

# BANTLEON OPPORTUNITIES

Sales Prospectus with Management Regulations

Bantleon Opportunities S

Bantleon Opportunities L

Bantleon Opportunities XL

Bantleon Opportunities World

Bantleon Family & Friends

Bantleon Dividend

Bantleon Dividend AR

Bantleon Cash

## **Sales Prospectus with Management Regulations**

### **»BANTLEON OPPORTUNITIES« with the sub-funds**

Bantleon Opportunities S  
Bantleon Opportunities L  
Bantleon Opportunities XL  
Bantleon Opportunities World  
Bantleon Family & Friends  
Bantleon Dividend  
Bantleon Dividend AR  
Bantleon Cash

**January 2017**

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# SALES PROSPECTUS

## 1. Sales Prospectus

Shares of the Fund are acquired on the basis of this Sales Prospectus, the Management Regulations, the most recent annual report and the semiannual report, insofar as the latter was published after the most recent annual report.

The German version of this Sales Prospectus is binding. The Fund's Sales Prospectus as well as its annual and semi-annual reports are available free of charge from the registered offices of the Management Company and the Custodian and from the Paying Agents and the distributors.

## 2. The Fund

Under the designation »BANTLEON OPPORTUNITIES« (hereinafter referred to as »the Fund«), the Fund offers the investor various sub-funds with differing investment policies. All of these sub-funds together constitute the Fund. The Fund's sub-funds are as follows: Bantleon Opportunities S, Bantleon Opportunities L, Bantleon Opportunities XL, Bantleon Opportunities World, Bantleon Family & Friends, Bantleon Dividend, Bantleon Dividend AR and Bantleon Cash (hereinafter referred to as »the sub-funds«). An overview of the sub-funds and share classes can be found on page 20/21 of this Sales Prospectus.

The sub-fund Bantleon Cash invests exclusively in bonds and money market instruments in accordance with the investment restrictions and conditions for the investment of cash in the Special Regulations. Bantleon Opportunities S, Bantleon Opportunities L and Bantleon Opportunities XL can also invest in predominantly European equity indices. Beyond that, Bantleon Opportunities World can invest in instruments whose value depends on the development of equity markets worldwide. Bantleon Family & Friends invests the sub-fund's assets additionally in instruments whose value depends on the development of the global equity or commodity market. The sub-funds Bantleon Dividend and Bantleon Dividend AR invest worldwide in equities issued by companies that pay high dividends, hedge share price risks in the form of price fluctuations are not hedged for Bantleon Dividend; they can be fully hedged for Bantleon Dividend AR. Currency risks are hedged as much as possible.

The Fund was registered as a mutual fund on 15 February 2008 according to Part I of the Luxembourg Law of 20 December 2002 on Undertakings for Collective Investment, to be structured as a Fonds Commun de Placement (FCP) and established for an indefinite period. The Fund is structured as an umbrella fund. Since 1 July 2011, the Fund is governed by Part I of the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment (hereinafter referred to as the »Law of 17 December 2010«). The Fund and its sub-funds comply with Directive 2009/65/EC of the European Parliament and the Council (hereinafter referred to as the »UCITS Directive«).

The sub-funds are legally and financially independent of one another. Each sub-fund is liable only for its own obligations with respect to third parties and particularly creditors.

Shares of the Fund may not be offered, sold or delivered within the United States. The Fund may neither be offered, sold or delivered to U.S. citizens or persons residing in the U.S. and/or other natural or legal persons whose income and/or earnings, regardless of origin, are subject to the U.S. income tax, and persons that are subject to Regulation S under the U.S. Securities Act of 1933 and/or the U.S. Commodity Exchange Act as amended.

## 3. Investment Policy

### Bantleon Opportunities S

Bantleon Opportunities S has the aim of employing active management of bonds and equity markets (incl. derivatives) to achieve a high absolute performance. Through the use of futures, the market risk can be increased, however, no more than doubled.

Modified duration of the sub-fund's assets: 0.0% to 7.0%.

### Bantleon Opportunities L

Bantleon Opportunities L has the aim of employing active management of bonds and equity markets (incl. derivatives) to achieve a high absolute performance (Absolute Return approach). Through the use of futures, the market risk can be increased, however, no more than doubled.

Modified duration of the sub-fund's assets: 0.0% to 9.0%.

### Bantleon Opportunities XL

Bantleon Opportunities XL has the aim of employing active management of bonds and equity markets (incl. derivatives and negative duration and/or short positions in equity indices) to achieve a high absolute performance. Through the use of futures, the market risk can be increased considering the applying value-at-risk limits for this sub-fund.

Modified duration of the sub-fund's assets: -5.0% to 15.0%.

### **Bantleon Opportunities World**

Bantleon Opportunities World aims to provide an attractive absolute performance. It seeks to generate superior interest income from bonds of intermediate to good rating and regular capital gains from the most important global equity markets. The selection and weighting of the segments is continuously adapted to the expected economic development. Through the use of futures, the market risk can be increased, however, no more than doubled.

Modified duration of the sub-fund's assets: 0.0% to 8.0%.

### **Bantleon Family & Friends**

Bantleon Family & Friends aims to provide high absolute performance, which is consistent with the objective of medium-term wealth creation. It aims to spread risks over a diversified global investment into the asset classes bonds, equities and commodities. The selection and weighting of the segments is continuously adapted to the expected economic development. Through the use of futures, the market risk can be increased considering the applying value-at-risk limits for this sub-fund.

### **Bantleon Dividend**

Bantleon Dividend aims to generate the highest level of capital growth possible, while offering regular dividend distributions that are above the market average. The sub-fund invests globally in shares of firms with above-average dividend yields. Bantleon Dividend's stock selection is focused on the universe of the MSCI World (Developed Markets) Index, taking into account additional criteria such as size and sustainability of dividend, low volatility, low debt and other factors. Stocks from companies in the financial sector are avoided as far as possible in favour of those with a basis in the real economy. Share price risks in the form of price fluctuations are not hedged for Bantleon Dividend. Currency risks are hedged as much as possible. Market risk may increase, but no more than double, as a result of using futures.

### **Bantleon Dividend AR**

Bantleon Dividend AR aims to generate the highest level of capital growth possible, while offering regular dividend distributions that are above the market average. The sub-fund invests globally in shares of firms with above-average dividend yields. Bantleon Dividend AR's stock selection is focused on the universe of the MSCI World (Developed Markets) Index, taking into account additional criteria such as size and sustainability of dividend, low volatility, low debt and other factors. Stocks from companies in the financial sector are avoided as far as possible in favour of those with a basis in the real economy. Share price risks in the form of price fluctuations can be reduced by up to 100% through hedging transactions. The equity index futures in the sub-funds

are used for hedging purposes. Currency risks are hedged as much as possible. Market risk may increase, but no more than double, as a result of using futures.

### **Bantleon Cash**

Bantleon Cash is intended to achieve high income from money market investments or from bonds with short residual maturities and interest rate lock-in periods. Through the use of futures, the market risk can be increased, however, no more than doubled.

Modified duration of the sub-fund's assets: 0.0% to 2.0%.

## **4. Risk Warning**

### **General**

Investing in shares of Funds involves risks. These risks can include interest rates, commodities, currencies, credits, liquidity and counterparty risks as well as volatility risks or political risks, or be associated with it. Each of these risks can also occur together with other risks. Some of these risks are listed below. This is not to be understood as an exhaustive list of the risk factors associated with investments in the Fund. Potential investors should have previous experience with the instruments that are used in the specified investment policy. Also investors should fully understand the risks associated with the investment in shares and only make investment decisions if they match the advice given by their own legal, tax and financial advisers, accountants or other advisers in regards to the suitability of an investment in shares, taking into account their personal financial or tax situation and other circumstances and the advice in this prospectus as well as the investment policy of this Fund.

It should be noted that investments in funds offer opportunities as well as risks. The value of the Fund's shares is determined by price fluctuations of the Fund's assets, so the share value can rise or fall accordingly below the purchase price.

No warranty can therefore be given that the investment objective of a sub-fund will be achieved or that the investments in the Fund will gain value. Past performance is not a reliable indicator of future results.

### **Risk Management Procedure**

The Management Company employs a risk management procedure that allows it to monitor and measure the risks associated with an investment position and the individual portion of the total risk profile of the investment portfolio at all times. Furthermore, the Management Company employs a process for accurate and independent assessment of the value of OTC derivative instruments. Consistent with the requirements of the German Capital Investment Act (Kapitalanlagegesetzbuch – KAGB) and the relevant regulation by the German Federal Financial Supervisory Authority (»BaFin«), the Management Company assesses, monitors and reviews the risk management procedure regularly, at least once per year, and it notifies to the BaFin any material amendments of the risk management procedure.

# SALES PROSPECTUS

As part of the risk management procedure, the Management Company uses appropriate and expedient methods to ensure that the Fund's global exposure relating to derivative instruments does not exceed the total net value of its portfolio. To this end, the Management Company is using the following methods:

**Commitment approach:** This approach entails converting positions in financial derivative instruments into their underlying equivalents by means of the delta method. Netting and hedging effects between financial derivative instruments and their underlyings are taken into account. The sum of these underlying equivalents must not exceed the total net value of the Fund's portfolio.

**Value-at-Risk approach:** The value-at-risk figure (VaR) is a mathematical-statistical concept and is used as a standard risk measure in the financial sector. The VaR indicates the possible loss of a portfolio that will not be exceeded during a certain period (the holding period) with a certain probability (the confidence level). In the context of the VaR approach, either the relative or the absolute VaR approach is applied. With the relative VaR approach, the VaR of the Fund may not exceed a maximum of twice the VaR of a reference portfolio. The reference portfolio is essentially an accurate reflection of the Fund's investment policy. With the absolute VaR approach, the VaR (99% confidence level, 20-day holding period) of the Fund may not exceed 20% of the Fund's assets.

For funds whose total risk associated with derivatives is determined using the VaR approach, the Management Company estimates the expected degree of leverage. Leverage is defined pursuant to the CSSF as the total of the nominal values of the derivatives used by the respective sub-funds. Depending on the respective market situation, this degree of leverage may deviate from the actual value and may either exceed or be less than that value. Investors are notified that no conclusions about the risk content of the Fund may be drawn from this data. In addition, the published expected degree of leverage is explicitly not to be considered an investment limit.

The method used in order to determine the total risk associated with derivatives and, if applicable, the disclosure of the benchmark portfolio and the expected degree of leverage, as well as its calculation method, will be indicated in the following list. There, the expected leverage is expressed as a ratio between the total of the nominal value of the used derivatives and the net asset value of the respective sub-fund and is based on historical data. For sub-funds which have not yet been launched, the expected leverage value will be calculated on the basis of a model portfolio or on the investments of a comparable sub-fund.

Sub-funds	Global risk calculation method	Expected leverage value (as an absolute value)	Reference portfolio <sup>1</sup>
Bantleon Cash	Commitment approach	n.a.	n.a.
Bantleon Opportunities S	Commitment approach	n.a.	n.a.
Bantleon Opportunities L	Commitment approach	n.a.	n.a.
Bantleon Opportunities XL	Absolute VaR approach	1.20	n.a.
Bantleon Opportunities World	Commitment approach	n.a.	n.a.
Bantleon Family & Friends	Relative VaR approach	1.05	The reference portfolio is composed of euro-denominated bonds, global equities as well as a broad range of commodity indices.
Bantleon Dividend	Commitment approach	n.a.	n.a.
Bantleon Dividend AR	Commitment approach	n.a.	n.a.

## Market Risk

The price or market value development of financial products will depend in particular on the development of capital markets, which in turn is affected by the general global economic situation and economic and political conditions in the respective countries. In particular, the general price development at a stock exchange can also include irrational factors such as moods, opinions and rumours.

### **Interest Rate Risk**

By investing in fixed-income securities, the possibility is given, that the market interest rates existent at the time of issue can change. An increase in market interest rates compared to interest rates at the time of issue, usually lead to a fall in the prices of fixed-income securities. If, however, the market interest rates decrease, the price of fixed-income securities rises. The price development causes the current yield of the fixed-income securities to correspond roughly to the current market rate. These fluctuations, however, vary depending on maturity of fixed-income securities. Fixed-income securities with shorter maturities bear a lower price risk than securities with longer maturities. Fixed-income securities with shorter maturities by contrast, generally feature lower returns than securities with longer maturities.

Money market instruments tend to lower risks due to their short maturity of less than 12 months.

### **Credit Risk**

Investors should be aware that such an investment may pose credit risks. Bonds or debt instruments carry a credit risk with respect to the issuers, for which the credit rating of the issuer may be used as an indicator. Bonds or other debt securities of issuers with a lower rating are generally considered to be securities with a higher credit risk and higher default probability of the issuer as securities of issuers with a higher rating. Should an issuer of bonds or debt instruments find itself in financial or economic difficulties or should its rating of credit-worthiness gets downgraded, this may affect the value of its bonds and debt instruments (and might even sink to zero) as well as the respective interest payments due (which might tend to zero).

### **Counterparty Risk**

If the individual sub-fund is allowed to execute OTC («Over-the-counter») transactions, it may be exposed to risks relating to the creditworthiness of its counterparties and their ability to meet the terms of such contracts.

### **Risks Associated with Investment Shares**

If the individual sub-fund holds shares of investment funds, the risks associated with these shares are closely related to the risks of the assets included in the investment fund or the investment strategies associated with the investment fund. The above risks can be reduced by scattering the investments within the funds whose shares are obtained and by scattering within this Fund.

### **Currency Risk**

If the individual sub-fund holds assets denominated in foreign currencies, it is exposed to currency risk. A possible devaluation of the foreign currency against the base currency of the Fund leads to the decrease of the value of the assets in foreign currency. A sub-fund's investment policy may provide for hedging transactions on currencies in order to protect the sub-fund against losses on the value of foreign currency positions. However, no warranty can be given that such hedging transactions will be successful.

### **Risks Associated with Commodities**

When investing in interest-bearing or other securities, whose income, performance and/or return of capital repayment size is dependent on the development of an underlying commodity or commodity indices, additionally to the general risks of the investment vehicle there are the risks associated with investing in commodities. The performance of commodities depends specifically on the general supply situation of the respective goods, their consumption, the expected promotion, preparation, manufacture and production and can therefore be volatile in certain quantities. Moreover, it cannot be excluded that, first, the composition of a commodity index and the weighting of the individual components of a commitment changes and secondly, the index levels are not current or not based on current data. This could have a negative effect on the Fund.

### **Concentration Risk**

Further risks may arise from a possible investment concentration in specific assets or regional markets and economic sectors. Thus the Fund's capital is exceptionally dependent on the development of these assets, markets or sectors.

### **Country or Transfer Risk**

This refers to the risk, that a foreign debtor, despite its proper solvency, is unable to meet, either at all or within the appropriate time frame its financial obligations, due to the lack of transfer ability or willingness of its country domicile. For example, payments, to which the Fund is entitled, are missing or made in a currency which, because of foreign exchange restrictions, is no longer convertible.

### **Custody Risk**

The custody risk describes the risk, which may result from the general possibility, that the assets are deprived partially or fully from the access of the Fund at its own damage in the event of insolvency, due diligence violations or misconduct of the custodian or sub-custodian.

### **Political Risk/Regulatory Risk**

The Fund may invest abroad. Thus, the risk of adverse international political developments, changes in governmental policies, taxation and other legal developments becomes evident.

### **Inflation Risk**

The inflation involves a devaluation risk for all assets.

### **Key Persons Risk**

Funds which produce a positive investment return over a given period of time owe this success to the aptitude of the persons in charge and thus to their accurate management. However, the composition of the Fund management may change. New decision-makers might be less successful.

### **Change in Investment Policy**

A change in investment policy within the approved investment universe may result in a change of the inherent risks.

## **Change of Management Regulations; Dissolution or Merger**

The management reserves the right to change the Management Regulations of the Fund. It is also permissible, pursuant to the terms of the Management Regulations, to dissolve the Fund in whole, or to merge it with another fund. Such action entails the risk that the investor may not be able to hold the Fund as long as envisaged.

## **Liquidity Risk**

Liquidity risks occur when a specific security is hard to sell. In principle only those securities shall be acquired for a fund which can be easily sold at any time. However, difficulties may emerge for a single security at specific stages or in particular market segments, to sell it at the desired time. There is also the risk that securities which are traded in a rather narrow market segment are subject to significant price volatilities. Furthermore, liquidity risks may arise as a result of unusual market conditions, an unusually large number of redemption orders or other circumstances. In such cases, the Fund may be unable to carry out payments within the normal time frame.

## **Risks Associated with Derivative Transactions**

Derivative financial instruments are not investment instruments in their own right but rights or obligations whose value is derived principally from the price, price fluctuations and price expectations of an underlying instrument. Only unconditional derivatives are used, examples being futures and swaps. These involve a contractual obligation for each party to provide payment or delivery at a precise time. They may be traded on an exchange (exchange-traded derivatives) or off-exchange (over-the-counter or OTC derivatives). In the case of exchange-traded derivatives (e.g. futures), the exchange itself is a party to each transaction. Such transactions are processed and settled via a clearing house. By contrast, OTC derivatives (e.g. swaps) are concluded directly between two parties without the involvement of an intermediary.

Investments in derivatives are subject to general market risk, key persons risk, credit risk and liquidity risk. However, the specific features of derivative financial instruments may change the nature of the above risks such that they are in some cases higher than the risks associated with an investment in the underlying instrument. The use of derivatives thus necessitates not only an understanding of the underlying instrument, but also in-depth knowledge of the derivatives themselves.

Derivatives traded on an exchange generally entail a lower credit risk than those traded over-the-counter as the clearing house acting as issuer or counterparty for every derivative traded on the exchange provides a settlement guarantee. To reduce the overall default risk, this guarantee is supported by a daily payment system operated by the clearing house, which serves to calculate the margin required to cover positions.

The existence of credit risk for a specific OTC derivative depends on whether the transaction is subject to compulsory provision of collateral via a central counterparty. According to Regulation (EU) No 648/2012 of the European Parliament and of the Council of

4 July 2012 on OTC derivatives, central counterparties and trade repositories (hereinafter referred to as the »EMIR Regulation«), certain OTC derivatives transactions must be cleared by a central counterparty. When this is the case, the central counterparty bears the credit risk. The credit risk attached to those OTC derivatives transactions that are not subject to compulsory central clearing under the EMIR Regulation remains with the Fund. In such cases, the Management Company must take the credit rating of each counterparty into account when assessing the potential credit risk.

While OTC derivatives do not benefit from any such settlement guarantee, their default risk is in most cases limited by the risk diversification arising from the investment restrictions set out in section II, »6. Investment Limits« of the Management Regulations. When the object of a derivative is not the delivery or exchange of an underlying (for example, in the case of a credit default swap) but simply payment of the difference between amounts mutually owed by the parties (as in the case of interest rate swaps), the Fund's potential loss in the event of default by the counterparty is limited to this difference.

Credit risk can be reduced by depositing collateral. In order to trade in derivatives on an exchange, participants must deposit collateral with the clearing house in the form of cash (this is known as the initial margin). The clearing house values (and, where appropriate, settles) each participant's outstanding positions and revalues the collateral provided on a daily basis. If the value of the collateral falls below a specific level (known as the maintenance margin), the clearing house requires the participant to deposit additional collateral (known as the variation margin) in order to restore it to the original level. The credit risk attached to OTC derivatives can be reduced through the provision of collateral by the counterparty concerned, by offsetting different derivatives positions entered into with the same counterparty or through careful selection of counterparties.

