of an accounting period if the unit value is above the High Water Mark. In this case, the High Water Mark will be adjusted to the unit value at the end of the previous accounting period. If, during the accounting period, the Sub-Fund or a unit class is liquidated or merged, or if there is a complete redemption or exchange of unit certificates by the investors and if a performance fee is incurred for the units affected by this, this will normally be paid on a pro rata basis on the day of the liquidation or merger or on the day of the complete redemption or exchange of the unit certificates.

Any negative provision balance accrued at the end of the accounting period is taken into account accordingly in the subsequent analysis. There is no entitlement to a refund of performance fees already paid. The performance fee will be paid out in the currency of the relevant unit class at the end of the financial year.

This remuneration is exclusive of any applicable value added tax.

**Calculation examples of the performance fee:**

Accounting period	Unit value at the beginning of the accounting period	Unit value at the end of the accounting period	Performance fee amount in %	High Water Mark of the accounting period	Payment of a performance fee	Outperformance (absolute)	Performance fee to be paid
1	100	110	15%	100	Yes	10.00	1,50
2	110	105	15%	110	No	-5.00	0.00
3	105	95	15%	110	No	-15.00	0.00
4	95	100	15%	110	No	-10.00	0.00
5	100	115	15%	110	Yes	5.00	0,75

<b>Total effective expense ratio (in % of net Sub-Fund assets)</b>	Reported in the annual report of the Fund
<b>Performance (value development):</b>	Disclosed in the Key Investor Information Document (KIID)
<b>Sub-(Fund currency):</b>	EUR
<b>Unit class currency:</b>	
Unit class P	EUR
Unit class I	EUR
Unit class IAN	EUR
Unit class ITN	EUR
Unit class CHF	CHF
<b>Banking day:</b>	Any day which is both a banking day and a trading day in Luxembourg and Frankfurt am Main
<b>Valuation date:</b>	Every banking day
<b>End of financial year</b>	31 December of each year
<b>Semi-annual report</b>	30 June
<b>Annual report</b>	31 December
<b>Acceptance and redemption deadline for subscriptions and redemptions</b>	12 noon (Luxembourg time) (same day)
<b>Payment of the issue and redemption price</b>	Within three banking days
<b>Unit denomination</b>	Book Entry Registered
<b>Use of income:</b>	
Unit class P	Distribution
Unit class I	Accumulation
Unit class IAN	Distribution
Unit class ITN	Accumulation
Unit class CHF	Accumulation
<b>Stock exchange listing:</b>	Not envisaged
<b>Security identification number/ISIN:</b>	
Unit class P	A1JRB8 / LU0720541993
Unit class I	A1JRB9 / LU0720542298
Unit class IAN	A2ARES / LU1487931740
Unit class ITN	A2ARET / LU1487934256
Unit class CHF	A3D20X / LU2562140082
<b>Price publication:</b>	Daily on the website of the Management Company (www.hal-privatbank.com) or in addition also in a national newspaper or an online medium

## LOYS FCP at a glance

### ANNEX 2 SUB-FUND LOYS FCP - LOYS Aktien Europa

<b>Sub-Fund formation:</b>	The Sub-Fund was launched on 24 November 2014 within Umbrella LOYS Europa and transferred with effect from 1 January 2021, retaining the International Securities Identification Number (ISIN), as well as the Securities Identification Number (WKN) and the historical performance.
<b>Initial issue price (plus sales commission):</b>	
Unit class P	EUR 25
Unit class I	EUR 500
Unit class ITN	EUR 500
Share class PTI	EUR 25
<b>First day of issue:</b>	
Unit class P	1 December 2014
Unit class I	1 December 2014
Unit class ITN	02 December 2016
Share class PTI	15 November 2018
<b>Sales commission (in % of the unit value in favour of the respective intermediary):</b>	
Unit class P	up to 5 %
Unit class I	None
Unit class ITN	None
Share class PTI	up to 5 %
<b>Exchange or redemption commission:</b>	
Unit class P	None
Unit class I	None
Unit class ITN	None
Share class PTI	None
<b>Minimum investment<sup>3</sup>:</b>	
Unit class P	None
Unit class I	EUR 500,000
Unit class ITN	EUR 500,000
Share class PTI	None
<b>Savings and withdrawal plans:</b>	None on the part of the Management Company; investors can obtain supplementary information from the respective Depositary Institution
<b>Management fee<sup>4</sup> (in % of the Sub-Fund's net assets):</b>	
Unit class P	up to 0.15 % p.a.
Unit class I	up to 0.15 % p.a.
Unit class ITN	up to 0.15 % p.a.
Share class PTI	up to 0.15 % p.a.
The management fee is calculated daily on the net Sub-Fund assets of the respective unit class of the previous valuation day and paid monthly in arrears. The management fee is exclusive of any applicable value added tax.	
<b>Depositary fee<sup>5</sup> (in % of the Sub-Fund's net assets):</b>	
Unit class P	up to 0.04 % p.a.
Unit class I	up to 0.04 % p.a.
Unit class ITN	up to 0.04 % p.a.
Share class PTI	up to 0.04 % p.a.
The Depositary fee is calculated daily on the net Sub-Fund assets of the respective unit class of the previous valuation day and paid monthly in arrears. The Depositary fee is exclusive of any applicable value added tax.	
<b>Fund management fee (in % of net Sub-Fund assets):</b>	
Unit class P	up to 0.80 % p.a.
Unit class I	up to 0.55 % p.a.
Unit class ITN	up to 0.95 % p.a.
Share class PTI	up to 0.65 % p.a.
The Fund management fee is calculated daily on the net Sub-Fund assets of the respective unit class of the previous valuation day and paid monthly in arrears. The Fund management fee is exclusive of any applicable value added tax.	

<sup>3</sup> In exceptional cases, the Management Company may allow subscriptions which deviate from the minimum investment indicated without giving reasons.

<sup>4</sup> The Management Company may, at any time and at its sole discretion, without giving reasons, waive in whole or in part the collection of its remuneration per unit class.

<sup>5</sup> The Depositary may, at any time and at its discretion, without assigning any reason, waive in whole or in part the collection of its remuneration per Share Class.

<b>Distributor fee (in % of the Sub-Fund's net assets):</b>	
<b>Unit class P</b>	up to 0.60 % p.a.
<b>Unit class I</b>	None
<b>Unit class ITN</b>	None
<b>Share class PTI</b>	up to 1.35 % p.a.
The distributor fee is calculated daily on the net Sub-Fund assets of the respective unit class of the previous valuation day and paid monthly in arrears. The distributor fee is exclusive of any applicable value added tax.	
<b>Performance fee (in favour of the Fund Manager):</b>	
<b>Unit class P</b>	up to 10 % <sup>6</sup>
<b>Unit class I</b>	up to 20 % <sup>7</sup>
<b>Unit class ITN</b>	None
<b>Share class PTI</b>	up to 10 % <sup>6</sup>

<sup>6</sup> The Fund Manager receives a performance fee for unit classes P and PTI of the Sub-Fund LOYS FCP - LOYS Aktien Europa.

The amount of the performance fee is up to 10% of the amount by which the unit value per unit class exceeds the high water mark at the end of an accounting period (absolute increase in value). The initial high water mark of unit class P corresponds to the unit value as of 1 December 2016 or, for unit class PTI, to the initial issue price.

The reference period for the High Water Mark started on 1 December 2016 for unit class P and on first issue for unit class PTI and subsequently corresponds to the entire term of the respective unit class. The accounting period generally corresponds to the financial year of the Fund. The first accounting period began on 1 December 2016 for the P unit class and on initial issue for the PTI unit class and ended in each case on the closing date of the following financial year-end. In future, payment will be possible at the earliest 12 months after the start of the accounting period.

The determination of an entitlement to a performance fee takes place daily (observation day) and is taken into account accordingly in the respective unit value determined. The determination is made net of all costs and taking into account subscriptions and redemptions. A performance fee entitlement determined during the accounting period does not necessarily result in a payout at the end of the accounting period.

The **High Water Mark** for Class P Shares is the higher of the Share Value as at 1 December 2016 or the Share Value at the end of the Accounting Period at which a Performance Fee was last paid. The **High Water Mark** for the PTI Share Class is the higher of the Initial Issue Price or Share Value at the end of the Accounting Period at which a Performance Fee was last paid. If the unit value exceeds the current high water mark on a review date, a performance fee claim will accrue and be deferred. If the unit value is below the current high water mark on an observation date, the performance fee will not be calculated. If the unit value falls below the high water mark, positive reserve amounts are reversed in favour of the respective unit class.

A positive accrued performance fee entitlement will only be paid at the end of an accounting period if the unit value is above the High Water Mark. In this case, the High Water Mark will be adjusted to the unit value at the end of the previous accounting period. If, during the accounting period, the Sub-Fund or a unit class is liquidated or merged, or if there is a complete redemption or exchange of unit certificates by the investors and if a performance fee is incurred for the units affected by this, this will normally be paid on a pro rata basis on the day of the liquidation or merger or on the day of the complete redemption or exchange of the unit certificates.

Any negative provision balance accrued at the end of the accounting period is taken into account accordingly in the subsequent analysis. There is no entitlement to a refund of performance fees already paid. The performance fee will be paid out in the currency of the relevant unit class at the end of the financial year.

This remuneration is exclusive of any applicable value added tax.

<sup>7</sup> The Fund Manager receives a performance fee for unit class I of the Sub-Fund LOYS FCP - LOYS Aktien Europa.

The amount of the performance fee is up to 20% of the amount by which the performance of the unit value of the unit class exceeds the performance of the defined benchmark, Stoxx Europe 600 (Bloombergticker SXXR). The chosen benchmark is consistent with the Sub-Fund's investment objectives and policy.

The Benchmark Reference Period commenced on 02 December 2016 and subsequently corresponds to the entire term of the Share Class. The accounting period generally corresponds to the financial year of the Fund. The first accounting period began on 02 December 2016 and ended on the closing date of the following financial year-end. In future, payment will be possible at the earliest 12 months after the start of the accounting period.

The aforementioned benchmark is administered by STOXX Ltd. STOXX Ltd has already been included in the public register of administrators of benchmarks and of benchmarks of the European Securities and Markets Authority ESMA. The Management Company shall ensure that appropriate action is taken if the Benchmark changes materially or ceases to be provided. For this purpose, the Management Company has drawn up written plans which may be requested free of charge at the registered office of the Management Company.

The determination of an entitlement to a performance fee takes place daily (observation day) and is taken into account accordingly in the respective unit value determined. The determination is made net of all costs and taking into account subscriptions and redemptions. The performance fee is calculated as follows:

On each observation day, the difference between the percentage change in the unit value of the unit class compared to the previous day and the percentage change in the benchmark compared to the previous day is determined. This difference is multiplied by the Sub-Fund assets of the unit class and weighted by the performance fee rate. Negative and positive profit contributions are netted. **A positive accrued performance fee entitlement will be paid at the end of an accounting period even if the unit value is below the unit value at the end of the previous accounting period or the initial issue price.**

If, during the accounting period, the Sub-Fund or a unit class is liquidated or merged, or if there is a complete redemption or exchange of unit certificates by the investors and if a performance fee is incurred for the units affected by this, this will normally be paid on a pro rata basis on the day of the liquidation or merger or on the day of the complete redemption or exchange of the unit certificates.

Any negative provision balance accrued at the end of an accounting period is taken into account accordingly in the subsequent analysis. There is no entitlement to a refund of performance fees already paid. The performance fee will be paid out in the currency of the relevant unit class at the end of the financial year.

This remuneration is exclusive of any applicable value added tax.



**Calculation examples of the performance fee for unit classes PTI & P:**

Accounting period	Unit value at the beginning of the accounting period	Unit value at the end of the accounting period	Performance fee amount in %	High Water Mark of the accounting period	Payment of a performance fee	Outperformance (absolute)	Performance fee to be paid
1	100	110	10%	100	Yes	10.00	1.00
2	110	105	10%	110	No	-5.00	0.00
3	105	95	10%	110	No	-15.00	0.00
4	95	100	10%	110	No	-10.00	0.00
5	100	115	10%	110	Yes	5.00	0.50

**Calculation examples of the performance fee for unit class I:**

Accounting period	Unit value at the beginning of the accounting period	Unit value at the end of the accounting period	Performance fee amount in %	Value of the underlying benchmark at the beginning of the accounting period	Value of the underlying benchmark at the end of the accounting period	Benchmark performance	Fund performance	Payment of a performance fee	Outperformance	Performance fee to be paid
1	100	110	20%	100	105	5.00%	10.00%	Yes	5.00%	1.10
2	110	105	20%	105	103	-1.90%	-4.55%	No	-2.64%	0.00
3	105	95	20%	103	101	-1.94%	-9.52%	No	-7.58%	0.00
4	95	100	20%	101	98	-2.97%	5.26%	Yes	8.23%	1.65
5	100	115	20%	98	100	2.04%	15.00%	Yes	12.96%	2.98

**Total effective cost burden**

(in % of the net Sub-Fund assets):

Reported in the annual report of the Fund

**Performance (value development):**

Disclosed in the Key Investor Information Document (KIID)

**Sub-Fund currency:**

EUR

**Unit class currency:**

unit class P

EUR

unit class I

EUR

unit class ITN

EUR

Share class PTI

EUR

**Banking day:**

Any day that is both a banking day and a trading day in Luxembourg and Frankfurt am Main is

**Valuation date:**

Every banking day

**End of financial year:**

31 December; for the first time 31 December 2015

**Semi-Annual Report:**

30 June

**Financial Year Report:**

31 December

**The first report is an unaudited semi-annual report on the:**

30 June 2015

**Closing Date for Subscriptions and Redemptions:**

12 noon (Luxembourg time) (same day)

**Payment of the issue and redemption price:**

Within three banking days

<b>unit denomination:</b>	Book Entry Registered
<b>Use of income:</b>	
<b>Unit class P</b>	Distribution
<b>Unit class I</b>	Accumulation
<b>Unit class ITN</b>	Accumulation
<b>Share class PTI</b>	Accumulation
<b>Stock exchange listing:</b>	Not envisaged
<b>Security identification number/ISIN:</b>	
<b>Unit class P</b>	HAFX68/LU1129454747
<b>Unit class I</b>	HAFX69/LU1129459035
<b>Unit class ITN</b>	A2ARER/LU1487829548
<b>Share class PTI</b>	A2N5QT/LU1853997457
<b>Price publication:</b>	Daily on the website of the Management Company (www.hal-privatbank.com) or in addition also in a national newspaper or an online medium

## LOYS FCP AT A GLANCE

### ANNEX 3 SUB-FUND LOYS FCP – LOYS Premium Dividende

<b>Sub-Fund formation:</b>	18 December 2019
<b>Initial subscription phase:</b>	
Unit class P	18 December 2019 - 30 December 2019
Unit class PT	18 December 2019 - 30 December 2019
Unit class I	18 December 2019 - 30 December 2019
Unit class ITN	9 March 2020
<b>Initial issue price (plus sales commission):</b>	
Unit class P	EUR 50
Unit class PT	EUR 50
Unit class I	EUR 500
Unit class ITN	EUR 500
<b>First day of issue:</b>	
Unit class P	02 January 2020
Unit class PT	02 January 2020
Unit class I	02 January 2020
Unit class ITN	10 March 2020
<b>Sales commission:</b> (in % of the unit value in favour of the respective intermediary)	
Unit class P	up to 5 %
Unit class PT	up to 5 %
Unit class I	None
Unit class ITN	None
<b>Exchange commission:</b>	None
<b>Redemption commission:</b>	None
<b>Minimum investment<sup>8</sup>:</b>	
Unit class P	None
Unit class PT	None
Unit class I	EUR 500,000
Unit class ITN	EUR 500,000
<b>Savings plans:</b>	None on the part of the Management Company Investors can obtain additional information from the respective Depositary.
<b>Withdrawal plans:</b>	None of the Management Company's or the Investors can obtain additional information from the respective Depositary.
<b>Management fee (in % of the Sub-Fund's net assets):</b>	
Unit class P	up to 0.15 % p.a.
Unit class PT	up to 0.15 % p.a.
Unit class I	up to 0.15 % p.a.
Unit class ITN	up to 0.15 % p.a.
The management fee is calculated daily on the net Sub-Fund assets of the respective unit class of the previous valuation day and paid monthly in arrears. The management fee is exclusive of any applicable value added tax.	
<b>Depositary fee (in % of the Sub-Fund's net assets):</b>	
Unit class P	up to 0.04 % p.a.
Unit class PT	up to 0.04 % p.a.
Unit class I	up to 0.04 % p.a.
Unit class ITN	up to 0.04 % p.a.
The Depositary fee is calculated daily on the net Sub-Fund assets of the respective unit class of the previous valuation day and paid monthly in arrears. The Depositary fee is exclusive of any applicable value added tax.	
<b>Distributor fee (in % of the Sub-Fund's net assets):</b>	
Unit class P	up to 0.60 % p.a.
Unit class PT	up to 0.60 % p.a.
Unit class I	None
Unit class ITN	None
The distributor fee is calculated daily on the net Sub-Fund assets of the respective unit class of the previous valuation day and paid monthly in arrears. The distributor fee is exclusive of any applicable value added tax.	

<sup>8</sup> In exceptional cases, the Management Company may allow subscriptions which deviate from the minimum investment indicated without giving reasons.

**Fund management fee (in % of net Sub-Fund assets):**

<b>Unit class P</b>	up to 0.90 % p.a.
<b>Unit class PT</b>	up to 0.90 % p.a.
<b>Unit class I</b>	up to 0.75 % p.a.
<b>Unit class ITN</b>	up to 1.20 % p.a.

The Fund management fee is calculated daily on the net Sub-Fund assets of the respective unit class of the previous valuation day and paid monthly in arrears. The Fund management fee is exclusive of any applicable value added tax.

**Performance fee (in favour of the Fund Manager):**

up to 10% for unit class P and PT<sup>9</sup>  
up to 20 % for unit class I<sup>10</sup>  
None for the unit class ITN

<sup>9</sup> The Fund Manager receives a performance fee for unit classes P and PT of the Sub-Fund **LOYS FCP - LOYS Premium Dividende**.

The amount of the performance fee is up to 10% of the amount by which the unit value per unit class exceeds the high water mark at the end of an accounting period (absolute increase in value). The initial high water mark corresponds to the initial issue price at the launch of the respective unit class.

The reference period for the High Water Mark began with the launch of a unit class and corresponds to its entire term. The accounting period generally corresponds to the financial year of the Fund. The first accounting period began with the initial price calculation of the unit class and ended on the closing date of the following financial year-end. In future, a payment will be possible at the earliest 12 months after the start of the accounting period.

