Sales Prospectus with Management Regulation.

Deka-Institutionell LiquiditätGarant

An Investment Fund under Part I of the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment.

The "Information for unit holders" section of this Sales Prospectus has been supplemented by the text on the inserted supplementary sheet.

Issued August 2012

Deka Investmentfonds



Deka International S.A.

Finanzgruppe

Selling restrictions

Due to restrictions imposed under US supervisory regulations, the units being offered in this Sales Prospectus are not intended for distribution in the United States of America (this term also includes the states, territories and possessions of the United States and the District of Columbia) or for the benefit of US persons as defined in Regulation S of the Securities Act of 1933 as amended. US persons are natural persons residing in the United States of America. The term US person also includes legal persons established in accordance with the laws of the United States of America.

Units are accordingly not being offered or sold in the United States of America or for the accounts of US persons. Subsequent transfers of units to the United States of America or to US persons are not permitted.

This Sales Prospectus may not be disseminated in the United States of America or to US persons. Distribution of this Sales Prospectus and the offer or sale of units may also be subject to restrictions in other legal systems.

Supplementary sheet

[…]

Investors can fully assert their claims in connection with investments in the Fund against the Management Company directly. The Management Company informs investors that units of the Fund are bearer securities that are certificated in global certificates and the Management Company does not maintain an investor register in which investors are entered. In order to assert their claims, investors may therefore need the assistance of third parties (e.g. custodian institutions) to provide proof of their rights as investors. It is recommended that investors inform themselves of their rights.

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I. Sales Prospectus.

This Sales Prospectus with Management Regulation, which is comprised of the Basic Regulation and Special Regulation of the Fund, is the Sales Prospectus for the Fund and has priority over the Key Investor Information in cases of doubt. This Sales Prospectus with Management Regulation is only valid in combination with the latest published Annual Report of the Fund, and no more than 16 months may have passed since the reporting date of the Annual Report. If more than eight months have passed since the reporting date of the Annual Report, the purchaser must also be offered the latest Semi-Annual Report of the Fund. Both reports form part of this Sales Prospectus.

No one is authorised to make reference to information not contained in the Sales Prospectus or Key Investor Information, or in publicly available documents to which the Sales Prospectus makes reference.

Potential investors are advised to read this Sales Prospectus carefully and completely and to consult with their legal, tax or financial advisers concerning the corresponding legal requirements, currency regulations and taxes under the laws of their country of citizenship, normal residence, or registered residence, which could have an effect on the purchase, ownership, sale or other disposal of units, and concerning the tax treatment of income.

The terms defined in Article 1 paragraph 2 of the Basic Regulation are used in the same manner in this Sales Prospectus.

This Sales Prospectus may be translated into other languages. In the event of inconsistencies or ambiguities in a translation, the German version shall have priority.

The issue of this Sales Prospectus and the offer or sale of units of the Fund may be subject to restrictions in many sovereign territories. This Sales Prospectus is not to be considered as an invitation to purchase units.

1. The Fund

The investment fund described in this Sales Prospectus

Deka-Institutionell LiquiditätGarant

(referred to hereafter as the "Fund") is a fund of money market instruments and other assets established under Luxembourg law in the form of a mutual fund ("*fonds commun de placement*") at the initiative of DekaBank Deutsche Girozentrale, Frankfurt. It was originally established under Part I of the Luxembourg Law of 20 December 2002 on undertakings for collective investment, is now subject to Part I of the Luxembourg Law of 17 December 2010 on undertakings for collective investment, and satisfies the requirements of EC Council Directive 2009/65/EC of 13 July 2009. On 1 July 2011, the name of the Fund was changed from Deka-Institutionell GeldmarktGarant to Deka-Institutionell LiquiditätGarant.

Units are available in four unit classes – unit classes CF (A), CF (T), TF (A) and TF (T) – which differ in terms of cost and utilisation of earnings. Units that were certificated and issued by the Management Company before 1 December 2006 in the form of global certificates under the name "Deka-Institutionell GeldmarktGarant Unit Class A" or "Deka-Institutionell GeldmarktGarant Unit Class T" continue to exist in this form and retain their validity. They are assigned to unit class CF (A) and unit class CF (T), respectively.

The financial year of the Fund ends on 30 June of each year.

The Annual Report shall be audited by the auditing firm PricewaterhouseCoopers S.à r.l.

The Fund is managed by Deka International S.A. (the "Management Company"), Luxembourg. The assets of the Fund are held in custody by DekaBank Deutsche Girozentrale Luxembourg S.A. (the "Custodian Bank"), Luxembourg.

2. The Management Company

The Management Company was established on 12 August 1988 for an indeterminate term as a joint stock company governed by Luxembourg law. It has its registered office in Luxembourg and is registered in the Luxembourg commercial and company register under number B. 28 599.

The Articles of Association of the Company were published in *Mémorial C, Recueil des Sociétés et Associations ("Mémorial")*, on 26 October 1988, and have been deposited with the Luxembourg commercial and company register. The Articles of Association were last amended by a shareholder resolution of 8 June 2011. A new, harmonised version of the Articles of Association was deposited with the Luxembourg commercial and company register, and the amendment to the Articles of Association published in *Mémorial* on 5 July 2011.

The purpose of the Company is the establishment and/or management of Luxembourg and/or foreign UCITS approved in accordance with Directive 2009/65/EC, as well as the management of other Luxembourg and/or foreign UCIs that do not fall under this Directive.

The management of mutual funds (*fonds communs de placement*) and investment companies comprises in particular:

- Investment management: In this connection, the Company can issue notifications or instructions for the account of the UCITS and UCIs under its management with regard to investments to be made, and can conclude agreements, purchase, sell, exchange and transfer ownership to all types of transferable securities and other assets, and exercise, for the account of the UCITS and UCIs under its management, all voting rights in connection with

transferable securities belonging to the assets of the UCITS and UCIs. This does not represent a complete list.

- Administrative activities related to UCITS and UCIs. These concern all of the activities listed in Appendix II of the Law of 2010, in particular, portfolio valuation, price-setting for the shares and/or units of the UCITS and UCIs, issuing and redeeming shares and/or units of the UCITS and UCIs, maintaining registers for the UCITS and UCIs and maintaining and storing transaction records. This list is not complete.

- Distribution in Luxembourg and/or abroad of shares and/or units of UCITS and UCIs that it or third parties manage.

The organisational structures and internal control mechanisms of the Management Company are sufficient and appropriate based on the Law of 2010 and applicable administrative regulations of the CSSF; in particular, the Management Company acts in the best interests of the funds and subfunds, and ensures that conflicts of interest are avoided, resolutions and procedures are observed, unit holders of managed funds and subfunds are treated fairly, and that specified risk management principles are observed. The Management Company maintains effective, permanent compliance, internal audit and risk management units, each of which acts independently.

The Management Company also has defined decision-making processes, a clear organisational structure, appropriate internal control mechanisms, and internal reporting between all major levels of the Company. It also ensures that appropriate, systematic records of its business activities and internal organisation are maintained. It takes all appropriate measures to achieve the best possible results for the Fund or subfund, taking into account price, costs, the speed and likelihood of execution and settlement, the size and type of order, and all other factors relevant for order execution (best execution). It ensures prompt, honest and speedy execution of portfolio transactions for funds and subfunds based on the trading decisions made for managed funds and subfunds. If responsibilities are outsourced to third parties, it ensures that these third parties have taken the measures necessary to comply with all of the requirements relating to organisational structure and avoiding conflicts of interest that are stipulated in applicable Luxembourg laws and regulations, and that they monitor compliance with these requirements. It also ensures that excessive costs are never charged to the Fund or subfund and/or unit holders.

The Company can perform its activities in Luxembourg or abroad, establish branch offices, and perform all other business dealings that promote the achievement of its purposes and remain within the bounds permitted under the Law of 10 August 1915 and Chapter 15 of the Law of 2010.

At its own risk and cost, the Management Company has delegated the implementation of the day-to-day investment policy of the Fund, under its supervision, to Deka Investment GmbH, Frankfurt. The Fund Manager is authorised to invest the assets of the Fund and/or liquidate existing investments.

Deka Investment GmbH is a capital investment company (Management Company) governed by German law. It specialises in fund portfolio management for private clients and institutional investors. As at 31 December 2011, it had assets under management of approximately EUR 77.3 billion.

In addition, the Management Company has outsourced the accounting and administration of the Fund to Dealis Fund Operations S.A., Luxembourg.

The execution of transactions for the account of the Fund shall be primarily delegated to the Management Company's parent company, the Custodian Bank.

Further information on the Management Company is contained in the Appendix "Your partners in the SparkassenFinanzgruppe".

3. The Custodian Bank

DekaBank Deutsche Girozentrale Luxembourg S.A., with registered office in Luxembourg, was established on 5 February 1971 as a public limited company governed by Luxembourg law. It is a bank within the meaning of the Luxembourg Law of 5 April 1993 concerning the financial sector, and performs banking transactions of all types.

The rights and obligations of the Custodian Bank are under Luxembourg law, the Management Regulation and the Custodian Bank Agreement.

4. Investment policy

The main objective of the investment policy of the Fund is to earn an appropriate return in the money market sector, while simultaneously ensuring capital preservation by guaranteeing a redemption price on the last valuation date of each six-month guarantee period equal to the unit value for the redemption price on the last valuation date of the previous valuation period. The target return in euro in the money market sector is based, as a rule, on the 1-month euro LIBID rate. The resulting monthly target return path is published on the Internet at www.deka.de and is also available from the Management Company.

To this end, the assets of the Fund will be invested in accordance with the principle of risk diversification primarily in money market instruments and transferable securities that are rated, or whose issuers are rated, BBB- or higher (long-term rating) or A 3 (short-term rating). Money market instruments and transferable securities that are not rated, or whose issuers are not rated, but that the Management Company feels have comparable creditworthiness may also be acquired. The ratings of other recognised rating agencies have a standing equivalent

to a comparable Standard & Poor's rating. If more than one rating exists, the highest rating applies. If a rating is reduced, thereby making acquisition of these money market instruments and transferable securities impermissible, the Management Company shall make it a priority to normalise this situation while taking into account the interests of unit holders.

Money market instruments are all securities and instruments which embody claims, regardless of whether they have the characteristics of securities or not, including bonds, asset backed securities, certificates of deposit, currency and/or interest certificates, discounted bonds, discounted notes and all other similar instruments satisfying the requirements of Article 41 paragraph 1 of the Luxembourg Law of 17 December 2010, provided that at the time of acquisition by the Fund the original or remaining time to maturity – taking into account the financial instruments relating thereto – does not exceed 397 days, or the terms of these securities or instruments provide for their interest rate to be adjusted to market conditions at least once every 397 days (floating rate notes). Article 5 paragraph 1 letter h) of the Basic Regulation permits the acquisition of unlisted money market instruments.

The average remaining time to maturity of the money market instruments and transferable securities held by the Fund may not exceed 397 days. In the case of variable-interest investments, the next interest adjustment date is treated as the maturity date.

Up to 10% of the net assets of the Fund may be invested in investment units as set out in Article 5 paragraph 1 letter e) of the Basic Regulation.

Bank balances as set out in Article 5 paragraph 1 letter f) of the Basic Regulation and liquid assets as set out in Article 5 paragraph 3 of the Basic Regulation may also be held.

Shares and warrant-linked bonds as specified in Article 5 paragraph 1 letters a) to d) of the Basic Regulation may not be acquired.

The assets of the Fund are predominantly invested in assets that are denominated in euro or hedged against the euro using exchange rate hedging.

The guarantee periods run from 1 January to 30 June and from 1 July to 31 December of each year and repeat themselves without limit in periods of six months each. The starting point for the new guarantee value for each unit class is the unit price for the unit class on the last valuation date of the preceding guarantee period. The guarantee only applies to the unit value for the redemption price. The guaranteed unit value is adjusted for distributions (in unit classes CF (A) and TF (A)) and any taxes to be paid by the Fund. It does not include the sales commission or any taxes to be paid by investors. Tax changes that reduce the assets of the Fund reduce the guarantee accordingly. If the guaranteed value is not achieved, the Management Company will use its own funds to pay any difference into the Fund in favour of the unit class concerned.

The guarantee value for unit class CF (A) was EUR 4,786.79 as at 30 June 2012, and the guarantee value for unit class CF (T) was EUR 5,687.28 as at 30 June 2012. In the case of unit class TF (A), the Management Company guarantees a unit value of EUR 4,760.40 for the end of the guarantee period on 30 June 2012, and for unit class TF (T) the guarantee value is EUR 5,555.58 on 30 June 2012.

Current guaranteed unit values can be obtained from the Management Company, Information Agents and at www.deka.de. They are also published in the Annual and Semi-Annual Reports.

The guarantee is reduced in cases where tax changes during the guarantee period result in the Fund not receiving its interest or capital in full. The guaranteed minimum unit value is reduced in this case by the reduction in the income of the Fund, including lost reinvestment interest.

5. Techniques and instruments

The requirements of the Law of 2010 and the Grand-Ducal regulation of 8 February 2008 (implementing Directive 2007/16/EC) are observed when investing the assets of the Fund.

The Fund may use techniques and instruments relating to transferable securities and money market instruments under the conditions and within the limits specified by the Law of 2010 or Luxembourg financial markets regulator. In addition to the securities lending activities set out in Article 9 of the Basic Regulation and securities sale and repurchase agreements set out in Article 10 of the Basic Regulation, these techniques and instruments primarily consist of derivatives, in particular, options, financial futures contracts, swaps, foreign exchange futures contracts, and combinations of these. Foreign exchange futures contracts may only be acquired for hedging purposes.