## **Credit Default Swaps**

The category of OTC derivatives also includes credit default swaps (»CDS«). A CDS is a financial instrument that separates the credit risk from the underlying credit relationship and thus allows it to be traded separately. CDS can thus be used to hedge the credit risk attached to bond investments. To do this, the bond investor acts as the protection buyer and concludes a CDS contract with the protection seller, who assumes the credit risk in exchange for payment of a premium. In the event that the bond issuer defaults, the protection seller must pay compensation to the protection buyer.

Where permissible under a sub-fund's Special Regulations, CDS are used primarily to hedge the credit risk attached to bonds, i.e. the sub-fund is the protection buyer (buying a CDS). CDS may be concluded either as »single name CDS«, i.e. with reference to the credit risk of a sole issuer, or as »basket CDS/index CDS« that refer to a portfolio of reference debtors. The risk for the Fund as protection buyer is limited to the payment of the premium. The premium depends on the probability of default and the maximum loss that could be incurred. Like all derivatives, CDS



entail a counterparty risk in that the protection buyer might not receive any compensation if the protection seller defaults on a credit event.

By selling a CDS, the sub-fund may also act as protection seller. In such case, CDS may be concluded only as »basket CDS/index CDS« that refer to a portfolio of reference debtors. The risks to be transferred are being defined in advance as so-called »credit events«. As long as no credit events occur, the CDS seller does not have to render a performance. If a credit event does occur, the seller pays the predefined amount or the nominal value or an adjustment payment in an amount being the difference between the nominal sum of the reference assets and their market value after the credit event occurs (»cash settlement«).

#### **Total Return Swaps**

The category of OTC derivatives also includes Total Return Swaps (»TRS«). A TRS is an agreement to compensate the total income and/or net change in market value of an underlying asset (a financial instrument) through payments between the contracting parties. With a TRS, one party (the protection seller) pays the other party (the protection buyer) a fixed or variable premium in exchange for the total return on the underlying asset, e.g. a share or bond. To this end, the protection buyer pays the protection seller the amounts it receives from the issuer of the underlying asset, for example in the form of dividends, interest or capital repayments, during the term of the TRS. Compensation is also paid, either periodically or at the end of the term, for changes in the market value of the underlying asset during the term of the TRS. In the case of a TRS on a bond, therefore, the party paying the premium (the protection seller) receives not only the interest and capital repayments on the bond during the term but also any capital gain resulting from an increase in the value of the bond. If the value of the bond falls, however, the protection seller must pay compensation to the protection buyer in the amount of the fall in value.

Where permissible under a sub-fund's Special Regulations, TRS are used to hedge assets held by the sub-fund, i.e. the sub-fund is the protection buyer (selling a TRS). It thus transfers the credit risk associated with a specific asset to the TRS buyer (protection seller) without having to sell the asset itself. The protection buyer therefore retains ownership of the underlying asset. In return, the protection seller accepts the risk and receives the economic benefits resulting from the underlying asset without having to record the asset on its balance sheet. The risk for the Fund as protection buyer is limited to the payment of the total income and/or net change in market value of the underlying asset.

Where permissible under a sub-fund's Special Regulations, TRS may also be used as part of the investment strategy, including for the purpose of efficient portfolio management as well as to generate additional returns, i.e. for speculative purposes. In such cases, the sub-fund acts as the protection seller for the TRS. The sub-fund's main aim in the role of protection seller is to build up an exposure to the underlying asset without having to hold the asset itself, for example by buying a TRS on a bond index in order

to capture the income and capital gains generated by the bonds in the index. In this case, the sub-fund as protection seller makes compensation payments to the protection buyer in exchange for receiving the total return on the underlying asset. These payments are normally based on the LIBOR (London Interbank Offered Rate) or Euribor (Euro Interbank Offered Rate) plus a spread as a premium for taking on the risk. The risk for the Fund as protection seller lies in the fact that it may have to make compensation payments to the protection buyer if the market value of the underlying asset falls or compensate the protection buyer in full in the event of a default on the underlying asset.

All types of Fund assets permitted under the Law of 17 December 2010 may be used as underlying assets for TRS, in particular shares, share indices, bonds, bond indices and commodities. Up to 100% of the Fund's assets may be used for TRS for hedging purposes, up to 30% of the Fund's assets for other purposes. The Management Company expects that no more than 30% of the Fund's assets will be used for TRS in either case as a rule. However, this is merely an estimate and may be exceeded in certain circumstances. All returns generated by TRS accrue to the Fund – net of all transaction costs.

The Management Company selects contracting parties (counterparties) for TRSs itself, taking account of all supervisory requirements applicable at the Fund and company levels and in line with transparent quantitative and qualitative criteria. In particular, the selection process ensures that each counterparty is subject to official prudential supervision, is financially sound and has the organisational structure and resources required to fulfil its contractual obligations towards the Management Company, acting on behalf of the Fund. TRS counterparties are selected according to the following criteria: credit and financial services institutions with their registered office in a Member State of the EU, a country party to the Agreement on the EEA or a third country with supervisory regulations that the CSSF deems equivalent to those under EU law. In principle, counterparties must at least have an investment-grade credit rating, meaning a rating of »BBB-« or higher from »Standard & Poor's« or »Fitch« or »Baa3« or higher from »Moody's«. Counterparties are additionally selected according to the contractual terms they offer. There are no restrictions as regards the legal form of counterparties. At the time of production of this Sales Prospectus, most of the counterparties used are public limited companies.

Further risks associated with the use of derivatives include but are not limited to the following:

- the danger that forecasts made regarding future trends in interest rates, prices of securities and currency markets may, in hindsight, prove to have been incorrect;
- the failure of derivatives to correlate completely with their underlying assets, interest rates and indices, as a result of which complete hedging may not be possible under certain circumstances;
- errors in the pricing or valuation of derivatives;

- the possible absence of a liquid secondary market for a specific instrument at a given point in time, as a result of which it may not be economically viable to close out a derivative position under certain circumstances, even when doing so would make sense from the investment policy standpoint;
- the danger that it may not be possible to sell securities underlying derivative instruments at an opportune time or that securities may have to be acquired or sold at an inopportune time;
- the potential loss arising due to the use of derivative instruments, which may not be predictable under certain circumstances and could even exceed the margin provided.

If derivatives may be used in accordance with the Special Regulations of the respective sub-fund, such transactions must be carried out exclusively

- a) by using interest rate futures and futures on equity indices and currencies which are traded and listed at an approved futures exchange. The sub-fund may use futures to hedge price risks from money market, bond, equity index and currency positions as well as for purposes other than hedging strategies.
- b) by non-standardised swap agreements and currency forwards with UBS AG or with other international banks which have a minimum rating of »BBB-«/»BBB-«/»Baa3« by »Standard & Poor's«, »Fitch« or »Moody's«.
- c) by standardised or non-standardised credit default swaps as well as standardised or non-standardised total return swaps with UBS AG or with other international banks which have a minimum rating of »BBB-«/»BBB-«/»Baa3« by »Standard & Poor's«, »Fitch« or »Moody's«.

Active short positions are not addressed, except for the sub-funds Bantleon Opportunities XL and Bantleon Family & Friends which implement active short positions by futures. In sub-funds which address futures on equity indices, respectively currencies, additional exchange risks from price changes in the underlying equity and currency markets can arise.

The above-mentioned equity indices are such that the provisions of Article 9 of the Grand Duchy Regulation of 8 February 2008 are fulfilled.

Trading in derivatives is used within the investment guidelines' frame, for providing efficient management of the Fund's assets as well as maturity and risk management.

## Collateral Management

If the Fund enters into OTC transactions, it may be exposed to risks relating to the creditworthiness of the OTC counterparties. When concluding unconditional derivative contracts or using other derivatives techniques, the Fund bears the risk that an OTC counterparty will fail or be unable to meet its obligations in respect of one or more specific contracts. The counterparty risk can be reduced by the transfer or the pledging of security (collateral). This is carried out in accordance with and taking into consideration the requirements of ESMA guideline 2014/937. Collateral may be provided in the form of cash in highly liquid currencies, top-rated government bonds as well as debt instruments issued by public international bodies to which one or more member states of the European Union belong and covered bonds. The Fund only accepts as collateral financial instruments whose value, on the basis of a suitably objective appraisal, could be realised within a reasonable time frame. The collateral must be valued at least once a day by the Fund or by a service provider appointed by the Fund. The value of the collateral must be higher than the value of the position with the OTC counterparty concerned. This value may vary between two successive valuations. However, after every valuation, it is ensured that the collateral exceeds the value of the position with the OTC counterparty concerned by the required amount, where appropriate by demanding additional collateral (this is known as marking to market). In order to take sufficient account of the risks attached to the collateral itself, the Management Company decides whether the value of the collateral to be demanded is to be increased by applying a premium or reduced by applying a reasonable, conservatively calculated discount (known as a haircut). The greater the possible fluctuations in the value of the collateral, the greater the haircut.

The Management Company has permitted instruments from the following asset classes to be used as collateral from OTC derivatives transactions and determined the following haircuts to be applied to these instruments:

Share classes/ accepted securities	Minimum haircut (deduction in % of the market value)
Cash (fund currency)	0%
Cash (foreign currencies)	0%
Bonds with short term to maturity (up to one year) issued by Australia, Belgium, Denmark, Germany, France, Austria, Japan, Norway, Sweden, the UK or the US, provided the issuing state has a rating of at least »A«	1%
Bonds with a medium term to maturity (one to five years) meeting the above criteria	3%
Bonds with a long term to maturity (five to ten years) meeting the above criteria	4%
Bonds with a very long term to maturity (more than ten years) meeting the above criteria	5%
US TIPS (Treasury inflation-protected securities) with terms of up to ten years	7%
US Treasury strips or zero-coupon bonds (all terms to maturity)	8%
US TIPS (Treasury inflation-protected securities) with terms of more than ten years	10%
Debt securities issued by public international bodies to which one or more EU Member States belong and covered debt securities	1%

Further details on the haircuts applied can be requested free of charge from the Management Company at any time.

Securities transferred as collateral must not be issued by the OTC counterparty concerned or have a high correlation to that OTC counterparty. For this reason, equity securities from the financial sector are not permitted as collateral. Securities transferred as collateral are held by the Custodian on behalf of the Fund and must not be sold, invested or pledged by the Fund.

The Fund takes care to ensure that the collateral transferred to it is sufficiently diversified, in particular with regard to the diversification across different geographical regions and markets, and also the diversification of concentrations of risk. The latter is deemed to be sufficiently diversified if securities and money market instruments from the same issuer serving as collateral do not exceed 20% of the respective sub-fund's net assets.

Collateral deposited in the form of cash may be invested by the Fund, but only in sight and callable deposits in line with the applicable investment limits, in high-rated government bonds and in short-term money market funds as defined under the CESR Guidelines 10-049 on a common definition of European money market funds. The restrictions outlined in the previous paragraph also apply to the diversification of concentrations of risk. Bankruptcy, insolvency or other credit default events on the part of the Custodian or any institution in its sub-custodian or correspondent bank network may cause the Fund's rights in connection with the collateral to be deferred or restricted in some other way. If the Fund must provide an OTC counterparty with collateral under an applicable agreement, such collateral is to be transferred to the OTC counterparty as agreed as between the Fund and the OTC counterparty. Bankruptcy, insolvency or any other credit default events on the part of the OTC counterparty, the Custodian or any institution in its sub-custodian or correspondent bank network may cause the Fund's rights or recognition in connection with the collateral to be deferred, restricted or even excluded, as a result of which the Fund could be forced to meet its obligations pertaining to the OTC transaction without recourse to any collateral provided in advance to cover such obligations. The Management Company's board of directors concludes an internal framework agreement governing the details of the requirements and values outlined above, in particular the permissible forms of collateral, the premium or haircut to be applied to each form of collateral and the investment policy for cash provided as collateral. The Management Company's board of directors reviews this framework agreement on a regular basis and amends it as necessary.

The OTC counterparties cannot exert any influence on the composition or management of the Fund's investment portfolio or the underlying assets of the derivatives. Entering into trades does not require any prior consent by the OTC counterparty.

#### Special Techniques and Instruments Relating to Securities and Money Market Instruments

The Management Company is entitled to use techniques and instruments relating to securities and money market instruments (hereinafter referred to as »techniques«), subject to the conditions and limits stipulated by the CSSF and provided they are used for the purpose of efficient portfolio management. Where the transactions relate to the use of derivatives, the conditions and limits must comply with the terms of the Law of 17 December 2010. The techniques must be used in line with the investors' best interests.

The sub-funds must under no circumstances use the techniques in a way that deviates from their investment objectives. At the same time, the use of the techniques must not cause a sub-fund's risk level to be increased significantly relative to its original risk level (i.e. the level without use of the techniques).

The risks that arise when using the techniques are essentially comparable to those arising from the use of derivatives (in particular counterparty risk). Please refer, therefore, to the section »Risks Associated with Derivative Transactions« for details.

The Management Company ensures that the risks arising from the use of the techniques, in particular counterparty risk, are monitored and managed as part of the risk management procedure either by the Management Company itself or by a service provider appointed by it.

The Management Company also takes care to ensure that it can at any time terminate any contract entered into in connection with the use of the techniques for efficient portfolio management or demand the return of securities or cash transferred to the counterparty concerned. Cash must be returned together with interest accrued up to the time of the demand. In addition, the Management Company ensures that investors' redemption orders can be met at all times, even when the techniques are used for efficient portfolio management.

Any returns resulting from using techniques for efficient portfolio management are for the benefit of the Fund only. By using efficient portfolio management techniques, direct or indirect costs may arise that are borne by the Fund.

Until further notice, the Management Company shall not conclude any repurchase agreements, reverse repurchase agreements or security lending agreements. In case the Management Company decides at a later stage to use such techniques and instruments, this Sales Prospectus will be amended accordingly.

#### **Risk of Increased Sales**

Predominantly, institutional investors invest into the Fund. Thus, elevated subscription and redemption activities may emerge, which entail extensive investment or divestment transactions. The manager shall take suitable measures to prevent the Fund's assets or investors from financial damage.

#### **Risk of currency hedged share classes**

The hedging strategy applied for the currency hedged share classes can vary according to each sub-fund. The hedging strategy applied for the sub-fund aims at minimizing the exchange rate risk between the reference currency of the sub-fund and the nominal currency of the currency hedged share class.

### **5. Investor Profile**

The sub-funds Bantleon Opportunities S and Bantleon Opportunities L are intended for investors who are looking for a high return over a longer-term investment horizon. The investor should be prepared to accept changes in the value of his fund shares due to fluctuations in interest rates, individual deteriorations in credit ratings or changes of equity indices and to a limited extent currencies which may also lead to a loss of value.

The sub-fund Bantleon Opportunities XL is intended for investors who are looking for a high return over a longer-term investment horizon. The investor should be prepared to accept above-average changes in the value of his fund shares due to fluctuations in interest rates, individual deteriorations in credit ratings or changes of equity indices and to a limited extent currencies which may also lead to a loss of value. Due to possible short positions the fund price may develop in contrary to the capital market.

The sub-fund Bantleon Opportunities World is intended for investors who are looking for a high return over a longer-term investment horizon. The investor should be prepared to accept changes in the value of his fund shares due to fluctuations in interest rates, individual deteriorations in credit ratings or changes to equity indices and – to a limited degree – to currencies which may also lead to a loss of value.

The sub-fund Bantleon Family & Friends is aimed at investors seeking a medium- to long-term investment strategy, taking advantage of global diversification in bonds, equity markets and commodity products. Investors should take into account fluctuations in value of their fund shares due to changes in interest rates, individual credit deterioration, changes in the equities (individual equities, equity indices), commodity markets and in a limited amount changes in currencies, which could all lead to losses.

The sub-funds Bantleon Dividend and Bantleon Dividend AR are aimed at investors with medium- to long-term investment horizons and earnings expectations above capital market levels, who wish to benefit from the growth opportunities presented by the global equity markets and would like to receive distributions in the form of steady, above-average dividend payments. Investors should be prepared to accept high fluctuations in the value of the fund shares due to share price movements (individual equities, equity indices) and to a certain extent, the currencies, which may result in considerable losses being incurred.

The sub-fund Bantleon Cash is suitable for investors with a short- to medium-term investment horizon. Here again, changes in the value of the fund shares are possible. However, the extent is greatly limited due to the term and choice of bond issuers of the Fund's assets.

### **6. The Management Company**

The Management Company of the Fund is BANTLEON AG (hereinafter referred to as the »Management Company«). It has been established on 27 February 1995 as a public limited company under German law. The Management Company has its registered office at Aegidientorplatz 2a, D-30159 Hannover, and it has a branch at Mainzer Landstrasse 33, D-60329 Frankfurt am Main.

The Management Company is registered in the commercial register of the local court of Hannover (HRB 53112). The subscribed and paid-up capital of the Management Company is EUR 10 million (as per 31 December 2015).

The Management Company is subject to supervision by the German Federal Financial Supervisory Authority, Marie-Curie-Str. 24-28, D-60439 Frankfurt am Main (»BaFin«) and has obtained from the BaFin on 19 October 2015 the authorisation to operate as a Management Company (Kapitalverwaltungsgesellschaft – KVG) offering collective portfolio management services. As a UCITS Management Company, it is entitled to manage German UCITS and EU UCITS.

The Management Company is a subsidiary of BANTLEON BANK AG, Bahnhofstrasse 2, CH-6300 Zug.

The Management Company is responsible for the management and administration of the Fund/the sub-funds. The Fund is subject to supervision by the Commission de Surveillance du Secteur Financier, (CSSF), 283, route d’Arlon, L-1150 Luxembourg. The Management Company performs, on behalf of the sub-funds, all management and administrative tasks and exercises all rights associated either directly or indirectly with the assets of the sub-funds in accordance with the Management Regulations. The Management Regulations came into force on 16 January 2017 and will be published in the »Recueil Electronique des Sociétés et Associations« (RESA).

#### **Remuneration policy**

The Management Company has drawn up and implemented a remuneration policy and practice that comply with the applicable legal requirements. The remuneration policy is compatible with and beneficial to the Management Company’s risk management procedure and neither encourages taking on risks that do not match the risk profiles and Management Regulations of the funds it manages nor prevents the Management Company from acting in the Fund’s best interests as it is required to do. Furthermore, the remuneration policy is aligned with the Management Company’s corporate strategy, objectives, values and interests and those of the funds it manages and investors in such funds and includes measures to avoid conflicts of interest. The remuneration policy and practice include fixed and variable remuneration components. Performance-related remuneration depends on the employee’s qualifications and skills as well as on the responsibility taken on and the contribution to the Management Company’s results. Employees’ performance is assessed over a period of several years in line with the holding period recommended by the Management Company to investors in the funds it manages in order to ensure that the assessment reflects the Fund’s longer-term performance and its investment risks and that the payment of performance-related remuneration components is spread out over the same period.

## **7. The Investment Manager**

The Management Company has appointed BANTLEON BANK AG (hereinafter referred to as the »Investment Manager«) to handle investment management for the Fund and the sub-funds. The Investment Manager was established on 5 September 1994 as a public limited company under Swiss law and has its registered office at Bahnhofstrasse 2, CH-6300 Zug.

The Investment Manager’s tasks include in particular implementing the investment policy in respect of the Fund’s assets on a day-to-day basis, carrying out day-to-day portfolio management under the supervision, responsibility and control of the Management Company and providing other related services. It fulfils these tasks at its own discretion while complying with the principles of the Fund’s investment policy and investment restrictions as set out in this Sales Prospectus and in the Management Regulations as well as the investment restrictions prescribed by law.

The Investment Manager may, on his own account, under his liability and under his ongoing supervision, engage further (sub-) asset managers, provided he has obtained adequate proof of their qualifications and these asset managers have the necessary approval/authorisation to carry out asset management activities.