The determination of an entitlement to a performance fee takes place daily (observation day) and is taken into account accordingly in the respective unit value determined. The determination is made net of all costs and taking into account subscriptions and redemptions. A performance fee entitlement determined during the accounting period does not necessarily result in a payout at the end of the accounting period.

The **High Water Mark** is the higher of the initial issue price and the unit value at the end of the accounting period at which a performance fee was last paid. If the unit value exceeds the current high water mark on a review date, a performance fee claim will accrue and be deferred. If the unit value is below the current high water mark on an observation date, the performance fee will not be calculated. If the unit value falls below the high water mark, positive reserve amounts are reversed in favour of the respective unit class.

A positive accrued performance fee entitlement will only be paid at the end of an accounting period if the unit value is above the High Water Mark. In this case, the High Water Mark will be adjusted to the unit value at the end of the previous accounting period. If, during the accounting period, the Sub-Fund or a unit class is liquidated or merged, or if there is a complete redemption or exchange of unit certificates by the investors and if a performance fee is incurred for the units affected by this, this will normally be paid on a pro rata basis on the day of the liquidation or merger or on the day of the complete redemption or exchange of the unit certificates.

Any negative provision balance accrued at the end of the accounting period is taken into account accordingly in the subsequent analysis. There is no entitlement to a refund of performance fees already paid. The performance fee will be paid out in the currency of the relevant unit class at the end of the financial year.

This remuneration is exclusive of any applicable value added tax.

<sup>10</sup> The Fund Manager receives a performance fee for unit class I of the Sub-Fund **LOYS FCP - LOYS Premium Dividende**.

The amount of the performance fee is up to 20% of the amount by which the performance of the unit value of the unit class exceeds the performance of the defined benchmark, STOXX Europe 600 (Bloombergticker SXXR). The chosen benchmark is consistent with the Sub-Fund's investment objectives and policy.

The reference period for the benchmark started with the launch of a unit class and corresponds to its entire term. The accounting period generally corresponds to the financial year of the Fund. The first accounting period began with the initial price calculation of the unit class and ended on the closing date of the following financial year-end. In future, a payment will be possible at the earliest 12 months after the start of the accounting period.

The aforementioned benchmark is administered by STOXX Ltd. STOXX Ltd has already been included in the public register of administrators of benchmarks and of benchmarks of the European Securities and Markets Authority ESMA. The Management Company shall ensure that appropriate action is taken if the Benchmark changes materially or ceases to be provided. For this purpose, the Management Company has drawn up written plans which may be requested free of charge at the registered office of the Management Company.

The determination of an entitlement to a performance fee takes place daily (observation day) and is taken into account accordingly in the respective unit value determined. The determination is made net of all costs and taking into account subscriptions and redemptions.

The performance fee is calculated as follows:

On each observation day, the difference between the percentage change in the unit value of the unit class compared to the previous day and the percentage change in the benchmark compared to the previous day is determined. This difference is multiplied by the Fund assets of the unit class and weighted by the performance fee rate. Negative and positive profit contributions are netted. **A positive accrued performance fee entitlement will be paid at the end of an accounting period even if the unit value is below the unit value at the end of the previous accounting period or the initial issue price.**

If, during the accounting period, the Sub-Fund or a unit class is liquidated or merged, or if there is a complete redemption or exchange of unit certificates by the investors and if a performance fee is incurred for the units affected by this, this will normally be paid on a pro rata basis on the day of the liquidation or merger or on the day of the complete redemption or exchange of the unit certificates.

Any negative provision balance accrued at the end of an accounting period is taken into account accordingly in the subsequent analysis. There is no entitlement to a refund of performance fees already paid. The performance fee will be paid out in the currency of the relevant unit class at the end of the financial year.

This remuneration is exclusive of any applicable value added tax.

**Calculation examples of the performance fee for unit classes P & PT:**

Accounting period	Unit value at the beginning of the accounting period	Unit value at the end of the accounting period	Performance fee amount in %	High Water Mark of the accounting period	Payment of a performance fee	Outperformance (absolute)	Performance fee to be paid
1	100	110	10%	100	Yes	10.00	1.00
2	110	105	10%	110	No	-5.00	0.00
3	105	95	10%	110	No	-15.00	0.00
4	95	100	10%	110	No	-10.00	0.00
5	100	115	10%	110	Yes	5.00	0.50

**Calculation examples of the performance fee for unit class I:**

Accounting period	Unit value at the beginning of the accounting period	Unit value at the end of the accounting period	Performance fee amount in %	Value of the underlying benchmark at the beginning of the accounting period	Value of the underlying benchmark at the end of the accounting period	Benchmark performance	Fund performance	Payment of a performance fee	Outperformance	Performance fee to be paid
1	100	110	20%	100	105	5.00%	10.00%	Yes	5.00%	1.10
2	110	105	20%	105	103	-1.90%	-4.55%	No	-2.64%	0.00
3	105	95	20%	103	101	-1.94%	-9.52%	No	-7.58%	0.00
4	95	100	20%	101	98	-2.97%	5.26%	Yes	8.23%	1.65
5	100	115	20%	98	100	2.04%	15.00%	Yes	12.96%	2.98

<b>Total effective expense ratio (in % of net Sub-Fund assets)</b>	Reported in the annual report of the Fund
<b>Performance (value development):</b>	Disclosed in the Key Investor Information Document (KIID)
<b>Sub-(Fund currency):</b>	EUR
<b>Unit class currency:</b>	
Unit class P	EUR
Unit class PT	EUR
Unit class I	EUR
Unit class ITN	EUR
<b>Banking day:</b>	Any day which is both a banking day and a trading day in Luxembourg and Frankfurt am Main
<b>Valuation date:</b>	Every banking day
<b>End of financial year</b>	31 December of each year
<b>Semi-annual report</b>	30 June
<b>Annual report</b>	31 December
<b>Acceptance and redemption deadline for subscriptions and redemptions</b>	12 noon (Luxembourg time) (same day)
<b>Payment of the issue and redemption price</b>	Within three banking days
<b>Unit denomination</b>	Book Entry Registered
<b>Use of income:</b>	
Unit class P	Distribution
Unit class PT	Accumulation
Unit class I	Distribution
Unit class ITN	Accumulation

<b>Stock exchange listing:</b>	Not envisaged
<b>Security identification number/ISIN:</b>	
<b>Unit class P</b>	A2PUSG / LU2066734430
<b>Unit class PT</b>	A2PV2U / LU2080767366
<b>Unit class I</b>	A2PUSH / LU2066734513
<b>Unit class ITN</b>	A2P06P / LU2130029023
<b>Price publication:</b>	Daily on the website of the Management Company www.hal-privatbank.com () or in addition also in a national newspaper or an online medium

## LOYS FCP AT A GLANCE

### ANNEX 4 SUB-FUND LOYS FCP – LOYS Premium Deutschland

<b>Sub-Fund formation:</b>	1 January 2021
<b>Initial subscription phase:</b>	
Unit class P	2 January 2021
Unit class I	2 January 2021
Unit class ITN	2 January 2021
<b>Initial issue price (plus sales commission):</b>	
Unit class P	EUR 25
Unit class I	EUR 250
Unit class ITN	EUR 250
<b>First day of issue:</b>	
Unit class P	2 January 2021
Unit class I	2 January 2021
Unit class ITN	2 January 2021
<b>Sales commission:</b> (in % of the unit value in favour of the respective intermediary)	
Unit class P	up to 5 %
Unit class I	None
Unit class ITN	None
<b>Exchange commission:</b>	None
<b>Redemption commission:</b>	None
<b>Minimum investment<sup>11</sup>:</b>	
Unit class P	None
Unit class I	EUR 500,000
Unit class ITN	EUR 500,000
<b>Savings plans:</b>	None on the part of the Management Company Investors can obtain additional information from the respective Depositary.
<b>Withdrawal plans:</b>	None of the Management Company's or the Investors can obtain additional information from the respective Depositary.
<b>Management fee (in % of the Sub-Fund's net assets):</b>	
Unit class P	up to 0.15 % p.a.
Unit class I	up to 0.15 % p.a.
Unit class ITN	up to 0.15 % p.a.
The management fee is calculated daily on the net Sub-Fund assets of the respective unit class of the previous valuation day and paid monthly in arrears. The management fee is exclusive of any applicable value added tax.	
<b>Depositary fee (in % of the Sub-Fund's net assets):</b>	
Unit class P	up to 0.04 % p.a.
Unit class I	up to 0.04 % p.a.
Unit class ITN	up to 0.04 % p.a.
The Depositary fee is calculated daily on the net Sub-Fund assets of the respective unit class of the previous valuation day and paid monthly in arrears. The Depositary fee is exclusive of any applicable value added tax.	
<b>Distributor fee (in % of the Sub-Fund's net assets):</b>	
Unit class P	up to 0.60 % p.a.
Unit class I	None
Unit class ITN	None
The distributor fee is calculated daily on the net Sub-Fund assets of the respective unit class of the previous valuation day and paid monthly in arrears. The distributor fee is exclusive of any applicable value added tax.	

<sup>11</sup> In exceptional cases, the Management Company may allow subscriptions which deviate from the minimum investment indicated without giving reasons.

<b>Fund management fee (in % of net Sub-Fund assets):</b>	
<b>Unit class P</b>	up to 0.90 % p.a.
<b>Unit class I</b>	up to 0.75 % p.a.
<b>Unit class ITN</b>	up to 1.20 % p.a.
The Fund management fee is calculated daily on the net Sub-Fund assets of the respective unit class of the previous valuation day and paid monthly in arrears. The Fund management fee is exclusive of any applicable value added tax.	
<b>Performance fee (in favour of the Fund Manager):</b>	
	up to 10% for unit class P <sup>12</sup>
	up to 20 % for unit class I <sup>13</sup>
	None for the unit class ITN

<sup>12</sup> The Fund Manager receives a performance fee for unit class P of the Sub-Fund **LOYS FCP - LOYS PREMIUM DEUTSCHLAND**. The amount of the performance fee is up to 10% of the amount by which the unit value per unit class exceeds the high water mark at the end of an accounting period (absolute increase in value). The initial high water mark corresponds to the initial issue price at the launch of the respective unit class.

The reference period for the High Water Mark starts with the launch of a unit class and corresponds to its entire term. The accounting period generally corresponds to the financial year of the Fund. The first accounting period begins with the initial price calculation of the unit class and ends on the closing date of the following financial year-end or the financial year-end after that, but no earlier than 12 months after the initial price calculation of the respective unit class.

The determination of an entitlement to a performance fee takes place daily (observation day) and is taken into account accordingly in the respective unit value determined. The determination is made net of all costs and taking into account subscriptions and redemptions. A performance fee entitlement determined during the accounting period does not necessarily result in a payout at the end of the accounting period.

The **High Water Mark** is the higher of the initial issue price and the unit value at the end of the accounting period at which a performance fee was last paid. If the unit value exceeds the current high water mark on a review date, a performance fee claim will accrue and be deferred. If the unit value is below the current high water mark on an observation date, the performance fee will not be calculated. If the unit value falls below the high water mark, positive reserve amounts are reversed in favour of the respective unit class.

A positive accrued performance fee entitlement will only be paid at the end of an accounting period if the unit value is above the High Water Mark. In this case, the High Water Mark will be adjusted to the unit value at the end of the previous accounting period. If, during the accounting period, the Sub-Fund or a unit class is liquidated or merged, or if there is a complete redemption or exchange of unit certificates by the investors and if a performance fee is incurred for the units affected by this, this will normally be paid on a pro rata basis on the day of the liquidation or merger or on the day of the complete redemption or exchange of the unit certificates.

Any negative provision balance accrued at the end of the accounting period is taken into account accordingly in the subsequent analysis. There is no entitlement to a refund of performance fees already paid. The performance fee will be paid out in the currency of the relevant unit class at the end of the financial year.

This remuneration is exclusive of any applicable value added tax.

<sup>13</sup> The Fund Manager receives a performance fee for unit class I of the Sub-Fund **LOYS FCP - LOYS PREMIUM DEUTSCHLAND**. The amount of the performance fee is up to 20% of the amount by which the performance of the unit value of the unit class exceeds the performance of the defined benchmark, CDAX (Bloombergticker: CDAX Index). The chosen benchmark is consistent with the Sub-Fund's investment objectives and policy. The reference period for the benchmark starts with the launch of a unit class and corresponds to its entire term. The accounting period generally corresponds to the financial year of the Fund. The first accounting period begins with the initial price calculation of the unit class and ends on the closing date of the following financial year-end or the year after, but no earlier than 12 months after the initial price calculation of the respective unit class.

The aforementioned benchmark is administered by STOXX Ltd. STOXX Ltd. has already been included in the public register of administrators of reference securities and of reference securities of the European Securities and Markets Authority ESMA. The Management Company shall ensure that appropriate action is taken if the Benchmark changes materially or ceases to be provided. For this purpose, the Management Company has drawn up written plans which may be requested free of charge at the registered office of the Management Company.

The determination of an entitlement to a performance fee takes place daily (observation day) and is taken into account accordingly in the respective unit value determined. The determination is made net of all costs and taking into account subscriptions and redemptions. The performance fee is calculated as follows:

On each observation day, the difference between the percentage change in the unit value of the unit class compared to the previous day and the percentage change in the benchmark compared to the previous day is determined. This difference is multiplied by the Fund assets of the unit class and weighted by the performance fee rate. Negative and positive profit contributions are netted.

**A positive accrued performance fee entitlement will be paid at the end of an accounting period even if the unit value is below the unit value at the end of the previous accounting period or the initial issue price.**

If, during the accounting period, the Sub-Fund or a unit class is liquidated or merged, or if there is a complete redemption or exchange of unit certificates by the investors and if a performance fee is incurred for the units affected by this, this will normally be paid on a pro rata basis on the day of the liquidation or merger or on the day of the complete redemption or exchange of the unit certificates.

Any negative provision balance accrued at the end of an accounting period is taken into account accordingly in the subsequent analysis. There is no entitlement to a refund of performance fees already paid. The performance fee will be paid out in the currency of the relevant unit class at the end of the financial year.

This remuneration is exclusive of any applicable value added tax.



**Calculation examples of the performance fee for unit class P:**

Accounting period	Unit value at the beginning of the accounting period	Unit value at the end of the accounting period	Performance fee amount in %	High Water Mark of the accounting period	Payment of a performance fee	Outperformance (absolute)	Performance fee to be paid
1	100	110	10%	100	Yes	10.00	1.00
2	110	105	10%	110	No	-5.00	0.00
3	105	95	10%	110	No	-15.00	0.00
4	95	100	10%	110	No	-10.00	0.00
5	100	115	10%	110	Yes	5.00	0.50

**Calculation examples of the performance fee for unit class I:**

Accounting period	Unit value at the beginning of the accounting period	Unit value at the end of the accounting period	Performance fee amount in %	Value of the underlying benchmark at the beginning of the accounting period	Value of the underlying benchmark at the end of the accounting period	Benchmark performance	Fund performance	Payment of a performance fee	Outperformance	Performance fee to be paid
1	100	110	20%	100	105	5.00%	10.00%	Yes	5.00%	1.10
2	110	105	20%	105	103	-1.90%	-4.55%	No	-2.64%	0.00
3	105	95	20%	103	101	-1.94%	-9.52%	No	-7.58%	0.00
4	95	100	20%	101	98	-2.97%	5.26%	Yes	8.23%	1.65
5	100	115	20%	98	100	2.04%	15.00%	Yes	12.96%	2.98

<b>Total effective expense ratio (in % of net Sub-Fund assets)</b>	Reported in the annual report of the Fund
<b>Performance (value development):</b>	Disclosed in the Key Investor Information Document (KIID)
<b>Sub-(Fund currency):</b>	EUR
<b>Unit class currency:</b>	
Unit class P	EUR
Unit class I	EUR
Unit class ITN	EUR
<b>Banking day:</b>	Any day which is both a banking day and a trading day in Luxembourg and Frankfurt am Main
<b>Valuation date:</b>	Every banking day
<b>End of financial year</b>	31 December of each year
<b>Semi-annual report</b>	30 June
<b>Annual report</b>	31 December
<b>Acceptance and redemption deadline for subscriptions and redemptions</b>	12 noon (Luxembourg time) (same day)
<b>Payment of the issue and redemption price<sup>3</sup></b>	Within three banking days
<b>Unit denomination</b>	Book Entry Registered
<b>Use of income:</b>	
Unit class P	Distribution
Unit class I	Distribution
Unit class ITN	Accumulation
<b>Stock exchange listing:</b>	Not envisaged

<b>Security identification number/ISIN:</b>	
<b>Unit class P</b>	A2QHLY / LU2255688470
<b>Unit class I</b>	A2QHMY / LU2255688553
<b>Unit class ITN</b>	A2QHYN / LU2255688637
<b>Price publication:</b>	Daily on the website of the Management Company www.hal-privatbank.com or in addition in a national newspaper or an online medium

## MANAGEMENT REGULATIONS

### LOYS FCP

The Management Regulations set out general principles for the **LOYS FCP** Fund ("the Fund") and entered into force on 31 December 2022 in force. The filing with the Luxembourg Trade and Companies Register ("Trade and Companies Register") was disclosed in the Recueil électronique Sociétés et Associations ("RESA")

The Management Regulations constitute the Fund's contractual terms and conditions.

#### Article 1 THE FUND

1. The **LOYS FCP** is a legally dependent special fund ("fonds commun de placement") consisting of securities and other permissible assets ("Fund assets"), which is managed in compliance with the principle of risk diversification. The Fund assets less the liabilities attributable to the Fund ("net Fund assets") must reach at least the equivalent of EUR 1,250,000 within six months of the approval of the Fund. The Fund is managed by the Management Company. The assets held in the Fund's assets are held in custody by the Depositary within its network of Depositaries.
2. The contractual rights and obligations of the holders of units ("unitholders"), the Management Company and the Depositary are governed by the Fund's Management Regulations, which are drawn up by the Management Company with the approval of the Depositary.

By purchasing a unit, each unitholder accepts the Management Regulations of the Fund and any approved amendments thereto.