The Fund may lend and borrow securities within a standardised system organised by a recognised clearing institution or a first-class financial institution specialising in such transactions, or within the framework of a standard master agreement. The requirements of CSSF Circular 08/356 are observed for these transactions.

The counterparties to the securities loan must be resident in a Member State of the European Union or in another Contracting State to the Agreement on the European Economic Area, the United States of America, Canada, Hong Kong, Japan, New Zealand or another non-Member State with equivalent banking supervision.

Collateral management is calculated daily and adjusted accordingly.

Cash funds that the Fund receives as collateral for a securities loan can be reinvested in accordance with the requirements of CSSF Circular 08/356.

An option is the right to buy ("call" option) or sell ("put" option) a certain asset during a predetermined period ("exercise period") or on a predetermined date ("exercise date") at a predetermined price ("strike price"). The price of a call or put option is the option "premium".

Financial futures contracts are bilateral agreements that entitle or require the contracting parties to deliver or take delivery of a certain asset on a predetermined date and at a predetermined price, where only a fraction of the associated contract size ("margin") needs to be paid immediately.

Asset backed securities (ABS) are interest-bearing securities that are secured through future payment flows. These include, in particular, securitisations of credit card receivables, home and commercial mortgage receivables, consumer loans, motor vehicle lease receivables, small business loans, collateralised loan obligations and collateralised bond obligations.

The buyer of a credit default swap pays a premium, which is expressed as a percentage of the par value of the reference obligation, to the seller of the credit default swap, who is in turn obligated upon occurrence of the agreed event, such as insolvency or default by the reference obligation debtor, to assume the reference obligation in exchange for payment of its par value or to pay an amount equal to the difference between the par value and market value of the reference obligation. These transactions are only permitted with top-ranked financial institutions that specialise in such transactions.

Credit default swaps are valued at regular intervals using transparent and verifiable methods. The Management Company, Supervisory Board and auditor shall monitor the transparency and verifiability of the valuation methods and their application. If discrepancies are discovered as a result of this monitoring, the Management Company shall initiate measures to rectify them.

Derivatives and other techniques and instruments should be used primarily to increase performance without deviating from the investment objectives of the Fund in the Basic or Special Regulations or in the Sales Prospectus, and without changing the fundamental character of the investment policy of the Fund.

As part of its investment strategy and within the limits laid down in Article 6 paragraphs 5 and 6 of the Basic Regulation, the Fund may invest in derivatives provided that the aggregate risk exposure of the underlying assets does not exceed the investment limits specified in Article 6. Fund investments in index-based derivatives do not need to be counted towards the limits laid down in Article 6 paragraphs 1 to 6. If a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the provisions of this Article.

The Management Company uses a risk management process for the Fund that is in accordance with the Law of 2010 and applicable administrative regulations of the CSSF, in particular CSSF Circular 11/512 of 30 May 2011.

The total risk of the Fund is measured and controlled using absolute Value-at-Risk (VaR) limits as part of the risk management process.

VaR is a standard risk measure used in the financial sector. The VaR of a financial position is based on a fixed time interval and a specified probability (confidence level) and is equal to the loss threshold whose probability of not being exceeded equals the specified probability. The VaR is calculated using a 99% one-sided confidence interval and a holding period of 20 days.

In order to limit risk, an absolute VaR must be calculated from all of the positions of the Fund and may not exceed a maximum VaR limit that is based on an analysis of the investment policy and the specified risk profile.

The Management Company calculates the leverage of the Fund in accordance with the administrative regulations of the competent supervisory authorities and by using the commitment method[1], and expects the leverage of the Fund to fall generally between 0.5 and 1.5. The leverage may fall outside the above range in special exceptional cases.

Information on the risk profile of the Fund, which is consistent with the techniques and instruments mentioned above, is also available in the Key Investor Information document.

Information on the techniques and instruments currently used is available from the Management Company by calling (+3 52) 34 09-39 and from DekaBank Deutsche Girozentrale by calling +49 (0) 69 / 7147-652 from Monday to Friday between 8:00 a.m. and 6:00 p.m.

6. Notice of risk

Units of the Fund are transferable securities whose price is determined by daily stock exchange price changes of the assets contained in the Fund and may, therefore, rise or fall. If the unit price falls below the initial unit value during the six-month guarantee period of the Fund, investors redeeming their units bear a risk of loss, as the guarantee by the Management Company that it will pay its own funds into the Fund only applies at the end of the six-month guarantee period.

The options and futures transactions described in section 5 also entail certain risks.

[1] The calculation is performed according to the Guidelines of 28 July 2010 (CESR 10-788) published by the European Securities and Markets Authority (ESMA), formerly the Committee of European Securities Regulators (CESR).

The purchase and sale of options/ warrants ("options") is associated with particular risks:

- The premium paid to purchase a call or put option can be lost if the price of the security underlying the option does not change as expected and it is therefore not in the interest of the Fund to exercise the option.

- If a call option is sold, there is a risk that the Fund will no longer participate in a potentially significant increase in value of the security or must make a covering purchase at unfavourable market prices if the option is exercised by the counterparty.

- If a put option is sold, there is a risk that the Fund will be required to take delivery of securities at the strike price, even though the market price of these securities is considerably lower than the exercise price at the time that the option is exercised.

- The leverage effect of options can result in a greater effect on the asset value of the Fund than would be the case if the underlying securities were purchased directly.

- Derivatives can be used at times to hedge risks to which the Fund would otherwise be exposed. In many cases, therefore, rising nominal values during the term of the Fund can be the result of a greater degree of hedging. This figure therefore provides no information on the level of risk of the Fund.

The Fund can suffer losses from the default of an issuer or counterparty. Issuer risk is the effect of particular developments at the issuer, which affect the price of a security separately from the general tendencies in the capital markets. Even when the utmost care is exercised in selecting the securities, it cannot be ruled out that there may be losses due to the financial collapse of issuers. Counterparty risk includes the risk that a party to a mutual agreement will default on the claim, in whole or in part. This applies to all contracts entered into for the account of the Fund.

The value of the Fund assets can also be adversely affected by unforeseeable events, such as international political developments, changes in the politics of states, restrictions on foreign investment and currency repatriation and other developments and applicable laws and regulations.

Financial futures contracts are associated with considerable opportunities, but also risks, because only a fraction of the contract size ("margin") must be paid immediately. A price swing in either direction for the instrument underlying the financial futures contract can lead to substantial gains or losses relative to the margin paid. In this regard, financial futures contracts exhibit high volatility.

When financial and foreign exchange futures contracts are used for hedging purposes, they serve to reduce price risks. However, they cannot eliminate the possibility that price changes might negatively affect the performance of the Fund in spite of trading intended to hedge price risk. The costs of hedge trading and the potential losses that accompany it reduce the results of the Fund.

If asset backed securities (ABS) are acquired for the Fund, the increased income potential is offset by increased credit and liquidity risks, which can result from default or deterioration of the creditworthiness of the underlying receivables and, as a result, the market for these instruments is subject to liquidity fluctuations.

When a credit default swap is entered into, the protection seller agrees to pay a recovery payment to the protection buyer if a specified credit event occurs. In return, the protection seller receives a regular premium payment from the protection buyer. The creditworthiness of the reference debtor, the term of the contract, the creditworthiness of the protection seller, the definition of the credit event, and the probability that both the protection seller and the reference security default are the principal factors determining the size of the premium. When the Fund acts as the seller in a credit default swap, it is exposed to the risk of being required to assume the reference obligation upon payment of its par value or to pay an amount equal to the difference between the par value and market value of the reference obligation if the loss event occurs.

The markets for credit default swaps can be less liquid than the markets for interest-bearing securities, which may restrict their tradability.

When credit default swaps are acquired for hedging purposes, there is a risk that the premium paid will be lost if the agreed loss event does not occur.

Investors should note that the guaranteed redemption does not include the sales commission or any taxes that the investor must pay on the taxable earnings of the Fund.

In addition, an unforeseeable change beyond the Fund's control could occur in the legal and tax treatment of the Fund. In particular, there is a risk that publicly disclosed tax bases could change for investors who are taxable in the Federal Republic of Germany or that general conditions could change in a way that is significant from a tax point of view.

There is therefore no guarantee that the investment policy objectives can be achieved.

7. Performance

The performance of the units in all of the unit classes is calculated using what is termed the "BVI method". The calculation is based on the redemption prices on the start and end dates. Interim distributions are reinvested at the redemption price on the distribution date.

Performance information is available in the Key Investor Information and Annual and Semi-Annual Reports. In addition, current performance is published on the Internet at www.deka.de as part of the product information for the Fund.

8. Investor profile

The units of the Fund are intended primarily for portfolio optimisation. They are particularly appropriate for investors with low risk tolerance, little securities experience with respect to the price risks discussed in section 6, and a short-term investment horizon.

9. Taxes

Since the units of the Fund are reserved for institutional investors in accordance with Article 174 of the Law of 17 December 2010, the assets of the Fund are subject to a current annual "*taxe d'abonnement*" of 0.01% in the Grand Duchy of Luxembourg that is payable quarterly based on the net assets of the Fund at the end of the quarter that are not invested in Luxembourg funds subject to the *taxe d'abonnement*.

The income of the Fund is not taxed in the Grand Duchy of Luxembourg. It may, however, be subject to withholding tax or other taxes in countries where Fund assets are invested.

As of 1 July 2005, the EU Savings Tax Directive has applied to interest payments made to recipients resident in other EU states. The EU Savings Tax Directive has no effect on the taxation of capital gains within an EU country. It is concerned exclusively with payment flows from EU citizens who maintain accounts or securities accounts outside their home country.

The EU Savings Tax Directive is therefore of no significance for unit holders resident in Luxembourg who are holding their units for safekeeping in a securities account at a financial institution in Luxembourg.

If a foreign private investor is holding units of a distributing fund that is more than 15% invested in interest-bearing securities according to the provisions of the EU Savings Tax Directive in safekeeping in a securities account at a financial institution whose registered office is in Luxembourg, the interest portion of any unit distribution is subject to Article 6 of the EU Savings Tax Directive and may be taxed. If a distributing or reinvesting fund is more than 25% invested in interest-bearing securities according to the provisions of the EU Savings Tax Directive, the interest portion is subject to taxation when the units are redeemed or sold.

The tax rate is 35%.

Alternatively, the private investor has the option of avoiding tax withholding by authorising the Luxembourg financial institution to make a voluntary disclosure of his interest income, thereby allowing the financial institution to report the income to the legally specified revenue authorities instead of withholding taxes.

Unit holders that are not resident in Luxembourg and do not maintain a permanent business establishment there are not required to pay income, inheritance, or wealth tax on their units or income from units in Luxembourg. They are subject to the respective national tax regulations.

10. Costs

Units in unit classes CF (A) and CF (T) are issued at their unit value plus a sales commission of up to 0.50% (currently 0.50%) of the unit value charged for the benefit of the sales offices.

The issue price for units in unit classes TF (A) and TF (T) is the unit value. Although a sales commission is not charged, an annual fee of up to 0.20% (currently 0.18%) is charged against the portion of the net assets of the Fund attributable to the units of unit classes TF (A) and TF (T) for the benefit of the sales offices selling units of unit classes TF (A) and TF (T), with this fee calculated based on the value of this portion of the net assets of the Fund on the last valuation date of the month in question and payable to the Management Company monthly in arrears.

The issue price may be increased by fees or other charges incurred in the country of distribution.

An annual fee of up to 0.20% (currently 0.10%) is charged against the portion of the net assets of the Fund attributable to the units of unit classes CF (A) and CF (T) for the benefit of the sales offices selling units of unit classes CF (A) and CF (T), with this fee calculated based on the value of this portion of the net assets of the Fund on the last valuation date of the month in question and paid to the Management Company monthly in arrears.

The Management Company receives an annual management fee from the Fund of up to 0.50% (currently 0.07%) for central management and investment management, calculated based on the average net assets of the Fund during the month in question and payable at the end of each month.

The Management Company receives up to half of the income from securities loan transactions, securities sales and repurchase agreements and permissible transactions equivalent to these executed for the account of the Fund as a lump-sum fee for the initiation, preparation and performance of these transactions.

The Custodian Bank receives an annual fee of up to 0.10% (currently 0.02%) from the Fund for its activities as custodian bank, calculated based on the average net assets of the Fund during the month in question and payable at the end of each month, as well as normal bank processing fees for transactions performed for the account of the Fund. The Custodian Bank shall be reimbursed for costs and expenses incurred as a result of permissible and normal market delegation of the safekeeping of assets of

the Fund to third parties under Article 4 paragraph 3 of the Basic Regulation.

The Management Company also receives a performance fee. The performance fee equals the amount by which the increase in value exceeds the income from a target path money market investment chosen as a benchmark. The money market rate used is based on the 1-month euro LIBID rate and is set at the beginning of each month by the Management Company. As a rule, the performance fee is calculated daily and settled annually in arrears.

In addition, the Fund shall also pay the costs specified in Article 17 of the Basic Regulation.

If an issuing surcharge is paid when fund units are purchased, up to the full amount of the issuing surcharge is generally paid out as a fee to distribution partners. Some funds do not charge an issuing surcharge, and instead withdraw a separate distribution commission from the assets of the fund to cover distribution expenses. Any distribution fee charged to a fund is shown separately in the Sales Prospectus and may be paid out in full or in part to distribution partners.

The Management Company may also pay up to the full amount of the management fee to distribution partners. Distribution partners may receive a portion of the annual management fee of any investment funds held in the assets of a fund ("target funds").