## **8. The Custodian**

Under a Custodian and Main Paying Agent Agreement (hereinafter the »Custodian Agreement«), UBS Europe SE, Luxembourg Branch, has been appointed as Custodian for the Fund (hereinafter »Custodian«). It will also act as the main paying agent. Its registered office is at 33A, avenue J.F. Kennedy, L-1855 Luxembourg. The Custodian is authorised to conduct all banking transactions under Luxembourg law.

The Custodian Agreement states that the Custodian is responsible for the custody of assets held by the Fund in the form of financial instruments, for keeping accounts and verifying the ownership of other assets of the Fund, as well as for the efficient and adequate monitoring of the Fund’s payment flows in accordance with the provisions of the Law of 17 December 2010 and the Custodian Agreement. Assets held in custody are not used by the Custodian for its own account or by third parties to which custodian functions are delegated for their own account, unless such use is expressly permitted by the Law of 17 December 2010.

The Custodian must additionally ensure that (i) shares of the Fund are sold, issued, repurchased, redeemed and cancelled in accordance with Luxembourg law, the Sales Prospectus and the Management Regulations; (ii) the value of the shares is calculated in accordance with Luxembourg law, the Sales Prospectus and the Management Regulations; (iii) instructions from the Management Company are carried out insofar as they are not contrary to Luxembourg law, the Sales Prospectus and/or the



Management Regulations; (iv) the value of transactions affecting the Fund's assets is credited to the Fund's assets within the usual periods; (v) the income earned by the Fund is used in accordance with Luxembourg law, the Sales Prospectus and the Management Regulations.

Under the provisions of the Custodian Agreement and the Law of 17 December 2010 and with a view to fulfilling its duties efficiently, the Custodian may, subject to certain conditions, delegate its custody duties with respect to financial instruments that can be held in custody and are appropriately entrusted to the Custodian for custody to one or more sub-custodians and/or – with respect to other assets of the Fund – delegate its duties to keep accounts and verify ownership to other third parties as it deems appropriate. The Custodian does not normally allow its sub-custodians to delegate the custody of financial instruments unless it has expressly consented to such further delegation by a sub-custodian.

Before a sub-custodian is appointed and/or employed, the Custodian assesses the potential for conflicts of interest resulting from the delegation of custody functions on the basis of the applicable laws and regulations and its policy on conflicts of interest. The Custodian is part of the UBS Group, a global banking group that offers a complete range of private banking, securities trading, investment banking, asset management and other financial services and is among the largest players in the financial sector worldwide. As a result, conflicts of interest may arise due to the delegation of custody functions, since the Custodian and parties associated with it operate in various fields of business and may pursue differing interests. Investors can receive further information on this subject free of charge by sending a written request to the Custodian. In order to avoid potential conflicts of interest, the Custodian does not appoint sub-custodians that are part of the UBS Group or allow further delegation to third parties that are part of the UBS Group, unless such appointment is in the shareholders' interests and no conflict of interest is identified at the time the sub-custodian is appointed or further delegation to a third party takes place. Regardless of whether a sub-custodian or other third party is part of the UBS Group, the Custodian applies the same degree of skill, care and diligence, not only in the selection and appointment, but also in its regular reviews of the sub-custodian or other third party. Furthermore, the conditions attached to any appointment of a sub-custodian or other third party that is part of the UBS Group are negotiated in the same way as any normal business agreement in order to protect the interests of the Fund and its shareholders. Should a conflict of interest arise that cannot be eliminated, the shareholders must be informed of this conflict of interest and the measures taken in this regard. Up-to-date lists of all custody functions delegated by the custodian and all sub-custodians and other third parties to which functions are delegated can be found on the website <https://www.ubs.com/global/en/legalinfo2/luxembourg.html>.

If a third country's legislation stipulates that specific financial instruments must be held in custody by a company in that country, but no company in that country meets the requirements for delegation set out in Article 34*bis* paragraph 3b) i) of the Law of 17 December 2010, the custodian may only delegate its duties to such a company to the extent required by the third country's law and may only do so as long as there is no company in the country that meets the aforementioned requirements. To ensure that its duties are only delegated to sub-custodians that guarantee an adequate standard of protection, the Custodian must apply the skill, care and diligence required by the Law of 17 December 2010 in selecting and appointing a third party to which it wishes to delegate some of its duties and in regularly reviewing and continually monitoring third parties to which it has delegated some of its duties as well as the agreements signed by such third parties concerning the duties delegated to them. In particular, any delegation is only possible if the sub-custodian keeps the assets of the Fund separate from its own assets at all times while performing the duties delegated to it in accordance with the Law of 17 December 2010. Any delegation does not affect the Custodian's liability, unless the Law of 17 December 2010 or the Custodian Agreement states otherwise.

The Custodian is liable to the Fund or its shareholders for the loss of financial instruments held in custody by the Custodian or a sub-custodian within the meaning of Article 35 paragraph 1 of the Law of 17 December 2010 and Article 12 of Delegated Regulation (EU) 2016/438 of 17 December 2015. In the event of the loss of such a financial instrument, the Custodian must immediately supply the Fund with an identical financial instrument or reimburse the corresponding sum. In accordance with the Law of 17 December 2010, the Custodian is not liable for the loss of a financial instrument as a result of an external event over which the Custodian could not be expected to have any influence and the consequences of which could not be avoided despite all reasonable efforts.

The Custodian is liable to the Fund and the shareholders for all other losses suffered by the latter as a result of any negligent or deliberate violation of its obligations under the applicable legal provisions, in particular the Law of 17 December 2010 and/or the Custodian Agreement.

The Management Company and the Custodian may terminate the Custodian Agreement at any time by registered letter, subject to three (3) months' notice. In the event of voluntary withdrawal by the Custodian or termination by the Management Company, the Custodian must be replaced before the end of this notice period with a new Custodian, to which the Fund's assets must be transferred and which must take over the Custodian's functions and responsibilities. If the Management Company fails to appoint a new Custodian in time, the Custodian may report the situation to the CSSF.

The sub-funds Bantleon Opportunities S, Bantleon Opportunities L, Bantleon Opportunities XL, Bantleon Opportunities World, Bantleon Family & Friends, Bantleon Dividend, Bantleon Dividend AR and Bantleon Cash are investment funds which are legally and financially independent of one another and of the Custodian.

### 9. Management and Transfer Agent

The Management and Transfer Agent is UBS Fund Services (Luxembourg) S.A. with its registered office at 33A, J.F. Kennedy, L-1855 Luxembourg which is a 100% subsidiary of UBS AG, Switzerland.

UBS Fund Services (Luxembourg) S.A. is, as the Management and Transfer Agent, responsible for the general administrative tasks required within the framework of fund management and prescribed under Luxembourg law. These services comprise primarily domiciliation, the calculation of the net asset value (NAV) of the shares, accounting for the Fund, reporting and the maintenance of the Fund's shareholder register.

### 10. Prevention of Money Laundering

In accordance with international regulations as well as Luxembourg laws and regulations – in particular the Law of 12 November 2004 on the fight against money laundering and terrorist financing, CSSF Regulation No. 12-02 of 14 December 2012 and CSSF Circular 13/556 (in the most recently amended or revised version in each case) – all financial sector employees are obliged to combat the misuse of investment funds for the purposes of money laundering or terrorist financing. The Registrar and Transfer Agent of every Luxembourg-based investment fund is therefore obliged to verify the identity of investors subscribing shares under Luxembourg laws and regulations. To this end, it is authorised to demand from the subscribing investor the documentation required for identification. In the same manner, the measures to combat money laundering and terrorist financing require all investors whose subscription is received by a distributor to provide the distributor with proof of their identity. In such cases, the distributor must observe all rules on preventing money laundering that apply in the distribution country.

If the subscribing investor fails to provide the Registrar and Transfer Agent or distributor with the required documentation or does not provide it in good time, the subscription order cannot be processed; in the case of redemption orders, processing must be temporarily postponed. The Investment Company, the Management Company, the Registrar and Transfer Agent and the distributors cannot accept any liability for delayed or unprocessed orders where the investor submitting the order failed to provide the required information or failed to provide it in full.

In order to meet the legal and regulatory due diligence requirements on an ongoing basis, investors may be asked to provide additional or updated proof of identification at a later date. Failing to provide such proof can lead to delays in or rejection of orders for the subscription or exchange of shares of the Investment Company or, in the case of redemption orders, delays in the payment of the redemption price to the investor.

The sales offices of the Management Company are obliged to comply with applicable rules about prevention of money laundering and financing of terrorism. They shall ensure that the Fund is not misused for purposes of money laundering and terrorist financing.

### 11. Shares

The fund shares are securitised by registered and bearer shares and have all the same rights. The Management Company can institute share classes («classes») which differentiate in terms of their fees, the use of the return, the dates of distribution, the persons admitted to invest, the minimum investment amount, the reference currency or other characteristics.

Unless stated otherwise in the Special Regulations of the sub-funds, the Management Company may decide to issue accumulating shares (classes designated by the letters »IT«, »PT«, »DT«, »FT« and »RT«) and distributing shares (classes designated by the letters »IA«, »PA«, »FA« and »RA«) for each sub-fund.

In the classes designated by the letters »IA«, »PA«, »FA« and »RA« a dividend is distributed to their owners, while in the classes designated by the letters »IT«, »PT«, »DT«, »FT« and »RT« the return is reinvested. The distribution of dividends for classes designated by the letters »IA«, »PA«, »FA« and »RA« is paid out at least once a year at the end of the Fund's full fiscal year.

Shares of the classes designated by the letters »IA« and »IT« are aimed exclusively at institutional investors, those of the classes designated by the letters »PA« and »PT« at private investors. Shares of the classes designated by the letters »FA« and »FT« are aimed at professional investors (in particular foundations and wealth management companies); the minimum initial investment amount is EUR 250,000. Shares of the classes designated by the letters »RA« and »RT« are only available to private investors, provided the latter have concluded with distribution partners of the Management Company a written investment advisory or asset management agreement or another agreement stipulating that the distribution partner is to be directly remunerated by the private investor for distribution and advisory services. Shares of the classes designated by the letters »DT« are aimed at private investors and are issued to distribution partners in Italy only and to some further distribution partners in other distribution countries, provided however that the Management Company has explicitly authorized these further distribution partners to offer the classes designated by the letters »DT«. Other distributors may not offer classes designated by the letters »DT«.

For share classes with a reference currency other than the EUR and the word »hedged« in their name (»share classes in a foreign currency«), the risk of fluctuations in the exchange rate between the share class' reference currency and the EUR is hedged. In principle, the aim is to hedge between 95% and 105% of the share class' net assets in the foreign currency. This hedging does not affect the currency risks associated with investments in currencies other than the share class' reference currency or the EUR.

The fund shares are deliverable through Clearstream and are credited to the investor's custody account. Neither the registered nor the bearer shares can get delivered physically. Shareholders of registered shares get inscribed into the fund shareholder register which is run by UBS Fund Services (Luxembourg) S.A. or by one of its authorised third parties.

## 12. Share Prices

The share prices of the fund shares are calculated by the Management and Transfer Agent in accordance with the Management Regulations on every valuation date. The valuation date is every bank working day in Luxembourg, with the exception of the 24 and 31 December. The last available prices are binding for the evaluation of the relevant sub-fund assets. Every shareholder can query the share prices from the Management Company, the Custodian and all paying agents. The share prices are published on the internet at [www.bantleon.com](http://www.bantleon.com).

## 13. Acquisition, Redemption and Conversion of Shares, Purchase Price Payment

Fund shares can be subscribed, redeemed and converted at the Management Company, the Management and Transfer Agent and via the paying agents and distributors designated in this Sales Prospectus. The Custodian and all paying agents accept payments on behalf of the sub-fund.

The redemption price corresponds to the share price. There is no redemption fee. For share subscriptions the following maximum subscription fee may be added to the share price for each sub-fund:

## Shares of the classes designated by the letters »PA«, »PT«, »FA«, »FT«, »RA« and »RT«:

Sub-fund	Subscription fee
Bantleon Opportunities S	3.0%
Bantleon Opportunities L	3.5%
Bantleon Opportunities XL	3.5%
Bantleon Opportunities World	3.5%
Bantleon Family & Friends	3.5%
Bantleon Dividend	5.0%
Bantleon Dividend AR	5.0%
Bantleon Cash	0.0%

No subscription fee is payable for the shares of the classes designated by the letters »IA«, »IT« and »DT«.

## 14. Charges and Fees

A fee is applied to the sub-funds, the level of which is regulated in the Special Regulations of the Management Regulations.

The fee includes, in particular, the costs of the

- Custodian
- Management and Transfer Agent
- Management Company
- Registration with supervisory authorities
- Auditing company
- Issue and distribution of annual and semi-annual reports
- Issue and distribution of all other reports and documentation
- Sales documentation and prospectuses
- Accounting
- Determination on each business day of the share price and its publication
- Legal advice to the Management Company
- Creation and filing of the Management Regulations
- Stock exchange quotation

Costs arising from the purchase and sale of the sub-fund's assets are charged directly to the sub-fund's assets. These are limited to normal market bid/ask spreads and transaction costs. Sub-fund's asset investments are bought and sold in accordance with the »best execution« principle. Furthermore, the Luxembourg capital tax (»taxe d'abonnement«) is charged to the sub-fund. All expenses, with the exception of the subscription fee, are deferred from the sub-fund's capital on each valuation date and are therefore included in the calculation of the share price.



The distribution partners may receive a commission up to the complete subscription fee or the complete distribution fee as well as a distribution allowance, which is calculated pro-rata of the management fee. These payments are exclusively effected out of the management fee, the distribution fee and the subscription fee. For both classes designated by the letters »RA« and »RT«, the Management Company does not pay the distribution partners a distribution allowance.

#### **Performance-based fee**

In addition, a performance-based fee (hereinafter referred to as the »performance fee«) for the following sub-funds is charged:

#### **Bantleon Opportunities XL:**

10% of the outperformance against the benchmark (3-month Euribor, at least 0%) based on the applicable net asset value.

#### **Bantleon Dividend AR:**

10% of the outperformance against the benchmark (3% p.a.) based on the applicable net asset value.

The high-watermark principle applies. In order to determine the share value performance of the sub-fund, interim distributions are calculatively added to the share value (BVI method).

The performance fee is only payable and acceptable as a corresponding provision in favour of the Management Company, when the net asset value of a fund share on a valuation day within the evaluation period has reached a new high and is above the benchmark. The evaluation period complies to the period since the end of the last fiscal year, in which the Management Company has received a performance fee. The evaluation period in the first year begins on the day that the first net asset value is calculated.

Should, in any fiscal year, the net asset value be higher than the threshold level for the performance fee (which equals the net asset value of the previous year plus the benchmark), the high-watermark will be reset to the net asset value of the previous year at the beginning of the next fiscal year (reset), i.e. the performance measuring starts from zero in the next year. However, should the net asset value be lower than the threshold level for the performance fee, such difference will be carried forward to the following fiscal year (irrespective of whether such difference results from a negative performance or from a positive performance that is too small). Only after catching up on this difference, i.e. after reaching a new peak level (high-watermark), an allowance or payment of the performance fee will apply again. In the first year of the sub-fund the benchmark is used on a pro rata temporis basis.

The possible payout of the performance fee to the Management Company will take place during the first month of the next fiscal year. The performance fee is paid directly from the assets of the specific sub-fund.

## **15. Further Notes**

The legal situation and management practice of Luxembourg prevailing at the time this prospectus was created form the basis for the information provided herewith.

Fund shares are securities. The value of a fund share, which corresponds to the net asset value (NAV), is determined by the price fluctuations on each business day of the assets in the portfolio.

All business activities performed by the Management Company, the Custodian and the Investment Manager are governed by the Management Regulations in this prospectus.

## **16. Taxes**

The Fund and its sub-funds are subject to Luxembourg law.

In Luxembourg, the sub-funds must pay a capital tax in the amount of 0.01% p.a. for shares of the classes designated by the letters »IA« and »IT« (institutional investors) and 0.05% p.a. for shares of the classes designated by the letters »PA« and »PT« (private investors) as well as »DT«, »FA«, »FT«, »RA« and »RT« on the relevant net assets (»Taxe d'Abonnement«). This tax is payable quarterly on the net fund assets reported at the end of each quarter. It is not payable on the amount of fund assets invested in shares of other undertakings for collective investment that are themselves subject to the »Taxe d'Abonnement« under the applicable provisions of Luxembourg law.

The Fund's earnings are not taxed in the Grand Duchy of Luxembourg. They can however be subject to withholding tax or other taxes of the countries in which the Fund's assets are invested.

For classes designated by the letters »IA« and »IT« no withholding tax is currently retained in Luxembourg.

Since 1 July 2005, the EU Council Directive 2003/48/EC (»EU Savings Directive«) applies to interest payments on classes designated by the letters »PA«, »PT«, »DT«, »FA«, »FT«, »RA« and »RT« to recipients resident in other EU states. The purpose of the Savings Directive is to use the exchange of information to enable the effective taxation within the EU of interest income paid in a country other than the recipient's country of domicile. This entails reporting interest income to the tax authorities in the recipient's country of domicile. For interest income paid in Luxembourg, a withholding tax is normally levied instead of the automatic exchange of information.

The EU Savings Directive is therefore of no significance to shareholders resident in Luxembourg whose shares are kept in a securities accounts with a credit institution in Luxembourg.

However, if a private investor not domiciled in Luxembourg holds shares of a distributing fund, which, in accordance with the provisions of the EU Savings Directive, has more than 15% but at most 25% investment in interest rate instruments, in a securities account with a credit institution which has its registered office in Luxembourg, the distributed interest income is thus subject to the EU Savings Directive upon distribution of dividends and may be taxed at source in Luxembourg. If, in accordance with the provisions of the EU Savings Directive, a distributing or reinvesting fund invests more than 25% in interest rate instruments, the distributed interest income and the interest income received upon redemption or sale of the fund shares are subject to withholding taxation. The tax rate has been 35% since 1 July 2011.

Alternatively, the private investor has the opportunity to exempt himself from the tax deduction by granting the Luxembourg credit institution the authority to voluntarily disclose his interest income, thus permitting the institution to waive the withholding tax deduction and instead report the income to the statutorily specified financial authorities.

Shareholders who are not resident in Luxembourg or do not maintain any permanent establishments there, are not required to pay either income tax, inheritance tax or wealth tax in Luxembourg on their shares or income from shares. The relevant national tax laws apply to them.

The preceding paragraphs are only a summary of tax implications and do not claim any completeness. It shall be for the interested investors and shareholders to catch up with the laws and all regulations governing the purchase, the holding and possible sale of shares in connection with their place of residence or nationality.

## 17. Information with Respect to the Automatic Exchange of Information

The automatic exchange of information pursuant to intergovernmental agreements and Luxembourg regulations (Law of 18 December 2015 transposing the automatic exchange of financial account information in tax matters) is transposed via Council Directive 2014/107/EU of 9 December 2014 as regards mandatory automatic exchange of information in the field of taxation, and the Common Reporting Standard («CRS»), a reporting and due diligence process developed by the OECD for the international, automatic exchange of financial account information. The automatic exchange of information is transposed into Luxembourg law for the first time in the 2016 tax year.

For this purpose, reportable financial institutions provide information on applicants and reportable registers annually to the Luxembourg tax authorities («Administration des Contributions Directes in Luxembourg»), which in turn forwards it to the tax authorities of the countries in which the applicant(s) is/are resident for tax purposes.

In particular, this involves the notification of:

- the name, address, tax identification number, country of domicile, date and place of birth of the each person subject to reporting obligations,
- register number,
- register balance or value,
- credited capital gains, including sales proceeds.

Reportable information for a specific tax year, which must be submitted to the Luxembourg tax authority by 30 June of the following year, shall be exchanged by 30 September of that year between the relevant financial authorities and for the first time in September 2017, based on the data for 2016.