3. The Fund may consist of one or more Sub-Funds within the meaning of Article 181 of the Law of 17 December 2010 on Undertakings for Collective Investment, as amended (the "2010 Law"). The entirety of the Sub-Funds makes up the Fund. Each investor participates in the Fund through participation in a Sub-Fund. The Management Company may launch new Sub-Funds at any time. The respective Sub-Funds are mentioned in the Sales Prospectus.
4. Each Sub-Fund shall be regarded as a separate Fund in the relationship between the unitholders. The rights and obligations of the unitholders of one Sub-Fund are separate from those of the unitholders of the other Sub-Funds. In relation to third parties, the assets of a Sub-Fund shall only be liable for liabilities and payment obligations relating to that Sub-Fund.
5. The unit value is calculated separately for each Sub-Fund in accordance with the rules set out in Article 7 of the Management Regulations.
6. The investment restrictions set forth in the Management Regulations shall apply separately to each Sub-Fund with the exception of the provisions of Article 4 No. 3. I) of the Management Regulations. For the calculation of the minimum limit (EUR 1,250,000) for the net Fund assets pursuant to Article 1 No. 1. of the Management Regulations, the Fund assets of the Fund as a whole shall be taken into account, which results from the addition of the net Sub-Fund assets.

#### Article 2 THE MANAGEMENT COMPANY

1. The Management Company is Hauck & Aufhäuser Fund Services S.A.
2. The Management Company manages the Fund in its own name but exclusively in the interest of and for the collective account of the unitholders. The management authority extends to the exercise of all rights which are directly or indirectly connected with the assets of the Fund.
3. The Management Company shall determine the Fund's investment policy, taking into account the legal and contractual investment restrictions. The Board of Directors of the Management Company may entrust one or more of its members with the execution of the daily investment policy. It may also, under its own responsibility and control and at the Fund's expense, outsource the execution of the daily investment policy to third parties, provided they are authorised or registered for the purposes of asset management and are subject to a supervisory authority. If the execution of the daily investment policy is outsourced to third parties, this will be mentioned in the Fund's Sales Prospectus. Furthermore, the Management Company will satisfy itself that the third parties have taken the necessary measures to comply with all organisational and conflict of interest requirements as laid down in the applicable Luxembourg laws and regulations and will monitor compliance with these requirements.
4. The Management Company may, under its own responsibility, engage the services of investment advisors or Fund managers and, in particular, may also obtain advice from an investment committee. The costs thereof may be charged to the Fund in accordance with the provisions of these Management Regulations and shall be mentioned in the Sales Prospectus.

5. The Management Company shall prepare a Prospectus and the *Key Investor Information Document for the Fund*.

### Article 3 THE DEPOSITARY

1. Hauck Aufhäuser Lampe Privatbank AG, Luxembourg Branch, having its registered office at 1c, rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 175937, has been appointed as Depositary of the Fund by way of a written agreement. The Depositary is a branch of Hauck Aufhäuser Lampe Privatbank AG, Kaiserstr. 24, D-60311 Frankfurt am Main, a German credit institution with a full banking licence within the meaning of the German Banking Act (KWG) and within the meaning of the Luxembourg law of 5 April 1993 on the financial sector (in its most recent version). This is entered in the Commercial Register of the Local Court of Frankfurt am Main under the number HRB 108617. Both Hauck Aufhäuser Lampe Privatbank AG and its Luxembourg branch are supervised by the German Federal Financial Supervisory Authority (BaFin). In addition, Hauck Aufhäuser Lampe Privatbank AG, Luxembourg Branch is subject to the Commission de Surveillance du Secteur Financier (CSSF) with regard to liquidity, money laundering and market transparency.  
All duties and responsibilities of the Depositary shall be performed by the branch. Their function is governed in particular by the 2010 Law, CSSF Circular 16/644, the Depositary Agreement and the Sales Prospectus. As paying agent, it is charged with the obligation to pay out any distributions, as well as the redemption price on redeemed units and other payments.
2. In the performance of its duties, the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Fund and its unitholders.
3. The Depositary shall ensure that the Fund's cash flows are subject to effective and proper monitoring. The Depositary shall ensure that all payments made by or on behalf of unitholders when subscribing for units of the common Fund have been received and that all of the Fund's cash is held in cash accounts in the Fund's name with the Depositary (or another credit institution).
4. The Depositary shall hold in custody or monitor all the assets of the Fund. In this respect, the 2010 Act distinguishes between financial instruments to be held in custody and other assets, whereby the allocation is not always clear in individual cases.

For the safekeeping of financial instruments to be held in custody (e.g. securities, money market instruments, units in collective investment undertakings), the Depositary is partly subject to different obligations and stricter liability than for the safekeeping of other assets. Financial instruments to be held in custody shall be held by the Depositary in segregated accounts. Except in a few exceptional cases, the Depositary is liable for the loss of these financial instruments, including cases where the loss was not caused by the Depositary itself but by a third party. Other (non-custodial) assets, on the other hand, are not held in securities accounts. After ensuring that they are actually owned by the Fund, records of these assets shall be kept with the Depositary. The Depositary shall be liable to the Management Company for the performance of these duties in the event of gross negligence or wilful misconduct.

For the safekeeping of the assets of whatever nature, the Depositary may appoint sub-Depositaries in order to comply with the conditions of the 2010 Law. The liability of the Depositary to the Management Company shall not be affected by the appointment of a Sub-Depositary. The names of the sub-Depositaries can be found on the Depositary's website (<https://www.hal-privatbank.com/impressum>). As a matter of principle, no third party shall be entrusted with the safekeeping or monitoring of the other assets, unless expressly stipulated otherwise.

When appointing a Sub-Depositary for financial instruments to be held in custody, the Depositary is, in particular, required to verify that the Sub-Depositary is subject to effective supervision (including minimum capital requirements) and to a regular external audit ensuring that the assets are in its possession ("**Depositary due diligence**"). These duties of care must also be complied with vis-à-vis any legal entity that is in the chain of custody after the Sub-Depositary or third-party Depositary (so-called "correspondent").

The Depositary must also ensure that each Sub-Depositary segregates the assets of the Depositary's clients which are subject to joint management from its own assets and the Depositary's other assets, in particular, its own assets and the assets of the Depositary's clients which are not subject to joint management.

For financial instruments to be held in custody, if the law of a third country requires that certain financial instruments be held in custody at a local entity which does not meet the aforementioned monitoring requirement ("**local depositary**"), the Depositary shall hold such local depositary

can only be commissioned under the fulfilment of the following legal conditions.

Firstly, there must be no local storage facility that fulfils the aforementioned monitoring requirements.

Furthermore, the transfer of custody of financial instruments to a local Depositary may only take place on the express instruction of the Management Company.

In addition, the Management Company will duly inform the investors prior to engaging such a local Depositary.

5. The Depositary shall be bound by the instructions of the Management Company provided that they do not conflict with the law, the Management Regulations or the Fund's Prospectus as amended from time to time.

6. The Depositary shall be entitled at any time to terminate its Depositary function in accordance with the contractual terms. In this case, the Management Company is obliged to dissolve the Fund in accordance with Article 12 of these Management Regulations or to appoint a new Depositary within two months with the approval of the competent supervisory authority. Until the appointment of a new Depositary, the existing Depositary shall perform its statutory duties and functions in full in accordance with the Management Regulations.

The Management Company shall also be entitled to terminate the Depositary appointment at any time in accordance with the relevant Depositary Agreement. Such termination shall necessarily result in the dissolution of the Fund in accordance with Article 12 of these Management Regulations unless, after the end of the written notice period, the Management Company has appointed another bank, with the approval of the competent supervisory authority, as Depositary to take over the legal functions of the previous Depositary.

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

The following general principles and restrictions of the investment policy apply in principle to all Sub-Funds of the Fund. The respective Sub-Funds may also provide for supplements or deviations. This is mentioned in the Sales Prospectus.

The following definitions apply:

- “Third country”: For the purposes of these Management Regulations, a third country is any country which is not a Member State.
- “Money Market Instruments”: Instruments that are normally traded on the money market, are liquid and whose value can be accurately determined at any time.
- “regulated market”: a market as defined in Article 4, item 14 of Directive 2004/39/EC of 21 April 2004 on markets in financial instruments (as last amended).
- “Law of 2010”: Law of 17 December 2010 on Undertakings for Collective Investment, as amended from time to time
- “Member State”: a Member State of the European Union. Contracting States to the Agreement on the European Economic Area within the borders of this Agreement and related legal acts shall be treated as Member States of the European Union.
- “OGA”: Undertaking for Collective Investment. Any UCI subject to Part II of the 2010 Law qualifies in principle as an AIF within the meaning of the law of 12 July 2013 on alternative investment fund managers.
- “UCITS”: Undertaking for Collective Investment in Transferable Securities which is subject to Directive 2009/65/EC.
- “Directive 2009/65/EC”: Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (as last amended)
- “Securities”:
- Shares and other securities equivalent to shares (“Shares”)
  - Debt securities and other securitised debt instruments (“debt securities”)
  - all other marketable securities giving the right to acquire securities by subscription or exchange, with the exception of the techniques and instruments referred to in No. 5. below.

The investment policy of the Fund is subject to the following regulations and investment restrictions. The respective net Sub-Fund assets are invested in accordance with the principle of risk diversification. The investment policy of the individual Sub-Funds may include investments in securities, money market instruments, Fund units, derivative financial instruments and all other assets permitted under Article 4 of the Management Regulations. It may differ, in particular, according to the region in which the Sub-Funds invest, the assets to be acquired, the currency in which they are denominated or their maturity. A detailed description of the investment policy of each Sub-Fund can be found in the Sales Prospectus.

1. Investments of the relevant Sub-Fund may consist of the following assets:  
Due to the specific investment policy of the respective Sub-Funds, it is possible that various of the investment options mentioned below do not apply to the respective Sub-Fund. This is mentioned in the Sales Prospectus.
- a) securities and money market instruments listed or traded on a regulated market;

- b) Transferable Securities and Money Market Instruments dealt in on any other market in a Member State which is recognised, regulated, open to the public and operates regularly;
- c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State or dealt in there on another regulated market which operates regularly and is recognised and open to the public;
- d) securities and money market instruments from new issues, provided that the terms and conditions of issue contain the obligation that admission to official listing on a securities exchange or to trading on a regulated market within the meaning of the provisions set out under No. 1. a) to c) above is applied for and that admission is obtained no later than one year after the issue;
- e) units of UCITS authorised under Directive 2009/65/EC and/or other UCIs within the meaning of Article 1(2)(a) and (b) of Directive 2009/65/EC which are situated in a Member State or in a third country, provided that
  - these other UCIs are authorised under laws which provide that they are subject to prudential supervision considered by the CSSF as equivalent to that laid down in Community law and that there is sufficient guarantee of cooperation between authorities.
  - the level of protection of unit-holders of the other UCIs is equivalent to the level of protection of unit-holders of a UCITS and in particular the rules on segregation of Fund assets, borrowing, lending and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
  - the business of the other UCIs is the subject of half-yearly and annual reports which enable an assessment to be made of the assets and liabilities, income and transactions during the reporting period;
  - the UCITS or such other UCI whose units are to be acquired may, according to its management regulations or instruments of incorporation, invest in aggregate no more than 10% of its assets 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 no more than 12 months, provided that the credit institution concerned has its registered office in a Member State or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law.
- g) derivative financial instruments, i.e. in particular, options and futures, as well as exchange transactions ("derivatives"), including equivalent cash-settled instruments, which are traded on one of the regulated markets referred to in letters a), b) and c), and/or derivative financial instruments which are not traded on a stock exchange ("OTC derivatives"), provided that
  - the underlyings are instruments within the meaning of this No. 1. a) to h), financial indices (including bond, share and commodity indices which meet all the criteria of a financial index, which must, among other things, be recognised and sufficiently diversified), interest rates, exchange rates or currencies;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision and belonging to the categories approved by the CSSF;

and

  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed out by an offsetting transaction at any time at fair value at the Fund's initiative.
- h) Money Market Instruments which are not traded on a regulated market and which do not fall under the above definition, provided that the issue or issuer of such instruments is itself subject to regulations on the protection of deposits and investors and provided that they 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 non-Member State or, in the case of a Federal State, by one of the members of the federation or by a public international body to which at least one Member State belongs; or
  - issued by an undertaking whose securities are traded on the regulated markets referred to in points (a), (b) and (c) above; or
  - issued or guaranteed by an institution subject to prudential supervision in accordance with the criteria laid down in Community law or by an institution which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down in Community law; or

- issued by other issuers belonging to a category approved by the CSSF, provided that investments in such instruments are subject to investor protection rules equivalent to those laid down in the first, second or third indent and provided that the issuer is either a company with equity capital of at least ten million euro (EUR 10,000.000) which prepares and publishes its annual accounts in accordance with the provisions of the fourth Directive 78/660/EEC, or an entity which, within a group of undertakings comprising one or more listed companies, is responsible for the financing of that group, or an entity which is to finance the securitisation of liabilities through the use of a credit line granted by a bank
- i) Equity investments within the meaning of § 2 paragraph 8 of the German Investment Tax Act. Equity investments in this sense are:
- Shares in corporations admitted to official trading on a stock exchange or admitted to or included in another organised market;
  - Shares in corporations which are domiciled in a Member State of the European Union or in another Contracting State to the Agreement on the European Economic Area and which are subject to income taxation for corporations there and are not exempt from such taxation;
  - Shares in corporations which are resident in a third country and are subject to and not exempt from income taxation for corporations of at least 15% there;
  - Shares in other investment funds (target funds) in the amount of the quota of their value published on valuation days at which they actually invest in the aforementioned shares in corporations; if no actual quota is published, in the amount of the minimum quota specified in the investment conditions of the other investment fund.

2. The respective Sub-Fund may furthermore:

- a) invest up to 10% of its respective net Sub-Fund assets in securities or money market instruments other than those mentioned under No. 1;
- b) hold liquid assets in the amount of up to 20% of its respective net Sub-Fund assets;
- c) borrow for short periods up to the equivalent of 10% of its net assets. These loans may be subject to a pledge or provision of collateral. Hedging transactions in connection with the sale of options or the purchase or sale of forward contracts and futures are not considered borrowing for the purposes of this investment restriction;
- d) acquire foreign exchange in a "back-to-back" transaction.

3. In addition, the Fund will observe the following investment restrictions when investing its assets:

- a) The Fund may invest a maximum of 10% of its respective net Sub-Fund assets in securities or money market instruments of one and the same issuer, whereby the securities held directly in the portfolio and the underlying assets of structured products are considered collectively. The respective Sub-Fund may invest a maximum of 20% of its net Sub-Fund assets in deposits with one and the same institution. The counterparty default risk for transactions of the Fund with OTC derivatives may not exceed 10% of its net assets if the counterparty is a credit institution within the meaning of No. 1. f). For other cases, the limit is a maximum of 5% of the Fund's net assets.
- b) The total value of the transferable securities and money market instruments of issuers in each of which the Sub-Fund invests more than 5% of its net assets may not exceed 40% of the value of its net assets. This limit does not apply to deposits and OTC derivative transactions made with financial institutions subject to regulatory supervision.

Notwithstanding the individual limits set out in No. 3. a), the Fund may invest no more than 20% of its net Sub-Fund assets in any one institution in a combination of

- securities or money market instruments issued by that institution,
- Deposits with this institution or
- OTC derivatives acquired by this institution

invest.

- c) The upper limit specified in No. 3. a), first sentence, shall be a maximum of 35% if the securities or money market instruments are issued or guaranteed by a Member State or its local authorities, by a non-Member State or by public international bodies of which at least one Member State is a member.

- d) The upper limit referred to in No. 3. a), first sentence, shall not exceed 25% for certain bonds if they are issued by a credit institution which has its registered office in a Member State and which is subject to special official supervision by virtue of statutory provisions for the protection of the holders of such bonds. In particular, the proceeds from the issue of such Notes must be invested in accordance with the law in assets which, during the whole period of validity of the Notes, are capable of covering claims attaching to the Notes and which, in the event of default of the issuer, would be used on a priority basis for the repayment of principal and payment of interest.

If the Sub-Fund invests more than 5% of its net assets in debt securities within the meaning of the preceding subparagraph issued by one and the same issuer, the total value of such investments may not exceed 80% of the value of the net assets of the relevant Sub-Fund.

- e) The securities and money market instruments referred to in No. 3. c) and d) shall not be taken into account when applying the investment limit of 40% provided for in No. 3. b).

The limits set out in No. 3. a), b), c) and d) may not be cumulated; therefore, investments made in accordance with No. 3. a), b), c) and d) in transferable securities or money market instruments issued by the same issuer or in deposits made with the same issuer or in derivatives of the same may not exceed 35% of the net assets of the Fund.

Companies belonging to the same group of undertakings for the purpose of drawing up consolidated accounts within the meaning of Directive 83/349/EEC or according to recognised international accounting rules shall be considered as a single issuer for the purpose of calculating the investment limits provided for in these items a) to e).

The Sub-Fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments issued by the same group of companies.

- f) Without prejudice to the investment limits laid down in No. 3. k), l) and m) below, the upper limits laid down in No. 3. a) to e) for investments in shares and/or debt instruments of one and the same issuer shall not exceed 20% if the objective of the investment strategy of the respective Sub-Fund is to track a specific share or debt instrument index recognised by the CSSF. The prerequisite for this is that

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

- g) The limit laid down in No. 3. f) shall be 35% if justified by exceptional market conditions, in particular on regulated markets where certain transferable securities or money market instruments are highly dominant. An investment up to this upper limit is only possible with a single issuer.

- h) Notwithstanding the provisions pursuant to no. 3. a) to e), the respective Sub-Fund may, in accordance with the principle of risk diversification, invest up to 100% of its net Sub-Fund assets in securities and money market instruments of different issues issued or guaranteed by a member state or its local authorities or by an OECD state or by public international bodies, of which one or more Member States are members, provided that (i) such securities are issued in at least six different issues and (ii) no more than 30% of the net assets of the relevant Sub-Fund is invested in securities from any one issue.**

- i) The respective Sub-Fund may acquire units of other UCITS and/or other UCIs within the meaning of no. 1. e) if it does not invest more than 20% of its net Sub-Fund assets in one and the same UCITS or other UCI.

For the purpose of applying this investment limit, each Sub-Fund of an umbrella fund within the meaning of Article 181 of the 2010 Law shall be considered as a separate issuer, provided that the principle of individual liability per Sub-Fund in respect of third parties applies.

- j) Investments in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of the relevant Sub-Fund.

If the Sub-Fund has acquired units of a UCITS and/or other UCI, the investment assets of the relevant UCITS or other UCI will not be taken into account in relation to the limits set out in No. 3. a) to e).

If the Sub-Fund acquires units of other UCITS and/or other UCIs that are managed, directly or indirectly, by the same Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding, the Management Company or such other company may not charge any fees on account of the Fund's subscription or redemption of units of the other UCITS and/or other UCIs.



However, to the extent that the Sub-Fund invests in units in target funds launched and/or managed by other companies, it should be noted that sales commissions and redemption commissions may be charged for these target funds. The sales commissions and redemption commissions paid by the Sub-Fund are disclosed in the annual reports.