A distribution partner may receive an additional fee if the quantity of products distributed by that distribution partner from the full range of products offered by the Management Company exceeds a pre-defined threshold. The Management Company may also provide additional benefits to its distribution partners in the form of in-kind benefits that assist distribution (e.g. employee training courses) or performance bonuses that are also related to the distribution services provided by the distribution partners, but are not separately charged to the fund assets. These benefits are not in conflict with the interests of investors, but are instead designed to maintain and further improve the quality of services provided by distribution partners. Investors can obtain more detailed information on these benefits from the distribution partners.

Non-cash benefits (broker research, financial analyses, market and price information systems) that are made available to the Management Company or the Fund Manager without special compensation in connection with trading activities shall be used in the interest of the unit holders to make investment decisions.

The Total Expense Ratio (TER), that is, the total expenses (not including transaction costs) incurred during the reporting period divided by the average net asset value is reported as "ongoing charges" in the Annual Report profit and loss account and Key Investor Information. The total costs include in particular the management fee, the Custodian Bank fee, auditing fees, the costs for the Sales Prospectuses and reports, the *taxe d'abonnement* and all other costs specified in Article 17 of the Basic Regulation, except for transaction costs. The calculation of the total expense ratio is performed as follows:

Calculation:

$$TER = \frac{TE}{A} \times 100$$

Explanation:

TER: Total Expense Ratio as a percentage

TE: Total expenses (nominal, all expenses except for transaction costs), in the Fund currency, that were actually charged to the unit class concerned during the reference period

A: Average daily value of the net assets of the unit class concerned during the reference period

11. Unit value calculation

To calculate the unit value for the units in each unit class, the Management Company shall calculate the value of the Fund assets less its liabilities on each valuation date under the supervision of the Custodian Bank, allocate this value among the unit classes and divide the value allocated to each unit class by the number of units in circulation.

The principles governing the valuation of assets of the Fund are specified in Article 12 paragraph 2 of the Basic Regulation.

A valuation date is any day that is a business day on the exchanges in both Luxembourg and Frankfurt am Main. As a rule, no valuation is performed on dealing days that are statutory holidays at one of the above locations, or on 24 and 31 December. The Management Company can decide to perform a valuation on these dates. In this case, the information will be announced in at least two daily newspapers with adequate circulation, including at least one Luxembourg daily newspaper.

12. Purchase, redemption, and exchange of units

Units of all unit classes of the Fund shall be certificated by global bearer certificates. Unit holders are not entitled to receive delivery of physical securities. Units may only be purchased if they are held in a securities account. Both the Custodian Bank and DekaBank Deutsche Girozentrale, Frankfurt am Main, offer securities accounts for unit safekeeping.

Units of any unit class of the Fund may be purchased and redeemed at the Management Company, the Custodian Bank, and the Payment Agents listed in this Sales Prospectus. When units are purchased or redeemed through a third party, the usual brokerage fee may be incurred.

Units of all unit classes are issued and redeemed on every valuation date.

The net asset value of the Fund is not known to the investor at the time that a request for subscription and/or redemption is submitted.

There is no time limit on the issue of units. At its sole discretion, the Management Company may reject a request for subscription (e.g. if there is suspicion of market timing by the investor) or temporarily restrict, suspend, or permanently discontinue the issue of units, provided this is considered necessary in the interest of the unit holders as a whole, for the protection of the Management Company, for the protection of the Fund, in the interest of the investment policy, or if the specific investment objectives of the Fund are endangered.

Units of one unit class cannot be exchanged for units of another unit class of the Fund.

The units of all unit classes of the Fund are reserved for institutional investors in accordance with Article 174 of the Law of 17 December 2010. Institutional investors are investors in the financial sector, e.g. banks, insurance companies, asset managers and other investors that make sizeable financial investments. Institutional investors in this sense include all non-natural persons such as stock corporations (S.A./AG), limited liability companies (S.a r.l./GmbH), general partnerships (S.N.C./OHG), limited partnerships (S.C.S./KG), partnerships limited by shares (S.C.A./KgaA), associations, foundations, public-law institutions and corporations, and corresponding legal forms in other legal systems, as well as other legal persons and companies registered in public registers. Other investment funds are also considered institutional investors. The Management Company reserves the right to repurchase units from investors at the redemption price if an investor does not satisfy the applicable requirements above.

In addition, the minimum investment amount for investments in the units of all unit classes is EUR 50,000. The Management Company is at liberty to accept a lower minimum investment amount.

Requests for subscription or redemption received by the Management Company by 12:00 p.m. (midday) (Luxembourg time) on a valuation date will be settled based on the unit value on that valuation date. Requests received after 12:00 p.m. (midday) (Luxembourg time) will be settled based on the unit value on the following valuation date.

Redemption shall be performed at the unit value. The redemption price may be decreased by fees or other charges incurred in the respective country of distribution.

Redemption of units is deferred if unit value calculation has been temporarily suspended in accordance with Article 12 paragraph 5 of the Basic Regulation and can be temporarily suspended in accordance with Article 14 paragraph 3 of the Basic Regulation in the case of large requests for redemptions that cannot be satisfied using the Fund's demand deposits, quickly liquidated assets and permissible borrowing, and for other reasons that make this appear justified and/or necessary in the interests of the investors of the Fund as a whole.

The units of the Fund are eligible for stock market listing. However, stock exchange listing of the Fund units is not planned.

13. Information for unit holders

Information on issue and redemption prices is available each valuation day from the registered office of the Management Company and the Information Agents.

Audited Annual Reports shall be made available free of charge to unit holders at the registered office of the Management Company and at the Information Agents at the latest four months after the end of the financial year.

Information on the current target return path can be obtained from the Management Company by calling (+352) - 3409 - 39, from DekaBank Deutsche Girozentrale during the period of 8:00 a.m. to 6:00 p.m., Monday to Friday, by calling +49 (0) 69 - 7147 - 652, and on the Internet at www.deka.de.

The notional income from interest-bearing securities without regular interest payments and zero bonds is accrued on an annual basis and shown in the profit and loss account.

Semi-Annual Reports shall be provided in the same format as Annual Reports at the latest two months after the end of the period covered by the report.

Payments, for example, distributions and redemption proceeds, are made by the Management Company or Custodian Bank or the Payment Agents listed in this Sales Prospectus.

This Sales Prospectus with Management Regulation, the Key Investor Information, and other information on the Fund or the Management Company shall be made available free of charge at the registered office of the Management Company and the Information Agents.

All amendments of the Basic Regulation and Special Regulation shall be deposited with the Luxembourg commercial and company register. A notice of the deposit of this information shall be published in *Mémorial*, the official gazette of the Grand Duchy of Luxembourg.

Important information for unit holders shall be published in at least two daily newspapers with adequate circulation, including at least one Luxembourg daily newspaper in accordance with the respective publication requirements of the countries in which the units are publicly distributed.

Investors can fully assert their claims in connection with investments in the Fund against the Management Company directly.

The Management Company informs investors that units of the Fund are bearer securities that are certificated in global certificates and the Management Company does not maintain an investor register in which investors are entered. In order to assert their claims, investors may therefore need the assistance of third parties (e.g. custodian institutions) to provide proof of their rights as investors. It is recommended that investors inform themselves of their rights.

Investor complaints can be directed to the Management Company, the Custodian Bank and the Payment and Information Agents, where they will be duly processed within 14 days.

14. Distribution in the Federal Republic of Germany

The German Federal Financial Supervisory Authority, the *Bundesanstalt für Finanzdienstleistungsaufsicht* (BaFin), has been notified of distribution of the units in Germany.

Payment and Information Agent in Germany

DekaBank Deutsche Girozentrale,
Mainzer Landstraße 16
60325 Frankfurt
Tel. +49 (0) 69 71 47 - 0

The current valid Sales Prospectus with Management Regulation, Key Investor Information document, Annual Report and, if applicable, Semi-Annual Report are available free of charge from the Information Agent. The Information Agent can also provide information on the issue and redemption prices of Fund units.

Units of the Fund may be purchased and redeemed from the Payment Agent.

The issue and redemption prices of fund units are published at www.deka.de. Information intended for investors is published in the *Börsen-Zeitung* newspaper, which is published in Frankfurt am Main.

15. Distribution in Austria

Additional, more detailed information to supplement the information in this Sales Prospectus with respect to distribution in the Republic of Austria is provided below for potential purchasers in the Republic of Austria:

Payment and Information Agent in Austria

Vorarlberger Landes- und Hypothekenbank Aktiengesellschaft
Hypo-Passage 1
A-6900 Bregenz

Units can be purchased and redeemed from the Payment Agent.

The Sales Prospectus, Key Investor Information, and Annual and Semi-Annual Reports can be obtained free of charge from the agent indicated above. This agent can also provide information on issue and redemption prices. The issue and redemption prices for each valuation date are also provided on the internet at www.deka.de.

Statutory notice newspaper

All other announcements are published on www.fundinfo.com.

16. Overview of the Fund

Deka-Institutionell LiquiditätGarant	
Fund established on:	3 November 2005
Term of the Fund:	unlimited
Fund currency:	euro
Unit certification:	global certificates, no physical certificates
	Unit class CF (A)
ISIN/WKN:	LU0232209030/DK0A1D
Sales commission:	maximum 0.50%, currently 0.50% of the unit value.
Trailer fee:	maximum 0.20%, (currently 0.10% p.a.) of the net asset value of the Fund attributable to this unit class, calculated using month-end values
Initial issuing price:	EUR 40.20 (including sales commission) A merger took place on 28 April 2006 at a ratio of 125 to 1.
Date of first issue:	6 December 2005
Utilisation of earnings:	distribution around 20 August
	Unit class CF (T)
ISIN/WKN:	LU0250598322/DK0EBA
Sales commission:	maximum 0.50%, currently 0.50% of the unit value.
Trailer fee:	maximum 0.20%, (currently 0.10% p.a.) of the net asset value of the Fund attributable to this unit class, calculated using month-end values
Initial issuing price:	EUR 5,025.00 (including sales commission)
Date of first issue:	28 April 2006
Utilisation of earnings:	reinvestment
	Unit class TF (A)
ISIN/WKN:	LU0274420214/DK0EBC
Sales commission:	none
Trailer fee:	up to 0.20% (currently 0.18% p.a.) of the value of the net assets of the Fund attributable to this unit class, based on month-end values
Initial issuing price:	EUR 5,000.00
Date of first issue:	1 December 2006
Utilisation of earnings:	distribution around 20 August
	Unit class TF (T)
ISIN/WKN:	LU0274422343/DK0EBD
Sales commission:	none
Trailer fee:	up to 0.20% (currently 0.18% p.a.) of the net assets of the Fund attributable to this unit class, based on month-end values
Initial issuing price:	EUR 5,000.00
Date of first issue:	1 December 2006
Utilisation of earnings:	reinvestment

Deka-Institutionell LiquiditätGarant	
For all unit classes:	
Minimum investment:	EUR 50,000.00
Management fee for central administration and investment management:	up to 0.50% p.a. (currently 0.07% p.a.) of the average daily value of the net assets of the Fund
Performance fee:	The amount by which the increase in value exceeds the income from a target path money market investment chosen as a benchmark. The money market rate used is based on the 1-month euro LIBID rate and is set at the beginning of each month by the Management Company.
Fee for security lending, securities sale and repurchase agreements, and comparable transactions	up to one half of the income from these transactions
Custodian Bank fee:	up to 0.10% p.a. (currently 0.02% p.a.) of the average daily value of the net assets of the Fund
Order submission deadline:	12:00 p.m. (midday) Luxembourg time for settlement at the issue or redemption price on that valuation date
Value date:	valuation date plus two bank working days
End of the financial year:	30 June
Annual Report date:	30 June, issued around the middle of October
Semi-Annual Report date:	31 December, issued around the middle of February
Stock exchange listing of units:	not planned
Announcement of deposit in *Mémorial*:	
Basic Regulation:	31 May 2011
Special Regulation:	30 June 2011

II. Management Regulation.

Basic Regulation

This Basic Regulation was deposited with the Luxembourg commercial and company register and a notice advising of this deposit was published on 31 May 2011 in *Mémorial C, Recueil des Sociétés et Associations* ("*Mémorial*"), the official gazette of the Grand Duchy of Luxembourg.

Article 1
Scope of application and definitions

1. Deka International S.A., Luxembourg, has prepared this Basic Regulation for the investment funds it established as mutual funds ("*fonds commun de placement*") under Part I of the Law of 2010. It applies only to funds whose Special Regulation declares that this Basic Regulation forms an integral part of the Fund Management Regulation. The Basic Regulation lays down general principles, while the specific characteristics of each fund are described in the associated Special Regulation. The Special Regulation may also include provisions which supplement or deviate from individual provisions in the Basic Regulation. Taken together, a fund's Special Regulation and Basic Regulation form the Management Regulation of the fund concerned (referred to hereafter as the "Fund").

2. The following definitions apply:

"valuation date"
Unless provided otherwise in the Special Regulation, any day that is a stock exchange dealing day in both Luxembourg and Frankfurt am Main. As a rule, no valuation is performed on dealing days that are statutory holidays at one of the above locations, or on 24 December and 31 December. The Management Company can decide to perform a valuation on these dates. In this case, the information will be announced in at least two daily newspapers with adequate circulation, including at least one Luxembourg daily newspaper.

"CSSF":
Commission de Surveillance du Secteur Financier (the Luxembourg financial markets regulator).

"derivatives":
derivative financial instruments, in particular, options, futures and swaps.

"non-Member State":
any state that is not a "Member State".

"money market instruments":
instruments within the meaning of Article 3 of the Grand-Ducal regulation of 8 February 2008, which implements Directive 2007/16/EC, that are normally traded in the money market, are liquid, and whose value can be precisely determined at any time.

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

"Member State":
the Member States of the European Union and the other Contracting States to the Agreement on the European Economic Area (Iceland, Norway, Liechtenstein).