## 18. Publications and Information

Information, particularly shareholder announcements, is published on the website [www.bantleon.com](http://www.bantleon.com). In addition, announcements are also published in the «Recueil Electronique des Sociétés et Associations» (RESA) as well as in national newspapers in Luxembourg and the countries where the Fund is distributed where there is a legal requirement to do so.

The following documents are available for inspection at the registered office of the Management Company:

- The Articles of Association of the Management Company,
- The agreements concluded between the Custodian and the Management Company. Last-mentioned agreements may be amended by mutual agreement between the contracting parties.

This Sales Prospectus, the Management Regulations including the Special Regulations, the Key Investor Information Document and the annual and semi-annual reports can be obtained on the website [www.bantleon.com](http://www.bantleon.com) or from the Management Company and all paying agents and distributors.

The fiscal year ends on 30 November of each calendar year. Audited annual reports are available to investors free of charge within three months of the close of the fiscal year. Unaudited semi-annual reports as of 31 May are available to investors free of charge within two months.

Investors receive free of charge from the Management Company information on the principles and strategies on the exercise of voting rights pertaining on the assets held by the Fund at the website [www.bantleon.com](http://www.bantleon.com).

When executing decisions about the purchase or sale of assets for the Fund, the Management Company acts in the best interests of the investment portfolio. Information on the principles set out by the Management Company in this regard can be found on the website [www.bantleon.com](http://www.bantleon.com).

Investors may address questions, comments and complaints to the Management Company in writing or electronically. Information on the complaints procedure can be downloaded free of charge on the website [www.bantleon.com](http://www.bantleon.com).

### **19. The Management Regulations**

The Management Regulations printed below are subdivided into a General Section and the relevant Special Regulations. The General Section details the legal principles and the general investment guidelines. The Special Regulations of the Management Regulations contain the sub-fund specific details and the investment policy of the relevant sub-fund.

### **20. Combating Market Timing and Late Trading Activities**

Market timing is the arbitrage method whereby the investor systematically subscribes to and redeems or converts shares of a fund within a short time span, utilising the time lags and/or imperfections or weaknesses in the evaluation system of the NAV of the fund. Market timing is, however, excluded in the case of all subfunds of »BANTLEON OPPORTUNITIES«, as the determination of the relevant NAV per share is based on prices which are set without exception after the latest point in time for subscription, conversion or redemption applications.

Late trading is the acceptance and execution of a subscription, conversion or redemption application, which is received after the expiry of the period allowed for acceptance of applications (cut-off time) on the relevant day. The periods specified in the Management Regulations for acceptance of subscription, conversion or redemption applications must be adhered to without exception and expire before the point in time when the NAV per share is determined. The NAV per share is therefore always unknown at the time the order for purchases, sales and conversion transactions is issued.

### **21. Conflicts of Interest**

The Management Company, Investment Manager, Custodian, Central Administration Agent and other service providers, as well as their employees and other associated persons, may be exposed to conflicts of interest in their relations with the Management Company.

The Management Company has issued a policy on conflicts of interest and taken appropriate organisational and administrative measures to identify, avoid, eliminate and monitor conflicts of interest that arise in connection with fund management in order to prevent such conflicts having a negative impact on the interests of its funds and their investors. If a conflict of interest cannot be avoided in a particular case, the Management Company ensures that it does not negatively affect the investors' interests.

The Management Company and the Investment Manager belong to the BANTLEON Group. The Custodian and the Central Administration Agent belong to the UBS Group. The UBS Group is a global banking group that offers a complete range of private banking, securities trading, investment banking, asset management and other financial services and is among the largest players in the financial sector worldwide. As such, the UBS Group operates in various fields of business and may represent other direct or indirect interests on the financial markets in which the Fund invests.

The UBS Group, including its subsidiaries and branches, may act as the Fund's counterparty in transactions entered into by the Fund involving financial derivative instruments. Furthermore, a conflict of interest may arise if the Custodian is part of a legal entity of the UBS Group that provides other services to the Fund.

In conducting their business activities, the BANTLEON Group and the UBS Group both refrain from any act or transaction that could result in a conflict of interest between the various business units of the BANTLEON Group and the UBS Group on the one hand and the Fund and its investors on the other. The BANTLEON Group and the UBS Group make every effort to handle every conflict fairly and with the utmost integrity. To this end, the BANTLEON Group and the UBS Group have introduced procedures to ensure that all business activities resulting in a conflict that is detrimental to the interests of the Fund or its investors can be conducted in a suitably independent manner and that conflicts are resolved fairly.

# SALES PROSPECTUS

## FUND OVERVIEW

	Bantleon Opportunities S	Bantleon Opportunities L	Bantleon Opportunities XL	Bantleon Opportunities World	Bantleon Family & Friends	Bantleon Dividend	Bantleon Dividend AR	Bantleon Cash
ISIN – Class »IT«	LU0337413834	LU0337414568	LU0720423010	LU0999646424	LU0634998206	LU1210052046	LU1210056625	LU0355110247
Fund currency	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
ISIN – Class »IA«	LU0337414139	LU0337414642	LU0720423283	LU0999646697	LU0634998388	LU1210052392	LU1210056971	LU0371477885
Fund currency	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
ISIN – Class »PT«	LU0337411200	LU0337414303	LU0720423796	LU0999646184	LU0634998461	LU1210052558	LU1210057359	LU0355110833
Fund currency	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
ISIN – Class »PA«	LU0337413677	LU0337414485	LU0720423952	LU0999646341	LU0634998545	LU1210052715	LU1210057516	LU0371478420
Fund currency	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
ISIN – Class »DT«	LU1290100707	LU1290100889	LU1290100962	LU1290101002	LU1290101184	LU1290101267	LU1290101341	--
Fund currency	EUR	EUR	EUR	EUR	EUR	EUR	EUR	--
ISIN – Class »FT«	LU1210062276	LU1210064306	LU1210065709	LU1210066939	LU1210067820	LU1210052988	LU1210057789	--
Fund currency	EUR	EUR	EUR	EUR	EUR	EUR	EUR	--
ISIN – Class »FA«	LU1210062433	LU1210064561	LU1210065881	LU1210067077	LU1210068042	LU1210053101	LU1210057946	--
Fund currency	EUR	EUR	EUR	EUR	EUR	EUR	EUR	--
ISIN – Class »RT«	LU1210062789	LU1210064728	LU1210066004	LU1210067150	LU1210068125	LU1210053366	LU1210058241	--
Fund currency	EUR	EUR	EUR	EUR	EUR	EUR	EUR	--
ISIN – Class »RA«	LU1210062946	LU1210065022	LU1210066186	LU1210067234	LU1210068471	LU1210053796	LU1210058670	--
Fund currency	EUR	EUR	EUR	EUR	EUR	EUR	EUR	--
ISIN – Class »IT CHF (hedged)«	LU0764660501	LU0764661145	LU0834224163	LU09996464937	LU0764661731	LU1210053952	LU1210058837	--
Fund currency	CHF	CHF	CHF	CHF	CHF	CHF	CHF	--
ISIN – Class »IA CHF (hedged)«	LU0764660766	LU0764661228	LU0834225210	LU0999647075	LU0764661905	LU1210054174	LU1210059058	--
Fund currency	CHF	CHF	CHF	CHF	CHF	CHF	CHF	--
ISIN – Class »PT CHF (hedged)«	LU0764660840	LU0764661574	LU0834226374	LU0999646770	LU0764662036	LU1210054331	LU1210059215	--
Fund currency	CHF	CHF	CHF	CHF	CHF	CHF	CHF	--
ISIN – Class »PA CHF (hedged)«	LU0764661061	LU0764661657	LU0834227851	LU0999646853	LU0764662119	LU1210054505	LU1210059488	--
Fund currency	CHF	CHF	CHF	CHF	CHF	CHF	CHF	--
ISIN – Class »RT CHF (hedged)«	LU1210063167	LU1210065295	LU1210066269	LU1210067408	LU1210068638	LU1210054760	LU1210059645	--
Fund currency	CHF	CHF	CHF	CHF	CHF	CHF	CHF	--
ISIN – Class »RA CHF (hedged)«	LU1210063597	LU1210065378	LU1210066426	LU1210067580	LU1210068711	LU1210054927	LU1210060148	--
Fund currency	CHF	CHF	CHF	CHF	CHF	CHF	CHF	--
ISIN – Class »RT USD (hedged)«	LU1210063753	LU1210065451	LU1210066772	LU1210067663	LU1210068802	LU1210055148	LU1210060494	--
Fund currency	USD	USD	USD	USD	USD	USD	USD	--
ISIN – Class »RA USD (hedged)«	LU1210063910	LU1210065535	LU1210066855	LU1210067747	LU1210068984	LU1210055577	LU1210060650	--
Fund currency	USD	USD	USD	USD	USD	USD	USD	--
ISIN – Class »IT USD (hedged)«	LU0834161068	LU0834221573	LU0834230723	LU0999647315	LU0834236688	LU1210055817	LU1210060817	--
Fund currency	USD	USD	USD	USD	USD	USD	USD	--
ISIN – Class »IA USD (hedged)«	LU0834198144	LU0834221730	LU0834232182	LU0999647406	LU0834238114	LU1210056039	LU1210061112	--
Fund currency	USD	USD	USD	USD	USD	USD	USD	--
ISIN – Class »PT USD (hedged)«	LU0834220419	LU0834221904	LU0834234394	LU0999647158	LU0834239278	LU1210056203	LU1210061542	--
Fund currency	USD	USD	USD	USD	USD	USD	USD	--
ISIN – Class »PA USD (hedged)«	LU0834221060	LU0834222464	LU0834235011	LU0999647232	LU0834240102	LU1210056468	LU1210061971	--
Fund currency	USD	USD	USD	USD	USD	USD	USD	--

## FUND OVERVIEW

	Bantleon Opportunities S	Bantleon Opportunities L	Bantleon Opportunities XL	Bantleon Opportunities World	Bantleon Family & Friends	Bantleon Dividend	Bantleon Dividend AR	Bantleon Cash
Subscription fee (share classes designated by the letters »PT«, »PA«, »FT«, »FA«, »RT« and »RA«) maximum	3,00%	3,50%	3,50%	3,50%	3,50%	5,00%	5,00%	no subscription fee
Subscription fee (share classes designated by the letters »IT«, »IA« and »DT«) maximum	no subscription fee							
Fixed management fee Share classes designated by the letters »IT« and »IA« maximum (institutional investors)	0,80%	1,20%	1,20%	1,20%	1,20%	1,00%	1,00%	0,30%
Fixed management fee Share classes designated by the letters »PT«, »PA« and »DT« maximum (private investors)	1,40%	2,10%	2,10%	2,10%	2,10%	2,00%	2,00%	0,50%
Fixed management fee Share classes designated by the letters »FT«, »FA«, »RT« and »RA«, maximum	1,10%	1,65%	1,65%	1,65%	1,65%	1,50%	1,50%	--
Distribution fee Share class designated by the letters »DT«	0,30%	0,40%	0,40%	0,40%	0,40%	0,60%	0,60%	--
Performance-based management fee (all share classes)	n.a.	n.a.	10% of the difference between the fund performance and the basis (under consideration of the high-watermark); Basis: 3 month Euribor, at least 0%	n.a.	n.a.	n.a.	10% of the difference between the fund performance and the basis (under consideration of the high-watermark); Basis: 3% p.a.	n.a.
End of fiscal year	30. November							
Minimum initial investment for share classes designated with the letters »FT«/»FA«	EUR 250,000							
Use of income / share classes designated by the letters »IA«, »PA«, »FA« and »RA« (at least annually)	Dividend distribution December							
Use of income / share classes designated by the letters »IT«, »PT«, »DT«, »FT« and »RT«	accumulating							
Date of annual report	30 November, released mid-February							
Date of semi-annual report	31 May, released mid-July							
Exchange quotation	Luxembourg							

# SALES PROSPECTUS

## INFORMATION ABOUT THE MANAGEMENT COMPANY AND ITS PARTNERS

### Management Company:

BANTLEON AG  
Aegidientorplatz 2a  
D-30159 Hannover

### Branch:

Mainzer Landstrasse 33  
D-60329 Frankfurt am Main

Internet: [www.bantleon.com](http://www.bantleon.com)

Commercial register: HRB 53112

Subscribed capital: EUR 10 million  
(as per 31 December 2015)

### Supervisory Board:

Jörg Bantleon (Chairman)

Werner A. Schubiger

Werner Kellner

### Management Board:

Jörg Schubert

Marcel Rösch

### Auditors of the Management Company:

KPMG AG  
Wirtschaftsprüfungsgesellschaft  
Am Flughafen  
D-60549 Frankfurt am Main

### Investment Manager:

BANTLEON BANK AG  
Bahnhofstrasse 2  
CH-6300 Zug

### Custodian:

UBS Europe SE, Luxembourg Branch  
33A, avenue J.F. Kennedy  
L-1855 Luxembourg

### Management and Transfer Agent:

UBS Fund Services (Luxembourg) S.A.  
33A, avenue J. F. Kennedy  
L-1855 Luxembourg

### Auditor of the Funds:

KPMG Luxembourg, Société Coopérative  
39, avenue J.F. Kennedy  
L-1855 Luxembourg

### Paying Agents:

#### Paying Agent in Luxembourg:

UBS Europe SE, Luxembourg Branch  
33A, avenue J.F. Kennedy  
L-1855 Luxembourg

#### Paying Agent in Germany:

UBS Europe SE  
Bockenheimer Landstrasse 2-4  
D-60306 Frankfurt am Main

#### Paying Agent in Austria:

Erste Bank der österreichischen Sparkassen AG  
Graben 21  
A-1010 Wien

#### Paying Agent in Switzerland:

UBS Switzerland AG  
Bahnhofstrasse 45  
CH-8001 Zürich

and their branches throughout Switzerland.

### Distributors:

#### Distributor in Germany:

BANTLEON AG  
Aegidientorplatz 2a  
D-30159 Hannover

#### Distributor in Austria:

Erste Bank der österreichischen Sparkassen AG  
Graben 21  
A-1010 Wien

#### Main distributor in Switzerland:

BANTLEON BANK AG  
Bahnhofstrasse 2  
CH-6300 Zug

## I. MANAGEMENT/ORGANISATION

### 1. The Management Regulations

These Management Regulations set out the contractual rights and obligations of the shareholders, the Management Company and the Custodian. In acquiring a share of the Fund, each shareholder acknowledges these Management Regulations as well as any legally valid future amendments to them.

The Management Regulations are divided into a general section and the respective Special Regulations. The general section contains the legal basis as well as the general investment guidelines. The Special Regulations that form part of the Management Regulations contain specific details of the investment policy of each sub-fund.

The Management Regulations have been amended and will come into force on 16 January 2017. A notice stating that they have been filed with the Commercial Registry in Luxembourg will be published in the »Recueil Electronique des Sociétés et Associations« (RESA).

### 2. The Fund

The »BANTLEON OPPORTUNITIES« (hereinafter referred to as the »Fund«) was registered under Part I of the Luxembourg Law of 20 December 2002 on Undertakings for Collective Investment in the legal form of a Fonds Commun de Placement (FCP) and established for an indefinite period. Since 1 July 2011, the Fund is governed by Part I of the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment (hereinafter referred to as the »Law of 17 December 2010«). The Fund and its sub-funds comply with Directive 2009/65/EC of the European Parliament and the Council (hereinafter referred to as the »UCITS Directive«).

In the same Fund, investors will be offered various sub-funds. The Management Company has the right to add further sub-funds or dissolve or merge existing sub-funds.

The Fund is a legally dependent investment fund comprising securities and receivables vis-à-vis credit institutions and derivatives, which is managed by the Management Company in compliance with the principle of risk spreading. The sub-fund's assets are financially independent both of each other and of BANTLEON AG, BANTLEON BANK AG and the Custodian. Versus third parties and especially versus creditors, each sub-fund is liable for its own obligations only.

For the Fund's assets, UBS Europe SE, Luxembourg Branch, acts as Custodian.

The Management Company draws the investor's attention to the fact that any investor will only be able to fully exercise his investor rights directly against the Fund if the investor

is registered himself and in his own name in the shareholders register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Fund. Investors are advised to take advice of their rights before making investment decisions.

### 3. The Management Company

The Management Company is BANTLEON AG (hereinafter referred to as the »Management Company«). The Management Company manages the Fund in its own name, but exclusively in the interest of and for the joint account of the shareholders. Its management authority covers the exercise of all rights that are related, directly or indirectly, to the relevant assets of the sub-funds. The Management Company defines the investment policy of the sub-funds, taking into consideration the statutory and contractual investment restrictions. The Management Company currently manages »BANTLEON OPPORTUNITIES« and the »BANTLEON ANLEIHENFONDS«.

### 4. The Investment Manager

The Management Company has commissioned BANTLEON BANK AG (hereinafter referred to as the »Investment Manager«) to manage the Fund. The Investment Manager was established on 5 September 1994 as a public limited company under Swiss law and has its registered office at Bahnhofstrasse 2, CH-6300 Zug.

The Investment Manager's tasks include in particular implementing the investment policy in respect of the Fund's assets on a day-to-day basis, carrying out day-to-day portfolio management under the supervision, responsibility and control of the Management Company and providing other related services. It fulfils these tasks at its own discretion while complying with the fundamental principles of the Fund's investment policy, the principle of best execution and the investment restrictions as set out in these Management Regulations, including the Special Regulations, as well as the investment restrictions prescribed by law.

The Investment Manager may, on his own account, under his liability and under his ongoing supervision, engage further (sub-) asset managers, provided he has obtained adequate proof of their qualifications and these asset managers have the necessary approval/authorisation to carry out asset management activities.

The remuneration received by the Investment Manager is included in the fees and charges named under Article III./9 (Fees, Charges).

The sub-funds are not permitted to acquire investments issued by the Investment Manager. The sub-funds are not permitted to hold liquid assets with the Investment Manager or to enter into futures with the Investment Manager.



## 5. The Custodian

UBS Europe SE, Luxembourg Branch, with registered branch-seat in 33A, avenue J.F. Kennedy, L-1855 Luxembourg, holds the Fund's assets in safe-keeping; the bank assumes the functions of the Custodian in accordance with a Custodian Agreement concluded with the Management Company for an indefinite period.

The rights and obligations of the Custodian are governed by the Custodian Agreement, the Law of 17 December 2010 and by these Management Regulations including the Special Regulations.

All bonds and other assets of the sub-fund are held for safe-keeping by the Custodian in separate restricted accounts and deposits. Authority over these assets may only be exercised in compliance with the provisions of these Management Regulations and the relevant Special Regulations.

Under the provisions of the Custodian Agreement and the Law of 17 December 2010 and with a view to fulfilling its duties efficiently, the Custodian may, subject to certain conditions, delegate its custody duties with respect to financial instruments that can be held in custody and are appropriately entrusted to the Custodian for custody to one or more sub-custodians and/or – with respect to other assets of the Fund – delegate its duties to keep accounts and verify ownership to other third parties as it deems appropriate. The Custodian does not normally allow its sub-custodians to delegate the custody of financial instruments unless it has expressly consented to such further delegation by a sub-custodian.