Insofar as the Sub-Fund invests in target funds, the Sub-Fund's assets will be charged with fees for Fund administration and Fund management of the target funds in addition to the fees for Fund administration and Fund management of the investing Sub-Fund. In this respect, double charging with regard to fees for Fund administration and Fund management cannot be ruled out.

In general, the acquisition of units in target funds may result in the levying of a management fee at the level of the target fund. The respective Sub-Fund will therefore not invest in target funds that are subject to a management fee of more than 3%. The Fund's annual report will contain information on the maximum proportion of the management fee to be borne by the Fund and the target funds.

- k) The relevant Sub-Fund may not acquire voting shares to an extent that would enable it to exercise significant influence over the management of the issuer.
- l) Furthermore, the Sub-Fund may not invest more than:
  - 10% of the non-voting shares of one and the same issuer;
  - 10% of the debt securities of one and the same issuer;
  - 25% of the units of the same UCITS or other UCI within the meaning of Article 2 paragraph (2) of the 2010 Law;
  - 10% of the money market instruments of one and the same issuer;

Acquire.

The limits laid down in the second, third and fourth indents need not be complied with at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments or the net amount of the units in issue cannot be calculated.

- m) The above provisions according to No. 3. k) and l) are not applicable with regard to:
  - aa) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
  - bb) Securities and money market instruments issued or guaranteed by a third country;
  - cc) Transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
  - dd) Shares in companies incorporated under the laws of a non-Member State, provided that (i) such a company invests its assets mainly in securities of issuing bodies of that State, (ii) under the laws of that State, a participation by the Fund in the capital of such a company is the only possible way of acquiring securities of issuing bodies of that State, and (iii) such company complies, in the context of its investment of assets, with the investment restrictions laid down in No. 3. a) to e) and No. 3. i) to l) above;
  - ee) Shares held in the capital of subsidiary companies carrying on only the business of management, advice or marketing of the Fund in their country of establishment, in respect of the redemption of units at the request of unitholders.
- n) The respective Sub-Fund may not acquire commodities or precious metals, with the exception of certificates that qualify as securities and are recognised as permissible assets within the scope of management practice.
- o) The relevant Sub-Fund may not invest in real estate, although investments in real estate-backed securities or interest thereon or investments in securities issued by companies that invest in real estate and interest thereon are permitted.
- p) No loans or guarantees for third parties may be issued to the detriment of the assets of the respective Sub-Fund, whereby this investment restriction does not prevent the respective Sub-Fund from investing its net assets in securities, money market instruments or other financial instruments within the meaning of no. 1. e), g) and h) above that are not fully paid up, provided that the Sub-Fund in question has sufficient cash or other liquid assets to be able to meet the call on the remaining deposits; such reserves may not already be taken into account within the framework of the sale of options.

- q) Short sales of securities, money market instruments or other financial instruments mentioned in No. 1. e), g) and h) above may not be made.

4. Notwithstanding anything to the contrary contained herein:

- a) the respective Sub-Fund need not comply with the investment limits provided for in nos. 1. to 3. above when exercising subscription rights attached to securities or money market instruments which it holds in its Sub-Fund assets.
- b) the respective Sub-Fund may deviate from the provisions set forth in No. 3. a) to j) above for a period of six months after its admission.
- c) if these provisions are exceeded for reasons beyond the control of the Fund or as a result of subscription rights, the relevant Sub-Fund must, as a priority, seek to rectify the situation in its sales transactions, taking into account the interests of its unitholders.
- d) in the case where an issuer forms a legal entity with several Sub-Funds, in which the assets of a Sub-Fund are exclusively liable to the claims of the investors of this Sub-Fund as well as to the creditors whose claim arose on the occasion of the formation, the term or the liquidation of the Sub-Fund, each Sub-Fund is to be regarded as a separate issuer for the purpose of applying the provisions on risk spreading in no. 3. a) to g) as well as No. 3. i) and j).

The Fund's Management Company is entitled to impose additional investment restrictions if this is necessary to comply with the legal and administrative provisions in countries in which the Fund's units are offered or sold.

5. A Sub-Fund may subscribe for, acquire and/or hold Shares of another Sub-Fund or Sub-Funds of the Fund ("target Sub-Funds") on condition that:

- the target Sub-Funds do not in turn invest in the Sub-Funds; and
- the proportion of assets which the target Sub-Funds may in turn invest in units of other target Sub-Funds of the Fund does not exceed 10% in aggregate; and
- the voting rights, if any, attaching to the relevant Shares are suspended for so long as the target Sub-Fund Shares are held, without prejudice to proper accounting procedures and periodic reports; and
- the value of such Shares shall not be included in the calculation of the net assets of the Fund for so long as such Shares are held by the Sub-Fund insofar as the verification of the minimum net assets of the Fund provided for by the 2010 Law is concerned.

6. Techniques and instruments

The respective Sub-Fund may use derivatives and other techniques and instruments for hedging and efficient portfolio management, for maturity or risk management of the portfolio or for generating income, i.e. for speculative purposes.

If these transactions relate to the use of derivatives, the conditions and limits must be consistent with the provisions of No. 1. to 4. of this Article above. Furthermore, the provisions of No. 7. below of this Article concerning risk management procedures for derivatives shall be taken into account.

7. Risk management procedures for derivatives

Where transactions involve derivatives, the relevant Sub-Fund shall ensure that the global exposure relating to derivatives does not exceed the total net value of its portfolio.

The calculation of the risk takes into account the market value of the underlying assets, the counterparty default risk, future market fluctuations and the liquidation period of the positions. This also applies to the following paragraphs.

- The respective Sub-Fund may invest in derivatives as part of its investment strategy within the limits set out in No. 3. e) of this Article above, provided that the overall risk of the underlying assets does not exceed the investment limits set out in No. 3. a) to e) of this Article above. If the Fund invests in index-based derivatives, these investments do not have to be taken into account in the investment limits of No. 3. a) to e) of this Article above.
- A derivative embedded in a security or money market instrument must be taken into account with regard to the investment limits in 3. e) above of this Article.

The Management Company shall regularly notify the CSSF of the types of derivatives in the portfolio, the risks associated with the respective underlying assets, the investment limits and the methods used to measure the risks associated with derivative transactions in respect of the Fund.

The investment restrictions referred to in this Article 4 relate in principle to the time of acquisition of the respective assets. If the aforementioned limits are exceeded by increases in value after the acquisition, the Management Company shall, taking into account the interests of the investors, bring about a restoration of the investment restrictions.

## **Article 5     UNITS**

1. Shares in the relevant Sub-Fund shall be represented by share certificates, if any, with accompanying income coupons, made out to bearer, unless otherwise provided in the Sales Prospectus.
2. All units of the respective Sub-Funds generally have the same rights and are freely transferable.
3. units are issued to the relevant Sub-Fund and are made out to bearer. They shall be issued in any denomination to be determined by the Management Company. If securitisation takes place in global certificates, there is no entitlement to delivery of effective certificates. This is mentioned in the Sales Prospectus. Insofar as the units are issued in book-entry form by transfer to securities accounts, the Management Company may issue fractional units of up to 0.001 units.
4. The Management Company may provide for several unit classes per Sub-Fund for the Fund. If different unit classes are envisaged, this will also be mentioned in the Sales Prospectus.

The unit classes may differ as follows:

- a) with regard to the cost structure in terms of sales commission, redemption commission and, where applicable, distributor commission;
- b) with regard to the cost structure in terms of the fee for the Management Company, Depositary and investment advisor or Fund Manager;
- c) with regard to the rules on distribution and the minimum subscription amount or minimum contribution;
- d) with regard to the use of the income;
- e) with regard to the currency in which the unit classes are denominated;
- f) in respect of any other criteria determined by the Management Company.

All units are equally entitled to income, capital gains and liquidation proceeds of their unit class from the date of issue.

5. The issue and redemption of units and the making of payments on units or income certificates shall be effected at the offices of the Management Company, the Registrar and Transfer Agent, the Depositary and through any paying agent.
6. The Management Company may carry out a split or consolidation of units within a unit class.
7. Existing unit classes may, in accordance with the provisions of Articles 12 and 13 of the Management Regulations, be dissolved by the Management Company or merged within the Fund or with another UCITS or Sub-Fund/unit class thereof managed by the same Management Company or managed by another Management Company, which other UCITS or Sub-Fund/unit class may be established either in Luxembourg or in another Member State.

## **Article 6     ISSUE OF SHARES**

1. units shall be issued on each valuation day at the unit value plus a sales commission. The amount of the sales commission for the respective Sub-Fund is defined in the Sales Prospectus. The sales commission is charged in favour of the respective intermediary. The issue price may be increased by fees or other charges applicable in the respective distribution countries.
2. The Management Company may at any time at its own discretion reject a subscription application for the respective Sub-Fund or temporarily restrict, suspend or permanently discontinue the issue of units, insofar as this appears necessary in the interest of the unitholders as a whole, for the protection of the Management Company, for the protection of the Fund or Sub-Fund, in the interest of the investment policy or in the event that the specific investment objectives of the respective Sub-Fund are jeopardised. In particular, in order to protect investors, the Management Company will not permit any practices related to market timing and reserves the right to reject subscription applications from any investor whom the Management Company suspects of using such practices and will take the necessary measures if appropriate.

3. The Management Company may, in accordance with the laws of the Grand Duchy of Luxembourg, issue units against delivery of securities if a subscriber requests this procedure and provided that these securities fit within the framework of the investment policy as well as the investment restrictions of the Sub-Fund concerned. In connection with the issue of units against delivery of securities, the Fund's auditor must prepare an expert opinion on the valuation of the securities to be contributed. The costs of any issue of Shares effected in the manner aforesaid shall be borne by the relevant subscriber.
4. units shall generally be acquired at the issue price on the valuation day in accordance with Article 7 No. 1. of the Management Regulations. Subscription applications received by the registrar and transfer agent by 12:00 p.m. (Luxembourg time) on a valuation day will be settled on the basis of the Share value of that valuation day determined on the next following valuation day. Subscription applications received by the registrar and transfer agent after 12:00 p.m. (Luxembourg time) on a valuation day will be settled at the Net Asset Value per Share of the next valuation day, which will be determined on the valuation day after next.

The issue price is payable within three banking days after the relevant valuation day.

5. units shall be allotted by the Depositary on behalf of the Management Company immediately upon receipt of the issue price by the Depositary.
6. The Depositary will promptly return any payments received on unexecuted subscription applications without interest.
7. Savings plans can be offered for the Fund. If savings plans are offered, this is mentioned in the Sales Prospectus. Provided the issue is made under the savings plans offered, no more than one third of each of the payments agreed for the first year will be used to cover costs and the remaining costs will be spread evenly over all subsequent payments.

## **Article 7 SHARE VALUE CALCULATION**

1. The value of a unit ("unit value") is denominated in the unit class currency ("unit class currency") set out in the overview of the relevant Sub-Fund in the Sales Prospectus. It shall be calculated under the supervision of the Depositary by the Management Company or a third party appointed by it on each day specified in the Sales Prospectus of the respective Sub-Fund ("valuation day"). The Sub-Fund and its unit classes are calculated by dividing the net Sub-Fund assets of the respective unit class by the number of units of this unit class in circulation on the valuation day. In so far as information on the situation of the Fund's assets as a whole must be provided in annual and semi-annual reports and other financial statistics on the basis of statutory provisions or in accordance with the regulations of the Management Regulations, this information shall be provided in euros ("reference currency") and the assets of the respective Sub-Funds shall be converted into the reference currency.
2. The respective net Sub-Fund assets are calculated according to the following principles:
  - a) The target fund units contained in the respective Sub-Fund are valued at the last determined and available unit value or redemption price.
  - b) The value of cash on hand or in banks, certificates of deposit and outstanding accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be the respective full amount unless the same is unlikely to be paid or received in full, in which case the value shall be determined by including a reasonable discount to arrive at the actual value.
  - c) The value of assets listed or traded on a stock exchange or other regulated market shall be determined on the basis of the last available price, unless otherwise provided below.
  - d) If an asset is not listed or traded on a stock exchange or on another regulated market or if, for assets which are listed or traded on a stock exchange or on another market as aforementioned, the prices do not adequately reflect the actual market value of the corresponding assets in accordance with the regulations in c), the value of such assets is determined on the basis of the reasonably foreseeable sales price according to a prudent estimate.
  - e) The liquidation value of futures, forwards or options not traded on exchanges or other organised markets shall be the respective net liquidation value as determined in accordance with Board policy on a basis consistently applied to all different types of contracts. The liquidation value of futures, forwards or options traded on exchanges or other organised markets shall be calculated on the basis of the last available settlement prices of such contracts on the exchanges or organised markets on which such futures, forwards or options are traded by the Fund; provided that if a future, forward or option cannot be liquidated on a day for which the net asset value is determined, the valuation basis for such contract shall be determined by the Board in an appropriate and reasonable manner.
  - f) Swaps are valued at their market value.  
Care will be taken to ensure that swap contracts are entered into at arm's length in the exclusive interest of the relevant Sub-Fund.

- g) Money market instruments may be valued at their respective market value as determined by the Management Company in good faith and in accordance with generally accepted valuation rules verifiable by auditors.
- h) All other securities or other assets shall be valued at their fair market value as determined in good faith and in accordance with the procedure to be issued to the Management Company.
- i) The pro rata interest accruing on securities is included insofar as it was not taken into account in the market value (dirty pricing).

The value of all assets and liabilities not expressed in the Sub-Fund's currency will be converted into that currency at the latest available exchange rate. If such rates are not available, the exchange rate shall be determined in good faith and in accordance with the procedure established by the Board.

The Management Company may, at its discretion, permit other valuation methods if it considers this to be appropriate in the interest of a more appropriate valuation of an asset of the Sub-Fund.

If the Management Company is of the opinion that the unit value determined on a particular valuation day does not reflect the actual value of the units of the Sub-Fund, or if there have been significant movements on the relevant stock exchanges and/or markets since the unit value was determined, the Management Company may decide to update the unit value on the same day. In such circumstances, all applications for subscription and redemption received for that valuation day will be honoured on the basis of the unit value updated in accordance with the principle of good faith.

3. If two or more unit classes are established for the respective Sub-Fund in accordance with Article 5 No. 3. of the Management Regulations, the following special features arise for the calculation of the unit value:
  - a) The unit value shall be calculated separately for each unit class in accordance with the criteria listed under No. 2 of this Article.
  - b) The inflow of funds due to the issue of units increases the percentage share of the respective unit class in the total value of the net Fund assets. The cash outflow due to the redemption of units reduces the percentage share of the respective unit class in the total value of the net Fund assets.
  - c) In the event of a distribution, the unit value of the units of the unit class entitled to distribution shall be reduced by the amount of the distribution. At the same time, the percentage share of this share class in the total value of the net Sub-Fund assets decreases, while the percentage share of one or more other share classes not entitled to distributions in the total net Fund assets increases.
4. An income equalisation procedure may be carried out for the respective Sub-Fund.
5. The Management Company may determine the unit value for large redemption requests that cannot be satisfied from the liquid assets and permissible borrowings of the Sub-Fund concerned on the basis of the prices on the valuation day on which it carries out the necessary sales of securities for the Sub-Fund; this then also applies to subscription orders for the Sub-Fund submitted at the same time.

## **Article 8     SETTING THE CALCULATION OF THE SHARE VALUE**

1. The Management Company shall be entitled to temporarily suspend the calculation of the unit value for the Fund or Sub-Fund if and as long as circumstances exist that make this suspension necessary and if the suspension is justified taking into account the interests of the unitholders, in particular:
  - a) during any period when any stock exchange or regulated market where a substantial portion of the assets of the relevant Sub-Fund are officially listed or traded is closed (other than ordinary weekends or holidays) or when trading on such stock exchange or market has been suspended or restricted;
  - b) in emergency situations where the Management Company is unable to dispose of investments of the relevant Sub-Fund or where it is impossible for the Management Company to freely transfer the equivalent value of the investment purchases or sales or to properly carry out the calculation of the unit value.
2. The Management Company shall immediately publish the suspension or resumption of the unit value calculation in at least one daily newspaper in the countries in which units of the Fund are authorised for public distribution and shall notify all unitholders who have offered units for redemption.

## **Article 9 REDEMPTION OF SHARES**

1. Unitholders in the Sub-Fund shall be entitled to request redemption of their units at any time at the redemption price and under the conditions determined in accordance with Article 7 of the Management Regulations of the Fund. This redemption will only take place on a valuation day. Payment of the redemption price shall be made against surrender of the units. If a redemption commission is charged, this will be mentioned in the Prospectus.
2. Redemption shall generally be effected at the redemption price of the respective valuation day. Redemption requests received by the registrar and transfer agent by 12:00 p.m. (Luxembourg time) on a valuation day will be settled at the redemption price of that valuation day determined on the next following valuation day. Redemption applications received by the registrar and transfer agent after 12:00 p.m. (Luxembourg time) on a valuation day will be settled at the unit value of the next valuation day, which will be determined on the valuation day after next. Payment of the redemption price shall be made within three banking days after the relevant valuation day.
3. The Management Company shall be entitled, subject to the prior approval of the Depositary, to make substantial redemptions which cannot be satisfied out of the liquid assets and permitted borrowings of the Fund only after corresponding assets of the Fund have been sold without delay. Investors who have offered their units for redemption shall be informed without delay in an appropriate manner of any failure to service (suspension) the redemption and of the servicing (resumption) of the redemption.
4. The Management Company may decide to temporarily suspend the redemption of units for the Fund. Suspension may only be effected in exceptional cases where circumstances require such suspension and where the suspension is justified having regard to the interests of the unitholders.
5. The Depositary shall only be obliged to make payment to the extent that no statutory provisions, e.g. foreign exchange regulations or other circumstances beyond the Depositary's control, prohibit the remittance of the redemption price to the country of the applicant.
6. The Management Company may unilaterally repurchase units on behalf of the Fund against payment of the redemption price to the extent that this appears necessary in the interest of the unitholders as a whole or for the protection of the Management Company or the Fund.

## **Article 10 ACCOUNTING YEAR AND FINAL AUDIT**

1. The accounting year of the Fund shall begin on 01 January and end on 31 December of the respective year.
2. The annual accounts of the Fund shall be audited by an auditor appointed by the Management Company.

## **Article 11 DISTRIBUTIONS**

1. The Management Company shall determine for each Sub-Fund whether or not distributions shall in principle be made to the unitholders from the respective Sub-Fund assets. This is mentioned in the Sales Prospectus.
2. Notwithstanding the foregoing, the Management Company may from time to time decide to make a distribution.
3. The ordinary income from interest and/or dividends less costs ("net ordinary income") as well as net realised price gains may be distributed.