"net assets of the Fund":
the assets of the Fund less liabilities attributable to the Fund.

"UCI":
an undertaking for collective investment.

"UCITS":
an undertaking for collective investment in transferable securities which is governed by Directive 2009/65/EC.

"OTC derivatives":
derivatives not traded on a stock exchange.

"transferable securities":

- shares and other securities equivalent to shares ("shares")
- bonds and other debt instruments ("bonds")
- all other negotiable securities within the meaning of Article 2 of the Grand-Ducal regulation of 8 February 2008 (implementing Directive 2007/16/EC) that entitle the holder to acquire transferable securities by subscription or exchange, excluding the techniques and instruments referred to in Articles 8 to 10.

Article 2
The Fund

1. The Fund is a legally dependent investment fund ("*fonds commun de placement*") comprised of transferable securities and/or other assets ("assets of the Fund"). It is managed by the Management Company in accordance with the principle of risk diversification. The assets of the Fund are kept in safekeeping by the Custodian Bank.

2. The Fund can be comprised of one or more subfunds within the meaning of Article 181 of the Law of 2010, if this is provided for in the Special Regulation of the Fund. The Fund consists of all of the subfunds taken as a whole. Every investor participates in the Fund through its participation in a subfund. In terms of the relationship with unit holders, each subfund is a separate investment fund independent of the other subfunds. The rights and obligations of the unit holders of one subfund are segregated from those of the unit holders of the other subfunds. The assets of a subfund are only liable for obligations to third parties that are attributable to that subfund.

   If the Fund is comprised of a number of subfunds, each subfund is treated as a separate fund, unless provided otherwise in the Special Regulation of the Fund or by law; in particular, each subfund is treated as a separate fund in terms of its investments and investment policy (Articles 5 to 10).

3. The contractual rights and obligations of holders of units ("unit holders"), the Management Company, and the Custodian Bank are laid down in the Management Regulation, which the Management Company prepares with the approval of the Custodian Bank. The Management Company may change the Management Regulation, including both the Basic Regulation and the Special Regulation, at any time in whole or in part with the approval of the Custodian Bank. Unless provided otherwise, the Management Regulation and any amendments to it enter into force on the date they are signed. The German text of the Management Regulation shall prevail.

   By purchasing a unit, a unit holder accepts the Management Regulation and all of its amendments.

4. The Management Regulation is governed by Luxembourg law. In particular, the provisions of the Law of 2010 apply in addition to the provisions of the Management Regulation. The same applies to legal relationships between unit holders, the Management Company, and the Custodian Bank.

5. The competent court in the judicial district of Luxembourg in the Grand Duchy of Luxembourg shall have jurisdiction in the event of legal disputes between unit holders, the Management Company, and the Custodian Bank. The Management Company and the Custodian Bank have the right to submit themselves and the Fund to the jurisdiction and the law of any country in which units of the Fund are publicly marketed, provided the matter concerns claims by unit holders resident in the country in question and circumstances related to the Fund.

6. Unless provided otherwise in the Special Regulation of the Fund, the Fund shall be established for an indeterminate period. It may, however, be dissolved at any time by the Management Company. The unit holders, their heirs or legal successors or creditors cannot demand either the dissolution or division of the Fund.

7. Unit holder claims against the Management Company or Custodian Bank that are older than five years may no longer be asserted in court; this does not affect the provisions in Article 19.

8. The Fund's Annual Report shall be audited by an auditor appointed by the Management Company.

Article 3
The Management Company

1. Deka International S.A. is the Management Company for the Fund.

2. The Management Company manages the Fund in its own name, but solely in the interest and for the joint account of the unit holders. Its management authority extends to the exercise of all rights relating directly or indirectly to the assets of the Fund.

3. The Management Company establishes the investment policy of the Fund, taking into account statutory and contractual investment restrictions. It may consult with investment advisors at its own risk and at its own cost and may, in particular, seek advice from an investment committee. The Management Company Supervisory Board may entrust one or more of its members, or other natural or legal persons, with the day-to-day implementation of investment policy.

4. When managing the Fund, the Management Company shall use a risk management method which continuously monitors and measures the risk associated with each investment and its contribution to the overall risk profile of the Fund, as well as a method for providing accurate and independent valuation of OTC derivatives.

Article 4
The Custodian Bank

1. The Custodian Bank for the Fund is DekaBank Deutsche Girozentrale Luxemburg S.A.

2. The responsibility for maintaining the assets of the Fund in safekeeping is delegated to the Custodian Bank. The rights and obligations of the Custodian Bank are governed by Luxembourg law, the Management Regulation and the Custodian Bank Agreement.

3. The Custodian Bank shall hold all transferable securities and other assets of the Fund in safekeeping in blocked accounts and securities accounts which may only be drawn on in accordance with the provisions of the Management Regulation. At its own risk and with the agreement of the Management Company, the Custodian Bank may delegate the safekeeping of transferable securities and other assets to third parties, in particular other banks and central securities depositories.

4. To the extent legally permissible, the Custodian Bank is authorised and required to perform the following in its own name:

a) assert unit holder claims against the Management Company or a previous Custodian Bank;

b) raise objections and take action against third-party enforcement measures if the Fund assets are not liable for the claim being enforced.

5. The Custodian Bank is bound by the instructions of the Management Company, provided such instructions are not in conflict with the law, the Management Regulation or the Sales Prospectus of the Fund.

6. Both the Custodian Bank and the Management Company have the right to

terminate the appointment of the Custodian Bank at any time in accordance with the Custodian Bank Agreement. In the event of termination, the Management Company shall dissolve the Fund in accordance with Article 19 paragraph 1 letter c) or appoint another bank as Custodian Bank within two months and with the approval of the CSSF; until that time, to ensure that the interests of unit holders are safeguarded, the current Custodian Bank shall fulfil its obligations as Custodian Bank in their entirety.

Article 5
Investments

1. The Fund may hold investments in the following assets:

a) transferable securities and money market instruments listed or traded on a regulated market as defined in Article 4 no. 14 of amended Council Directive 2004/39/EC of 21 April 2004 on markets in financial instruments (MiFID);

b) transferable securities and money market instruments traded on another regulated market in a Member State, which operates regularly and is recognised and open to the public;

c) transferable securities and money market instruments officially listed on a securities exchange or traded on another regulated market in a non-Member State that operates regularly, and is recognised and open to the public, in particular primarily on securities exchanges and regulated markets located in Europe, Asia, Australia (including Oceania), the Americas and/or Africa;

d) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on one of the securities exchanges referred to in letters a), b) or c) or on another regulated market referred to in letters a), b) or c), which operates regularly and is recognised and open to the public, and that such admission is secured within a year of issue;

e) units of UCITS authorised according to Directive 2009/65/EC and/or other UCIs within the meaning of Article 1 paragraph 2 letters a) and b) of Directive 2009/65/EC, provided that

- these other UCIs were authorised under laws which provide that they are subject to official supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured,
- the level of protection for unit holders in the other UCIs is equivalent to that provided for unit holders in a UCITS, in particular that the rules on asset segregation borrowing, lending and short 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 reported in Annual and Semi-Annual Reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period,
- no more than 10% of the net assets of the UCITS or UCI, whose acquisition is contemplated, can, according to their instruments of incorporation, be invested in aggregate in units of other UCITS or UCIs;

f) deposits with credit institutions that are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the financial institution has its registered office in a Member State or, if the registered office of the financial 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) derivatives, including equivalent cash-settled instruments, traded on a regulated market referred to in letters a), b) and c), and/or OTC derivatives, provided that

- the underlying assets consist of instruments covered by this paragraph 1, or financial indices, interest rates, foreign exchange rates or currencies, in which the Fund may invest according to its investment objectives as stated in the Fund's Management Regulation,
- 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 by an offsetting transaction at any time at their fair value at the Fund's initiative;

h) money market instruments other than those traded on a regulated market and which fall under Article 1 paragraph 2, if the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are

- issued or guaranteed by a central, regional or local authority or by a 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 making up the federation, or by a public international body to which one or more Member States belong, or
- issued by an undertaking any securities of which are traded on one of the regulated markets referred to in letters a), b) or c), or

- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law, or

- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is either a company whose equity capital (paid-in capital and reserves) amounts to at least EUR 10.0 million and which prepares and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC or is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

2. The Fund may invest no more than 10% of its net assets in transferable securities and money market instruments other than those referred to in paragraph 1.

3. The Fund may hold ancillary liquid assets.

4. Neither the Management Company nor the Custodian Bank may perform the following for the account of the Fund:

a) acquire either precious metals or certificates representing them;

b) acquire immovable property. Investments in transferable securities backed by immovable property or interest earned on such securities, as well as investments in transferable securities issued by companies that invest in immovable property and interest earned on such securities are permitted;

c) borrow. This does not apply to borrowing up to a total of 10% of the net assets of the Fund, provided that the borrowing is on a temporary basis. The Fund may also acquire foreign currency by means of a back-to-back loan;

d) grant loans to or act as guarantor for third parties. This shall not prevent acquisitions of transferable securities or money market instruments or other financial instruments referred to in paragraph 1 letters e), g) and h) which are not fully paid;

e) carry out short sales of transferable securities, money market instruments or other financial instruments referred to in paragraph 1 letters e), g) and h).

Article 6
Investment limits

1. The Fund may invest no more than 10% of its net assets in transferable securities or money market instruments issued by the same body. The Fund may not invest more than 20% of its net assets in deposits made with the same body. The risk exposure to a counterparty of the Fund in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in Article 5 paragraph 1 letter f), or 5% of its net assets in other cases.

2. The total value of the transferable securities and money market instruments held by the Fund in the issuing bodies in each of which it invests more than 5% of its net assets must not exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

   Notwithstanding the individual upper limits laid down in paragraph 1, the Fund may only invest up to 20% of its net assets with a single body in a combination of

- investments in transferable securities or money market instruments issued by a single body, and/or

- deposits made with a single body, and/or

- OTC derivative transactions undertaken with this body

in excess of 20% of its net assets.

3. The limit laid down in the first sentence of paragraph 1 equals 35% for transferable securities or money market instruments if these are issued or guaranteed by a Member State, by its local authorities, by a non-Member State or by public international bodies of which one or more Member States are members.

4. The limit laid down in the first sentence of paragraph 1 equals 25% for certain bonds when they are issued by a financial institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bondholders. In particular, proceeds deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest. If the Fund invests more than 5% of its net assets in such bonds, which are issued by one single issuer, the total value of such investments may not exceed 80% of the value of the net assets of the Fund.

5. The transferable securities and money market instruments referred to in paragraphs 3 and 4 are not included in the calculation of the limit of 40% referred to in paragraph 2.

   The limits set out in paragraphs 1, 2, 3 and 4 may not be combined, and thus

investments in transferable securities or money market instruments of the same body, or in deposits or derivative instruments made with this body carried out in accordance with paragraphs 1, 2, 3 and 4 may not exceed a total of 35% of the net assets of the Fund.

6. Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single issuer for the purpose of calculating the limits contained in paragraphs 1 to 6.

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

7. The Fund may acquire the units of other UCITS and/or other UCIs referred to in Article 5 paragraph 1 letter e), provided that no more than 20% of its net assets are invested in the units of a single UCITS or other UCIs. For the purpose of the application of this investment limit, each subfund of an umbrella fund within the meaning of Article 181 of the Law of 2010 is deemed to be an independent issuer provided that segregation of the obligations of the various subfunds vis-à-vis third parties is ensured.

8. Investments made in units of UCIs other than UCITS may not in aggregate exceed 30% of the net assets of the Fund.

9. When the Fund has acquired units of another UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the upper limits laid down in paragraphs 1 to 6.

10. When the Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, 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, that management company or other company may not charge subscription or redemption fees on account of the Fund's investment in the units of these other UCITS and/or UCIs.

11. If the Fund is a legal entity with a number of subfunds, where the assets of each subfund are exclusively reserved to the investors in such subfund and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that subfund, then each subfund is to be considered as a separate Fund for the purposes of application of the provisions of this Article 6.

12. While ensuring observance of the principle of risk-spreading, the Fund is permitted to deviate from the investment limits of this Article 6 during the six-month period following approval of the Fund.

Article 7
Issuer limits

1. The Management Company acting in connection with all of the funds which it manages, and which fall within the scope of Part I of the Law of 2010, may not acquire voting shares to an extent which would enable it to exercise significant influence over the management of the issuing body.

2. Moreover, the Fund may acquire no more than:

- 10% of the non-voting shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 25% of the units of the same UCITS and/or other UCIs;
- 10% of the money market instruments of the same issuer.

The investment limits laid down in the second, third and fourth indents may be disregarded at the time of acquisition if at that time the gross amount of the bonds or of the money market instruments or the net amount of the instruments issued cannot be calculated.

3. Paragraphs 1 and 2 are waived as regards

a) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;

b) transferable securities and money market instruments issued or guaranteed by a non-Member State;

c) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;

4. The Fund need not comply with the investment limits laid down in Articles 5 to 7 when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets.

5. If the limits referred to in Articles 5 to 7 are unintentionally exceeded, or exceeded as a result of the exercise of subscription rights, the Fund must endeavour to conduct its sales in accordance with the primary goal of normalising this situation while taking into account the interests of the unit holders.

Article 8
Techniques and instruments

1. The Fund may use techniques and instruments relating to transferable securities and money market instruments for the purpose of efficient portfolio management under the conditions and within the limits specified by the CSSF. If

these transactions relate to the use of derivatives, the conditions and limits must be consistent with the provisions of the Law of 2010. Under no circumstances shall these operations cause the Fund to diverge from its investment objectives as laid down in the Basic or Special Regulation or in its Sales Prospectus.