Before a sub-custodian is appointed and/or employed, the Custodian assesses the potential for conflicts of interest resulting from the delegation of custody functions on the basis of the applicable laws and regulations and its policy on conflicts of interest. The Custodian is part of the UBS Group, a global banking group that offers a complete range of private banking, securities trading, investment banking, asset management and other financial services and is among the largest players in the financial sector worldwide. As a result, conflicts of interest may arise due to the delegation of custody functions, since the Custodian and parties associated with it operate in various fields of business and may pursue differing interests. Investors can receive further information on this subject free of charge by sending a written request to the Custodian. In order to avoid potential conflicts of interest, the Custodian does not appoint sub-custodians that are part of the UBS Group or allow further delegation to third parties that are part of the UBS Group, unless such appointment is in the shareholders' interests and no conflict of interest is identified at the time the sub-custodian is appointed or further delegation to a third party takes place. Regardless of whether a sub-custodian or other third party is part of the UBS Group, the Custodian applies the same degree of skill, care and diligence, not only in the selection and appointment, but also in its regular reviews of the sub-custodian or other third party. Furthermore, the conditions attached to any appointment of a

sub-custodian or other third party that is part of the UBS Group are negotiated in the same way as any normal business agreement in order to protect the interests of the Fund and its shareholders. Should a conflict of interest arise that cannot be eliminated, the shareholders must be informed of this conflict of interest and the measures taken in this regard. Up-to-date lists of all custody functions delegated by the Custodian and all sub-custodians and other third parties to which functions are delegated can be found on the website <https://www.ubs.com/global/en/legalinfo2/luxembourg.html>.

If a third country's legislation stipulates that specific financial instruments must be held in custody by a company in that country, but no company in that country meets the requirements for delegation set out in Article 34*bis* paragraph 3b) i) of the Law of 17 December 2010, the Custodian may only delegate its duties to such a company to the extent required by the third country's law and may only do so as long as there is no company in the country that meets the aforementioned requirements. To ensure that its duties are only delegated to sub-custodians that guarantee an adequate standard of protection, the Custodian must apply the skill, care and diligence required by the Law of 17 December 2010 in selecting and appointing a third party to which it wishes to delegate some of its duties and in regularly reviewing and continually monitoring third parties to which it has delegated some of its duties as well as the agreements signed by such third parties concerning the duties delegated to them. In particular, any delegation is only possible if the sub-custodian keeps the assets of the Fund separate from its own assets at all times while performing the duties delegated to it in accordance with the Law of 17 December 2010. Any delegation does not affect the Custodian's liability, unless the Law of 17 December 2010 or the Custodian Agreement states otherwise.

The Custodian is obliged to guarantee compliance with statutory provisions, the Sales Prospectus and the Management Regulations.

The Custodian and the Management Company are entitled to terminate the Custodian Agreement at any time, subject to three (3) months' notice, in line with the Custodian Agreement. In this case, the Management Company is obliged to wind up the Fund in accordance with article III./8. of these Management Regulations or to appoint another bank as the Custodian within two months with the approval of the responsible supervisory authority. Until that time the previous Custodian shall continue to fulfil its responsibilities and functions as Custodian in order to protect the interests of the shareholders.

## 6. Management and Transfer Agent

The Management and Transfer Agent is UBS Fund Services (Luxembourg) S.A. with registered seat in 33A, avenue J.F. Kennedy, L-1855 Luxembourg, which is a 100% subsidiary of UBS AG, Switzerland.



As the Management and Transfer Agent, UBS Fund Services (Luxembourg) S.A. is responsible for the general administrative tasks which are essential to the Fund's management and prescribed by Luxembourg law. These services primarily include domiciliation, calculating the net asset value of fund shares, fund accounting, reporting and maintaining the shareholder register.

## II. GENERAL INVESTMENT POLICY GUIDELINES

### 1. Investment Objective

The investment objectives and the specific investment policy of the individual sub-funds are stipulated in the Special Regulation of the relevant sub-fund on the basis of the general guidelines set forth here.

### 2. Securities

Securities include the following:

- Equities and other, equity-equivalent securities («equities»),
- Bonds and other securitised debt instruments («debt instruments»),
- All other marketable securities that carry the right to acquire securities by subscription of exchange.

The relevant sub-fund assets – with the exception of the sub-funds Bantleon Family & Friends and Bantleon Cash – are invested exclusively in bonds and instruments which are listed on a recognised securities exchange.

No investments are made in securities that are not listed on a recognised securities exchange or in instruments that are not securities. Exceptions are possible in accordance with the Special Regulations for the sub-funds Bantleon Cash and Bantleon Family & Friends.

### 3. Money Market Instruments

»Money market instruments« refer to those instruments that are usually traded on the money market, are liquid, and whose value can be precisely determined at any time.

### 4. Newly Issued Securities

The relevant sub-fund assets may – with the exception of the sub-funds Bantleon Cash and Bantleon Family & Friends – only include new issues where the terms of issue include the obligation to apply for admission for trading on a European securities exchange and that they are officially listed on an exchange no later than two months after issuance. If the new issues are not listed within this period, they must be sold within 30 days.

### 5. UCITS and UCI

The respective sub-fund assets can, if so indicated in the Special Regulations of the sub-fund, invest in shares of undertakings for collective investment in transferable securities («UCITS») of the open type within the meaning of the UCITS Directive and/or in shares of other undertakings for collective investment («UCI») within the meaning of the said directive, should they be situated in a member state of the European Union or in a third state, if

- these other UCI are authorised under laws which provide that they are subject to supervision considered by the Luxembourg supervisory authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently assured (currently the USA, Canada, Switzerland, Hong Kong, Japan, Norway and Liechtenstein);
- the level of protection for shareholders in such other UCI is equivalent to that provided for shareholders in a UCITS, and in particular that the provisions on the separate holding of assets, borrowing, lending and short selling of securities and money market instruments are equivalent with the requirements of the UCITS Directive;
- the business of the other UCI is subject of semi-annual and annual reports, which allow an assessment concerning the assets and liabilities, income and operations over the reporting period;
- the UCITS or the other UCI in which shares are to be acquired, may invest according to its terms or its articles of association not more than 10% of its assets in other UCITS or other UCI.

### 6. Investment Limits

According to the provisions of the Law of 17 December 2010 the following investment limits apply:

**6.1** A sub-fund may invest no more than 10% of its net assets in securities or money market instruments issued by the same body. A sub-fund may invest no more than 20% of its net assets in deposits made with the same body.

**6.2** The total value of securities and money market instruments from issuers in each of which a sub-fund invests more than 5% of its net assets may not exceed 40% of the value of its assets. This restriction does not apply to deposits and OTC derivatives transactions carried out with financial institutions that are subject to supervision.

Irrespective of the individual upper limits laid down in 6.1, the Management Company may invest no more than 20% of the Fund assets at the same body in a combination of

- securities or money market instruments issued by this body and/or
- deposits at this body and/or
- OTC derivatives acquired by this body.

6.3 The limit of 10% laid down under 6.1 may be increased to a maximum of 35% if the securities or money market instruments are issued or guaranteed by a member state of the European Union or its public local authorities, by a member state of the OECD or by public international bodies to which one or more member states of the European Union belong.

6.4 The limit of 10% laid down under 6.1 may be increased to a maximum of 25% for certain debt instruments where these are issued by a credit institution which has its registered office in a member state of the European Union and is subject by law to special public supervision designed to protect the holders of such debt instruments. In particular, sums arising from the issue of such debt instruments must be invested in accordance with the law in assets which, during the whole period to maturity of the debt instruments, are capable of covering claims attaching thereto and which, in the event of default on the issuer's part, would be used on a priority basis to repay the principal and pay the accrued interest.

Where a sub-fund invests more than 5% of its net assets in debt instruments as described under 6.4 which are issued by the same body, the total value of such investments may not exceed 80% of the value of its net assets.

6.5 The securities and money market instruments referred to under 6.3 and 6.4 are not taken into account for the purpose of applying the limit of 40% laid down under 6.2.

6.6 The limits laid down under 6.1, 6.2, 6.3 and 6.4 may not be combined, i.e. investments in securities, money market instruments or derivatives issued by the same body or in deposits made with that body as described under 6.1, 6.2, 6.3 and 6.4 may not in total exceed 35% of the respective sub-fund's net assets.

**6.7 By way of derogation from the provisions laid down under 6.1 to 6.5, a sub-fund may invest up to 100% of its net assets in different securities and money market instruments issued or guaranteed by a member state of the European Union or its public local authorities, by a member state of the OECD or by public international bodies to which one or more member states of the European Union belong, provided that it observes the principle of risk diversification, that such securities and money market instruments stem from at least six different issues and that no more than 30% of the sub-fund's net assets are invested in securities or money market instruments from the same issue.**

6.8 The following provisions apply to investments in UCITS or other UCIs:

a) A sub-fund may acquire shares of other UCITS and/or other UCIs, provided that it invests no more than 20% of its net assets in the same UCITS or other UCI. For the purpose of applying this investment limit, each sub-fund of a UCI with multiple sub-funds (umbrella fund) is to be considered as a separate issuer, provided that the liabilities of the individual

sub-funds towards third parties are properly segregated.

b) Investments in shares of other UCIs that are not UCITS may not in total exceed 30% of a sub-fund's net assets. The assets of the UCITS or other UCIs in which a sub-fund invests do not have to be taken into account with regard to the limits laid down under 6.1 to 6.5.

6.9 Furthermore, a sub-fund may not in total acquire more than 10% of the debt instruments of the same issuer or more than 25% of the shares of the same UCITS or other UCI.

## 7. Futures

The sub-fund can buy and sell futures that are based on securities which can be acquired in compliance with the investment policy. These futures must be traded on a recognized futures exchange, which is open to the public and operates in an orderly manner. Trading in futures allows the Management Company to hedge existing money market, bond, equity index and currency positions against bond-price losses. The entirety of obligations arising from these futures used to hedge assets may not exceed the total value of hedged securities for each individual sub-fund. Futures relating to money market instruments, bonds, equities and currency positions indices can therefore be concluded within the framework of the proper management of the sub-fund for purposes other than hedging. Active short positions are not addressed, except for the sub-funds Bantleon Opportunities XL and Bantleon Family & Friends which implement active short positions by futures. At no point may the total risk arising from futures exceed the net assets of the relevant sub-fund.

## 8. Interest Rate Swap Agreements

The sub-funds – if listed in the Special Regulations – may reduce the risk associated with changes in interest rates by concluding interest rate swap agreements with UBS AG or with other international banks which possess at least an »A-«/»A-«/»A3« rating from »Standard and Poor's«, »Fitch« or »Moody's«.

## 9. Currency Forwards

In order to reduce the currency risk, the sub-funds – if listed in the Special Regulations – may conclude currency forward transactions with UBS AG or with other international banks that have at least an »BBB-«/»BBB-«/»Baa3« rating from »Standard and Poor's«, »Fitch« or »Moody's«.

## 10. Liquid Assets

The liquid assets are held in accordance with the provisions of the Special Regulations applying to the relevant sub-fund. The investment of liquid assets is restricted here to 20% of the sub-fund's assets per counterparty.

## 11. Credit Default Swaps and Total Return Swaps

The sub-funds may – if the Special Regulations provide so – enter into credit default swaps («CDS») as well as total return swaps («TRS») with UBS AG or with other international banks which possess at least an »BBB-«/»BBB-«/»Baa3« rating from »Standard & Poor's«, »Fitch« or »Moody's«.

CDS are used primarily to hedge the credit risk attached to bonds. CDS may be concluded either as »single name CDS«, i.e. with reference to the credit risk of a sole issuer, or as »basket CDS/index CDS« that refer to a portfolio of reference debtors.

If provided by the Special Regulations, CDS may also be used by way of selling protection in order to establish an engagement in the credit market. In such case, CDS may be concluded only as »basket CDS/index CDS« that refer to a portfolio of reference debtors.

At no point may the sum of CDS exceed the net assets of the relevant sub-fund.

Where permissible under a sub-fund's Special Regulations, TRS are used to hedge assets held by the sub-fund, i.e. the sub-fund is the protection buyer (selling a TRS).

Where permissible under a sub-fund's Special Regulations, TRS may also be used as part of the investment strategy, including for the purpose of efficient portfolio management as well as to generate additional returns, i.e. for speculative purposes. In such cases, the sub-fund acts as the protection seller for the TRS.

At no point may the sum of TRS exceed the net assets of the relevant sub-fund.

## 12. Further Investment Restrictions

- Options are not permitted.
- The sub-fund's assets may not be used to permanently purchase securities.
- The sub-fund's assets may not be invested in real estate and the corresponding derivatives.
- The purchase of credit structured bonds is not allowed.

## 13. Loans and Encumbrance Prohibitions

The sub-fund assets may – with the exception of Bantleon Family & Friends – only be pledged or transferred by way of security to secure future contracts, interest rate swaps, credit default swaps, total return swaps and currency forwards as well as to cover overdrafts on the value date. The sub-fund's assets of Bantleon Family & Friends may also be pledged, resp. collateralised for hedging purposes of existing credit default swaps as well as total return swaps.

To the detriment of the sub-fund assets, no loans may be granted, neither any commitments entered for third parties' guarantee.

To the detriment of the sub-fund assets, no loans may be entered into. However, an overdraft on the value date or an overdraft to cover margin requirements is permitted.

## 14. Introduction of Currencies to Replace or Succeed the Euro

In the event that member states of the Eurozone introduce currencies to replace or succeed the euro following a collapse of and/or exit from the Eurozone, the following rules apply with regard to the Fund's investment guidelines:

- Any exposure to such replacement or successor currencies on the Fund's part does not constitute a violation of the investment guidelines.
- Changes in relative currency exposure that concern such replacement or successor currencies do not constitute a violation of the investment guidelines.
- The currency used by the Federal Republic of Germany will serve as the base currency for all share classes of the Fund previously denominated in euros.
- Bonds and other instruments from countries in which investments were permitted under the applicable investment policy prior to the introduction of currencies to replace or succeed the euro may continue to be held and acquired thereafter.

## III. ISSUES AND REDEMPTIONS, FURTHER CONDITIONS

### 1. Shares in the Sub-Funds

The fund shares are securitised by registered and bearer shares and have all the same rights. The Management Company can institute share classes («classes») which differentiate in terms of their fees, the use of the return, the dates of distribution, the persons admitted to invest, the minimum investment amount, the reference currency or other characteristics.

Shares of the classes designated by the letters »IA« and »IT« are aimed at institutional investors only; share classes designated by the letters »PA« and »PT« are addressed to private investors. Shares of the classes designated by the letters »FA« and »FT« are aimed at professional investors (in particular foundations and asset management companies); the minimum initial investment amount is EUR 250,000. Shares of the classes designated by the letters »RA« and »RT« are only available to private investors, provided the latter have concluded with distribution partners of the Management Company a written investment advisory or asset management agreement or another agreement stipulating that the distribution partner is to be directly remunerated by the private investor for distribution and advisory services. Shares of the classes designated by the letters »DT« are aimed at private

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investors and are issued to distribution partners in Italy only and to some further distribution partners in other distribution countries, provided however that the Management Company has explicitly authorized these further distribution partners to offer the classes designated by the letters »DT«. Other distributors may not offer classes designated by the letters »DT«.

The fund shares can be delivered via Clearstream and are credited to the securities account of the investor. Neither the registered nor the bearer shares can get delivered physically. Shareholders of registered shares get inscribed into the fund shareholder register which is kept by UBS Fund Services (Luxembourg) S.A. The issue and redemption of shares are performed by the Management Company, the Management and Transfer Agent or via every distributor and paying agent.

## 2. Issue of Shares

Shares are issued subject to the conditions contained in the Special Regulations.

The Management Company may at any time and at its discretion reject a subscription application or temporarily limit, suspend or permanently discontinue the issue of units, if such action should appear necessary in consideration of the interests of all shareholders, or to protect the Management Company, to protect the Fund, in the interests of the investment policy or where the investment objectives of the Fund are at risk. The Custodian will promptly refund payments on subscription applications that have not yet been executed.

## 3. Calculation of the Net Asset Value per Share

The shares of all sub-funds are denominated in euro, with the exception of the sub-funds for which additional share classes have been launched that are denominated in other currencies but hedged against the euro.

The value of a share is calculated by the Custodian or by a third party commissioned by it on every banking day in Luxembourg, except for the 24 December and 31 December. The net asset value (NAV) per share is calculated by dividing the net assets of the relevant sub-fund by the number of shares in circulation on the valuation date.

The net asset value of the sub-fund is calculated according to the following principles:

- a) Bonds listed on an exchange are valued at the most recent available price paid.
- b) Bonds from issues which are not yet listed on an exchange but are traded on a regulated market are valued at a price no lower than the bid price and no higher than the ask price at the time of the valuation, and which the Management Company considers to be the best possible price, at which the bonds

can be sold. In the event that such prices according to a) and b) above are not in line with market conditions or relate to bonds from primary market which are not yet listed on an exchange and which are not traded on another regulated market, the relevant bonds are valued at the respective current market value. The current market value shall be determined in good faith by the Management Company, following generally accepted valuation principles that are verifiable by auditors.

- c) Equities that are listed on a securities exchange are valued at the last available closing price on the respective exchange.
- d) The valuation of investment funds is issued at the current market prices.
- e) Cash and cash equivalents are stated at their nominal value plus accrued interest.
- f) All commissions and charges other than the subscription fee are accrued by the fund inventory on each valuation day and deferred and deducted from their share value.
- g) The publicly traded derivatives on interest rates, equities and currencies are valued at the current market prices.
- h) Credit default swaps as well as total return swaps are valued at their current value taking into account all cash flows. The valuation is being performed by the Custodian and in coordination with the counterparty.
- i) Interest rate swap agreements are valued at current value (NPV), taking account of all cash flows. The assessment is made by the Custodian in consultation with the counterparty.
- j) Foreign currency contracts are valued at the last available value in accordance with the guidelines established by the Board and in consistent manner.

A return adjustment is performed for the relevant sub-fund's assets.

## 4. Suspension of Calculation of the NAV per Share

The Management Company has the right to suspend the calculation of the NAV per share, if and while circumstances exist that make this suspension necessary and if the suspension is justified when taking into consideration the interests of the shareholders, in particular:

- while an exchange or other market on which a substantial portion of the sub-fund's assets are listed or traded is closed (excluding normal weekends and holidays) or when trading on that exchange or corresponding market has been suspended or limited;
- in an emergency situation, if the Management Company is unable to access the sub-fund's investments or cannot freely transfer the transaction value of the sub-fund's purchases or sales or calculate the NAV per share in an orderly manner.

The Management Company shall promptly disclose the suspension and the resumption of the calculation of the NAV per share immediately in least one daily newspaper in the countries in which shares in the sub-fund are admitted for sale and shall likewise inform all shareholders who applied for the redemption of their sub-fund's shares.

## 5. Redemption of Shares

The shareholders are entitled to request the redemption of their fund's shares by the Management Company at any time at the redemption price stipulated in the Special Regulations of the Management Regulations governing the relevant sub-fund and subject to the conditions stipulated therein. This redemption can take place on every valuation date, with the exception of 24 December and 31 December.

For large-scale redemption requests which cannot be met from the relevant sub-fund's liquid assets, the Management Company has the right to carry these out proportionally only once the corresponding assets of the sub-fund have been sold without delay.

The Custodian is obligated to transfer the redemption price to the country of the applicant only if this is not prohibited by law or by other circumstances beyond the control of the Custodian.

## 6. Conversion of Shares

The conversion of all fund shares or of part of it into fund shares of another sub-fund is based on the share price pursuant to paragraph III, 3. »Calculation of the Net Asset Value per Share« of the Management Regulations, and is subject to a conversion charge of maximal the subscription fee of the sub-fund into which the conversion takes place. If fund shares are converted into share classes designated by the letters »FA«/»FT«, »DT« and »RA«/»RT«, the requirements specified in section III »1. Shares in the Sub-Funds« of the Management Regulations shall apply.

If there are different share classes within a sub-fund, a conversion can also take place from one share class to another share class within the same sub-fund. However, such conversion may only take place within the share classes for institutional investors (»IA«/»IT«), the share classes for private investors (»PA«/»PT«/»DT«), the share classes without distribution allowances (»RA«/»RT«) and the share classes for professional investors (»FA«/»FT«). In such case, no conversion charge applies.