Furthermore, the unrealised price gains and other assets may be distributed, provided that the net Fund assets do not fall below the minimum limit pursuant to Article 1 No. 1 of the Management Regulations as a result of the distribution.

4. Distributions will be paid on the units in issue on the distribution date. Income unclaimed five years after the publication of a distribution notice shall be forfeited in favour of the relevant Sub-Fund.
5. In the event of the formation of two or more unit classes pursuant to Article 5 No. 3. of these Management Regulations, the specific use of the income of the respective unit class shall be specified in the Fund's Sales Prospectus.

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

1. The Fund shall be established for an indefinite period.
2. Notwithstanding the provision under No. 1. of this Article, the Management Company may at any time dissolve existing Sub-Funds if the relevant net assets of a Sub-Fund fall below an amount which is considered by the Management Company to be the minimum amount required to ensure the efficient management of that Sub-Fund and which has been set at EUR 5 million, as well as in the event of a change in the economic and/or political environment. The dissolution of existing Sub-Funds will be published beforehand.

3. Upon dissolution of a Sub-Fund, the Management Company shall liquidate such Sub-Fund. In doing so, the assets attributable to this Sub-Fund are sold and the liabilities attributable to this Sub-Fund are redeemed. The liquidation proceeds shall be distributed to the unitholders in proportion to their unit holdings. The unclaimed liquidation proceeds after completion of the liquidation of a Sub-Fund shall be deposited accordingly for all remaining and unclaimed amounts in accordance with the provision contained in Article 12 No. 5. of the Management Regulations.
4. The dissolution of the Fund shall be mandatory in the following cases:
  - a) if the duration specified in the Fund's Management Regulations has expired;
  - b) if the Depositary appointment is terminated without a new Depositary appointment being made within the statutory or contractual time limits;
  - c) if insolvency proceedings are opened in respect of the Management Company or the Management Company is dissolved for any reason;
  - d) if the Fund's assets remain below one quarter of the minimum limit pursuant to Article 1 No. 1. of the Management Regulations for more than six months;
  - e) in other cases provided for by the 2010 Law or the Fund's Management Regulations.
5. If an event occurs that leads to the dissolution of the Fund, the issue of units will cease. The redemption of units of the Fund shall continue to be possible if equal treatment of investors is ensured in the process. The Depositary will distribute the liquidation proceeds, net of liquidation costs and fees ("Net Liquidation Proceeds"), among the unitholders of the Fund in accordance with their entitlement, on the instructions of the Management Company or, as the case may be, the liquidators appointed by it or by the Depositary. The net liquidation proceeds not collected from unitholders at the conclusion of the liquidation procedure shall, to the extent then required by law, be converted into Euro and deposited by the Depositary for the account of unitholders with the Caisse de Consignations in Luxembourg upon the conclusion of the liquidation procedure, where such amount shall be forfeited unless claimed there within the statutory period.
6. The unitholders, their heirs or successors in title or creditors may not apply for the dissolution or division of the Fund.

### **Article 13 MERGER OF THE FUND AND OF SUB-FUNDS**

The Management Company may decide, by resolution of the Board of Directors and in accordance with the conditions and procedures set out in the 2010 Law, to merge the Fund or a Sub-Fund with another undertaking for collective investment in transferable securities ("UCITS") or Sub-Fund thereof managed by the same Management Company or managed by another Management Company, which other UCITS or Sub-Fund may be established in Luxembourg, as well as in another Member State.

If the UCITS which ceases to exist or a Sub-Fund of a UCITS is a common Fund (FCP) which ceases to exist as part of a merger, the effectiveness of the merger shall be decided by the Management Company of that UCITS, unless the management regulations provide otherwise. In the case of any investment fund (FCP) that ceases to exist, the decision on effectiveness shall be the subject of a filing with the Commercial and Companies Register and its publication in the RESA of the notice of the filing of the decision with the Commercial and Companies Register in accordance with the provisions of the 2010 Law.

The notice to investors concerning the merger of the Fund or of a Sub-Fund shall be published in a manner appropriate by the Management Company in Luxembourg and in those countries in which the units of the Fund or Sub-Fund are distributed.

The unitholders of the receiving Fund or Sub-Fund as well as of the transferring Fund or Sub-Fund shall have the right for a period of 30 days to request, without charge, the redemption of their units at the relevant unit value or the conversion of their units into units of another Fund or Sub-Fund with a similar investment policy that is managed by the same Management Company or by another company with which the Management Company is affiliated through joint management or control or through a substantial direct or indirect holding. This right shall take effect from the date on which the unitholders of the Merging Fund or Sub-Fund and the shareholders of the Acquiring Fund or Sub-Fund are notified of the proposed merger and shall expire five Banking Days prior to the date of calculation of the exchange ratio.

The units of unitholders who have not requested the redemption or conversion of their units shall be replaced by units of the receiving UCITS or Sub-Fund thereof on the basis of the unit values on the effective date of the merger. Where applicable, unitholders will receive a fractional entitlement.

In the event of a merger between Funds or Sub-Funds, the Funds or Sub-Funds concerned may temporarily suspend subscriptions or redemptions of units to the extent that this appears justified in the interests of investors.

Legal, advisory or administrative costs associated with the preparation and implementation of a merger will not be charged to the Fund or Sub-Fund or its unitholders.

#### **Article 14 COSTS**

The following costs may be charged to the respective Sub-Fund:

1. The Management Company shall receive a fee from the respective net Sub-Fund assets, which shall be calculated daily on the net Sub-Fund assets of the respective unit class of the previous valuation day and paid monthly in arrears. The amount of the remuneration including any minimum remuneration with regard to the individual Sub-Funds is mentioned in the Sales Prospectus. This remuneration is exclusive of any applicable value added tax.
2. The investment adviser or the Fund Manager may receive a fee from the respective net Sub-Fund assets, which is calculated daily on the net Sub-Fund assets of the respective unit class of the previous valuation day and paid monthly in arrears. The amount of the remuneration including any minimum remuneration with regard to the individual Sub-Funds is mentioned in the Sales Prospectus. This remuneration is exclusive of any applicable value added tax.
3. In addition to the aforementioned remuneration, a performance fee may be paid out of the respective Sub-Fund assets. The amount applicable to the respective Sub-Fund, the calculation and payment modality of the performance fee as well as the recipient of the performance fee are mentioned in the Sales Prospectus. This remuneration is exclusive of any applicable value added tax.
4. The Central Depository and / or the registrar and transfer agent may receive out of the relevant net Sub-Fund assets a fee calculated daily on the net Sub-Fund assets of the relevant Share Class of the preceding valuation day and paid monthly in arrears. The amount of the remuneration including any minimum remuneration with regard to the individual Sub-Funds is mentioned in the Sales Prospectus. This remuneration is exclusive of any applicable value added tax.
5. The Depository receives a fee from the respective net Sub-Fund assets, which is calculated daily on the net Sub-Fund assets of the respective unit class of the previous valuation day and paid monthly in arrears. The amount of the remuneration including any minimum remuneration with regard to the individual Sub-Funds is mentioned in the Sales Prospectus. This remuneration is exclusive of any applicable value added tax.
6. When calculating the aforementioned remuneration, individual assets may be disregarded if this is necessary and in the interests of the investors.
7. The Distributor, if any, may receive out of the respective net Sub-Fund assets a fee calculated daily on the net Sub-Fund assets of the respective unit class of the previous valuation day and paid monthly in arrears. The amount of the remuneration including any minimum remuneration with regard to the individual Sub-Funds is mentioned in the Sales Prospectus. This remuneration is exclusive of any applicable value added tax.
8. In addition to the aforementioned remuneration, the following costs in particular may be charged to the respective Sub-Fund:
  - a) all costs associated with the acquisition, disposal and ongoing management of assets;
  - b) a fee at market rates for the provision of direct and indirect operational expenses of the Depository or Management Company, which arise, in particular, from the use of OTC transactions, including the costs of collateral management incurred in the context of OTC transactions, securities lending transactions and repurchase agreements, as well as other costs incurred in the context of OTC derivatives trading;
  - c) Taxes and similar charges levied on the Fund's assets, income or expenses;
  - d) Legal fees incurred by the Management Company or the Depository when acting in the interest of the unitholders of the Fund;
  - e) Fees and expenses for auditors of the Fund;
  - f) Costs for the preparation of share certificates and income certificates;
  - g) Costs for the redemption of yield coupons as well as for the renewal of yield coupon sheets;
  - h) Costs of preparing, filing and publishing the Management Regulations and other documents, such as Prospectuses, relating to the Fund, including costs of applications for registration or written explanations with all registration authorities, stock exchanges (including local securities dealer associations) and other institutions which must be made in connection with the Fund or the offering of its units;



- i) Costs for the preparation of the key investor information *document*;
- j) Printing and distribution costs of the annual and semi-annual reports for the unitholders in all necessary languages, as well as printing and distribution costs of all other reports and documents which are necessary in accordance with the applicable laws and regulations of the aforementioned authorities;
- k) the cost of publications intended for unitholders, including the cost of informing unitholders of the relevant Sub-Fund by means of a durable medium;
- l) an appropriate share of the costs of advertising, marketing support, implementation of the marketing strategy and other marketing measures and of such costs as are directly incurred in connection with the offering and sale of units;
- m) Costs for risk controlling or risk management;
- n) All costs and remunerations in connection with the processing of unit certificate transactions and the keeping of the register as well as sales services;
- o) Costs for the credit rating of the Fund or Sub-Fund by nationally and internationally recognised rating agencies;
- p) Costs in connection with any listing;
- q) Remuneration, expenses and other costs of the paying agents, the distributors, if any, as well as other offices to be established abroad, if necessary;
- r) Expenses of any investment committee or ethics committee;
- s) Expenses of an administrative or supervisory board;
- t) Costs for the establishment of the Fund or individual Sub-Funds and the initial issue of units;
- u) other costs of administration including costs for interest groups;
- v) any licence fees for the use of indices
- w) Performance attribution costs;;
- x) Insurance costs;
- y) interest accruing under borrowings made pursuant to Article 4 of the Management Regulations; and
- z) Costs related to the implementation of regulatory requirements / reforms.

All aforementioned costs, fees, charges and expenses are exclusive of any applicable value added tax.

- 9. All costs are first charged to ordinary income, then to capital gains and finally to the Fund assets.
- 10. The costs of the individual Sub-Funds are calculated separately insofar as they affect the respective Sub-Fund alone.
- 11. The Management Company, the Depositary, the Fund Manager, the Investment Adviser and the Distributor may use their proceeds to support sales and marketing activities of the intermediaries and to pay recurring sales commissions and sales trail commissions. The amount of these commissions is usually assessed depending on the volume of Funds brokered.
- 12. The formation costs may be written off in equal instalments in the Fund assets of the Sub-Funds existing at the time of formation within the first two financial years. The formation expenses shall be charged to the Sub-Funds created at the time of formation. Costs in connection with the launch of further Sub-Funds shall be written off in the respective Sub-Fund assets to which they are attributable within the first two financial years after the launch of the respective Sub-Fund.
- 13. The total cost burden with regard to the respective Sub-Fund or its unit classes is mentioned in the Sales Prospectus.

## **Article 15 JUSTIFICATION**

Claims of unitholders against the Management Company or the Depositary may no longer be asserted in court after the expiry of five years after the claim arose; this shall not affect the provision contained in Article 12 No. 5. of the Management Regulations.

## **Article 16    CHANGES**

The Management Company may amend the Management Regulations in whole or in part at any time with the consent of the Depositary.

## **Article 17    PUBLICATIONS**

1. Versions of the Management Regulations valid for the first time as well as amendments to the Management Regulations shall be deposited with the Commercial and Companies Register. Their publication in the RESA is effected by publishing a notice that the respective document has been deposited with the Commercial and Companies Register in accordance with the provisions of the 2010 Act.
2. Issue and redemption prices may be obtained from the Management Company, the Depositary and any paying agent.
3. The Management Company shall prepare a Sales Prospectus, *Key Investor Information Documents*, an audited annual report and a semi-annual report for the Fund in accordance with the legal provisions of the Grand Duchy of Luxembourg.
4. The Fund documents referred to in No. 3 of this Article may be obtained by unitholders at the registered office of the Management Company, the Depositary and at any paying agent or Distributor.
5. The dissolution of the Fund pursuant to Article 12 of the Management Regulations shall be filed with the Commercial and Companies Register by the Management Company in accordance with the statutory provisions and published in the RESA and in at least two national daily newspapers, one of which shall be a Luxembourg newspaper.

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

1. The Management Regulations of the Fund are governed by Luxembourg law. In particular, the provisions of the 2010 Law shall apply in addition to the provisions of the Fund's Management Regulations. The same applies to the legal relationships between the unitholders, the Management Company and the Depositary.
2. Any dispute between unitholders, the Management Company and the Depositary shall be subject to the jurisdiction of the competent court in the Grand Duchy of Luxembourg. The Management Company and the Depositary shall be entitled to submit themselves and the Fund to the jurisdiction and law of any country in which units of the Fund are publicly distributed in respect of matters relating to the Fund to the extent of claims of investors resident in that country.
3. The German wording of the Management Regulations shall prevail unless otherwise expressly provided in the Management Regulations.

## **Article 19    INCORPORATE**

These Management Regulations shall enter into force on the day of their signature, unless otherwise provided. Amendments to the Management Regulations shall also enter into force on the day they are signed, unless otherwise provided.

## ANNEX A

### Pre-contractual information on financial products referred to in Article 8(1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6(1) of Regulation (EU) 2020/852

Name of the product:  
LOYS FCP - LOYS GLOBAL L/S

Company identifier (LEI code):  
529900S3MLEGH7YGOI61

## Ecological and/or social characteristics

### Is this financial product aimed at sustainable investments?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ A minimum share of **sustainable investments with an environmental objective** is thus made: \_\_\_\_%

☐ in economic activities that are classed as environmentally sustainable according to EU taxonomy.

☐ in economic activities that are not classed as environmentally sustainable according to EU taxonomy.

☐ A minimum share of **sustainable investments with a social objective** is thus made: \_\_\_\_%

☒ It **advertises environmental/social features** and although it does not target sustainable investments, it includes a minimum 20% sustainable investment content.

☐ with an environmental objective in economic activities that are classified as environmentally sustainable according to the EU taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU taxonomy

☒ with a social objective

☐ It advertises environmental/social features but does **not make sustainable investments**.

A **sustainable investment** is an investment in an economic activity that contributes to the achievement of an environmental objective or a social objective, provided that this investment does not significantly compromise any environmental objectives or social objectives and the enterprises invested in apply good corporate governance practices

The **EU taxonomy** is a classification system set out in Regulation (EU) 2020/852 that provides a list of **environmentally sustainable economic activities**. This Regulation does not specify a list of socially sustainable economic activities. Sustainable investments with an environmental objective might or might not be taxonomy compliant.



### What environmental and/or social features are being promoted with this financial product?

The Sub-Fund invests a predominant part of its assets in investments that contribute to relevant environmental (in particular, reduction of greenhouse gas emissions, potential contribution to the reduction of global warming, reduction of the use of fossil fuels, as well as reduction of energy consumption) and social (in particular, respect for human rights and protection of health) characteristics. The Sub-Fund aims to promote these environmental and social characteristics by investing in equities selected under an appropriate ESG/sustainability approach.

The Sub-Fund holds sustainable investments within the meaning of Article 2 (17) of the Sustainability Disclosure Regulation EU 2019/2088 ("SFDR") to the extent of at least 20% of the Sub-Fund's net assets. In doing so, the Sub-Fund has a broad objective of supported environmental and social goals and is aligned with the UN Sustainable Development Goals ("UN SDG").

The Sub-Fund does not seek to make sustainable investments within the meaning of the EU Taxonomy Regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund does not use a benchmark.

**Sustainability indicators** measure the extent to which the environmental or social characteristics advertised with the financial product are achieved.

**What sustainability indicators are used to measure the achievement of the individual environmental or social features promoted by this financial product?**

The Sub-Fund uses various sustainability indicators for the selection of investments in order to be able to assess the suitability of the investments in terms of the contribution of the advertised environmental and social characteristics. The sustainability indicators are obtained from the external data provider MSCI. The Sub-Fund will apply the following elements in its portfolio management, i.e. in the selection of investments as well as in the management of existing investments:

1) Exclusion criteria

<b>Exclusion criteria</b>
Turnover from the manufacture and / or sale of military equipment
Turnover from the manufacture and / or distribution of outlawed weapons
Turnover from the production of tobacco
Turnover from the production and / or distribution of coal
Serious violations of the UN Global Compact Code (without positive perspective)

2) ESG Rating

Investments that do not violate the exclusion criteria are assessed in a next step with regard to their MSCI ESG rating.

MSCI determines an ESG rating based on the identification and assessment of material ESG opportunities and risks relevant to issuers in a given industry. MSCI determines an ESG rating on a scale from “AAA” (best rating) to “CCC” (worst rating).

3) Contribution to UN Sustainable Development Goals – only relevant for investments that qualify as sustainable according to Art. 2 (17) SFDR

Investments that have successfully passed both previous assessment steps in the ESG/sustainability analysis are assessed in a further step with regard to their contribution to one of the UN SDGs. In the course of this assessment, the investments are first evaluated with regard to a possible positive contribution to one of the UN SDGs.

If a positive contribution can be identified, the next step is to assess the investment in terms of compliance with the “do no significant harm principle” (“DNSH”). Selected “Key Issue Scores” from MSCI’s “MSCI ESG Ratings” module are taken into account.

Finally, in addition to the previous UN Global Compact assessment, the investments are also assessed with regard to human rights compliance and labour compliance.

**What are the objectives of the sustainable investment that the financial product is partly intended to achieve, and how does the sustainable investment contribute to these objectives?**

The Sub-Fund aims to contribute positively to the UN SDGs with a portion of its assets. In doing so, the Sub-Fund pursues a general strategy in relation to the promotion of the SDGs. The goals of the UN SDGs pursue, among other things, the fulfilment of basic needs, e.g. UN SDG 6 “Clean water and sanitation”, or empowerment, e.g. UN SDG 4 “Quality education”.

The Sub-Fund aims to hold sustainable investments within the meaning of Article 2 (17) SFDR, but not sustainable investments within the meaning of the EU Taxonomy Regulation.



***To what extent will the sustainable investments to be made with the financial product in part not significantly harm any of the environmental or social sustainable investment objectives?***

An assessment is made based on selected MSCI Key Issue Scores to review investments for compliance with the DNSH principle.