2. The Fund may invest in derivatives as part of its investment policy and within the limits laid down in Article 6 paragraphs 5 and 6, provided that the total risk exposure of the underlying assets does not exceed the investment limits laid down in Article 6. Fund investments in index-based derivatives do not need to be counted towards the limits laid down in Article 6 paragraphs 1 to 6. If a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the provisions of this Article.

3. The Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio. The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market fluctuations and the time available to liquidate the positions.

4. Aside from the securities lending activities under Article 9 and securities sale and repurchase agreements under Article 10, the other techniques and instruments which the Fund is permitted to use are specified in the Sales Prospectus of the Fund.

5. The techniques and instruments relating to transferable securities which are performed under Article 5 paragraph 1 letter g) are entered into for the purpose of hedging and efficient portfolio management. The Management Company shall only enter into these transactions with counterparties that are first-class financial institutions which specialise in such transactions and whose creditworthiness is categorised as "investment grade" by an independent rating agency.

Article 9
Securities loans

1. The Fund may lend and borrow securities within a standardised system organised by a recognised clearing institution or a first-class financial institution specialising in such transactions, or under a standard master agreement.

2. Where the Fund lends securities, the securities may be lent for a maximum of 30 days and may not exceed 50% of the total value of the securities in its securities portfolio. These restrictions do not apply if the Fund has the right to terminate the securities loan at any time and demand restitution of the lent securities. The counterparty acting as borrower for the securities loan must be subject to supervisory provisions that, based on applicable administrative practice, can be considered equivalent to the regulations provided for under Community law.

3. As a rule, when making a loan of securities, the Fund must receive a guarantee whose value is at least equal to the value of the lent securities at the time the contract is concluded. This guarantee must satisfy the requirements of CSSF Circular 08/356. A guarantee such as this is not required if the securities loan is transacted via a recognised clearing institution that ensures, by means of a guarantee or in some other manner, restitution of the securities to the lender. Unless otherwise provided in the Special Regulation of the Fund, the guarantee can also be in the form of shares. The shares issued as a guarantee must be listed or traded on a regulated market in a Member State of the European Union or on a stock exchange in an OECD Member Country and must be contained in a major index. Collateral management is calculated daily and adjusted accordingly.

4. The Fund may borrow securities in connection with the settlement of securities transactions under the following conditions:

a) during a period in which the securities have been sent for renewal of registration;

b) if securities have been lent and are not returned at the proper time;

c) to prevent the settlement from failing if the Custodian Bank fails to fulfil its duty to deliver.

The total value of borrowed securities may not exceed 50% of the value of the Fund's security portfolio.

Securities borrowed by the Fund may not be disposed of during the time that they are in the possession of the Fund, unless they are sufficiently secured by financial instruments that enable the Fund to return the borrowed securities at the end of the contract.

Article 10
Securities sale and repurchase agreements

1. From time to time, the Fund may use securities sale and repurchase agreements to purchase and sell transferable securities and money market instruments which the Fund is permitted to acquire, provided the seller makes a commitment to repurchase the transferable securities or money market instruments at a pre-arranged price at the end of the agreed term. The counterparty to this agreement must be a first-class financial institution specialising in such transactions, and the term may not exceed 12 months. The Fund may not dispose of the securities or money market instruments involved in the transaction during the term of a sale and repurchase agreement.

2. The volume of securities sale and repurchase agreements must at all times be held at a level where the Fund is able to fulfil its obligation to redeem units at any time. The share of these transactions may not, however, exceed 10% of the net assets of the Fund with the same counterparty and, in total, 50% of the net assets of the Fund.

Article 11
Units

1. New units of the Fund shall be certificated by global bearer certificates. Unit holders are not entitled to receive delivery of physical securities. The rights of unit holders shall remain unaffected to the extent that physical securities have been issued by the Management Company.

2. All units of the Fund have the same rights. The Special Regulation may provide for unit classes and for differing terms for the units with respect to utilisation of earnings, issuing surcharge, redemption fee, sales commission, management fee, unit currency or other criteria, or a combination of the same. From the time of issue, all units in a unit class have the same rights to earnings, price gains and liquidation proceeds.

3. The Management Company, Custodian Bank and all Payment Agents issue and redeem units and make unit or coupon payments.

Article 12
Unit value calculation

1. The value of a unit ("unit value") is denominated in the currency specified in the Special Regulation ("Fund currency"). The said value is calculated by the Management Company or a third party it has engaged, under the supervision of the Custodian Bank, on each valuation date. The calculation is performed by dividing the net assets of the Fund at the time by the number of units in circulation on the valuation date.

2. The value of the net assets of the Fund is calculated according to the following principles:

a) The value of assets that are listed or traded on a stock exchange or other regulated market is set equal to the last available quotation, unless provided otherwise below.

b) If an asset is not listed or traded on a stock exchange or other regulated market, or an asset is listed or traded on a stock exchange or other regulated market but the quotation does not appropriately reflect the actual market value, the value of the asset is set equal to a conservative estimate of the expected sales price, unless provided otherwise below.

c) Units in a UCITS or UCI are valued at the last redemption price that was set and could have been realised.

d) The value of cash on hand or bank deposits, deposit certificates and outstanding receivables, prepaid expenses, cash dividends, and interest declared or accrued but not yet received is equal to the full amount of the item less an appropriate discount if it is likely that the amount cannot be fully paid or received.

e) The realisable value of futures and options traded on a stock exchange or other regulated market is calculated using the last available trading price.

f) The realisable value of futures, forwards, and options that are not traded on a stock exchange or other regulated market, and of futures and options that are traded on a stock exchange or other regulated market, but for which liquidation was not possible on the valuation date, corresponds to their net realisable value as determined on a consistent basis according to Supervisory Board guidelines for all of the various types of contracts.

g) Swaps are valued at their market value.

h) All other securities or assets are valued at an appropriate market value as determined in good faith using a procedure established by the Supervisory Board.

i) The value of all assets and liabilities not denominated in the Fund currency is converted to this currency using the last available exchange rate. If such exchange rates are not available, the exchange rate shall be determined in good faith using a procedure established by the Supervisory Board.

j) At its sole discretion, the Management Company may allow other valuation methods if it considers this important for appropriate valuation of an asset in the Fund with respect to its expected realisable value.

k) If the Management Company considers that the unit value determined on a certain valuation date does not reflect the actual value of a unit of the Fund, or if significant movements have taken place on the stock markets and/or markets concerned, the Management Company may decide to update the unit value that same day. Under these circumstances, all requests for subscription and redemption received for this valuation date shall be honoured at the unit value as updated in accordance with the principle of good faith.

3. If unit classes have been established for the Fund, the following special considerations apply to the calculation of unit value:

a) Calculation of unit value is performed for each unit class separately based on the criteria listed in paragraph 1 of this Article.

b) The inflow of funds resulting from the issue of units in a class increases the percentage share of that unit class in the total net asset value of the Fund. The

outflow of funds resulting from the redemption of units in a class reduces the percentage share of that unit class in the total net asset value of the Fund.

c) If a distribution is made, the unit value of the units in the unit class entitled to the distribution decreases by the amount of the distribution. At the same time, this reduces the percentage share of the total net asset value of the Fund for this unit class, while the percentage share of the total net asset value increases for the unit class not entitled to the distribution.

4. Earnings equalisation can be performed for the Fund.

5. In the case of large requests for redemption that cannot be satisfied using the Fund's liquid assets and permitted borrowing, the Management Company may determine the unit value based on the market prices on the valuation date on which it conducts the necessary sales for the Fund; this then also applies to requests for Fund subscription submitted at the same time.

6. The Management Company has the right to temporarily suspend calculation of the unit value, if and for as long as circumstances exist which make this suspension necessary, and if the suspension is justified in the interests of unit holders, in particular:

- during the time that a stock exchange or other market where a substantial portion of the assets of the Fund is officially listed or traded is closed (except for normal weekends or holidays) or trading on this stock exchange or other market was suspended or restricted;
- in cases of need, when the Management Company is unable to dispose of the investments of the Fund, or it is impossible for it to freely transfer the transaction value for investment purchases or sales or to properly calculate the unit value.

The Management Company shall promptly publish the suspension or resumption of unit value calculation in at least two daily newspapers with adequate circulation, including at least one Luxembourg daily newspaper, and shall inform all unit holders who have offered units for redemption.

Article 13
Issue of units

1. Units are issued at the issue price and terms specified in the Special Regulation of the Fund.

2. At its sole discretion, the Management Company may at any time reject a request for subscription or temporarily restrict, suspend or permanently discontinue the issue of units, provided this is considered necessary in the interest of the unit holders as a whole, for the protection of the Management Company, or the Fund, in the interest of the investment policy, or if the specific investment objectives of the Fund are endangered.

3. As a rule, units are purchased at the issue price on the valuation date in question. Requests for subscription that the Management Company receives by 12:00 p.m. (midday) (Luxembourg time) at the latest on a valuation date shall be settled based on the unit value on that valuation date. Requests for subscription that are received after 12:00 p.m. (midday) (Luxembourg time) shall be settled based on the unit value on the next valuation date.

4. The issue price is due within two bank working days after the valuation date concerned.

5. The Custodian Bank shall allocate units on behalf of the Management Company promptly after the Custodian Bank has received the issue price and transfer them by delivering the appropriate number of unit certificates.

6. The Custodian Bank shall promptly refund any payments received for subscription requests that are not carried out.

Article 14
Redemption of units

1. The unit holders of the Fund have the right to request redemption of their units at any time at the redemption price and terms specified in the Special Regulation of the Fund. Redemption is carried out on valuation dates only. As a rule, the redemption price is paid out two bank working days following the valuation date in question in exchange for surrender of the units. The Management Company reserves the right to extend the period for payment of the redemption price to up to 5 bank working days, if this is necessary as a result of delays in the payment of proceeds from asset sales to the Fund due to market impediments resulting from stock exchange control provisions or similar market restrictions in a market on which a significant quantity of the assets of the Fund are invested, or in extraordinary circumstances in which the Fund is unable to pay the redemption price within a period of two bank working days.

2. As a rule, redemption takes place at the redemption price on the valuation date in question. Requests for redemption that the Management Company receives by 12:00 p.m. (midday) (Luxembourg time) at the latest on a valuation date shall be settled at the unit value on that valuation date. Requests for redemption that are received after 12:00 p.m. (midday) (Luxembourg time) shall be settled at the unit value on the next valuation date.

3. The Management Company is authorised to temporarily suspend unit redemption with prior approval from the Custodian Bank. In particular, suspension is possible in the following situations:

- In the case of large requests for redemption that cannot be satisfied using the Fund's demand deposits, quickly liquidated assets and permissible borrowings;

- if unit value calculation in accordance with Article 12 paragraph 5 has been temporarily suspended;

- following announcement of dissolution of the Fund for the purpose of liquidation proceedings;

- for other reasons that make this appear justified and/or necessary in the interests of the investors of the Fund as a whole, e.g. if illiquid markets would prevent asset sales from generating the proceeds that would be received under normal market conditions.

  The Management Company shall promptly publish the suspension or resumption of redemption in at least two daily newspapers with adequate circulation, including at least one Luxembourg daily newspaper, and shall inform all unit holders who have offered units for redemption. Article 19 paragraph 3 shall apply if redemption is suspended due to liquidation of the Fund or, if applicable, a subfund.

4. The Custodian Bank is only required to make payment insofar as no statutory provisions, e.g. foreign exchange regulations, or other circumstances outside the control of the Custodian Bank exist, which prohibit the transfer of the redemption price to the country of the unit holder submitting the request.

5. The Management Company may unilaterally repurchase units for the Fund in exchange for the redemption price, provided this is deemed to be necessary in the interest of the unit holders as a whole, or for the protection of the Management Company or the Fund.

Article 15
Utilisation of earnings

1. The distribution policy of the Fund and/or of its individual unit classes is laid down in the Special Regulation of the Fund.

2. Ordinary net income and realised price gains may be distributed. Unrealised price gains and other assets may also be distributed, provided that the net assets of the Fund do not fall below the minimum limit specified under Article 19 paragraph 1 letter a) as a result of the distribution.

3. Distributions are paid to the units outstanding on the distribution date.

4. The submission period for coupons is five years following publication of the associated notice of distribution. Distributions that are not claimed within this period become time-barred to the benefit of the Fund. The Management Company is authorised, but not required, to pay distributed amounts to unit holders who do not assert their claim to a distribution until after the limitation period has expired.

Article 16
Merger of the Fund or subfunds

1. The Management Company can, by means of a resolution of the Supervisory Board and, where applicable, in accordance with the conditions and procedures indicated in the Law of 2010 and applicable administrative provisions, merge the Fund or, if applicable, one or more subfunds of the Fund, with another existing or jointly established subfund, another Luxembourg fund or subfund, another foreign UCITS or subfund of another foreign UCITS, while either dissolving but not liquidating, or else maintaining the Fund or subfunds concerned until all liabilities have been repaid.

2. The Management Company shall announce the merger of the Fund or subfund in accordance with Article 18 paragraph 5. Unit holders have the right to request redemption or, if applicable, exchange of their units for units of another fund or subfund with a similar investment policy that is managed by the same Management Company or another company with which the Management Company is related via common management or control, or by a substantial direct or indirect equity interest within a period of 30 days at no cost other than the costs deducted by the Fund or subfund to cover the costs of dissolution.

   The unit holders of the absorbed Fund or subfund become unit holders of the absorbing fund or subfund when the merger takes effect.

3. Legal, consulting or administrative expenses related to the preparation and performance of the merger shall not be charged to the funds or subfunds concerned, or their unit holders.