## 7. Dividend Distributions

The distribution policy of a sub-fund is stipulated in the Special Regulations of the Management Regulations of that sub-fund.

A distribution may not be made if as a result of said distribution the total net assets of the sub-fund would fall below the minimum limit of EUR 1.25 million.

## 8. Duration and Closing of the Fund and the Sub-Funds and the Merger of Funds or Sub-Funds

The Fund and the sub-funds are set up for an indefinite period. However, the Management Company can wind up the Fund or one or several sub-funds or share classes at any time.

The winding-up of the Fund or of a sub-fund is mandatory in the following cases:

- The Custodian is terminated without a new Custodian being appointed within the statutory period.
- The Management Company goes into bankruptcy or is wound up, without a new Management Company taking over its function.
- The sub-fund's assets remain below the minimum limit of EUR 1.25 million for more than six months.

If the Fund or a sub-fund is wound up, the issue of shares is suspended. The redemption of shares remains possible insofar as the equal treatment of the investors is ensured. On the order of the Management Company or the appointed liquidators, the Custodian will divide the proceeds of the liquidation less the costs of liquidation and fees among the shareholders of the sub-fund according to their entitlement.

If the Management Company winds up a sub-fund without terminating the fund, it must redeem all shares of the sub-fund at their valid NAV per share.

Furthermore, by order of the Management Company, various funds or sub-funds can be consolidated (»merger«) by transferring respectively exchanging the share class or classes of one or more funds or sub-funds in the corresponding share class or classes of another fund or sub-fund. The rights of the individual share classes are set in such cases in accordance with the ratio of net assets of the respective share classes at the date of this merger. Shareholders will be informed by written notice about an impending merger of funds or sub-funds with a previous period of 30 days. The decision of the Management Company to combine one or more sub-funds will be published in the »Recueil Electronique des Sociétés et Associations« (RESA) and in national daily newspapers of which at least one is published in Luxembourg and in the relative selling countries of the Fund.

## 9. Fees, Charges

A fee is charged to the sub-fund in accordance with the Special Regulations. In addition, the third-party expenses for the trading of futures, as well as the Luxembourg capital tax will be charged to the Fund. All expenses, with the exception of the subscription fee, are deferred from the fund capital on each valuation date and are therefore included in the calculation of the share price.



The costs arising from the purchase and sale of fund asset investments are limited to the bid/ask margin and transaction costs standard on the market. Fund asset investments are bought and sold in accordance with the »best execution« principle.

Sub-funds that invest all or parts of their assets in other funds (»target funds«) in accordance with their particular investment policies have a total or partial structure of a fund of funds.

The general advantage of a fund of funds compared with direct investment in specific funds is the broader diversification or spread of risk. In a fund of funds, portfolio diversification extends not only to its own investments because the target funds themselves are normally also governed by the stringent principles of risk diversification. A fund of funds enables the investor to invest in a product which spreads its risks on two levels and thereby minimises the risks inherent in the individual investment objects. The fund of funds additionally permits investment in a single product, by which means the investor gains an indirect investment in numerous securities.

Certain commission payments and expenses may occur more than once when investing in target funds (for example, commission for the Custodian and the central administrative agency, management/advisory fees and issuing/redemption commission of the target fund in which an investment is made). Such commission payments and expenses are charged at the level of the target fund as well as of the fund of funds.

Besides target funds of third parties, the sub-funds may also invest in target funds managed directly or due to an assignment by the Management Company or by a company with which the Management Company is associated through common management or control or through a substantial direct or indirect stake of more than 10% of the capital or the votes (»intragroup target funds«). In this case, no issuing or redemption commission will be charged to the sub-funds on subscription to or redemption of these units in intragroup target funds. To avoid a twofold charging of the sub-funds with current fees of the intragroup target fund, the Management Company additionally ensures that the above-mentioned twofold charging of commission and expenses is however only referred to investments in intragroup target funds which are related to charges of the central administrative agency and the Custodian.

## 10. Fiscal Year and Audit of Annual Accounts

The fiscal year starts on 1 December of each calendar year and ends on 30 November of the following calendar year.

The annual accounts are audited by an auditor appointed by the Management Company; an unaudited semi-annual report is also issued as of 31 May of each fiscal year.

## 11. Statute of Limitations

Shareholders' claims against the Management Company or the Custodian shall be time barred upon expiry of five years from the origination of the claim.

## 12. Amendments

The Management Company can amend the Management Regulations and the Special Regulations at any time, in whole or in part, subject to the approval of the Custodian and in accordance with relevant legal provisions.

## 13. Publications

Amendments of the Management Regulations and Special Regulations are filed with the Commercial Registry (RCS) of Luxembourg. Reference to amendments being filed with the Commercial Registry of Luxembourg shall be published in the »Recueil Electronique des Sociétés et Associations« (RESA). The new contractual terms enter into force on the day they are filed with the Commercial Register of Luxembourg (RCS). The full text is filed with the Commercial Registry (RCS) of Luxembourg, where it may be inspected.

The sub-fund's share prices can be queried from the Management Company, the Custodian and all paying agents. They are also published on the Investment Manager's internet website at [www.bantleon.com](http://www.bantleon.com).

The winding up of the Fund or of a sub-fund in accordance with article III./8. of these Management Regulations shall be published in the »Recueil Electronique des Sociétés et Associations« (RESA) and in national daily newspapers of which at least one appears in Luxembourg and the relevant sales countries of the Fund, in accordance with the statutory provisions.

## 14. Applicable Law, Jurisdiction and Language of Contract

These Management Regulations are subject to Luxembourg law. In particular, the provisions of the Law of 17 December 2010 shall apply in supplement to the provisions of these Management Regulations. The same applies to the legal relationship between the shareholders, the Management Company and the Custodian.

Any legal dispute between shareholders, the Management Company and the Custodian fall within the jurisdiction of the competent court in the judicial district of Luxembourg in the Grand Duchy of Luxembourg. The Management Company and the Custodian may elect to submit themselves, the Fund or a sub-fund to the jurisdiction and laws of any of the countries in which shares of the Fund or a sub-fund are distributed, in respect of the claims of investors who are resident in the relevant country, and with regard to matters concerning the Fund.

The German wording of the Management Regulations, of the Sales Prospectus and of all other documents and publications related to the Fund shall be legally binding. With regard to shares of the Fund sold to investors in non-German-speaking countries, the Management Company and the Custodian may for their own part and on behalf of the Fund declare that translations into the languages of countries in which the shares are authorised for sale are binding.

#### **15. Entry into Force**

The Management Regulations and any changes thereto shall enter into force on the date they are signed, unless otherwise stipulated.

# SPECIAL REGULATIONS BANTLEON OPPORTUNITIES S

## BANTLEON OPPORTUNITIES S

For Bantleon Opportunities S, the above general section of the Management Regulations is an integral part of the applicable regulations. The following provisions of the Special Regulations apply in supplement or deviation, as applicable:

Bantleon Opportunities S was set up on 15 February 2008 as a sub-fund of »BANTLEON OPPORTUNITIES«.

### 1. Investment Policy

The sub-fund Bantleon Opportunities S invests its assets in the following securities in euro:

- a) Government bonds issued by a central government or a central bank of a member state of the Eurozone.
- b) Bonds issued by a regional government or a regional authority of a member state of the Eurozone.
- c) Bonds of a fund of a member state of the Eurozone.
- d) Bonds of issuers that are guaranteed by a state in the Eurozone.
- e) Bonds issued by the European Investment Bank or another supranational issuer.
- f) Bonds from public issuers, issuers governed by public law or similar issuers in accordance with Annex I.
- g) Bonds secured by mortgage loans or loans to the public sector, issued by a bank situated in the European Union or Norway, and meeting the requirements of Article 52, paragraph 4 of the UCITS Directive.

In addition, the sub-fund may invest into government bonds in local currency issued by the central government or the central bank of the United States (US), the United Kingdom (UK), Canada or Australia. The weight of such assets may not exceed 50% of the sub-fund's assets.

### 2. Liquid Assets

The liquidity of the sub-fund Bantleon Opportunities S is held in the form of demand or time deposits with a maximum maturity of 12 months with the Custodian, UBS AG, UBS Ltd., UBS Switzerland AG and with banks located in the Eurozone or in Switzerland which have at least an »A-«/»A-«/»A3« rating by »Standard & Poor's«, »Fitch« or »Moody's«. The investment of liquid assets is limited to 20% of the sub-fund's assets per counterparty.

### 3. Futures

The Management Company can, on behalf of the sub-fund, buy and sell futures that are based on securities which are based on interest rates, bonds, equity indices and currencies. These futures must be traded on a recognised futures exchange which is open to the public and operates in an orderly manner.

Futures can be used

- a) to hedge bonds and money market securities against changes in interest rates;
- b) to increase the duration of the sub-fund's assets;
- c) as interest futures for purposes other than hedging, in order to benefit from changes in the term structure of interest rates and from changes in interest rate spreads;
- d) to participate in rising prices on the stock exchanges by purchasing equity index futures;
- e) to hedge the currency risk by the sale of currency futures.

Obligations arising from equity index futures should, in principle, not exceed 20% of the sub-fund's assets. This upper limit increases to 25% if the increased level is due to market changes to the futures.

The use of futures may increase the market risk but may no more than double it. The modified duration of the sub-fund may not be outside a range of 0.0% to 7.0%. At no point may the total risk arising from futures exceed the net assets of the sub-fund.

### 4. Currency Forwards

From investing in the aforementioned instruments currency risks can result in USD, JPY, GBP, AUD, CAD and HKD which are largely hedged. The foreign currency exposure is limited to 10% of the sub-fund's assets.

In order to reduce the currency risk, the Management Company may conclude currency forward transactions with UBS AG or with other international banks that have at least an »BBB-«/»BBB-«/»Baa3« rating by »Standard & Poor's«, »Fitch« or »Moody's«.

Furthermore, currency forward transactions are concluded with the counterparties mentioned before in order to reduce the currency risk of the hedged share classes designated by the letters »hedged«. This hedging is provided to be basically between 95% and 105% of the total net assets of the share class in the foreign currency.



## **5. Acquisition, Redemption and Conversion of Shares, Purchase Price Payment**

Upon subscription of fund shares a subscription fee will be charged in addition to the share price. In respect of share classes designated by the letters »IA«, »IT« and »DT« no subscription fee applies. The share price plus the subscription fee is payable within two Luxembourg bank working days after the binding valuation date. Subscription, redemption and conversion orders received by the Management Company, the Management and Transfer Agent, the Investment Manager or the distributor named in the Sales Prospectus by 2 p.m. (Luxembourg time) on the last bank working day before the valuation date shall be settled at the share price of this valuation date. The share price for the current valuation date is determined on the basis of the market prices at approx. 5 p.m. on the last bank working day before the valuation date. Orders received after 2 p.m. on the last bank working day before the valuation date are settled at the share price of the next valuation date. The valuation date is every bank working day in Luxembourg – with the exception of 24 December and 31 December. No subscription, redemption or conversion orders are accepted on 24 December and 31 December.

The redemption price corresponds to the share price. No redemption fee is charged. The redemption price must be paid to the shareholder within two Luxembourg bank working days after the binding valuation date.

In case of a conversion of fund shares the provisions of paragraph III, 6. »Conversion of Shares« of the Management Regulations apply.

## **6. Charges and Fees**

The sub-fund will be charged with a management fee of a maximum of 0.80% p.a. for shares of the classes designated by the letters »IA« and »IT« (institutional investors), a maximum of 1.10% p.a. for shares of the classes designated by the letters »FA«, »FT«, »RA« and »RT« and a maximum of 1.40% p.a. for shares of the classes designated by the letters »PA«, »PT« and »DT« (private investors), based on its net asset value. For the share class designated by the letters »DT«, a supplementary distribution fee of a maximum of 0.30% p.a. applies. The current applicable commission is published in advance in the semi-annual or annual report.

The costs arising from the purchase and sale of the sub-fund's investments are limited to the bid/ask margin standard on the market. The sub-fund's investments are bought and sold in accordance with the »best execution« principle.

## **7. Dividend Distributions**

The distributing share classes of Bantleon Opportunities S will disburse the net return completely. Bond price gains can be distributed in whole or in part. The distribution of dividends is paid out at least once a year at the end of the Fund's full fiscal year.

## **8. Term/Entry into Force**

The sub-fund is set up for an indefinite period.

The Special Regulations of the Management Regulations and any changes thereto shall enter into force on the date they are signed, unless otherwise stipulated.

# SPECIAL REGULATIONS BANTLEON OPPORTUNITIES L

## BANTLEON OPPORTUNITIES L

For Bantleon Opportunities L, the above general section of the Management Regulations is an integral part of the applicable regulations. The following provisions of the Special Regulations apply in supplement or deviation, as applicable:

Bantleon Opportunities L was set up on 31 March 2008 as a sub-fund of »BANTLEON OPPORTUNITIES«.

### 1. Investment Policy

The sub-fund Bantleon Opportunities L invests its assets in the following securities in euro:

- a) Government bonds issued by a central government or a central bank of a member state of the Eurozone.
- b) Bonds issued by a regional government or a regional authority of a member state of the Eurozone.
- c) Bonds of a fund of a member state of the Eurozone.
- d) Bonds of issuers that are guaranteed by a state in the Eurozone.
- e) Bonds issued by the European Investment Bank or another supranational issuer.
- f) Bonds from public issuers, issuers governed by public law or similar issuers in accordance with Annex I.
- g) Bonds secured by mortgage loans or loans to the public sector, issued by a bank situated in the European Union or Norway, and meeting the requirements of Article 52, paragraph 4 of the UCITS Directive.

In addition, the sub-fund may invest into government bonds in local currency issued by the central government or the central bank of the United States (US), the United Kingdom (UK), Canada or Australia. The weight of such assets may not exceed 50% of the sub-fund's assets.

### 2. Liquid Assets

The liquidity of the sub-fund Bantleon Opportunities L is held in the form of demand or time deposits with a maximum maturity of 12 months with the Custodian, UBS AG, UBS Ltd., UBS Switzerland AG and with banks located in the Eurozone or in Switzerland which have at least an »A-«/»A-«/»A3« rating by »Standard & Poor's«, »Fitch« or »Moody's«. The investment of liquid assets is limited to 20% of the sub-fund's assets per counterparty.

### 3. Futures

The Management Company can, on behalf of the sub-fund, buy and sell futures that are based on securities which are based on interest rates, bonds, and equity indices and currencies. These futures must be traded on a recognised futures exchange which is open to the public and operates in an orderly manner.

Futures can be used

- a) to hedge bonds and money market securities against changes in interest rates;
- b) to increase the duration of the sub-fund's assets;
- c) as interest futures for purposes other than hedging, in order to benefit from changes in the term structure of interest rates and from changes in interest rate spreads;
- d) to participate in rising prices on the stock exchanges by purchasing equity index futures;
- e) to hedge the currency risk by the sale of currency futures.

Obligations arising from equity index futures should, in principle, not exceed 40% of the fund's assets. This upper limit increases to 45% if the increased level is due to market changes to the futures.

The use of futures may increase the market risk but may no more than double it. The modified duration of the sub-fund may not be outside a range of 0.0% to 9.0%. At no point may the total risk arising from futures exceed the net assets of the sub-fund.

### 4. Currency Forwards

From investing in the aforementioned instruments currency risks can result in USD, JPY, GBP, AUD, CAD and HKD which are largely hedged. The foreign currency exposure is limited to 10% of the sub-fund's assets.

In order to reduce the currency risk, the Management Company may conclude currency forward transactions with UBS AG or with other international banks that have at least an »BBB-«/»BBB-«/»Baa3« rating by »Standard & Poor's«, »Fitch« or »Moody's«.

Furthermore, currency forward transactions are concluded with the counterparties mentioned before in order to reduce the currency risk of the hedged share classes designated by the letters »hedged«. This hedging is provided to be basically between 95% and 105% of the total net assets of the share class in the foreign currency.

## **5. Acquisition, Redemption and Conversion of Shares, Purchase Price Payment**

Upon subscription of fund shares a subscription fee will be charged in addition to the share price. In respect of share classes designated by the letters »IA«, »IT« and »DT« no subscription fee applies. The share price plus the subscription fee is payable within two Luxembourg bank working days after the binding valuation date. Subscription, redemption and conversion orders received by the Management Company, the Management and Transfer Agent, the Investment Manager or the distributor named in the Sales Prospectus by 2 p.m. (Luxembourg time) on the last bank working day before the valuation date shall be settled at the share price of this valuation date. The share price for the current valuation date is determined on the basis of the market prices at approx. 5 p.m. on the last bank working day before the valuation date. Orders received after 2 p.m. on the last bank working day before the valuation date are settled at the share price of the next valuation date. The valuation date is – with the exception of 24 December and 31 December – every bank working day in Luxembourg. No subscription, redemption or conversion orders are accepted on 24 December and 31 December.

The redemption price corresponds to the share price. No redemption fee is charged. The redemption price must be paid to the shareholder within two Luxembourg bank working days after the binding valuation date.

In case of a conversion of fund shares the provisions of paragraph III, 6. »Conversion of Shares« of the Management Regulations apply.

## **6. Charges and Fees**

The sub-fund will be charged with a management fee of a maximum of 1.20% p.a. for shares of the classes designated by the letters »IA« and »IT« (institutional investors), a maximum of 1.65% p.a. for shares of the classes designated by the letters »FA«, »FT«, »RA« and »RT« and a maximum of 2.10% p.a. for shares of the classes designated by the letters »PA«, »PT« and »DT« (private investors), based on its net asset value. For the share class designated by the letters »DT«, a supplementary distribution fee of a maximum of 0.40% p.a. applies. The current commission is published in advance in the semi-annual or annual report.

The costs arising from the purchase and sale of the sub-fund's investments are limited to the bid/ask margin standard on the market. The sub-fund's investments are bought and sold in accordance with the »best execution« principle.

## **7. Dividend Distributions**

The distributing share classes of Bantleon Opportunities L will disburse the net return completely. Bond price gains can be distributed in whole or in part. The distribution of dividends is paid out at least once a year at the end of the Fund's full fiscal year.

## **8. Term/Entry into Force**

The sub-fund is set up for an indefinite period.

The Special Regulations of the Management Regulations and any changes thereto shall enter into force on the date they are signed, unless otherwise stipulated.

## BANTLEON OPPORTUNITIES XL

For Bantleon Opportunities XL, the above general section of the Management Regulations is an integral part of the applicable regulations. The following provisions of the Special Regulations apply in supplement or deviation, as applicable:

Bantleon Opportunities XL was set up on 2 May 2012 as a sub-fund of »BANTLEON OPPORTUNITIES«.

### 1. Investment Policy

The sub-fund Bantleon Opportunities XL invests its assets in the following securities quoted in euro:

- a) Government bonds issued by a central government or a central bank of a member state of the Eurozone.
- b) Bonds issued by a regional government or a regional authority of a member state of the Eurozone.
- c) Bonds of a fund of a member state of the Eurozone.
- d) Bonds of issuers that are guaranteed by a state in the Eurozone.
- e) Bonds issued by the European Investment Bank or another supranational issuer.
- f) Bonds from public issuers, issuers governed by public law or similar issuers in accordance with Annex I.
- g) Bonds secured by mortgage loans or loans to the public sector, issued by a bank situated in the European Union or Norway, and meeting the requirements of Article 52, paragraph 4 of the UCITS Directive.

In addition, the sub-fund may invest into government bonds in local currency issued by the central government or the central bank of the United States (US), the United Kingdom (UK), Canada or Australia. The weight of such assets may not exceed 50% of the sub-fund's assets.