All investments that are to qualify as sustainable according to Article 2 (17) SFDR must not have a score lower than 2.9.

***How were the indicators for adverse impacts on sustainability factors considered?***

The Sub-Fund systematically takes into account – for the respective share of investments – specific criteria and sustainability indicators at various levels (exclusion criteria, ESG rating, contribution to UN SDGs, key issue scores) as part of the ESG/sustainability strategy. The content requirements of the adverse impact indicators in Annex I Table 1 (Impact Areas) are taken into account indirectly via selected MSCI Key Issue Scores. None of the investments that are to qualify as sustainable pursuant to Art. 2 (17) SFDR may have a score lower than 2.9. In addition, the indicators 4, 10, 14 for adverse effects according to Annex I Table 1 are limited via defined exclusion criteria.

***How do sustainable investments comply with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights? More details:***

The MSCI Controversies & Global Norms module is used to assess UN Global Compact, Human Rights Compliance and Labour Compliance. Any investment that is to qualify as sustainable according to Article 2 (17) SFDR must not show any non-compliance in this respect.

***The EU taxonomy sets out the principle of “avoidance of significant impairment”, according to which taxonomy-compliant investments must not significantly impair the objectives of the EU taxonomy, and specific EU criteria are attached.***

The principle of “avoidance of significant adverse impacts” only applies to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining part of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

***All other sustainable investments must also not significantly compromise environmental or social objectives.***

***Remark: The Sub-Fund does not seek to make sustainable investments within the meaning of the EU Taxonomy Regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.***



## Does this financial product take into account the main adverse impacts on sustainability factors?

**X**

Yes, the Sub-Fund takes into account the following main adverse sustainability impacts (PAIs) for the investments which are intended to contribute to the achievement of the environmental and social characteristics:

The **main adverse impacts** are the most significant adverse impacts of investment decisions on sustainability factors in the areas of environment, social and employment issues, respect for human rights and combating corruption and bribery.

#	PAI	Cover	
		Via	Type of investment <sup>14</sup>
Shares and corporate bonds			
CLIMATE INDICATORS AND OTHER ENVIRONMENT-RELATED INDICATORS			
1	GHG emissions	Key Issue Score	# 1 A - sustainable investments
2	carbon footprint	Key Issue Score	# 1 A - sustainable investments
3	GHG emission intensity of the companies in which investments are made	Key Issue Score	# 1 A - sustainable investments
4	Exposure to companies active in the fossil fuel sector	Exclusion criterion	# 1 - E/S Features
		Key Issue Score	# 1 A - sustainable investments
5	Share of energy consumption and generation from non-renewable energy sources	Key Issue Score	# 1 A - sustainable investments
6	Intensity of energy consumption by climate-intensive sectors	Key Issue Score	# 1 A - sustainable investments
7	Activities that adversely affect areas with biodiversity in need of protection	Key Issue Score	# 1 A - sustainable investments
8	Emissions in water	Key Issue Score	# 1 A - sustainable investments
9	Proportion of hazardous and radioactive waste	Key Issue Score	# 1 A - sustainable investments
INDICATORS IN THE AREAS OF SOCIAL AFFAIRS AND EMPLOYMENT, RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION AND BRIBERY			
10	Violations of the UNGC Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.	Exclusion criterion	# 1 - E/S Features
		Key Issue Score	# 1 A - sustainable investments

<sup>14</sup> # 1 – E/S Characteristics – refers to “#1 Aligned with Environmental or Social Characteristics” from Asset Allocation. Under “#1 - E/S Characteristics”, both equities and corporate bonds, as well as government bonds are included, bearing in mind that dedicated PAI indicators for equities & corporate bonds and government bonds are considered in each case.

11	Lack of processes and compliance mechanisms to monitor adherence to the UNGC Principles and OECD Guidelines for Multinational Enterprises	Key Issue Score	# 1 A - sustainable investments
12	Unadjusted gender pay gap	<i>Due to a lack of or inconsistent data coverage, a consideration of these PAIs cannot be guaranteed at the current time.</i>	
13	Gender diversity in the management and control bodies		
14	Engagement in controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)	Exclusion criterion	# 1 - E/S Features
		Key Issue Score	# 1 A - sustainable investments

The results are reported on in the annual report.

 No

The investment strategy serves as a guide for investment decisions, taking into account certain criteria such as investment objectives or risk tolerance.

### What is the investment strategy of this financial product?

The investment objective of LOYS FCP - LOYS Global L/S is to achieve capital appreciation of the assets contributed by the unitholders. In order to achieve this investment objective, the Sub-Fund's assets will be invested in accordance with the principle of risk diversification.

The Fund Manager will take into account any risks related to sustainability (environmental, social and governance aspects) when making investment decisions, as well as on an ongoing basis during the investment life of the Sub-Fund's existing investments.

However, no assurance can be given that the aforementioned investment policy objectives will be achieved.

The Sub-Fund's ESG/Sustainability Strategy, as previously outlined, takes into account the following elements depending on the extent to which the investments are expected to contribute to the advertised environmental and social characteristics:

- Negative screening (exclusion criteria)
- Positive screening (ESG rating)
- Sustainable investments according to Art. 2 (17) SFDR
- Consideration of PAIs (*applies exclusively to “# 1 A - sustainable investments”*)

### What are the binding elements of the investment strategy used to select investments to meet the advertised environmental or social objectives?

All potential investments are subject to an assessment by the Fund Manager. The Fund Manager bases this assessment on the data and information provided by MSCI.

The following sustainability indicators are binding in the context of the investment decision, whereby exclusion criteria and ESG rating must be complied with at least for investments in accordance with “#1 Focused on environmental or social characteristics”<sup>15</sup> and for investments

<sup>15</sup> See section – Asset allocation

in accordance with #1A “Sustainable investments”<sup>16</sup> the requirements regarding contribution to the UN SDGs are also relevant.

#### 1) Exclusion criteria

The following exclusion criteria are relevant for at least 70% of the net Sub-Fund assets. An exclusion criterion is applicable if an investment does not comply with the respective limit value.

<b>Exclusion criteria</b>	<b>Limit value</b>
Turnover from the manufacture and / or sale of military equipment	≤ 10%
Turnover from the manufacture and / or distribution of outlawed weapons	0%
Turnover from the production of tobacco	≤ 5%
Turnover from the production and / or distribution of coal	≤ 30%
Serious violations of the UN Global Compact Code (without positive perspective)	

#### 2) ESG Rating

Investments that do not violate the exclusion criteria are assessed in a next step with regard to their MSCI ESG rating.

MSCI determines an ESG rating based on the identification and assessment of material ESG opportunities and risks relevant to issuers in a given industry. MSCI determines an ESG rating on a scale from “AAA” (best rating) to “CCC” (worst rating).

At least 51% of the Sub-Fund’s investments must have a minimum rating of “BB”.

#### 3) Contribution to UN Sustainable Development Goals – only relevant for investments that qualify as sustainable according to Art. 2 (17) SFDR

Investments that have successfully passed both previous assessment steps in the ESG/sustainability analysis are assessed in a further step with regard to their contribution to one of the UN SDGs. In the course of this assessment, the investments are first evaluated with regard to a possible positive contribution to one of the UN SDGs. The assessment of positive contribution is made based on information from the MSCI Sustainable Impact Metrics module. The sustainability indicator “SDG Net Alignment Score” is used to assess the positive contribution. This sustainability indicator measures the contribution of the investment per UN SDG on a scale from “Strongly Misaligned” (most negative contribution) to “Strongly Aligned” (most positive contribution). An investment must make a positive contribution, i.e. “Aligned” or “Strongly Aligned” on at least one UN SDG.

If a positive contribution can be identified, the next step is to assess the investment in terms of compliance with the “do no significant harm principle” (“DNSH”). Selected “Key Issue Scores” from MSCI’s “MSCI ESG Ratings” module are taken into account. The “Key Issue Scores” are assigned in relation to sustainability-relevant key risks on a scale of 0 - 10. To ensure compliance with the “do no significant harm principle”, investments are required to achieve a score of ≥ 2.9.

Finally, in addition to the previous UN Global Compact assessment, the investments are also assessed with regard to human rights compliance and labour compliance. This final assessment is based on information from MSCI’s “MSCI Controversies & Global Norms” module. The assessment consists of four individual assessments whose result can be “Pass”, “Watch List” or “Fail”. The investments must have at least a “pass” in all individual assessments.

Investments that meet the requirements of all three steps are fully qualified as sustainable in-

**Good governance practices** include sound **management** structures, employee relations, employee remuneration and tax compliance.

<sup>16</sup> See section – Asset allocation



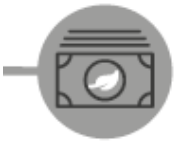
vestments according to Article 2 (17) SFDR.

- **By what minimum rate is the size of the investments considered before applying this investment strategy reduced?**

The Sub-Fund has not set a minimum rate of reduction for the investments under consideration.

- **How are the good governance practices of the companies invested in assessed?**

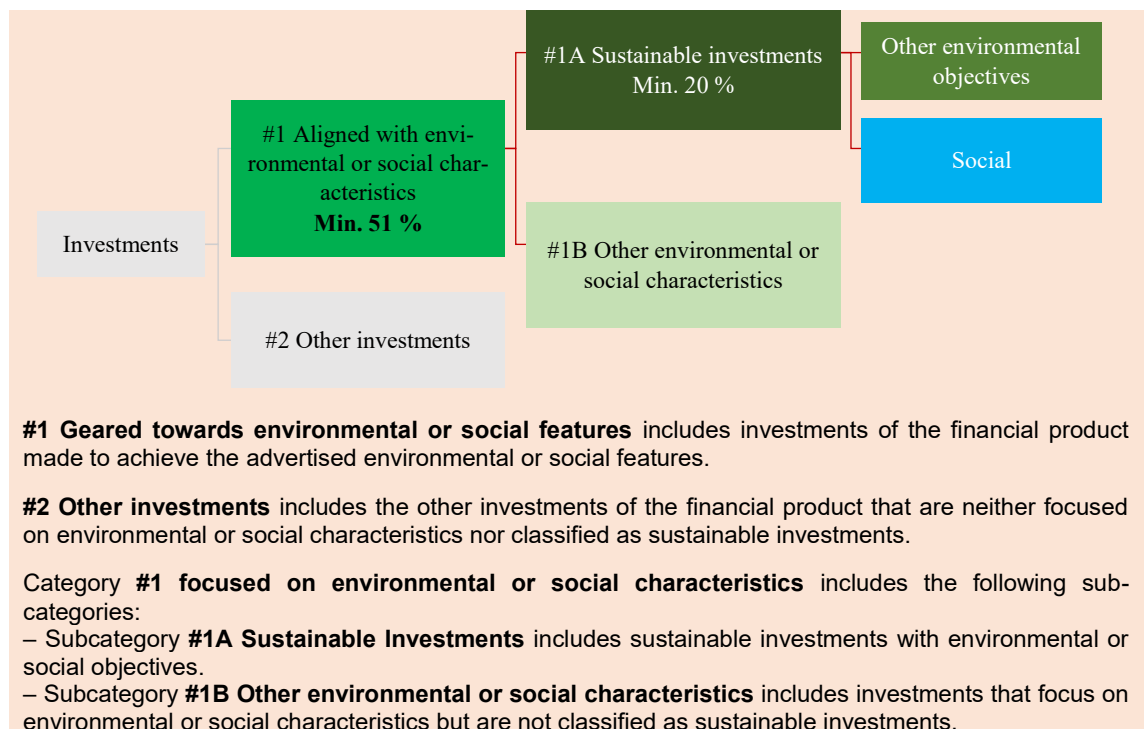
The assessment of compliance with good corporate governance standards is taken into account directly via the exclusion criterion "Serious violations of the UN Global Compact Code (without positive outlook)" and indirectly via the MSCI ESG rating (min. BB) of the respective investment. MSCI also takes into account companies' good governance practices when assessing and valuing them. This applies to all investments which are intended to contribute to the achievement of the advertised environmental and social characteristics of the Sub-Fund ("#1 Geared towards environmental or social characteristics").



The **asset allocation** indicates the respective share of investments in specific assets.

### What asset allocation is planned for this financial product?

For the allocation of the Sub-Fund, please refer to the following:



### **To what extent does the use of derivatives achieve the environmental or social characteristics advertised by the financial product?**

The Sub-Fund does not use derivatives to promote the advertised environmental and social characteristics.

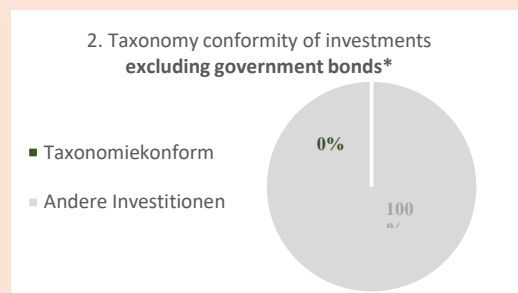
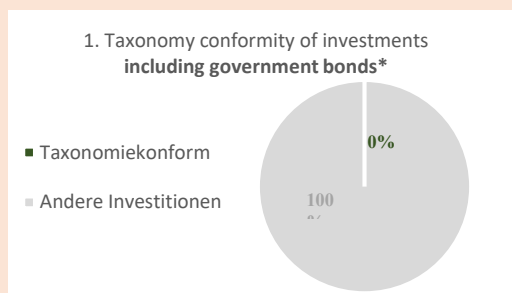


### **To what minimum extent are sustainable investments with an environmental objective compliant with EU taxonomy?**

The Sub-Fund does not seek to make sustainable investments within the meaning of the EU Taxonomy Regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.

The minimum is 0%.

***In the two charts below, the minimum percentage of investments that are compliant with the EU taxonomy is shown in green. As there is no suitable method for determining the taxonomy compliance of government bonds\*, the first chart shows the taxonomy compliance in relation to all investments of the financial product including government bonds, while the second chart shows the taxonomy compliance only in relation to the investments of the financial product that do not include government bonds.***



\* For the purposes of these charts, the term "government bonds" includes all risk positions vis-à-vis sovereigns.

#### **What is the minimum proportion of investment in transitional and enabling activities?**

The Sub-Fund does not seek to make sustainable investments within the meaning of the EU Taxonomy Regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.

The minimum is 0%.

#### **What is the minimum percentage of sustainable investments with an environmental objective that are not compliant with the EU taxonomy?**

Sustainable investments are examined as a contribution to the SDGs. As these include both environmental and social objectives, no minimum percentage is set.

Therefore, at least 20% consists of sustainable investments with environmental and/or social objectives.

#### **What is the minimum percentage of socially sustainable investments?**

Since, as previously explained, a separation is not possible in the valuation of sustainable investments, no minimum share is specified.

Therefore, at least 20% consists of sustainable investments with environmental and/or social objectives.

#### **Which investments fall under "#2 Other investments", what is their investment purpose, and is there a minimum environmental or social protection?**

These may be bank deposits, derivatives in the context of hedging transactions or in the course of the application of techniques and instruments for efficient portfolio management, as well as investments that do not meet the sustainability indicators or do not have sufficient information to allow an appropriate assessment.

The above-mentioned minimum exclusions, which take into account both environmental and social criteria and thus provide a certain minimum level of protection, apply to at least 70% of the net Sub-Fund assets. For the remaining investments, no special criteria are provided with regard to minimum environmental or social protection.

**Enabling activities** have a direct enabling effect on other activities making a significant contribution to environmental objectives.

**Transition activities** are activities for which low-carbon alternatives are not yet available and which, among other things, have greenhouse gas emission levels that correspond to best performance.

are sustainable investments with an environmental objective that do **not** take into account the criteria for environmentally sustainable economic activities according to the EU taxonomy.



**Has an index been determined as a reference value to determine whether this financial product is aligned with the advertised environmental and/or social characteristics?**

The Sub-Fund does not use a benchmark.

- ***To what extent is the reference value continuously aligned with the environmental and social characteristics advertised with the financial product?***

The Sub-Fund does not use a benchmark.

- ***How is the continuous alignment of the investment strategy with the index method ensured?***

The Sub-Fund does not use a benchmark.

- ***How does the particular index differ from a relevant broad market index?***

The Sub-Fund does not use a benchmark.

- ***Where can the method for calculating the particular index be viewed?***

The Sub-Fund does not use a benchmark.



**Where can I find more product-specific information on the Internet?**

***Further product-specific information is available at:***

You can find more information about the product under the following link: [www.hal-privatbank.com](http://www.hal-privatbank.com)

## ANNEX B

### Pre-contractual information relating to the services referred to in Article 8(1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6(1) of Regulation (EU) 2020/852 financial products

**Name of the product:**  
LOYS FCP - LOYS AKTIEN EUROPA

**Company identifier (LEI code):**  
529900XG6HJMSU1LTT79

### Ecological and/or social characteristics

#### Is this financial product aimed at sustainable investments?



**Yes**



**No**

☐ A minimum share of **sustainable investments with an environmental objective** is thus made: \_\_\_\_%

☐ in economic activities that are classed as environmentally sustainable according to EU taxonomy.

☐ in economic activities that are not classed as environmentally sustainable according to EU taxonomy.

☐ A minimum share of **sustainable investments with a social objective** is thus made: \_\_\_\_%

☒ It **advertises environmental/social features** and although it does not target sustainable investments, it includes a minimum 20% sustainable investment content.

☐ with an environmental objective in economic activities that are classified as environmentally sustainable according to the EU taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU taxonomy

☒ with a social objective

☐ It advertises environmental/social features but does **not make sustainable investments**.

#### What environmental and/or social features are being promoted with this financial product?

The Sub-Fund invests a predominant part of its assets in investments that contribute to relevant environmental (in particular, reduction of greenhouse gas emissions, potential contribution to the reduction of global warming, reduction of the use of fossil fuels, as well as reduction of energy consumption) and social (in particular, respect for human rights and protection of health) characteristics. The Sub-Fund aims to promote these environmental and social characteristics by investing in equities selected under an appropriate ESG/sustainability approach.

The Sub-Fund holds sustainable investments within the meaning of Article 2 (17) of the Sustainability Disclosure Regulation EU 2019/2088 ("SFDR") to the extent of at least 20% of the Sub-Fund's net assets. In doing so, the Sub-Fund has a broad objective of supported environmental and social goals and is aligned with the UN Sustainable Development Goals ("UN SDG").

The Sub-Fund does not seek to make sustainable investments within the meaning of the EU Taxonomy Regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund does not use a benchmark.

**Sustainability indicators** measure the extent to which the environmental or social characteristics advertised with the financial product are achieved.