Article 17
General costs

1. In addition to the costs listed in the Special Regulation of the Fund, the following costs may also be charged to the Fund:

a) taxes and similar charges levied against the Fund, based on the assets of the fund in question, its income or expenses;

b) costs for legal advice that are incurred by the Management Company or Custodian Bank while acting in the interest of the unit holders of the Fund;

c) fees charged by the Fund auditor and fees for the audit of its tax accounting;

d) costs for the preparation of unit certificates and coupons;

e) costs for coupon redemption;

f) costs for the preparation, deposit, and publication of the Basic Regulation and Special Regulation of the Fund, as well as other documents such as Sales Prospectuses, Key Investor Information and other documents which relate to the Fund and are required for distribution of the units of the Fund in certain countries in accordance with the regulations in those countries, including costs of registration applications or of written explanations to all registration authorities and stock exchanges (including local security trader associations) which must be undertaken in connection with the Fund or the offer of its units;

g) costs of printing and distributing the Annual and Semi-Annual Reports for unit holders in all required languages, as well as the costs of printing and distributing all other reports and documents which are required under applicable laws or regulations of the authorities indicated;

h) costs of publications intended for unit holders;

i) a reasonable share of the costs of advertising and of costs incurred directly in connection with the offering and sale of units;

j) all costs in connection with the acquisition and disposal of assets.

2. All costs shall first be applied against current income, then capital gains and finally the Fund assets.

Article 18
Publications

1. The first valid version of this Basic Regulation and the Special Regulation of the Fund, and their amendments, shall be deposited at the office of the District Court in Luxembourg and a notice advising of said deposit published in *Mémorial C, Recueil des Sociétés et Associations ("Mémorial")*, the official gazette of the Grand Duchy of Luxembourg.

2. When required, amendments to this Basic Regulation and the Special Regulation of the Fund shall also be published in at least two daily newspapers with adequate circulation, including at least one Luxembourg daily newspaper.

3. Information on issue and redemption prices may be obtained from the Management Company and other offices listed in the Sales Prospectus.

4. The Management Company shall prepare a Sales Prospectus, a short Key Investor Information document, an audited Annual Report and a Semi-Annual Report in accordance with the statutory provisions of the Grand Duchy of Luxembourg. These Fund documents may be obtained free of charge upon request at the registered office of the Management Company and at other offices listed in the Sales Prospectus.

5. The Management Company shall publish the merger of the Fund or subfund at least 30 days in advance in one national daily newspaper in each country where the units of the Fund or subfund are distributed, in accordance with the requirements of the Law of 2010 and applicable administrative provisions, including a notice that unit holders have the right during this time to redeem units at no cost at the current unit value in accordance with Article 16 paragraph 2.

Article 19
Liquidation

1. The Management Company can dissolve the Fund or a subfund while appropriately taking into account the interests of unit holders. Dissolution of the Fund or a subfund is compulsory in the cases provided for by law, in particular;

a) if the net assets of the Fund do not reach the equivalent value of at least EUR 1.25 million within the period of six months following approval of the Fund;

b) if the net assets of the Fund remain below a quarter of the minimum limit in a) for a period of more than six months;

c) if the appointment of the Custodian Bank is terminated, and a new Custodian Bank is not appointed within the statutory or contractual period;

d) if the Management Company becomes bankrupt or is dissolved for any reason;

e) in other cases provided for in the Law of 2010.

2. The Management Company shall publish the dissolution of the Fund or a subfund in accordance with statutory provisions in *Mémorial* and in at least two daily newspapers with adequate circulation, including at least one Luxembourg daily newspaper.

3. If circumstances occur that lead to the dissolution of the Fund, the issue and redemption of units shall be suspended. The Management Company can, however, permit the redemption of further units while taking into account the interests of unit holders, provided that investors are treated equally, and can reduce the amount payable for unit redemption by the costs of liquidation, in particular fees payable in this regard. If redemption is discontinued or suspended during liquidation, this shall be indicated in the publication performed in accordance with paragraph 2.

4. On the instructions of the Management Company or, if applicable, the liquidators appointed by the Management Company or the Custodian Bank, the Custodian Bank shall distribute the liquidation proceeds to unit holders according to their claims, while making a pro rata deduction for liquidation costs, in

particular fees payable in this regard ("net liquidation proceeds"). After liquidation proceedings have been concluded, to the extent required by law at that time, the Custodian Bank shall convert into euros the net liquidation proceeds that remain uncollected by unit holders after conclusion of the liquidation proceedings, and deposit said proceeds for the account of the unit holders concerned at the *Caisse des Consignation* in Luxembourg, where these amounts will be forfeited if not claimed from this organisation before expiration of the statutory deadline.

Special Regulation

Deka-Institutionell LiquiditätGarant

for the Basic Regulation, as amended on 1 July 2011, prepared by Deka International S.A. for the investment funds it established as mutual funds (*fonds communs de placement*) under Part I of the Law of 2010.

Article 1
The Fund

The current version of the Basic Regulation prepared by Deka International S.A. for the investment funds established by it as mutual funds (*fonds communs de placement*) under Part I of the Law of 2010 forms an integral part of this Special Regulation for Deka-Institutionell LiquiditätGarant (referred to hereafter as the "Fund"). The Basic Regulation was deposited with the Luxembourg commercial and company register and an announcement of this deposit published in *Mémorial* on 31 May 2011.

The guarantee periods run from 1 January to 30 June and from 1 July to 31 December of each year and repeat themselves without limit in periods of six months each. The starting point for the new guarantee value for each unit class is the unit price for the unit class on the last valuation date of the preceding guarantee period. The guarantee only applies to the unit value for the redemption price. The guaranteed unit value is adjusted for distributions (in unit classes CF (A) and TF (A)) and any taxes to be paid by the Fund. It does not include the sales commission or any taxes to be paid by investors. Tax changes that reduce the assets of the Fund reduce the guarantee accordingly. If the guaranteed value is not achieved, the Management Company will use its own funds to pay any difference into the Fund in favour of the unit class concerned.

Current guaranteed unit values can be obtained from the Management Company, Information Agents and at www.deka.de. They are also published in the Annual and Semi-Annual Reports. In addition, every update of the Sales Prospectus or Key Information for Investors will include the currently applicable guarantee value per unit.

Article 2
Investment policy

1. The main objective of the investment policy of the Fund is to earn an appropriate return in the money market sector, while simultaneously ensuring capital preservation by guaranteeing a redemption price on the last valuation date of each six-month guarantee period equal to the unit value for the redemption price on the last valuation date of the previous valuation period. The target return in euro in the money market sector is based, as a rule, on the 1-month euro LIBID rate. The resulting monthly target return path is published on the Internet at www.deka.de and is also available from the Management Company.

2. To this end, the assets of the Fund will be invested in accordance with the principle of risk diversification primarily in money market instruments and transferable securities that are rated, or whose issuers are rated, BBB- or higher (long-term rating) or A 3 (short-term rating). Money market instruments and transferable securities that are not rated, or whose issuers are not rated, but that the Management Company feels have comparable creditworthiness may also be acquired. The ratings of other recognised rating agencies have a standing equivalent to a comparable Standard & Poor's rating. If more than one rating exists, the highest rating applies. If a rating is reduced, thereby making acquisition of these money market instruments and transferable securities impermissible, the Management Company shall make it a priority to normalise this situation while taking into account the interests of unit holders.

3. Money market instruments are all securities and instruments which embody claims, regardless of whether they have the characteristics of securities or not, including bonds, asset backed securities, certificates of deposit, currency and/or interest certificates, discounted bonds, discounted notes and all other similar instruments satisfying the requirements of Article 41 paragraph 1 of the Luxembourg Law of 17 December 2010, provided that at the time of acquisition by the Fund the original or remaining time to maturity – taking into account the financial instruments relating thereto – does not exceed 397 days, or the terms of these securities or instruments provide for their interest rate to be adjusted to market conditions at least once every 397 days (floating rate notes). Article 5 paragraph 1 letter h) of the Basic Regulation permits the acquisition of unlisted money market instruments.

4. The average remaining time to maturity of the money market instruments and transferable securities held by the Fund may not exceed 397 days. In the case of variable-interest investments, the next interest adjustment date is treated as the maturity date.

5. Notwithstanding Article 8 of the Basic Regulation, foreign exchange futures contracts may only be acquired for hedging purposes.

6. Up to 10% of the net assets of the Fund may be invested in investment units as set out in Article 5 paragraph 1 letter e) of the Basic Regulation.

7. Bank balances as set out in Article 5 paragraph 1 letter f) of the Basic Regulation and liquid assets as set out

in Article 5 paragraph 3 of the Basic Regulation may also be held.

8. The assets of the Fund are predominantly invested in assets that are denominated in euro or hedged against the euro using exchange rate hedging.

9. Shares and warrant-linked bonds as specified in Article 5 paragraph 1 letters a) to d) of the Basic Regulation may not be acquired.

Article 3
Units

1. Units of unit classes CF (A), CF (T), TF (A) and TF (T) have been created for the Fund. Units that were certificated and issued by the Management Company before 1 December 2006 in the form of global certificates under the name "Deka-Institutionell GeldmarktGarant Unit Class A" or "Deka-Institutionell GeldmarktGarant Unit Class T" continue to exist in this form and retain their validity. They are assigned to unit class CF (A) and unit class CF (T), respectively.

2. Units of one unit class cannot be exchanged for units of another unit class.

Article 4
Fund currency

The Fund currency is the euro.

Article 5
Issue of units

Units are issued on every valuation date. The issue price for units of unit classes CF (A) and CF (T) is the unit value calculated according to Article 12 paragraph 1 of the Basic Regulation plus a sales commission of up to 0.50% of the unit value charged for the benefit of the sales offices. The issue price for units of unit classes TF (A) and TF (T) is the unit value. The issue price may be increased by fees or other charges incurred in the country of distribution.

Article 6
Redemption of units

The redemption price is the unit value as calculated according to Article 12 paragraph 1 of the Basic Regulation. The redemption price may be decreased by fees or other charges incurred in the respective country of distribution.

Article 7
Utilisation of earnings

1. For unit classes CF (A) and TF (A), it is intended that the Company should, as a rule, distribute to investors the interest, dividends and income from loan and sale and repurchase agreements not earmarked to cover costs in accordance with Article 15 paragraphs 2 to 4 of the Basic Regulation. Gains on disposals and other income can also be distributed. The managers of the Management Company decide each year, taking into account economic factors and exigencies, if and to what extent a distribution should be made.

2. If a distribution is performed, it takes place once per year within the three months following the end of the financial year.

3. The net income of the Fund, capital gains and other nonrecurring income for units of unit classes CF (T) and TF (T) are capitalised and reinvested in the Fund. No provision has been made for distributions for these unit classes.

Article 8
Costs

1. The Management Company receives an annual fee from the Fund of up to 0.50% p.a. for central management and investment management, calculated based on the average net assets of the Fund during the month in question and paid monthly in arrears.

2. The Management Company receives up to half of the income from securities loan transactions, securities sales and repurchase agreements and permissible transactions equivalent to these executed for the account of the Fund as a lump-sum fee for the initiation, preparation and performance of these transactions.

3. The Custodian Bank receives the following from the fund assets:

a) an annual fee of up to 0.10% for its activities as Custodian Bank, calculated based on the average net assets of the Fund during the month in question and paid monthly in arrears;

b) a normal bank processing fee for transactions performed for the account of the Fund;

c) costs and expenses that the Custodian Bank incurs as a result of permissible and normal market delegation of the safekeeping of assets of the Fund to third parties under Article 4 paragraph 3 of the Basic Regulation.

4. An annual fee of up to 0.20% is charged in favour of the sales offices against the net assets of the Fund, with this fee calculated based on the net assets of the Fund on the last valuation date of each month and paid to the Management Company monthly.

5. The Management Company also receives a performance fee. The performance fee equals the amount by which the increase in value exceeds the income from a target path money market investment chosen as a benchmark. The money market rate used is based on the 1-month euro LIBID rate and is set at the beginning of each month by the Management

Company. As a rule, the performance fee is calculated daily and settled annually in arrears.

Article 9
Financial year

The financial year of the Fund ends on 30 June of each year.

III. Annex
Your partners in the Sparkassen-Finanzgruppe.

Management Company

Deka International S.A.
5, rue des Labours
1912 Luxembourg
Luxembourg

Equity capital (as at 31 December 2011)

subscribed:	EUR 10.4 million
paid-in:	EUR 10.4 million
liable:	EUR 81.8 million

Supervisory Board of the Management Company

Chairman
Rainer Mach
Executive Member
of the Supervisory Board of
DekaBank Deutsche Girozentrale
Luxembourg S.A., Luxembourg

Deputy Chairman
Thomas Ketter
Managing Director of
Deka Investment GmbH,
Frankfurt am Main

Member
Holger Knüppe
Director of Equity Investments of
DekaBank Deutsche Girozentrale,
Frankfurt am Main

Management
Holger Hildebrandt
Managing Director of
Deka International S.A., Luxembourg

Eugen Lehnertz
Managing Director of
Deka International S.A., Luxembourg

Custodian Bank and Payment Agent, will also hold units of the Fund in safekeeping, if desired

DekaBank Deutsche Girozentrale
Luxembourg S.A.
38, avenue John F. Kennedy
1855 Luxembourg
Luxembourg

Equity capital (as at 31 December 2011)
EUR 462.9 million

Auditor for the Fund and Management Company

PricewaterhouseCoopers S.à r.l.
400, route d'Esch
1471 Luxembourg
Luxembourg

Payment and Information Agent in the Federal Republic of Germany

DekaBank Deutsche Girozentrale
Mainzer Landstraße 16
60325 Frankfurt
Germany

Payment and Information Agent in Austria

Vorarlberger Landes- und Hypothekenbank
Aktiengesellschaft
Hypo-Passage 1
A-6900 Bregenz
Austria

The information above is updated in the Annual and the Semi-Annual Reports.