### 2. Liquid Assets

The liquidity of the sub-fund Bantleon Opportunities XL is held in the form of demand or time deposits with a maximum maturity of 12 months with the Custodian, UBS AG, UBS Ltd., UBS Switzerland AG and with banks located in the Eurozone or in Switzerland which have at least an »A-«/»A-«/»A3« rating by »Standard & Poor's«, »Fitch« or »Moody's«. The investment of liquid assets is limited to 20% of the sub-fund's assets per counterparty.

### 3. Futures

The Management Company can, on behalf of the sub-fund, buy and sell futures that are based on interest rates, bonds, equity indices and currencies. These futures must be traded on a recognised futures exchange which is open to the public and operates in an orderly manner.

Futures can be used

- a) to hedge bonds and money market securities against changes in interest rates;
- b) to increase the duration of the sub-fund's assets;
- c) to generate a negative portfolio duration;
- d) as interest futures for purposes other than hedging, in order to benefit from changes in the term structure of interest rates and from changes in interest rate spreads;
- e) to participate in rising prices on the stock exchanges by purchasing equity index futures;
- f) to participate in falling prices on the stock exchanges by selling equity index futures;
- g) to hedge the currency risk by the sale of currency futures.

Obligations arising from purchased equity index futures should, in principle, not exceed 40% of the sub-fund's assets. This upper limit increases to 45% if the increased level is due to market changes to the futures.

Obligations arising from sold equity index futures should, in principle, not exceed 20% of the sub-fund's assets. This upper limit increases to 25% if the increased level is due to market changes to the futures. Short positions in equity index futures must be »non-deliverable« or liquidated before expiry of the future.

The modified duration of the sub-fund may not be outside a range of -5.0% to 15.0%.

### 4. Currency Forwards

From investing in the aforementioned instruments currency risks can result in USD, JPY, GBP, AUD, CAD and HKD which are largely hedged. The foreign currency exposure is limited to 10% of the sub-fund's assets.

In order to reduce the currency risk, the Management Company may conclude currency forward transactions with UBS AG or with other international banks that have at least an »BBB-«/»BBB-«/»Baa3« rating by »Standard & Poor's«, »Fitch« or »Moody's«.

Furthermore, currency forward transactions are concluded with the counterparties mentioned before in order to reduce the currency risk of the hedged share classes designated by the letters »hedged«. This hedging is provided to be basically between 95% and 105% of the total net assets of the share class in the foreign currency.

## 5. Acquisition, Redemption and Conversion of Shares, Purchase Price Payment

Upon subscription of fund shares a subscription fee will be charged in addition to the share price. In respect of share classes designated by the letters »IA«, »IT« and »DT« no subscription fee applies. The share price plus the subscription fee is payable within two Luxembourg bank working days after the binding valuation date. Subscription, redemption and conversion orders received by the Management Company, the Management and Transfer Agent, the Investment Manager or the distributor named in the Sales Prospectus by 2 p.m. (Luxembourg time) on the last bank working day before the valuation date shall be settled at the share price of this valuation date. The share price for the current valuation date is determined on the basis of the market prices at approx. 5 p.m. on the last bank working day before the valuation date. Orders received after 2 p.m. on the last bank working day before the valuation date are settled at the share price of the next valuation date. The valuation date is – with the exception of 24 December and 31 December – every bank working day in Luxembourg. No subscription, redemption or conversion orders are accepted on 24 December and 31 December.

The redemption price corresponds to the share price. No redemption fee is charged. The redemption price must be paid to the shareholder within two Luxembourg bank working days after the binding valuation date.

In case of a conversion of fund shares the provisions of paragraph III, 6. »Conversion of Shares« of the Management Regulations apply.

## 6. Charges and Fees

The sub-fund will be charged with a management fee of a maximum of 1.20% p.a. for shares of the classes designated by the letters »IA« and »IT« (institutional investors), a maximum of 1.65% p.a. for shares of the classes designated by the letters »FA«, »FT«, »RA« and »RT« and a maximum of 2.10% p.a. for shares of the classes designated by the letters »PA«, »PT« and »DT« (private investors), based on its net asset value. For the share class designated by the letters »DT«, a supplementary distribution fee of a maximum of 0.40% p.a. applies. The current applicable commission is published in advance in the semi-annual or annual report.

In addition, a performance-based fee (hereinafter referred to as the »performance fee«) for Bantleon Opportunities XL is charged, which is equal to 10% of the outperformance against the benchmark (3-month Euribor, at least 0%) based on the applicable net asset value and applying the high-watermark principle. In order to determine the share value performance of the sub-fund, interim distributions are calculatively added to the share value (BVI method).

Thus, the performance fee is only payable and acceptable as a corresponding provision in favour of the Management Company, when the net asset value of a fund share on a valuation day within the evaluation period has reached a new high and is above the benchmark. The evaluation period complies to the period since the end of the last fiscal year in which the Management Company has received a performance fee. The evaluation period in the first year begins on the day that the first net asset value is calculated.

Should, in any fiscal year, the net asset value be higher than the threshold level for the performance fee (which equals the net asset value of the previous year plus the benchmark), the high-watermark will be reset to the net asset value of the previous year at the beginning of the next fiscal year (reset), i.e. the performance measuring starts from zero in the next year. However, should the net asset value be lower than the threshold level for the performance fee, such difference will be carried forward to the following fiscal year (irrespective of whether such difference results from a negative performance or from a positive performance that is too small). Only after catching up on this difference, i.e. after reaching a new peak level (high-watermark), an allowance payment of the performance fee will apply again. In the first year of the sub-fund the benchmark is used on a pro rata temporis basis.

The possible payout of the performance fee to the Management Company will take place during the first month of the next fiscal year. The performance fee is paid directly from the assets of the specific sub-fund.

The costs arising from the purchase and sale of the sub-fund's investments are limited to the bid/ask margin standard on the market. The sub-fund's investments are bought and sold in accordance with the »best execution« principle.

## 7. Dividend Distributions

The distributing share classes of Bantleon Opportunities XL will disburse the net return completely. Bond-price gains can be distributed in whole or in part. The distribution of dividends is paid out at least once a year at the end of the Fund's full fiscal year.

## 8. Term/Entry into Force

The sub-fund is set up for an indefinite period.

The Special Regulations of the Management Regulations and any changes thereto shall enter into force on the date they are signed, unless otherwise stipulated.

## BANTLEON OPPORTUNITIES WORLD

For Bantleon Opportunities World, the above general section of the Management Regulations is an integral part of the applicable regulations. The following provisions of the Special Regulations apply in supplement or deviation, as applicable:

Bantleon Opportunities World was set up on 12 February 2014 as a sub-fund of »BANTLEON OPPORTUNITIES«.

### 1. Investment Policy

The sub-fund Bantleon Opportunities World invests its assets in the following securities denominated in Euro that have a minimum investment-grade rating of »Standard & Poor's« (»BBB-«), »Fitch« (»BBB-«) or »Moody's« (»Baa3«).

#### Bonds

- a) Government bonds issued by a central government or central bank of any state.
- b) Bonds of a regional government or local authority of an OECD country.
- c) Bonds of a fund by an OECD country.
- d) Bonds of issuers that are guaranteed by any OECD country.
- e) Bonds issued by a supranational institution.
- f) Bonds from public issuers, issuers governed by public law or similar issuers in accordance with Annex I.
- g) Bonds secured by mortgage loans or loans to the public sector, issued by a bank situated in the European Union or Norway, and meeting the requirements of Article 52, paragraph 4 of the UCITS Directive.
- h) Bonds from banks and companies based in an OECD country.

In addition, the sub-fund may invest into government bonds in local currency issued by the central government or the central bank of the United States (US), the United Kingdom (UK), Canada or Australia. The weight of such assets may not exceed 50% of the sub-fund's assets.

#### Equities

The sub-fund may invest through futures up to 60% of the assets in equity indices. This limit is increased to 65% if the higher capacity utilization is due to market changes.

## 2. Liquid Assets

The liquidity of the sub-fund Bantleon Opportunities World is held in the form of demand or time deposits with a maximum maturity of 12 months at the Custodian, UBS AG, UBS Ltd., UBS Switzerland AG and with banks located in the Eurozone or in Switzerland which have at least a rating of »A-«/»A-«/»A3« by »Standard & Poor's«, »Fitch« or »Moody's«. The investment of liquid assets is limited to 20% of the sub-fund's assets per counterparty.

## 3. Futures

The Management Company may buy and sell futures for the sub-fund relating to interest rates, bonds and equity indices as well as currencies. These futures must be traded on a recognized futures exchange which is accessible to everyone and works orderly.

Futures can be used

- a) to secure existing bonds and money market instruments against interest rate risks;
- b) to increase the duration of the fund's assets;
- c) as interest futures for purposes other than hedging, in order to benefit from changes in the term structure of interest rates and from changes in interest rate spreads;
- d) to participate from rising prices in world equity markets by buying futures on equity indices according to Annex II;
- e) to hedge the currency risk by the sale of currency futures.

The modified duration of the sub-fund may not be outside a range of 0.0% to 8.0%.

## 4. Currency Forwards

From investing in the aforementioned instruments currency risks can result in USD, JPY, GBP, AUD, CAD, CHF, SEK and HKD which are largely hedged. The foreign currency exposure is limited to 10% of the sub-fund's assets.

In order to reduce the currency risk, the Management Company may conclude currency forward transactions with UBS AG or with other international banks that have at least an »BBB-«/»BBB-«/»Baa3« rating by »Standard & Poor's«, »Fitch« or »Moody's«.

Furthermore, currency forward transactions are concluded with the counterparties mentioned before in order to reduce the currency risk of the hedged share classes designated by the letters »hedged«. This hedging is provided to be basically between 95% and 105% of the total net assets of the share class in the foreign currency.

## **5. Acquisition, Redemption and Conversion of Shares, Purchase Price Payment**

Upon subscription of fund shares a subscription fee will be charged in addition to the share price. In respect of share classes designated by the letters »IA«, »IT« and »DT« no subscription fee applies. The share price plus the subscription fee is payable within two Luxembourg bank working days after the binding valuation date. Subscription, redemption and conversion orders received by the Management Company, the Management and Transfer Agent, the Investment Manager or the distributor named in the Sales Prospectus by 10 a.m. (Luxembourg time) on the last bank working day before the valuation date shall be settled at the share price of this valuation date. The share price for the current valuation date is determined on the basis of the market prices at approx. 1 p.m. on the last bank working day before the valuation date. Orders received after 10 a.m. on the last bank working day before the valuation date are settled at the share price of the next valuation date. The valuation date is – with the exception of 24 December and 31 December – every bank working day in Luxembourg. No subscription, redemption or conversion orders are accepted on 24 December and 31 December.

The redemption price corresponds to the share price. No redemption fee is charged. The redemption price must be paid to the shareholder within two Luxembourg bank working days after the binding valuation date.

In case of a conversion of fund shares the provisions of paragraph III, 6. »Conversion of Shares« of the Management Regulations apply.

## **6. Charges and Fees**

The sub-fund will be charged with a management fee of a maximum of 1.20% p.a. for shares of the classes designated by the letters »IA« and »IT« (institutional investors), a maximum of 1.65% p.a. for shares of the classes designated by the letters »FA«, »FT«, »RA« and »RT« and a maximum of 2.10% p.a. for shares of the classes designated by the letters »PA«, »PT« and »DT« (private investors), based on its net asset value. For the share class designated by the letters »DT«, a supplementary distribution fee of a maximum of 0.40% p.a. applies. The current applicable commission is published in advance in the annual or semi-annual report.

The costs of the purchase and sale of the sub-fund's investments are limited to the normal market bid/ask margin respectively transaction costs. Purchases and sales of investments of the sub-fund's investments will be implemented in accordance with the »best execution« principle.

## **7. Dividend Distributions**

The distributing share classes of Bantleon Opportunities World payout the complete net interest income and received dividends/distributions. Bond price gains may be distributed in whole or in part. The distribution of dividends is paid out at least once a year at the end of the Fund's full fiscal year.

## **8. Term/Entry into Force**

The sub-fund is set up for an indefinite period.

The Special Regulations of the Management Regulations and any changes thereto shall enter into force on the date they are signed, unless otherwise stipulated.



# SPECIAL REGULATIONS BANTLEON FAMILY & FRIENDS

## BANTLEON FAMILY & FRIENDS

For Bantleon Family & Friends, the above general section of the Management Regulations is an integral part of the applicable regulations. The following provisions of the Special Regulations apply in supplement or deviation, as applicable:

Bantleon Family & Friends was set up on 7 September 2011 as a sub-fund of »BANTLEON OPPORTUNITIES«.

### 1. Investment Policy

The sub-fund Bantleon Family & Friends invests its assets solely in securities of the following categories:

#### Bonds

- a) Government bonds issued by a central government or central bank of any state.
- b) Bonds of a regional government or local authority of an OECD country.
- c) Bonds of a fund by an OECD country.
- d) Bonds of issuers that are guaranteed by any OECD country.
- e) Bonds issued by a supranational institution.
- f) Bonds from public issuers, issuers governed by public law or similar issuers in accordance with Annex I.
- g) Bonds secured by mortgage loans or loans to the public sector, issued by a bank situated in the European Union or Norway, and meeting the requirements of Article 52, paragraph 4 of the UCITS Directive.
- h) Bonds from banks and companies based in an OECD country.

At least 50% of the sub-fund's assets are invested directly or indirectly in bonds that have a minimum investment-grade rating of »Standard & Poor's« (»BBB-«), »Fitch« (»BBB-«) or »Moody's« (»Baa3«). The proportion in bonds which do not have an investment-grade rating is limited to 10% of the sub-fund's volume.

#### Equities

The sub-fund may invest directly or through investment funds respectively futures up to 40% of the assets in equities or equity securities. This limit is increased to 45% if the higher capacity utilization is due to market changes.

The economic exposure in emerging market equities may not exceed the proportion of 10% of the sub-fund's volume.

#### Commodities

The sub-fund Bantleon Family & Friends may use Exchange Traded Funds (ETFs) or Exchange Traded Commodities (ETC) to invest up to 20% of the sub-fund's volume in commodities and noble metals. This limit is increased to 25% if the higher capacity utilization is due to market changes.

#### Investment funds

The sub-fund may invest in shares of other funds that make investments in

- Bonds
- Money market instruments
- Bank deposits
- Derivatives
- Equities
- Commodities/noble metals resp. commodity indices

provided that these funds are approved as UCITS of the open type or as other undertakings for collective investment (»UCI«) within the meaning of the UCITS Directive, regardless of whether they are established in a member state of the European Union or a third state, if

- these other UCI are authorised under laws which provide that they are subject to supervision considered by the Luxembourg supervisory authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently assured (currently the USA, Canada, Switzerland, Hong Kong, Japan, Norway and Liechtenstein);
- the level of protection for shareholders in such other UCI is equivalent to that provided for shareholders in a UCITS, and in particular that the provisions on the separate holding of assets, borrowing, lending and short selling of securities and money market instruments are equivalent with the requirements of the UCITS Directive;
- the business of the other UCI is subject of semi-annual and annual reports which allow an assessment concerning the assets and liabilities, income and operations over the reporting period;
- the UCITS or the other UCI in which shares are to be acquired, may invest according to its terms or its articles of association not more than 10% of its assets in other UCITS or other UCI.

### 2. Liquid Assets

The liquidity of the sub-fund Bantleon Family & Friends is held in the form of demand or time deposits with a maximum maturity of 12 months at the Custodian, UBS AG, UBS Ltd., UBS Switzerland AG and with banks located in the Eurozone or in Switzerland which have at least a rating of »A-«/»A-«/»A3« by »Standard & Poor's«, »Fitch« or »Moody's«. The investment of liquid assets is limited to 20% of the sub-fund's assets per counterparty.



### 3. Futures

The Management Company may buy and sell futures for the sub-fund relating to interest rates, bonds and equity indices as well as currencies. These futures must be traded on a recognized futures exchange which is accessible to everyone and works orderly.

Futures can be used

- a) to secure existing bonds and money market instruments against interest rate risks;
- b) to increase the duration of the fund's assets;
- c) as interest futures for purposes other than hedging, in order to benefit from changes in the term structure of interest rates and from changes in interest rate spreads;
- d) to participate from rising prices in world equity markets by buying futures on equity indices according to Annex II;
- e) to participate from falling prices in world equity markets by selling futures on equity indices according to Annex II or to hedge existing positions;
- f) to hedge the currency risk by the sale of currency futures.

### 4. Credit Default Swaps and Total Return Swaps

The Management Company may enter into credit default swaps (»CDS«) as well as total return swaps (»TRS«) with UBS AG or with other international banks which possess at least a »BBB-«/»BBB-«/»Baa3« rating from »Standard & Poor's«, »Fitch« or »Moody's«.

CDS are used by the sub-fund as protection buyer, primarily for bonds with a non-investment grade rating. CDS may be concluded either as »single name CDS«, i.e. with reference to the credit risk of a sole issuer, or as »basket CDS/index CDS« that refer to a portfolio of reference debtors. The sub-fund may use CDS without holding the underlyings.

CDS may also be used by way of selling protection in order to establish an engagement in the credit market. In such case, CDS may be concluded only as »basket CDS/index CDS« that refer to a portfolio of reference debtors. This percentage is limited to 10% of the sub-fund's assets, including the quote of bonds that do not have at least a minimum investment-grade rating of »Standard & Poor's« (»BBB-«), »Fitch« (»BBB-«) or »Moody's« (»Baa3«).

On the one hand, TRS are used to hedge primarily bonds from the non-investment grade segment. The sub-fund is the protection buyer (selling a TRS).

On the other hand, TRS are used for the efficient portfolio management as well as to generate additional returns, primarily for bonds from the non-investment grade segment. The sub-fund acts as the protection seller (buying a TRS).

### 5. Currency Forwards

From investing in the aforementioned instruments currency risks can result in AUD, BRL, CAD, CHF, CNY/CNH, CZK, DKK, GBP, HKD, HUF, INR, JPY, MXN, NOK, NZD, PLN, RUB, SEK, TRY, USD and ZAR which can be hedged. The foreign currency exposure is limited to 30% of the sub-fund's assets.

In order to reduce the currency risk, the Management Company may conclude currency forward transactions with UBS AG or with other international banks that have at least a »BBB-«/»BBB-«/»Baa3« rating by »Standard & Poor's«, »Fitch« or »Moody's«.

Furthermore, currency forward transactions are concluded with the counterparties mentioned before in order to reduce the currency risk of the hedged share classes designated by the letters »hedged«. This hedging is provided to be basically between 95% and 105% of the total net assets of the share class in the foreign currency.

### 6. Acquisition, Redemption and Conversion of Shares, Purchase Price Payment

Upon subscription of fund shares a subscription fee will be charged in addition to the share price. In respect of share classes designated by the letters »IA«, »IT« and »DT« no subscription fee applies. The share price plus the subscription fee is payable within two Luxembourg bank working days after the binding valuation date. Subscription, redemption and conversion orders received by the Management Company, the Management and Transfer Agent, the Investment Manager or the distributor named in the Sales Prospectus by 10 a.m. (Luxembourg time) on the last bank working day before the valuation date shall be settled at the share price of this valuation date. The share price for the current valuation date is determined on the basis of the market prices at approx. 1 p.m. on the last bank working day before the valuation date. Orders received after 10 a.m. on the last bank working day before the valuation date are settled at the share price of the next valuation date. The valuation date is – with the exception of 24 December and 31 December – every bank working day in Luxembourg. No subscription, redemption or conversion orders are accepted on 24 December and 31 December.

The redemption price corresponds to the share price. No redemption fee is charged. The redemption price must be paid to the shareholder within two Luxembourg bank working days after the binding valuation date.