**What sustainability indicators are used to measure the achievement of the individual environmental or social features promoted by this financial product?**

The Sub-Fund uses various sustainability indicators for the selection of investments in order to be able to assess the suitability of the investments in terms of the contribution of the advertised environmental and social characteristics. The sustainability indicators are obtained from the external data provider MSCI. The Sub-Fund will apply the following elements in its portfolio management, i.e. in the selection of investments as well as in the management of existing investments:

1) Exclusion criteria

<b>Exclusion criteria</b>
Turnover from the manufacture and / or sale of military equipment
Turnover from the manufacture and / or distribution of outlawed weapons
Turnover from the production of tobacco
Turnover from the production and / or distribution of coal
Serious violations of the UN Global Compact Code (without positive perspective)

2) ESG Rating

Investments that do not violate the exclusion criteria are assessed in a next step with regard to their MSCI ESG rating.

MSCI determines an ESG rating based on the identification and assessment of material ESG opportunities and risks relevant to issuers in a given industry. MSCI determines an ESG rating on a scale from “AAA” (best rating) to “CCC” (worst rating).

3) Contribution to UN Sustainable Development Goals – only relevant for investments that qualify as sustainable according to Art. 2 (17) SFDR

Investments that have successfully passed both previous assessment steps in the ESG/sustainability analysis are assessed in a further step with regard to their contribution to one of the UN SDGs. In the course of this assessment, the investments are first evaluated with regard to a possible positive contribution to one of the UN SDGs.

If a positive contribution can be identified, the next step is to assess the investment in terms of compliance with the “do no significant harm principle” (“DNSH”). Selected “Key Issue Scores” from MSCI’s “MSCI ESG Ratings” module are taken into account.

Finally, in addition to the previous UN Global Compact assessment, the investments are also assessed with regard to human rights compliance and labour compliance.

**What are the objectives of the sustainable investment that the financial product is partly intended to achieve, and how does the sustainable investment contribute to these objectives?**

The Sub-Fund aims to contribute positively to the UN SDGs with a portion of its assets. In doing so, the Sub-Fund pursues a general strategy in relation to the promotion of the SDGs. The goals of the UN SDGs pursue, among other things, the fulfilment of basic needs, e.g. UN SDG 6 “Clean water and sanitation”, or empowerment, e.g. UN SDG 4 “Quality education”.

The Sub-Fund aims to hold sustainable investments within the meaning of Article 2 (17) SFDR, but not sustainable investments within the meaning of the EU Taxonomy Regulation.

***To what extent will the sustainable investments to be made with the financial product in part not significantly harm any of the environmental or social sustainable investment objectives?***

An assessment is made based on selected MSCI Key Issue Scores to review investments for compliance with the DNSH principle.

All investments that are to qualify as sustainable according to Article 2 (17) SFDR must not have a score lower than 2.9.

***How were the indicators for adverse impacts on sustainability factors considered?***

The Sub-Fund systematically takes into account – for the respective share of investments – specific criteria and sustainability indicators at various levels (exclusion criteria, ESG rating, contribution to UN SDGs, key issue scores) as part of the ESG/sustainability strategy. The content requirements of the adverse impact indicators in Annex I Table 1 (Impact Areas) are taken into account indirectly via selected MSCI Key Issue Scores. None of the investments that are to qualify as sustainable pursuant to Art. 2 (17) SFDR may have a score lower than 2.9. In addition, the indicators 4, 10, 14 for adverse effects according to Annex I Table 1 are limited via defined exclusion criteria.

***How do sustainable investments comply with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights? More details:***

The MSCI Controversies & Global Norms module is used to assess UN Global Compact, Human Rights Compliance and Labour Compliance. Any investment that is to qualify as sustainable according to Article 2 (17) SFDR must not show any non-compliance in this respect.

*The EU taxonomy sets out the principle of “avoidance of significant impairment”, according to which taxonomy-compliant investments must not significantly impair the objectives of the EU taxonomy, and specific EU criteria are attached.*

The principle of “avoidance of significant adverse impacts” only applies to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining part of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*All other sustainable investments must also not significantly compromise environmental or social objectives.*

*Remark: The Sub-Fund does not seek to make sustainable investments within the meaning of the EU Taxonomy Regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.*



## Does this financial product take into account the main adverse impacts on sustainability factors?

**X**

Yes, the Sub-Fund takes into account the following main adverse sustainability impacts (PAIs) for the investments which are intended to contribute to the achievement of the environmental and social characteristics:

The **main adverse impacts** are the most significant adverse impacts of investment decisions on sustainability factors in the areas of environment, social and employment issues, respect for human rights and combating corruption and bribery.

#	PAI	Cover	
		Via	Type of investment <sup>17</sup>
Shares and corporate bonds			
CLIMATE INDICATORS AND OTHER ENVIRONMENT-RELATED INDICATORS			
1	GHG emissions	Key Issue Score	# 1 A - sustainable investments
2	carbon footprint	Key Issue Score	# 1 A - sustainable investments
3	GHG emission intensity of the companies in which investments are made	Key Issue Score	# 1 A - sustainable investments
4	Exposure to companies active in the fossil fuel sector	Exclusion criterion	# 1 - E/S Features
		Key Issue Score	# 1 A - sustainable investments
5	Share of energy consumption and generation from non-renewable energy sources	Key Issue Score	# 1 A - sustainable investments
6	Intensity of energy consumption by climate-intensive sectors	Key Issue Score	# 1 A - sustainable investments
7	Activities that adversely affect areas with biodiversity in need of protection	Key Issue Score	# 1 A - sustainable investments
8	Emissions in water	Key Issue Score	# 1 A - sustainable investments
9	Proportion of hazardous and radioactive waste	Key Issue Score	# 1 A - sustainable investments
INDICATORS IN THE AREAS OF SOCIAL AFFAIRS AND EMPLOYMENT, RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION AND BRIBERY			
10	Violations of the UNGC Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.	Exclusion criterion	# 1 - E/S Features
		Key Issue Score	# 1 A - sustainable investments

<sup>17</sup> # 1 – E/S Characteristics – refers to “#1 Aligned with Environmental or Social Characteristics” from Asset Allocation. Under “#1 - E/S Characteristics”, both equities and corporate bonds, as well as government bonds are included, bearing in mind that dedicated PAI indicators for equities & corporate bonds and government bonds are considered in each case.

11	Lack of processes and compliance mechanisms to monitor adherence to the UNGC Principles and OECD Guidelines for Multinational Enterprises	Key Issue Score	# 1 A - sustainable investments
12	Unadjusted gender pay gap	<i>Due to a lack of or inconsistent data coverage, a consideration of these PAIs cannot be guaranteed at the current time.</i>	
13	Gender diversity in the management and control bodies		
14	Engagement in controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)	Exclusion criterion	# 1 - E/S Features
		Key Issue Score	# 1 A - sustainable investments

The results are reported on in the annual report.

 No

### What is the investment strategy of this financial product?

The objective of the investment policy of LOYS FCP - LOYS AKTIEN EUROPA is to achieve a sustained increase in the value of the investment funds contributed by the unitholders.

The Fund Manager will take into account any risks related to sustainability (environmental, social and governance aspects) when making investment decisions, as well as on an ongoing basis during the investment life of the Sub-Fund's existing investments.

However, no assurance can be given that the aforementioned investment policy objectives will be achieved.

The Sub-Fund's ESG/Sustainability Strategy, as previously outlined, takes into account the following elements depending on the extent to which the investments are expected to contribute to the advertised environmental and social characteristics:

- Negative screening (exclusion criteria)
- Positive screening (ESG rating)
- Sustainable investments according to Art. 2 (17) SFDR
- Consideration of PAIs (*applies exclusively to "# 1 A - sustainable investments"*)

### What are the binding elements of the investment strategy used to select investments to meet the advertised environmental or social objectives?

All potential investments are subject to an assessment by the Fund Manager. The Fund Manager bases this assessment on the data and information provided by MSCI.

The following sustainability indicators are binding in the context of the investment decision, whereby exclusion criteria and ESG rating must be complied with at least for investments in accordance with "#1 Focused on environmental or social characteristics"<sup>18</sup> and for investments in accordance with #1A "Sustainable investments"<sup>19</sup> the requirements regarding contribution to the UN SDGs are also relevant.

<sup>18</sup> See section – Asset allocation

<sup>19</sup> See section – Asset allocation



### 1) Exclusion criteria

The following exclusion criteria are relevant for at least 70% of the net Sub-Fund assets. An exclusion criterion is applicable if an investment does not comply with the respective limit value.

<b>Exclusion criteria</b>	<b>Limit value</b>
Turnover from the manufacture and / or sale of military equipment	≤ 10%
Turnover from the manufacture and / or distribution of outlawed weapons	0%
Turnover from the production of tobacco	≤ 5%
Turnover from the production and / or distribution of coal	≤ 30%
Serious violations of the UN Global Compact Code (without positive perspective)	

### 2) ESG Rating

Investments that do not violate the exclusion criteria are assessed in a next step with regard to their MSCI ESG rating.

MSCI determines an ESG rating based on the identification and assessment of material ESG opportunities and risks relevant to issuers in a given industry. MSCI determines an ESG rating on a scale from "AAA" (best rating) to "CCC" (worst rating).

At least 51% of the Sub-Fund's investments must have a minimum rating of "BB".

### 3) Contribution to UN Sustainable Development Goals – only relevant for investments that qualify as sustainable according to Art. 2 (17) SFDR

Investments that have successfully passed both previous assessment steps in the ESG/sustainability analysis are assessed in a further step with regard to their contribution to one of the UN SDGs. In the course of this assessment, the investments are first evaluated with regard to a possible positive contribution to one of the UN SDGs. The assessment of positive contribution is made based on information from the MSCI Sustainable Impact Metrics module. The sustainability indicator "SDG Net Alignment Score" is used to assess the positive contribution. This sustainability indicator measures the contribution of the investment per UN SDG on a scale from "Strongly Misaligned" (most negative contribution) to "Strongly Aligned" (most positive contribution). An investment must make a positive contribution, i.e. "Aligned" or "Strongly Aligned" on at least one UN SDG.

If a positive contribution can be identified, the next step is to assess the investment in terms of compliance with the "do no significant harm principle" ("DNSH"). Selected "Key Issue Scores" from MSCI's "MSCI ESG Ratings" module are taken into account. The "Key Issue Scores" are assigned in relation to sustainability-relevant key risks on a scale of 0 - 10. To ensure compliance with the "do no significant harm principle", investments are required to achieve a score of ≥ 2.9.

Finally, in addition to the previous UN Global Compact assessment, the investments are also assessed with regard to human rights compliance and labour compliance. This final assessment is based on information from MSCI's "MSCI Controversies & Global Norms" module. The assessment consists of four individual assessments whose result can be "Pass", "Watch List" or "Fail". The investments must have at least a "pass" in all individual assessments.

Investments that meet the requirements of all three steps are fully qualified as sustainable investments according to Article 2 (17) SFDR.



The **asset allocation** indicates the respective share of investments in specific assets.

- **By what minimum rate is the size of the investments considered before applying this investment strategy reduced?**

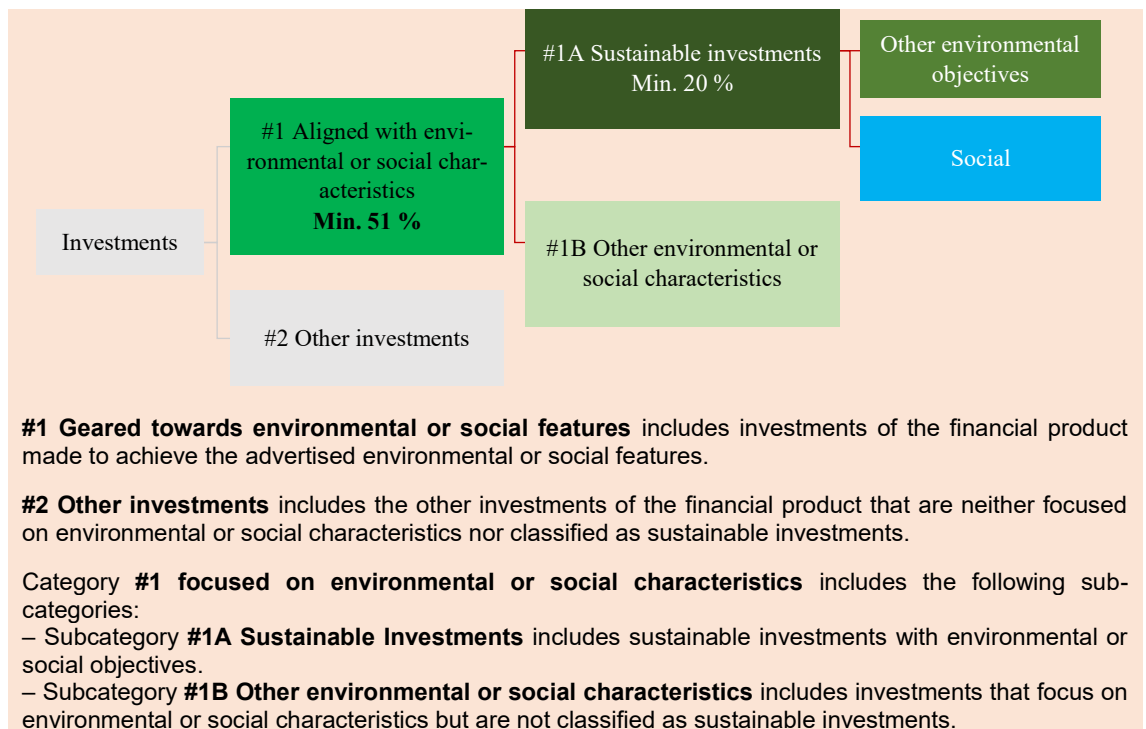
The Sub-Fund has not set a minimum rate of reduction for the investments under consideration.

- **How are the good governance practices of the companies invested in assessed?**

The assessment of compliance with good corporate governance standards is taken into account directly via the exclusion criterion "Serious violations of the UN Global Compact Code (without positive outlook)" and indirectly via the MSCI ESG rating (min. BB) of the respective investment. MSCI also takes into account companies' good governance practices when assessing and valuing them. This applies to all investments which are intended to contribute to the achievement of the advertised environmental and social characteristics of the Sub-Fund ("#1 Geared towards environmental or social characteristics").

## What asset allocation is planned for this financial product?

For the allocation of the Sub-Fund, please refer to the following:



- **To what extent does the use of derivatives achieve the environmental or social characteristics advertised by the financial product?**

The Sub-Fund does not use derivatives to promote the advertised environmental and social characteristics.

## To what minimum extent are sustainable investments with an environmental objective compliant with EU taxonomy?

The Sub-Fund does not seek to make sustainable investments within the meaning of the EU Taxonomy Regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.

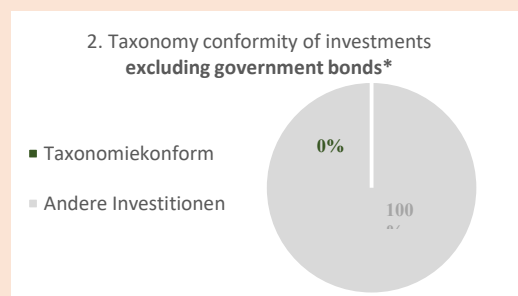
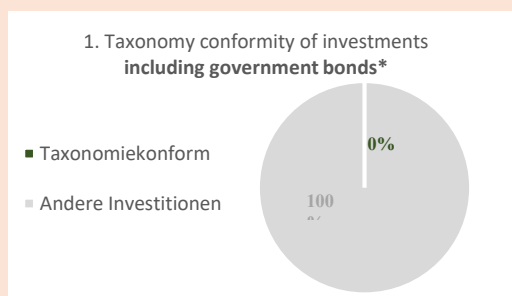
The minimum is 0%.



**Enabling activities** have a direct enabling effect on other activities making a significant contribution to environmental objectives.

**Transition activities** are activities for which low-carbon alternatives are not yet available and which, among other things, have greenhouse gas emission levels that correspond to best performance.

**In the two charts below, the minimum percentage of investments that are compliant with the EU taxonomy is shown in green. As there is no suitable method for determining the taxonomy compliance of government bonds\*, the first chart shows the taxonomy compliance in relation to all investments of the financial product including government bonds, while the second chart shows the taxonomy compliance only in relation to the investments of the financial product that do not include government bonds.**



\* For the purposes of these charts, the term "government bonds" includes all risk positions vis-à-vis sovereigns.

### **What is the minimum proportion of investment in transitional and enabling activities?**

The Sub-Fund does not seek to make sustainable investments within the meaning of the EU Taxonomy Regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.

The minimum is 0%.

### **What is the minimum percentage of sustainable investments with an environmental objective that are not compliant with the EU taxonomy?**

Sustainable investments are examined as a contribution to the SDGs. As these include both environmental and social objectives, no minimum percentage is set.

Therefore, at least 20% consists of sustainable investments with environmental and/or social objectives.

### **What is the minimum percentage of socially sustainable investments?**

Since, as previously explained, a separation is not possible in the valuation of sustainable investments, no minimum share is specified.

Therefore, at least 20% consists of sustainable investments with environmental and/or social objectives.

### **Which investments fall under "#2 Other investments", what is their investment purpose, and is there a minimum environmental or social protection?**

These may be bank deposits, derivatives in the context of hedging transactions or in the course of the application of techniques and instruments for efficient portfolio management, as well as investments that do not meet the sustainability indicators or do not have sufficient information to allow an appropriate assessment.

The above-mentioned minimum exclusions, which take into account both environmental and social criteria and thus provide a certain minimum level of protection, apply to at least 70% of the net Sub-Fund assets. For the remaining investments, no special criteria are provided with regard to minimum environmental or social protection.

### **Has an index been determined as a reference value to determine whether this financial product is aligned with the advertised environmental and/or social characteristics?**

The Sub-Fund does not use a benchmark.

- ***To what extent is the reference value continuously aligned with the environmental and social characteristics advertised with the financial product?***

The Sub-Fund does not use a benchmark.

- ***How is the continuous alignment of the investment strategy with the index method ensured?***

The Sub-Fund does not use a benchmark.

- ***How does the particular index differ from a relevant broad market index?***

The Sub-Fund does not use a benchmark.

- ***Where can the method for calculating the particular index be viewed?***

The Sub-Fund does not use a benchmark.