The Management Company manages the following funds:

1. Investment funds under Part I of the Luxembourg Law of 17 December 2010 on undertakings for collective investment

Deka: (with subfunds)
- Deka: CapGarant 2
- Deka: CapGarant 3
- Deka: DeutschlandGarant 2
- Deka: DeutschlandGarant 3
- Deka: EuroGarant 6
- Deka: EuroGarant 7
- Deka: EuroGarant 8
- Deka: EuroGarant 9
- Deka: MegatrendsGarant 1
- Deka: WorldGarant 6
- Deka: WorldGarant 7
- Deka: WorldGarant 8

Deka 10/2007 (3 Jahre roll-over)
Deka Private Banking Portfolio (with subfunds)
- Deka Private Banking Portfolio Liquidität
- Deka Private Banking Portfolio Renten
- Deka Private Banking Portfolio Aktien Global
- Deka Private Banking Portfolio Aktien Euroland
- Deka Private Banking Portfolio Private Equity

Deka-BF EuroRenten Total Return
Deka-CapGarant 1
Deka-Commodities
Deka-ConvergenceAktien
Deka-ConvergenceRenten
Deka-CorporateBond Euro
Deka-CorporateBond High Yield Euro
Deka-DeutschlandGarant 1
Deka-DeutschlandGarant 4
Deka-DeutschlandGarant Strategie 1
Deka-DiscountStrategie 5y
Deka-EmergingEurope and Africa
Deka-EuroCash
Deka-EuroFlex Plus
Deka-EuroGarant 1
Deka-EuroGarant 2
Deka-EuroGarant 3
Deka-EuroGarant 4
Deka-EuroGarant 5
Deka-EuroGarant 10
Deka-EuroGarant Plus 5
Deka-EuroGarant Strategie
Deka-EuroGarant Strategie 1
Deka-Euroland Aktien LowRisk
Deka-EuropaGarant 1
Deka-EuropaGarant 80
Deka-Europa Aktien Spezial
Deka-EuropaValue
Deka-EuroStocks
Deka-Flex: (with subfund)
- Deka-Flex: Euro

Deka-Global ConvergenceRenten
Deka-GlobalOpportunities Plus
Deka-Institutionell LiquiditätGarant
Deka-Institutionell (with subfunds)
- Deka-Institutionell OptiCash
- Deka-Institutionell OptiFlex

Deka-KickGarant 1
Deka-MiddleEast and Africa
Deka-OptiMix Europa
Deka-LiquiditätsPlan
Deka-LiquiditätsPlan 2
Deka-Nachhaltigkeit (with subfunds)
- Deka-Nachhaltigkeit Aktien
- Deka-Nachhaltigkeit Balance
- Deka-Nachhaltigkeit Renten

Deka-OptiRent 1+y
Deka-OptiRent 2y
Deka-OptiRent 2y (II)
Deka-OptiRent 3y
Deka-OptiRent 3y (II)
Deka-OptiRent 5y
Deka-PB Werterhalt 2y
Deka-Renten: Euro 1-3 CF
Deka-Renten: Euro 3-7 CF
Deka-Russland
Deka-Special Situations
Deka-SubstanzAktien
Deka-Treasury (with subfund)
- Deka-Treasury CreditStrategie

Deka-TotalReturnStrategie 94
Deka-VolatilityCash
Deka-Wachstum
Deka-Wandelanleihen
Deka-WorldGarant 1
Deka-WorldGarant 2
Deka-WorldGarant 3
Deka-WorldGarant 4
Deka-WorldTopGarant
Deka-WorldTopGarant 1
Deka-WorldTopGarant 2
DekaLux-BioTech
DekaLux-Bond
DekaLux-Deutschland
DekaLux-Europa
DekaLux-GlobalResources
DekaLux-GlobalValue
DekaLux-Japan
DekaLux-MidCap
DekaLux-Pazifik
DekaLux-PharmaTech
DekaLux-USA TF
DekaLuxTeam-EM Bond
DekaLuxTeam-EmergingMarkets
DekaLuxTeam-GlobalSelect
DekaStruktur: Garant

Funds with a limited term
Deka-Best of Garant 10/2013
Deka-KickGarant 2006
Deka-KickGarant 2006 II
Deka-PremiumGarant 6/2014
Deka-SpreadGarant 12/2013
Deka-WorldGarant 10/2012
Deka-ZielGarant (with subfunds)
- Deka-ZielGarant 2010-2013
- Deka-ZielGarant 2014-2017
- Deka-ZielGarant 2018-2021
- Deka-ZielGarant 2022-2025
- Deka-ZielGarant 2026-2029
- Deka-ZielGarant 2030-2033
- Deka-ZielGarant 2034-2037
- Deka-ZielGarant 2038-2041
- Deka-ZielGarant 2042-2045
- Deka-ZielGarant 2046-2049
- Deka-ZielGarant 2050-2053

2. Investment funds under Part II of the Luxembourg Law of 17 December 2010 on undertakings for collective investment

Deka-Cash
Deka Private Banking Portfolio Rohstoffe
Deka Private Banking Portfolio Strategie (with subfunds)
- Deka Private Banking Portfolio Strategie 1
- Deka Private Banking Portfolio Strategie 2
- Deka Private Banking Portfolio Strategie 3

- Deka Private Banking Portfolio Strategie 4
- Deka Private Banking Portfolio Strategie 5
- Deka Private Banking Portfolio Strategie 6
- Deka Private Banking Portfolio Strategie 7
- Deka Private Banking Portfolio Strategie 8
- Deka Private Banking Portfolio Strategie 9
- Deka Private Banking Portfolio Strategie 10
- Deka Private Banking Portfolio Strategie 11
- Deka Private Banking Portfolio Strategie 12

Deka-S Rendite 1/2008 (5 Jahre roll-over)
Deka-Währungen Global
Deka-Zinsbuch Plus
DekaLux-Geldmarkt: (with subfunds)
- DekaLux-Geldmarkt: Euro
- DekaLux-Geldmarkt: USD

DekaStruktur: (with subfunds)
- DekaStruktur: ErtragPlus
- DekaStruktur: Wachstum
- DekaStruktur: Chance

DekaStruktur: 2 (with subfunds)
- DekaStruktur: 2 ErtragPlus
- DekaStruktur: 2 Wachstum
- DekaStruktur: 2 Chance
- DekaStruktur: 2 ChancePlus

DekaStruktur: 3 (with subfunds)
- DekaStruktur: 3 ErtragPlus
- DekaStruktur: 3 Wachstum
- DekaStruktur: 3 Chance
- DekaStruktur: 3 ChancePlus

DekaStruktur: 4 (with subfunds)
- DekaStruktur: 4 Ertrag
- DekaStruktur: 4 ErtragPlus
- DekaStruktur: 4 Wachstum
- DekaStruktur: 4 Chance
- DekaStruktur: 4 ChancePlus

DekaStruktur: V (with subfunds)
- DekaStruktur: V Ertrag
- DekaStruktur: V ErtragPlus
- DekaStruktur: V Wachstum
- DekaStruktur: V Chance
- DekaStruktur: V ChancePlus

Only offered by special distribution partners

BerolinaCapital (with subfunds)
- BerolinaCapital Sicherheit
- BerolinaCapital Wachstum
- BerolinaCapital Chance
- BerolinaCapital Premium

DekaLux-Mix: (with subfunds)
- DekaLux-Mix: E1
- DekaLux-Mix: E1+
- Deka-Lux-Mix: K1
- DekaLux-Mix: W1
- DekaLux-Mix: C1
- DekaLux-Mix: C1+
- DekaLux-Mix: E1+/A
- DekaLux-Mix: W1/A
- DekaLux-Mix: C1/A

Mix-Fonds: (with subfunds)
- Mix-Fonds: Balance Mix 20
- Mix-Fonds: Balance Mix 40
- Mix-Fonds: Balance Mix 70
- Mix-Fonds: Select Rendite
- Mix-Fonds: Select Wachstum
- Mix-Fonds: Select Chance
- Mix-Fonds: Select ChancePlus
- Mix-Fonds: Aktiv Rendite
- Mix-Fonds: Aktiv Wachstum
- Mix-Fonds: Aktiv Chance
- Mix-Fonds: Aktiv ChancePlus
- Mix-Fonds: Defensiv

The Management Company also manages funds subject to the Law of 13 February 2007.

IV. Synopsis of German tax regulations.

General taxation framework

As a rule, the income of German and foreign investment funds is taxed at the level of the investor, while the investment fund itself is exempt from taxation. The tax treatment of income from investment units therefore follows the principle of transparency, with the investor generally being taxed as if he himself had directly received the income earned by the investment fund (transparency principle). There are, however, a number of areas where fund investments deviate from this general principle. For example, certain income and gains are not recognised at the level of the investor until investment units are redeemed. Negative income earned by an investment fund is offset against positive income of the same type. Negative income not fully offset in this way may not be claimed by the investor, but must instead be carried forward at the level of the investment fund and offset against income of the same type in subsequent financial years.

Taxation of the investor is only triggered by distribution or reinvestment of income (current income) or the redemption of investment units. Such taxation is based in detail on the provisions of the German Investment Tax Act (InvStG) in combination with general tax law. The tax consequences of investing in an investment fund are essentially independent of whether the investment fund is German or foreign, which means that the discussion below applies equally to both. Any differences in taxation are noted at the appropriate location.

The discussion also applies to funds of funds, that is, investment funds that invest their capital predominantly, or in part, in other investment funds. There is nothing special that the investor must be aware of with fund-of-funds investments, since the investment company provides the information required for taxation in the same form as for other investment funds.

Since 1 January 2009, investment income earned by private investors in Germany has been subject to a flat-rate withholding tax (*Abgeltungsteuer*) of 25 per cent as a special form of investment income tax. In addition to the flat-rate withholding tax, a solidarity surcharge equal to 5.5 per cent of the flat-rate withholding tax and any applicable church tax of 8 or 9 per cent, depending on the investor's religion or religious denomination, must also be withheld and paid. Church tax will, however, only be withheld and paid for the investor if a church tax application for the investor is submitted to the Payment Agent by 31 December of the previous year at the latest (internal processing times must also be observed, if applicable). If church tax is not withheld for an investor who is subject to church tax because the church tax application was not submitted on time, the investor must allow his entire investment income to be assessed for income tax purposes. No further reference to the solidarity surcharge or church tax is made in applicable sections of the discussion below.

As a rule, the German flat-rate withholding tax satisfactorily discharges the tax liability for private investors. As a result, the private investor is not required to disclose in his income tax return income for which flat-rate withholding tax has been paid. The scope of the income subject to taxation, that is, the tax base for the flat-rate withholding tax, has been expanded considerably and in addition to interest and dividends now also includes, for example, gains on the disposal of shares and pensions.

Income such as interest and dividends is subject to the flat-rate withholding tax if the income accrues to the investor after 31 December 2008. Realised gains and losses are subject to the flat-rate withholding tax if the assets were acquired after 31 December 2008. This applies both to assets acquired by an investment fund and the gains or losses earned by the investor on the disposal of investment units. In the case of investment income not related to investment units, there are some transitional provisions that differ from those for investment units.

If the time that an asset was acquired cannot be determined unambiguously, the statutory method of deemed order of use is observed, under which the first security acquired is deemed to be the first sold. This applies both to the assets held by the investment fund as well as the investment units held by the investor, e.g. when the units are held in collective safekeeping.

Taxation of current income from investment funds

Income types and utilisation of earnings

An investment fund may invest in different types of assets in accordance with its investment policy and contractual terms. Based on the transparency principle, the different types of income earned from these investments may not all be assigned to the same category, e.g. dividends, but must be recognised separately in accordance with the rules of German tax law. An investment fund could, for example, earn interest, income equivalent to interest, dividends and gains on the disposal of assets. Income is calculated according to the provisions of tax law, in particular, the German Investment Tax Act (InvStG), so that it generally differs from the amounts actually distributed or the amounts shown as distributed and reinvested in the Annual Report. The tax treatment of income at the level of the investor depends on how the investment fund utilises its earnings, that is, whether the earnings are fully reinvested or fully or partially distributed. The Sales Prospectus or Annual Report of your investment fund shows how it utilises earnings. One must also differentiate between income attributable to private and business investors. Any distribution of capital as defined under tax law and reported by the Fund is not taxable for investors. For investors that prepare balance sheets, this means that distributions of capital are to be recognised as income in the accounts prepared for financial reporting purposes,

but recognised as an expense in the tax accounts with an adjustment item formed on the liabilities side and used to reduce historical acquisition costs in a technically tax-neutral manner. Alternatively, the amortised cost could be reduced by the pro-rated amount of the capital distribution.

Foreign withholding tax

In some cases, withholding tax that is deducted from foreign income in the country of origin can be deducted as income-related expenses at the level of the investment fund. Alternatively, the investment company can report foreign withholding taxes in its tax bases so that the investor can credit them against his personal tax liability or deduct them from his income. In some cases, an investor is able to credit withholding taxes against his personal tax liability even though the country where the investment fund invested does not actually deduct withholding tax (notional withholding tax). In such cases, the investor is only permitted to credit the reported notional withholding tax. Notional withholding tax may not be deducted from the investor's income.