In case of a conversion of fund shares the provisions of paragraph III, 6. »Conversion of Shares« of the Management Regulations apply

## 7. Charges and Fees

The sub-fund will be charged with a management fee of a maximum of 1.20% p.a. for shares of the classes designated by the letters »IA« and »IT« (institutional investors), a maximum of 1.65% p.a. for shares of the classes designated by the letters »FA«, »FT«, »RA« and »RT« and a maximum of 2.10% p.a. for shares of the classes designated by the letters »PA«, »PT« and »DT« (private investors), based on its net asset value. For the share class designated by the letters »DT«, a supplementary distribution fee of a maximum of 0.40% p.a. applies. The current applicable commission is published in advance in the annual or semi-annual report.

The costs of the purchase and sale of the sub-fund's investments are limited to the normal market bid/ask margin respectively transaction costs. Purchases and sales of investments of the sub-fund's investments will be implemented in accordance with the »best execution« principle.

## 8. Dividend Distributions

The distributing share classes of Bantleon Family & Friends payout the complete net interest income and received dividends/distributions. Bond price gains may be distributed in whole or in part. The distributions are made at least annually at the end of the sub-fund's full fiscal year.

## 9. Term/Entry into Force

The sub-fund is established for an unlimited time.

The Special Regulations of the Management Regulations and any changes occur the same day of its signing, unless otherwise stipulated.

## BANTLEON DIVIDEND

For Bantleon Dividend, the above general section of the Management Regulations is an integral part of the applicable regulations. The following provisions of the Special Regulations apply in supplement or deviation, as applicable:

Bantleon Dividend was set up on 22 April 2015 as a sub-fund of »BANTLEON OPPORTUNITIES«.

### 1. Investment Objective

The sub-fund Bantleon Dividend aims to generate the highest level of capital growth possible, while offering regular dividend distributions that are above the market average. Share price risks are not hedged. Currency risks are hedged as much as possible.

### 2. Investment Policy

The sub-fund invests its assets solely in the following investments and financial instruments:

#### Equities

The sub-fund invests its assets globally in shares of firms with above-average dividend yields. Bantleon Dividend's stock selection is focused on the universe of the MSCI World (Developed Markets) Index, taking into account additional criteria such as size and sustainability of dividend, low volatility, low debt and other factors. Stocks from companies in the financial sector are avoided as far as possible in favour of those with a basis in the real economy. Share price risks in the form of price fluctuations are not hedged.

#### Currency forwards

Currency risks can arise from investing in equities issued by global companies. Based on the current composition of the MSCI World (Developed Markets) Index, currency risks may arise in USD, JPY, GBP, AUD, CAD, CHF, SEK, HKD, SGD, NOK, NZD, DKK and ILS. If the currency universe of the MSCI World (Developed Markets) Index should expand, the new currencies will also be permitted. These currency risks may be hedged through the use of currency forwards.

The Management Company may reduce the currency risk for the sub-fund by concluding currency forward transactions with UBS AG or with other international banks that have at least a »BBB-«/»BBB-«/»Baa3« rating by »Standard & Poor's«, »Fitch« or »Moody's«.

Furthermore, currency forward transactions are concluded with the counterparties mentioned before in order to reduce the currency risk of the hedged share classes designated by the letters »hedged«. This hedging is provided to be basically between 95% and 105% of the total net assets of the share class in the foreign currency.

#### Liquid assets

The liquidity of the sub-fund Bantleon Dividend is held in the form of demand or time deposits with a maximum maturity of 12 months at the Custodian, UBS AG, UBS Ltd., UBS Switzerland AG and with banks located in the Eurozone or in Switzerland which have at least a rating of »A-«/»A-«/»A3« by »Standard & Poor's«, »Fitch« or »Moody's«. The investment of liquid assets is limited to 20% of the sub-fund's assets per counterparty.

### 3. Acquisition, Redemption and Conversion of Shares, Purchase Price Payment

Upon subscription of fund shares, a subscription fee will be charged in addition to the share price in accordance with the Sales Prospectus. In respect of share classes designated by the letters »IA«, »IT« and »DT« no subscription fee applies. The share price plus the subscription fee is payable within two Luxembourg bank working days after the binding valuation date. Subscription, redemption and conversion orders received by the Management Company, the Management and Transfer Agent, the Investment Manager or the distributor named in the Sales Prospectus by 2 p.m. (Luxembourg time) on the penultimate bank working day before the valuation date shall be settled at the share price of this valuation date. The share price for the current valuation date is determined on the basis of the closing market prices on the last bank working day before the valuation date. Orders received after 2 p.m. on the penultimate bank working day before the valuation date are settled at the share price of the next valuation date. The valuation date is – with the exception of 24 December and 31 December – every bank working day in Luxembourg. No subscription, redemption or conversion orders are accepted on 24 December and 31 December.

The redemption price corresponds to the share price. No redemption fee is charged. The redemption price must be paid to the shareholder within two Luxembourg bank working days after the binding valuation date.

In case of a conversion of fund shares the provisions of section III, 6. »Conversion of Shares« of the Management Regulations apply.

# SPECIAL REGULATIONS BANTLEON DIVIDEND

## 4. Charges and Fees

The sub-fund will be charged with a management fee of a maximum of 1.00% p.a. for shares of the classes designated by the letters »IA« and »IT« (institutional investors), a maximum of 1.50% p.a. for shares of the classes designated by the letters »FA«, »FT«, »RA« and »RT« and a maximum of 2.00% p.a. for shares of the classes designated by the letters »PA«, »PT« and »DT« (private investors), based on its net asset value. For the share class designated by the letters »DT«, a supplementary distribution fee of a maximum of 0.60% p.a. applies. The current applicable commission is published in advance in the annual or semi-annual report.

The costs of the purchase and sale of the sub-fund's investments are limited to the normal market bid/ask margin and transaction costs, respectively. Purchases and sales of investments of the sub-fund's investments will be implemented in accordance with the »best execution« principle.

## 5. Dividend Distributions

The distributing share classes of Bantleon Dividend pay out the received dividends in full. Price gains may be distributed in whole or in part. The distributions are made at least annually at the end of the sub-fund's full fiscal year.

## 6. Term/Entry into Force

The sub-fund is established for an unlimited time.

The Special Regulations of the Management Regulations and any changes occur the same day of its signing, unless otherwise stipulated.

## BANTLEON DIVIDEND AR

The preceding general section of the Management Regulations forms an integral part for Bantleon Dividend AR. The following provisions of the Special Regulations apply in supplement or deviation, as applicable:

Bantleon Dividend AR was set up on 22 April 2015 as a sub-fund of »BANTLEON OPPORTUNITIES«.

### 1. Investment Objective

The sub-fund Bantleon Dividend AR aims to generate the highest level of capital growth possible – on an annually recurring basis – while offering regular dividend distributions that are above the market average. Share price risks are reduced intermittently by up to 100% through hedging transactions. Currency risks are hedged as much as possible.

### 2. Investment Policy

The sub-fund invests its assets solely in the following investments and financial instruments:

#### Equities

The sub-fund invests its assets globally in shares of firms with above-average dividend yields. Bantleon Dividend AR's stock selection is focused on the universe of the MSCI World (Developed Markets) Index, taking into account additional criteria such as size and sustainability of dividend, low volatility, low debt and other factors. Stocks from the financial sector are avoided as far as possible in favour of those with a basis in the real economy. Share price risks in the form of price fluctuations can be partially hedged.

#### Equity index futures

The share price risk associated with equities can be fully or partially hedged. This is done by selling futures contracts on equity indices in accordance with Annex II (equity index futures). These futures contracts must be traded on a recognised futures exchange that is accessible to everyone and functions properly.

#### Currency forwards

Currency risks can arise from investing in equities issued by global companies. Based on the current composition of the MSCI World (Developed Markets) Index, currency risks may arise in USD, JPY, GBP, AUD, CAD, CHF, SEK, HKD, SGD, NOK, NZD, DKK and ILS. If the currency universe of the MSCI World (Developed Markets) Index should expand, the new currencies will also be permitted. These currency risks may be hedged through the use of currency forwards.

The Management Company may reduce the currency risk for the sub-fund by concluding currency forward transactions with UBS AG or with other international banks that have at least an »A-«/»A-«/»A3« rating by »Standard & Poor's«, »Fitch« or »Moody's«.

Furthermore, currency forward transactions are concluded with the counterparties mentioned before in order to reduce the currency risk of the hedged share classes designated by the letters »hedged«. This hedging is provided to be basically between 95% and 105% of the total net assets of the share class in the foreign currency.

#### Liquid assets

The liquidity of the sub-fund Bantleon Dividend AR is held in the form of demand or time deposits with a maximum maturity of 12 months at the Custodian, UBS AG, UBS Ltd., UBS Switzerland AG and with banks located in the Eurozone or in Switzerland which have at least a rating of »BBB-«/»BBB-«/»Baa3« by »Standard & Poor's«, »Fitch« or »Moody's«. The investment of liquid assets is limited to 20% of the sub-fund's assets per counterparty.

### 3. Acquisition, Redemption and Conversion of Shares, Purchase Price Payment

Upon subscription of fund shares, a subscription fee will be charged in addition to the share price in accordance with the Sales Prospectus. In respect of share classes designated by the letters »IA«, »IT« and »DT« no subscription fee applies. The share price plus the subscription fee is payable within two Luxembourg bank working days after the binding valuation date. Subscription, redemption and conversion orders received by the Management Company, the Management and Transfer Agent, the Investment Manager or the distributor named in the Sales Prospectus by 2 p.m. (Luxembourg time) on the penultimate bank working day before the valuation date shall be settled at the share price of this valuation date. The share price for the current valuation date is determined on the basis of the closing market prices on the last bank working day before the valuation date. Orders received after 2 p.m. on the penultimate bank working day before the valuation date are settled at the share price of the next valuation date. The valuation date is – with the exception of 24 December and 31 December – every bank working day in Luxembourg. No subscription, redemption or conversion orders are accepted on 24 December and 31 December.

The redemption price corresponds to the share price. No redemption fee is charged. The redemption price must be paid to the shareholder within two Luxembourg bank working days after the binding valuation date.

In case of a conversion of fund shares the provisions of section III, 6. »Conversion of Shares« of the Management Regulations apply.

## 4. Charges and Fees

The sub-fund will be charged with a management fee of a maximum of 1.00% p.a. for shares of the classes designated by the letters »IA« and »IT« (institutional investors), a maximum of 1.50% p.a. for shares of the classes designated by the letters »FA«, »FT«, »RA« and »RT« and a maximum of 2.00% p.a. for shares of the classes designated by the letters »PA«, »PT« and »DT« (private investors), based on its net asset value. For the share class designated by the letters »DT«, a supplementary distribution fee of a maximum of 0.60% p.a. applies. The current applicable commission is published in advance in the annual or semi-annual report.

In addition, a performance-based fee (hereinafter referred to as the »performance fee«) for the sub-fund is charged, which is equal to 10% of the outperformance against the benchmark (3.00%) based on the applicable net asset value and applying the high-watermark principle. In order to determine the share value performance of the sub-fund, interim distributions are calculatively added to the share value (BVI method).

Thus, the performance fee is only payable and acceptable as a corresponding provision in favour of the Management Company, when the net asset value of a fund share on a valuation day within the evaluation period has reached a new high and is above the benchmark. The evaluation period is the period since the end of the last fiscal year in which the Management Company received a performance fee. The evaluation period in the first year begins on the day that the first net asset value is calculated.

Should, in any fiscal year, the net asset value be higher than the threshold level for the performance fee (which equals the net asset value of the previous year plus the benchmark), the high-watermark will be reset to the net asset value of the previous year at the beginning of the next fiscal year (reset), i.e. the performance measuring starts from zero in the next year. However, should the net asset value be lower than the threshold level for the performance fee, such difference will be carried forward to the following fiscal year (irrespective of whether such difference results from a negative performance or from a positive performance that is too small). Only after catching up on this difference, i.e. after reaching a new peak level (high-watermark) will a provision/payment of the performance fee apply again. In the first year of the sub-fund, the benchmark is used on a pro rata temporis basis.

The possible payout of the performance fee to the Management Company will take place during the first month of the next fiscal year. The performance fee is paid directly from the assets of the specific sub-fund.

The costs of the purchase and sale of the sub-fund's investments are limited to the normal market bid/ask margin and transaction costs, respectively. Purchases and sales of investments of the sub-fund's investments will be implemented in accordance with the »best execution« principle.

## 5. Dividend Distributions

The distributing share classes of Bantleon Dividend AR pay out the received dividends in full. Price gains may be distributed in whole or in part. The distributions are made at least annually at the end of the sub-fund's full fiscal year.

## 6. Term/Entry into Force

The sub-fund is established for an unlimited time.

The Special Regulations of the Management Regulations and any changes occur the same day of its signing, unless otherwise stipulated.



## BANTLEON CASH

For Bantleon Cash, the above general section of the Management Regulations is an integral part of the applicable regulations. The following provisions of the Special Regulations apply in supplement or deviation, as applicable:

Bantleon Cash was set up on 16 June 2008 as a sub-fund of »BANTLEON OPPORTUNITIES«.

### 1. Investment Policy

The sub-fund, Bantleon Cash invests its assets solely in euro-denominated interest-bearing securities and money market instruments which have at least an investment grade rating from »Standard and Poor's« (»BBB-«), »Fitch« (»BBB-«) or »Moody's« (»Baa3«). The sub-fund invests in:

- a) Government bonds issued by a central government or a central bank of a state.
- b) Bonds issued by a regional government or a regional authority of a member state of the Eurozone.
- c) Bonds of a fund of a member state of the Eurozone.
- d) Bonds of issuers that are guaranteed by a state in the Eurozone.
- e) Bonds issued by the European Investment Bank or another supranational issuer.
- f) Bonds from public issuers, issuers governed by public law or similar issuers in accordance with Annex I.
- g) Bonds secured by mortgage loans or loans to the public sector, issued by a bank situated in the European Union or Norway, and meeting the requirements of Article 52, paragraph 4 of the UCITS-Directive.
- h) Bonds from credit institutions and companies with their registered offices in the European Union, Norway or Switzerland.

The above securities and money market securities must be listed on a regulated market or must be traded on another market which is recognized, regulated, open to the public and functions in an orderly manner in a European Union member state or Switzerland. Investment in newly issued securities is also permitted provided that the conditions of issue of the securities and money market instruments include the requirement that admission for trading on a stock exchange or another regulated market which is recognized, open to the public and functions in an orderly manner has been applied for.

### 2. Liquid Assets

The liquidity of the sub-fund Bantleon Cash is held in the form of demand or time deposits with a maximum maturity of 12 months at the Custodian, UBS AG, UBS Ltd., UBS Switzerland AG and with banks located in the Eurozone or in Switzerland which have at least a rating of »A-«/»A-«/»A3« by »Standard and Poor's«, »Fitch« or »Moody's«. The investment of liquid assets is limited to 20% of the sub-fund's assets per counterparty.

### 3. Futures

The Management Company can, on behalf of the sub-fund, buy and sell futures that are based on interest rates or bonds which can be acquired for the sub-fund. These futures must be traded on a recognised European futures exchange which is open to the public and operates in an orderly manner.

Futures can be used to

- a) hedge bonds and money market securities against changes in interest rates;
- b) increase the duration of the sub-fund's assets;
- c) by purchasing futures or bonds/money market securities while simultaneously selling futures or bonds/money market securities, participate in changes in the margin between yields of the underlying basic instruments.

The use of futures may increase the market risk but may no more than double it. The modified duration of the sub-fund may not be outside a range of 0.0% to 2.0%. At no point may the total risk arising from futures exceed the net assets of the sub-fund.

### 4. Interest Rate Swap Agreements

The Management Company may, on behalf of the sub-fund, reduce the risk associated with changes in interest rates by concluding interest rate swap agreements with international banks which possess at least an »A-«/»A-«/»A3« rating from »Standard and Poor's«, »Fitch« or »Moody's«. The modified duration of the sub-fund may not be outside a range of 0.0% to 2.0%.

### 5. Acquisition, Redemption and Conversion of Shares, Purchase Price Payment

Upon subscription of fund shares a subscription fee will be charged in addition to the share price. In respect of share classes designated by the letters »IA«, »IT« and »DT« no subscription fee applies. The share price is payable within two Luxembourg bank working days after the binding valuation date. Subscription, redemption and conversion orders received by the Management Company, the Management and Transfer Agent, the Investment Manager or the distributor named in the Sales Prospectus by 10 a.m. (Luxembourg time) on the valuation date shall be settled

# SPECIAL REGULATIONS BANTLEON CASH

at the share price of this valuation date. The share price for the current valuation date is determined on the basis of the prices at approx. 1 p.m. Orders received after 10 a.m. on the valuation date are settled at the share price of the next valuation date. The valuation date is every bank working day – with the exception of 24 December and 31 December – in Luxembourg. No subscription, redemption or conversion orders are accepted on 24 December and 31 December.

The redemption price corresponds to the share price. No redemption fee is charged. The redemption price must be paid to the shareholder within two Luxembourg bank working days after the binding valuation date.

In case of a conversion of fund shares the provisions of paragraph III, 6. »Conversion of Shares« of the Management Regulations apply.

## 6. Charges and Fees

The sub-fund will be charged with a management fee of a maximum of 0.30% p.a. for shares of the classes designated by the letters »IA« and »IT« (institutional investors) and a maximum of 0.50% p.a. for shares of the classes designated by the letters »PA« and »PT« (private investors), based on its net asset value. The current applicable commission is published in advance in the semi-annual or annual report.

The costs arising from the purchase and sale of the sub-fund's investments are limited to the bid/ask margin standard on the market. The sub-fund's investments are bought and sold in accordance with the »best execution« principle.

## 7. Dividend Distributions

The distributing share classes of Bantleon Cash will disburse the net return completely. Bond price gains can be distributed in whole or in part. The distributions are made at least yearly at the end of the sub-fund's full fiscal year.

## 8. Term/Entry into Force

The sub-fund is set up for an indefinite period.

The Special Regulations of the Management Regulations and any changes thereto shall enter into force on the date they are signed, unless otherwise stipulated.

## I. ISSUERS

Permissible issuers according to Investment Policy, letter f) for the sub-funds Bantleon Opportunities S, Bantleon Opportunities L, Bantleon Opportunities XL, Bantleon Opportunities World, Bantleon Family & Friends and Bantleon Cash:

- Agence Française de Développement
- Agence France Local
- ASFINAG
- Bank Nederlandse Gemeenten
- Bpifrance Finance SA
- Caisse d'Amortissement de la Dette Sociale
- Caisse Nationale des Autoroutes
- De Nederlandse Waterschapsbank
- ERAP
- Erste Abwicklungsanstalt (EAA)
- FMS Wertmanagement
- Infrastrutture SpA
- Instituto de Credito Oficial
- KfW
- Kommuninvest i Sverige AB
- Landeskreditbank Baden-Württemberg Förderbank
- Landwirtschaftliche Rentenbank
- La Poste
- Municipality Finance Plc
- NRW.Bank
- Oesterreichische Kontrollbank AG
- Rede Ferroviária Nacional, EP (only issues with an explicit guarantee)
- Réseau Ferré de France
- Société Nationale de Chemins de Fer Français
- Société Financement de l'Economie Française (SFEF)

## II. EQUITY INDICES

Futures on equity indices according to Special Regulations (paragraph »Futures«) are permissible for the sub-funds Bantleon Opportunities World, Bantleon Family & Friends and Bantleon Dividend AR insofar as the underlying equity indices are financial indices in terms of Article 9 paragraph 1 of the Principle 2007/16/EG and Article XIII of the ESMA guidelines 2014/937 which comply with the Grand Duchy Regulation of 8 February 2008, in particular:

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

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