#### **Where can I find more product-specific information on the Internet?**

***Further product-specific information is available at:***

You can find more information about the product under the following link: [www.hal-privatbank.com](http://www.hal-privatbank.com)

## ANNEX C

### Pre-contractual information on financial products referred to in Article 8(1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6(1) of Regulation (EU) 2020/852

**Name of the product:**  
LOYS FCP - LOYS PREMIUM DIVIDENDE

**Company identifier (LEI code):**  
52990096SWD9GK4V7313

## Ecological and/or social characteristics

A **sustainable investment** is an investment in an economic activity that contributes to the achievement of an environmental objective or a social objective, provided that this investment does not significantly compromise any environmental objectives or social objectives and the enterprises invested in apply good corporate governance practices

The **EU taxonomy** is a classification system set out in Regulation (EU) 2020/852 that provides a list of **environmentally sustainable economic activities**. This Regulation does not specify a list of socially sustainable economic activities. Sustainable investments with an environmental objective might or might not be taxonomy compliant.

#### Is this financial product aimed at sustainable investments?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ A minimum share of **sustainable investments with an environmental objective** is thus made: \_\_\_\_%

☐ in economic activities that are classed as environmentally sustainable according to EU taxonomy.

☐ in economic activities that are not classed as environmentally sustainable according to EU taxonomy.

☐ A minimum share of **sustainable investments with a social objective** is thus made: \_\_\_\_%

☒ It **advertises environmental/social features** and although it does not target sustainable investments, it includes a minimum 20% sustainable investment content.

☐ with an environmental objective in economic activities that are classified as environmentally sustainable according to the EU taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU taxonomy

☒ with a social objective

☐ It advertises environmental/social features but does **not make sustainable investments**.

#### What environmental and/or social features are being promoted with this financial product?

The Sub-Fund invests a predominant part of its assets in investments that contribute to relevant environmental (in particular, reduction of greenhouse gas emissions, potential contribution to the reduction of global warming, reduction of the use of fossil fuels, as well as reduction of energy consumption) and social (in particular, respect for human rights and protection of health) characteristics. The Sub-Fund aims to promote these environmental and social characteristics by investing in equities selected under an appropriate ESG/sustainability approach.

The Sub-Fund holds sustainable investments within the meaning of Article 2 (17) of the Sustainability Disclosure Regulation EU 2019/2088 ("SFDR") to the extent of at least 20% of the Sub-Fund's net assets. In doing so, the Sub-Fund has a broad objective of supported environmental and social goals and is aligned with the UN Sustainable Development Goals ("UN SDG").

The Sub-Fund does not seek to make sustainable investments within the meaning of the EU Taxonomy Regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund does not use a benchmark.



**Sustainability indicators** measure the extent to which the environmental or social characteristics advertised with the financial product are achieved.

**What sustainability indicators are used to measure the achievement of the individual environmental or social features promoted by this financial product?**

The Sub-Fund uses various sustainability indicators for the selection of investments in order to be able to assess the suitability of the investments in terms of the contribution of the advertised environmental and social characteristics. The sustainability indicators are obtained from the external data provider MSCI. The Sub-Fund will apply the following elements in its portfolio management, i.e. in the selection of investments as well as in the management of existing investments:

1) Exclusion criteria

<b>Exclusion criteria</b>
Turnover from the manufacture and / or sale of military equipment
Turnover from the manufacture and / or distribution of outlawed weapons
Turnover from the production of tobacco
Turnover from the production and / or distribution of coal
Serious violations of the UN Global Compact Code (without positive perspective)

2) ESG Rating

Investments that do not violate the exclusion criteria are assessed in a next step with regard to their MSCI ESG rating.

MSCI determines an ESG rating based on the identification and assessment of material ESG opportunities and risks relevant to issuers in a given industry. MSCI determines an ESG rating on a scale from “AAA” (best rating) to “CCC” (worst rating).

3) Contribution to UN Sustainable Development Goals – only relevant for investments that qualify as sustainable according to Art. 2 (17) SFDR

Investments that have successfully passed both previous assessment steps in the ESG/sustainability analysis are assessed in a further step with regard to their contribution to one of the UN SDGs. In the course of this assessment, the investments are first evaluated with regard to a possible positive contribution to one of the UN SDGs.

If a positive contribution can be identified, the next step is to assess the investment in terms of compliance with the “do no significant harm principle” (“DNSH”). Selected “Key Issue Scores” from MSCI’s “MSCI ESG Ratings” module are taken into account.

Finally, in addition to the previous UN Global Compact assessment, the investments are also assessed with regard to human rights compliance and labour compliance.

**What are the objectives of the sustainable investment that the financial product is partly intended to achieve, and how does the sustainable investment contribute to these objectives?**

The Sub-Fund aims to contribute positively to the UN SDGs with a portion of its assets. In doing so, the Sub-Fund pursues a general strategy in relation to the promotion of the SDGs. The goals of the UN SDGs pursue, among other things, the fulfilment of basic needs, e.g. UN SDG 6 “Clean water and sanitation”, or empowerment, e.g. UN SDG 4 “Quality education”.

The Sub-Fund aims to hold sustainable investments within the meaning of Article 2 (17) SFDR, but not sustainable investments within the meaning of the EU Taxonomy Regulation.

***To what extent will the sustainable investments to be made with the financial product in part not significantly harm any of the environmental or social sustainable investment objectives?***

An assessment is made based on selected MSCI Key Issue Scores to review investments for compliance with the DNSH principle.

All investments that are to qualify as sustainable according to Article 2 (17) SFDR must not have a score lower than 2.9.

***How were the indicators for adverse impacts on sustainability factors considered?***

The Sub-Fund systematically takes into account – for the respective share of investments – specific criteria and sustainability indicators at various levels (exclusion criteria, ESG rating, contribution to UN SDGs, key issue scores) as part of the ESG/sustainability strategy. The content requirements of the adverse impact indicators in Annex I Table 1 (Impact Areas) are taken into account indirectly via selected MSCI Key Issue Scores. None of the investments that are to qualify as sustainable pursuant to Art. 2 (17) SFDR may have a score lower than 2.9. In addition, the indicators 4, 10, 14 for adverse effects according to Annex I Table 1 are limited via defined exclusion criteria.

***How do sustainable investments comply with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights? More details:***

The MSCI Controversies & Global Norms module is used to assess UN Global Compact, Human Rights Compliance and Labour Compliance. Any investment that is to qualify as sustainable according to Article 2 (17) SFDR must not show any non-compliance in this respect.

***The EU taxonomy sets out the principle of “avoidance of significant impairment”, according to which taxonomy-compliant investments must not significantly impair the objectives of the EU taxonomy, and specific EU criteria are attached.***

The principle of “avoidance of significant adverse impacts” only applies to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining part of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

***All other sustainable investments must also not significantly compromise environmental or social objectives.***

***Remark: The Sub-Fund does not seek to make sustainable investments within the meaning of the EU Taxonomy Regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.***



## Does this financial product take into account the main adverse impacts on sustainability factors?

**X**

Yes, the Sub-Fund takes into account the following main adverse sustainability impacts (PAIs) for the investments which are intended to contribute to the achievement of the environmental and social characteristics:

The **main adverse impacts** are the most significant adverse impacts of investment decisions on sustainability factors in the areas of environment, social and employment issues, respect for human rights and combating corruption and bribery.

#	PAI	Cover	
		Via	Type of investment <sup>20</sup>
Shares and corporate bonds			
CLIMATE INDICATORS AND OTHER ENVIRONMENT-RELATED INDICATORS			
1	GHG emissions	Key Issue Score	# 1 A - sustainable investments
2	carbon footprint	Key Issue Score	# 1 A - sustainable investments
3	GHG emission intensity of the companies in which investments are made	Key Issue Score	# 1 A - sustainable investments
4	Exposure to companies active in the fossil fuel sector	Exclusion criterion	# 1 - E/S Features
		Key Issue Score	# 1 A - sustainable investments
5	Share of energy consumption and generation from non-renewable energy sources	Key Issue Score	# 1 A - sustainable investments
6	Intensity of energy consumption by climate-intensive sectors	Key Issue Score	# 1 A - sustainable investments
7	Activities that adversely affect areas with biodiversity in need of protection	Key Issue Score	# 1 A - sustainable investments
8	Emissions in water	Key Issue Score	# 1 A - sustainable investments
9	Proportion of hazardous and radioactive waste	Key Issue Score	# 1 A - sustainable investments
INDICATORS IN THE AREAS OF SOCIAL AFFAIRS AND EMPLOYMENT, RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION AND BRIBERY			
10	Violations of the UNGC Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.	Exclusion criterion	# 1 - E/S Features
		Key Issue Score	# 1 A - sustainable investments

<sup>20</sup> # 1 – E/S Characteristics – refers to “#1 Aligned with Environmental or Social Characteristics” from Asset Allocation. Under “#1 - E/S Characteristics”, both equities and corporate bonds, as well as government bonds are included, bearing in mind that dedicated PAI indicators for equities & corporate bonds and government bonds are considered in each case.



11	Lack of processes and compliance mechanisms to monitor adherence to the UNGC Principles and OECD Guidelines for Multinational Enterprises	Key Issue Score	# 1 A - sustainable investments
12	Unadjusted gender pay gap	<i>Due to a lack of or inconsistent data coverage, a consideration of these PAIs cannot be guaranteed at the current time.</i>	
13	Gender diversity in the management and control bodies		
14	Engagement in controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)	Exclusion criterion	# 1 - E/S Features
		Key Issue Score	# 1 A - sustainable investments

The results are reported on in the annual report.

 No

### What is the investment strategy of this financial product?

The objective of the investment policy of LOYS FCP - LOYS Premium Dividende is to achieve a sustainable increase in the value of the investment funds contributed by the unitholders. To this end, the Fund Manager seeks to invest in companies with a history of sustainable and continuous dividend payments. This is intended to enable investors to increase value in as many situations as possible on the capital market.

The Investment Manager will take into account any risks related to sustainability (environmental, social and governance aspects) when making investment decisions as well as on an ongoing basis during the investment life of existing investments of the Sub-Fund.

However, no assurance can be given that the aforementioned investment policy objectives will be achieved.

The Sub-Fund's ESG/Sustainability Strategy, as previously outlined, takes into account the following elements depending on the extent to which the investments are expected to contribute to the advertised environmental and social characteristics:

- Negative screening (exclusion criteria)
- Positive screening (ESG rating)
- Sustainable investments according to Art. 2 (17) SFDR
- Consideration of PAIs (*applies exclusively to "# 1 A - sustainable investments"*)

### What are the binding elements of the investment strategy used to select investments to meet the advertised environmental or social objectives?

All potential investments are subject to an assessment by the Fund Manager. The Fund Manager bases this assessment on the data and information provided by MSCI.



The **investment strategy** serves as a guide for investment decisions, taking into account certain criteria such as investment objectives or risk tolerance.

The following sustainability indicators are binding in the context of the investment decision, whereby exclusion criteria and ESG rating must be complied with at least for investments in accordance with “#1 Focused on environmental or social characteristics”<sup>21</sup> and for investments in accordance with #1A “Sustainable investments”<sup>22</sup> the requirements regarding contribution to the UN SDGs are also relevant.

#### 1) Exclusion criteria

The following exclusion criteria are relevant for at least 70% of the net Sub-Fund assets. An exclusion criterion is applicable if an investment does not comply with the respective limit value.

<b>Exclusion criteria</b>	<b>Limit value</b>
Turnover from the manufacture and / or sale of military equipment	≤ 10%
Turnover from the manufacture and / or distribution of outlawed weapons	0%
Turnover from the production of tobacco	≤ 5%
Turnover from the production and / or distribution of coal	≤ 30%
Serious violations of the UN Global Compact Code (without positive perspective)	

#### 2) ESG Rating

Investments that do not violate the exclusion criteria are assessed in a next step with regard to their MSCI ESG rating.

MSCI determines an ESG rating based on the identification and assessment of material ESG opportunities and risks relevant to issuers in a given industry. MSCI determines an ESG rating on a scale from “AAA” (best rating) to “CCC” (worst rating).

At least 51% of the Sub-Fund’s investments must have a minimum rating of “BB”.

#### 3) Contribution to UN Sustainable Development Goals – only relevant for investments that qualify as sustainable according to Art. 2 (17) SFDR

Investments that have successfully passed both previous assessment steps in the ESG/sustainability analysis are assessed in a further step with regard to their contribution to one of the UN SDGs. In the course of this assessment, the investments are first evaluated with regard to a possible positive contribution to one of the UN SDGs. The assessment of positive contribution is made based on information from the MSCI Sustainable Impact Metrics module. The sustainability indicator “SDG Net Alignment Score” is used to assess the positive contribution. This sustainability indicator measures the contribution of the investment per UN SDG on a scale from “Strongly Misaligned” (most negative contribution) to “Strongly Aligned” (most positive contribution). An investment must make a positive contribution, i.e. “Aligned” or “Strongly Aligned” on at least one UN SDG.

If a positive contribution can be identified, the next step is to assess the investment in terms of compliance with the “do no significant harm principle” (“DNSH”). Selected “Key Issue Scores” from MSCI’s “MSCI ESG Ratings” module are taken into account. The “Key Issue Scores” are assigned in relation to sustainability-relevant key risks on a scale of 0 - 10. To ensure compliance with the “do no significant harm principle”, investments are required to achieve a score of ≥ 2.9.

Finally, in addition to the previous UN Global Compact assessment, the investments are also assessed with regard to human rights compliance and labour compliance. This final assessment is based on information from MSCI’s “MSCI Controversies & Global Norms” module.

<sup>21</sup> See section – Asset allocation

<sup>22</sup> See section – Asset allocation

The assessment consists of four individual assessments whose result can be “Pass”, “Watch List” or “Fail”. The investments must have at least a “pass” in all individual assessments.

Investments that meet the requirements of all three steps are fully qualified as sustainable investments according to Article 2 (17) SFDR.



The **asset allocation** indicates the respective share of investments in specific assets.

- **By what minimum rate is the size of the investments considered before applying this investment strategy reduced?**

The Sub-Fund has not set a minimum rate of reduction for the investments under consideration.

- **How are the good governance practices of the companies invested in assessed?**

The assessment of compliance with good corporate governance standards is taken into account directly via the exclusion criterion “Serious violations of the UN Global Compact Code (without positive outlook)” and indirectly via the MSCI ESG rating (min. BB) of the respective investment. MSCI also takes into account companies’ good governance practices when assessing and valuing them. This applies to all investments which are intended to contribute to the achievement of the advertised environmental and social characteristics of the Sub-Fund (“#1 Geared towards environmental or social characteristics”).

## What asset allocation is planned for this financial product?

For the allocation of the Sub-Fund, please refer to the following:



- **To what extent does the use of derivatives achieve the environmental or social characteristics advertised by the financial product?**

The Sub-Fund does not use derivatives to promote the advertised environmental and social characteristics.



**Enabling activities have** a direct enabling effect on other activities making a significant contribution to environmental objectives.

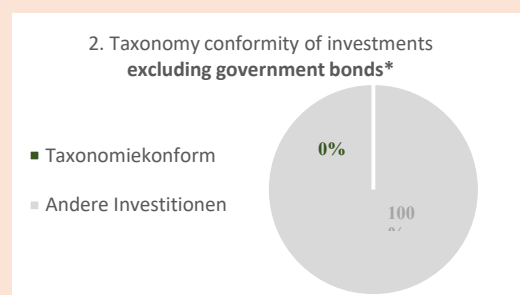
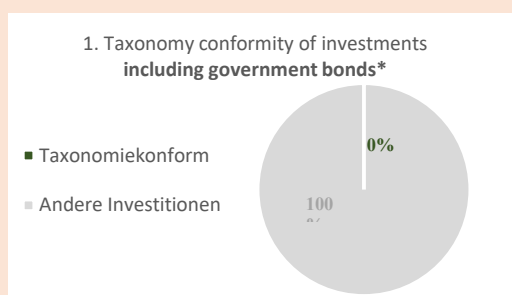
**Transition activities** are activities for which low-carbon alternatives are not yet available and which, among other things, have greenhouse gas emission levels that correspond to best performance.

## To what minimum extent are sustainable investments with an environmental objective compliant with EU taxonomy?

The Sub-Fund does not seek to make sustainable investments within the meaning of the EU Taxonomy Regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.

The minimum is 0%.

**In the two charts below, the minimum percentage of investments that are compliant with the EU taxonomy is shown in green. As there is no suitable method for determining the taxonomy compliance of government bonds\*, the first chart shows the taxonomy compliance in relation to all investments of the financial product including government bonds, while the second chart shows the taxonomy compliance only in relation to the investments of the financial product that do not include government bonds.**



\* For the purposes of these charts, the term “government bonds” includes all risk positions vis-à-vis sovereigns.

## What is the minimum proportion of investment in transitional and enabling activities?

The Sub-Fund does not seek to make sustainable investments within the meaning of the EU Taxonomy Regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.

The minimum is 0%.



## What is the minimum percentage of sustainable investments with an environmental objective that are not compliant with the EU taxonomy?

Sustainable investments are examined as a contribution to the SDGs. As these include both environmental and social objectives, no minimum percentage is set.

Therefore, at least 20% consists of sustainable investments with environmental and/or social objectives.



## What is the minimum percentage of socially sustainable investments?

Since, as previously explained, a separation is not possible in the valuation of sustainable investments, no minimum share is specified.

Therefore, at least 20% consists of sustainable investments with environmental and/or social objectives.



## Which investments fall under “#2 Other investments”, what is their investment purpose, and is there a minimum environmental or social protection?

These may be bank deposits, derivatives in the context of hedging transactions or in the course of the application of techniques and instruments for efficient portfolio management, as well as investments that do not meet the sustainability indicators or do not have sufficient information to allow an appropriate assessment.

The above-mentioned minimum exclusions, which take into account both environmental and social criteria and thus provide a certain minimum level of protection, apply to at least 70% of the net Sub-

Fund assets. For the remaining investments, no special criteria are provided with regard to minimum environmental or social protection.



**Has an index been determined as a reference value to determine whether this financial product is aligned with the advertised environmental and/or social characteristics?**

The Sub-Fund does not use a benchmark.

- ***To what extent is the reference value continuously aligned with the environmental and social characteristics advertised with the financial product?***

The Sub-Fund does not use a benchmark.

- ***How is the continuous alignment of the investment strategy with the index method ensured?***

The Sub-Fund does not use a benchmark.

- ***How does the particular index differ from a relevant broad market index?***

The Sub-Fund does not use a benchmark.

- ***Where can the method for calculating the particular index be viewed?***

The Sub-Fund does not use a benchmark.



**Where can I find more product-specific information on the Internet?**

***Further product-specific information is available at:***

You can find more information about the product under the following link: [www.hal-privatbank.com](http://www.hal-privatbank.com)