In the Meilicke case, the European Court of Justice declared on 6 March 2007 that parts of German corporation tax law generally applicable up to the year 2000 were contrary to European law relating to direct investments in shares. For one thing, the law placed at a disadvantage persons who were subject to income tax in Germany and received dividends from companies domiciled in another Member State. It also made it more difficult for these companies to raise capital in Germany. Under the prevailing imputation system in Germany, only corporation tax on German dividends, not foreign corporation tax on foreign dividends, could be credited against an investor's personal tax liability. The European Court of Justice decided that holders of foreign securities must be retroactively compensated for the resulting disadvantages they incurred. In another decision of 30 June 2011 ("Meilicke II"), the European Court of Justice made a statement about the size of the tax imputation and the records needed to claim a refund. The procedural situation under German law remains unclear for direct investments, and for fund investments in particular. To safeguard your rights, it may therefore be advisable to seek advice from your tax consultant.

Publication of tax bases

The investment company publishes the tax bases applicable to the taxation of investors in the electronic Federal Gazette (*Bundesanzeiger*), together with professional certification that the information disclosed was calculated in accordance with the rules of German tax law.

Taxation of units held as personal assets

The time at which an investor must recognise income earned by an investment fund for tax purposes depends on how the investment fund utilises its earnings. If earnings are reinvested, the investor must report distribution-equivalent income – i.e. certain earnings not used by the investment fund for distribution – for tax purposes in the calendar year in which the financial year of the investment fund ends. Since the investor must pay taxes on income that he actually does not receive, "deemed accrual" is the term used in this connection. As a rule, in the case of full distribution the investor is subject to tax on the distributed earnings, and in the case of a partial distribution he is subject to tax on both the distributed earnings and the distribution-equivalent income. In both cases, an investor subject to taxation in Germany must recognise this income for tax purposes in the year of accrual.

As a rule, both distributed earnings and distribution-equivalent income are fully taxable unless rules exist that explicitly exempt certain income from taxation. In the calculation of investment income, a savings allowance of EUR 801 (joint assessment: EUR 1,602) is deducted as income-related expenses for investors with unlimited tax liability in Germany. The income-related expenses actually incurred by the investor (e.g. custodian bank fees) cannot be deducted. The investor is not subject to taxation on gains on the disposal of securities and from futures transactions until the gains are distributed or the investment units are redeemed.

Taxation of units held as business assets

A business investor with unlimited tax liability in Germany who calculates profits using the cash method of accounting must recognise distributed earnings and distribution-equivalent income for tax purposes at the same time as a private investor. If profits are calculated using the accrual method of accounting, the investor must recognise distribution-equivalent income at the end of the financial year of the investment fund and distributed earnings at the time of accrual. The general statutory provisions relating to the preparation of tax balance sheets apply in this regard.

As a rule, distributed earnings and distribution-equivalent income are both fully taxable for the business investor unless rules exist that explicitly exempt certain income from taxation. For example, only 60 per cent of an investor's dividend income is subject to taxation (partial-income method). As a rule, domestic and foreign dividend income and distributed realised gains on disposals of shares are 95 per cent tax exempt for investors subject to corporation tax. This is not the case for such income received from investment units, which financial institutions, in particular, allocate to their trading portfolios.

Redemption of investment units

The redemption of investment units is treated as a sale for tax purposes, that is, the investor realises a gain or loss on disposal.

Taxation of units held as personal assets

As a rule, gains and losses on the redemption of investment units are taxable as positive and negative investment income.

As a rule, these gains and losses can be offset against other investment income. This does not apply, however, to losses brought forward or future losses on the disposal of shares, for which a separate loss offset account must be maintained.

Offsetting is also not permitted against losses on the redemption of investment units or disposal of other securities that are still covered by the old law that existed before the flat-rate withholding tax was introduced. DTT profit consists of income and profit or loss that is tax exempt under a double taxation treaty between the source country and Germany and has not been distributed or reinvested. The DTT profit applicable to the holding period that is included in the gain or loss on disposal of investment units is tax exempt for private investors. The investment company publishes the DTT profit as a percentage of the redemption price.

The interim profit deemed to be included in the redemption price is also subject to taxation. The interim profit is equal to the interest and income equivalent to interest that has accrued to the Fund since the last distribution or reinvestment date and has not yet become taxable as a result of a distribution or reinvestment. The interim profit is calculated by the investment company on each valuation date and published together with the redemption price. This information is also provided on the investor's contract note by custodian banks in Germany. As a rule, the interim profit paid at the time of purchase is included in an investor's negative investment income, which can be offset against other positive investment income. This requires that earnings equalisation be performed by the Fund and that a note to this effect be included with the published interim profit and the professionally certified tax data. The interim profit received when investment units are redeemed is included in positive investment income. If interim profit is not published, 6 per cent of the proceeds received when investment units are redeemed or sold is to be reported each year as interim profit. The law does not require hedge funds to calculate or publish interim profit. If an investment company decides to do so, it can voluntarily calculate and publish the interim profit for hedge funds.

As a rule, German custodian banks calculate gains on disposals for investors. An exception exists in the case of redemption of investment units that were acquired before 1 January 2009, and were bought and sold within a period of one year. In this case, the investor himself must continue calculating the taxable gain or loss on disposal. The gain or loss in this case is the sale price less acquisition costs and income-related expenses. In addition, interim profit must be deducted from both the acquisition costs and sale price. Distribution-equivalent income must also be deducted from the gain or loss on disposal calculated in this way in order to avoid double taxation.

Taxation of units held as business assets

As a rule, when investment units are redeemed, the taxable gain or loss on disposal is equal to the redemption price less acquisition costs. The interim profit received by a business investor represents part of the sales proceeds.

Stock-related profit includes dividends, gains and losses on the disposal of shares, and increases and decreases in the value of shares that have not been distributed or reinvested. The investment company publishes the stock-related profit as a percentage of the redemption price, so that the investor must calculate the absolute value of the stock-related profit both at the time of acquisition and redemption of the investment units by multiplying this percentage by the redemption price applicable at the time. The difference between the absolute stock-related profit at the time of redemption and acquisition therefore represents the portion of the stock-related profit applicable to the holding period, and tells the investor what portion of the increase or decrease in the value of his investment units is attributable to shares. The stock-related profit for the holding period that is included in the gain or loss on disposal of investment units is 95 per cent tax exempt for investors subject to corporation tax and 40 per cent tax exempt for investors subject to income tax.

DTT profit consists of income and profit or loss that is tax exempt under a double taxation treaty between the source country and Germany and has not been distributed or reinvested. The DTT profit applicable to the holding period that is included in the gain or loss on disposal of investment units is tax exempt for business investors. The investment company publishes the DTT profit separately and in the same form as the stock-related profit.

Business investors must capitalise the investment units at acquisition cost and, if applicable, any ancillary acquisition costs. The interim profit paid at the time of purchase represents part of the acquisition cost. If the investment company reinvests earnings during the period when the investment units are held, the distribution-equivalent income must be recognised off the balance sheet and an adjustment item formed on the asset side of the balance sheet. When the investment units are redeemed, they must be derecognised through profit or loss and the adjustment item reversed in order to avoid double taxation of the distribution-equivalent income. The stock-related profit for the holding period must also be accounted for off the balance sheet.

German investment income tax

The German investment company and/or German custodian banks generally must withhold and pay investment income tax for investors. In the case of income received or deemed received by the investor after 31 December 2011, the domestic institution maintaining the securities account has, as a rule, full responsibility for withholding investment income tax. As a rule, the investment income tax definitively

discharges the tax liability for private investors. However, the investor may choose and, in some cases, must have this income assessed. If the investment units are held as business assets, the income must be assessed. If a business investor's income from investment units is assessed for income tax or corporation tax, the investment income tax paid only represents a tax prepayment that does not provide a satisfactory discharge and can be credited against his personal tax liability. German investment companies and German custodian banks (starting as of 1 January 2012: German custodian banks) issue a tax certificate to the investor for this purpose that he must submit to the revenue office for his tax assessment.

The tax rate for assessment of investment income is limited to 25 per cent for private investors. Voluntary assessment is particularly advisable for investors with no or very little taxable income.

German custodian banks will not withhold investment income tax if a non-assessment certificate or valid exemption application has been submitted. If an investor provides proof of non-residency for tax purposes, investment income tax is only deducted for German dividend income.

German custodian banks must maintain a loss offset account for an investor subject to taxation, and automatically carry this account forward to following years. Losses from the sale of shares can only be offset against gains from the sale of shares. Gains on the redemption of investment units are not considered gains on shares under tax law.

Investment income tax is only withheld to the extent that positive income exceeds negative income (brought forward) and the amount of any exemption applications. Investors subject to unlimited taxation in Germany may provide their banks with exemption applications, the total amount of which may be up to a maximum of EUR 801 (joint assessment: EUR 1,602).

Exemption applications, non-assessment certificates and proof of non-residency for tax purposes must be provided to the custodian bank in timely fashion. Timely fashion means before the end of the investment fund's financial year in the case of reinvestment, before the distribution in the case of distributing investment funds, and before the redemption when investment units are redeemed.

If the investment units are not held in a German securities account and coupons are submitted to a German payment agent, exemption applications and non-assessment certificates cannot be taken into account.

Foreign investors can only receive a credit or refund of withheld investment income tax under an applicable double taxation treaty between Germany and their country of residence. Refunds are provided by the German Federal Tax Office (*Bundeszentralamt für Steuern*).

As a rule, the tax deducted is reduced to account for any foreign withholding tax paid or creditable notional withholding tax reported by the investment fund. In exceptional cases where reported creditable withholding tax cannot be used to reduce the tax liability, a withholding tax account is used to carry the unused withholding tax forward, or a credit is performed within the context of an assessment.

German investment funds

German investment companies (starting as of 1 January 2012: German institutions maintaining securities accounts) must, as a rule, withhold and pay investment income tax when distributing and reinvesting earnings.

In addition, a German custodian bank must withhold investment income tax on the interim profit when investment units that it holds are redeemed. When investment units purchased after 31 December 2008 are redeemed, investment income tax is also withheld for the gains on disposal of the investment units.

Foreign investment funds

Foreign investment companies do not withhold and pay investment income tax to the German tax office. However, German custodian banks do withhold investment income tax on distributed earnings for investment funds that fully or partially distribute earnings.

If investment units are redeemed at a German custodian bank, the bank must also withhold and pay investment income tax on the interim profit. When investment units purchased after 31 December 2008 are redeemed, investment income tax is also withheld for the gains on disposal of the investment units.

A German custodian bank must also withhold and pay investment income tax on the total income deemed to have accrued to the investor after 31 December 1993 that has not yet been subject to German investment income tax. If investment units have been held at one and the same German custodian bank without interruption since being acquired, the tax base for investment income tax consists only of the portion of the distribution-equivalent income accumulated during the holding period. The accumulated distribution-equivalent income is calculated by the investment company and published on each valuation date together with the redemption price.

EU Savings Tax Directive (German Interest Information Regulation)

Certain interest and income equivalent to interest that is paid or credited to a natural person in another European country outside Germany who is subject

to unlimited tax liability in Germany must be reported to the German revenue authorities by the foreign custodian bank or payment agent. Belgium, Luxembourg, Austria and included non-Member States deduct withholding tax instead of reporting such income. The investor receives a tax certificate showing the amount of withholding tax deducted or a supporting document in the form of a statement. The withheld tax can be credited against German income tax, and a tax refund obtained for any tax withheld in excess of the income tax payable. The investor may avoid the deduction of taxes by authorising the custodian bank to make voluntary disclosures. This allows the bank to report the income to the German revenue authorities instead of deducting taxes.

German payment agents are required to forward information on such payments of interest and income equivalent to interest made to foreign natural persons via the German Federal Tax Office to the foreign revenue office at the person's place of residence. A report is made when investment units are redeemed or disposed of and the portion representing interest and income equivalent to interest exceeds 25 per cent of the redemption price.

Distributed interest and interest income is not reported to the revenue office at the person's place of residence if the fund holds no more than 15 per cent of its investments in assets that generate interest and income equivalent to interest as defined in the German Interest Information Regulation. Please refer to the Annual Report to determine whether this applies to your investment fund.

Legal notice

This tax information is intended to provide an overview of the tax consequences of fund investments. It cannot take into account all of the tax issues that could arise in connection with the particular situation of an individual investor. We recommend that interested investors consult a tax advisor with respect to the tax consequences of the fund investment.

The tax information is based on the current legal situation. No guarantee is provided that this assessment of tax law will not change due to changes in legislation, court rulings or orders issued by the revenue authorities. Such changes can also be introduced retroactively and adversely affect the tax consequences described above.

Changes due to the German Accounting Law Modernisation Act (BilMoG): Special notes disclosures for investment funds (§ 285 no. 26 HGB as amended; § 314 paragraph 1 no. 18 HGB as amended)

The BilMoG requires investors that are obligated under the German Commercial Code (HGB) to include notes with their annual financial statements and that hold more than 10 per cent of the capital of domestic and foreign institutional and mutual funds to make supplementary disclosures on the investment funds in the notes. The BilMoG generally applies to financial years that begin after 31 December 2009. There is, however, an election to apply all of the new provisions of the act to financial years that begin after 31 December 2008.

The BilMoG requires the following additional disclosures in the notes to the annual financial statements (§ 285 no. 26 HGB) and notes to the consolidated financial statements (§ 314 paragraph 1 no. 18 HGB):

- Classification of the investment fund according to investment objectives, e.g. equity fund, bond fund, real estate fund, mixed fund, hedge fund or other fund
- Market value / unit value in accordance with § 36 InvG
- Difference between market value and book value
- (Earnings) distributions for the financial year
- Restrictions on the right of daily redemption
- Reasons for not performing write-downs in accordance with § 253 paragraph 3 sentence 4 HGB as amended
- Indications of impairment that is expected to be temporary

Please consult with your auditor for additional information, or information specific to your particular situation.



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