

Frankfurt am Main, 01 October 2013

**Coming into force of the Investment Code
(*Kapitalanlagegesetzbuch - KAGB*):**

Important note

According to section 345 paragraph 8 sentence 1 no. 1 KAGB AIF management companies which, by the date of the coming into force of the KAGB, gave notice pursuant to section 139 paragraph 1 of the German Investment Code (*Investmentgesetz - InvG*) in the version valid until 21 July 2013 or according to section 7 paragraph 1 of the German Foreign Investment Code (*Auslandsinvestmentgesetz - AuslInvestmG*) in the version valid until 31 December 2003 and which are authorised for public marketing of units or shares of an AIF managed by it and intend to market them also after 21 July 2014 within the Federal Republic of Germany, have in relation to EU-AIF and foreign AIF to deliver a notification to the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin*) according to section 320 KAGB.

According to section 345 paragraph 8 sentence 2 KAGB an AIF management company may continue to market in compliance with the marketing provisions of the InvG within the Federal Republic of Germany until completion of the notification procedure pursuant to section 320 KAGB. **This right to market will expire according to section 345 paragraph 8 sentence 3 KAGB at the latest on 21 July 2014. If by expiration of 21 July 2014 the notification procedure according to section 320 paragraph 1 KAGB has not been completed, the marketing within the Federal Republic of Germany has to be ceased. In the case of further marketing BaFin will be authorised according to section 314 KAGB to prohibit the marketing of units or shares.**

If further marketing within the Federal Republic of Germany is ceased, an AIF management company has according to section 345 paragraph 8 sentence 4 in conjunction with section 315 KAGB in principle to publish this in the German Federal Gazette (*Bundesanzeiger*) without undue delay and to prove the publication towards BaFin. An AIF management company may be exempted from its obligation to publish, if it declares in writing towards BaFin until 21 July 2014 that further marketing is intended to take place after completion of the notification procedure. In the event the AIF management company intends to continue marketing and the notification procedure pursuant to section 320 paragraph 1 KAGB could not be completed by 21 July 2014 or such a notification has not been submitted yet, the AIF management company also has to declare towards BaFin in writing that it will cease its further marketing within the Federal Republic of Germany from 22 July 2014 until the completion of the notification procedure according to section 345 paragraph 8 sentence 1 no. 1 KAGB.

The notification as described in section 345 paragraph 8 sentence 1 no. 1 KAGB is a new notification pursuant to section 320 paragraph 1 KAGB, not an amending notification pursuant to section 320 paragraph 4 in conjunction with section 316 paragraph 4 KAGB. The relevant working periods of section 320 paragraph 2 in conjunction with section 316 paragraphs 2 and 3 KAGB shall apply. The fee according to section 14 paragraphs 1 and 2 of the German Act Establishing the Federal Financial Supervisory Authority (*Finanzdienstleistungsaufsichtsgesetz – FinDaG*) in conjunction with section 2 paragraph 1 of the Regulation on the Imposition of Fees and Allocation of Costs Pursuant to the FinDAG (*Verordnung über die Erhebung von Gebühren und die Umlegung von Kosten nach dem Finanzdienstleistungsaufsichtsgesetz – FinDAGKostV*) and no. 4.1.10.2.4.1.1 of the fee schedule for this Regulation in the amount of EUR 2,520 must be paid.

Guidance notice for notifications of the intention to market EU AIFs or foreign AIFs to retail investors in the Federal Republic of Germany in accordance with section 320 of the German Investment Code (*Kapitalanlagegesetzbuch – KAGB*)

Preliminary statement:

This Guidance Notice presents the main features of the notification procedure in accordance with section 320 of the KAGB of 4 July 2013 and explains the prerequisites for marketing units and shares of EU AIFs or foreign AIFs to retail investors in the Federal Republic of Germany.

This Guidance Notice may be subject to amendments and additions – including but not limited to those made at short notice.

The marketing of units or shares of EU AIFs or foreign AIFs to retail investors in the Federal Republic of Germany is subject to the provisions of the KAGB. In accordance with section 320 of the KAGB¹, the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin*) must be notified of any intention to market such units and shares.

BaFin will check whether the required information and documentation are complete within 20 working days. If the notification is complete upon receipt, the AIF management company will receive a corresponding confirmation by e-mail. If the notification is incomplete, BaFin will request within 20 working days that the missing information and documentation is submitted as a supplementary notification in accordance with section 320 in conjunction with section 316 (2). The supplementary notification must be submitted to BaFin within six months of the notification being filed or of the last supplementary notification; otherwise the commencement of marketing will not be permitted (section 316 (2) sentence 3 and section 316 (3)).

In the case of notifications by EU AIF management companies, BaFin will inform the notifier within three months of receipt of the complete notification file in accordance with section 316 (3) whether marketing of the AIF referred to in the notification letter can be commenced in the Federal Republic of Germany. If the notification is made by a foreign AIF

¹ References in the following to sections only without the name of a specific act refer to the KAGB

management company, the period will be six months. If the foreign AIF management company has already submitted notification of an AIF to be marketed to retail investors in the Federal Republic of Germany in accordance with section 320 (1) sentence 1 and the notifying foreign AIF management company warrants in the notification letter that there have been no changes in relation to the requirements of section 317 (1) sentence 1 nos. 1 and 3 since the last update, then the above-mentioned period will be only three months.

BaFin can prohibit the commencement of marketing within the three- or six-month period referred to in section 320 (2) in conjunction with section 316 (3) if the AIF management company or the management of the notified AIF by the AIF management company infringes the provisions of the KAGB. If BaFin communicates objections to this effect within the three- or six-month period, the period is interrupted and recommences upon submission of the amended information and documentation. If the objections are resolved and BaFin notifies the AIF management company of this, marketing of the notified AIF can be commenced in the Federal Republic of Germany from the date of the corresponding notification.

General information on the notification procedure

This section of the Guidance Notice presents the information and documentation that are generally required for notifications of the intention to market units or shares of EU AIFs or foreign AIFs to retail investors in accordance with section 320. This does not prevent the AIF management company from providing additional information or BaFin from requesting further information and documentation.

Notification submission/documents

The notification must be submitted in writing. A single copy of all documents signed in the original must be provided.

Individual items of information must be labelled in line with the numbering and associated headings contained in this Guidance Notice. If individual items are not relevant, they must nevertheless be included in the notification and marked as "not applicable". The same applies where this Guidance Notice states that individual items of information are not required in specific cases. In case of doubt, a brief justification for the relevant points must be included. The documents to be submitted must

be labelled in the top-right corner with the number of the Guidance Notice.

If the information given in relation to one point is the same as the information required for another point, a corresponding reference can be made. This also applies to the documents to be included.

In the case of self-managed AIFs, the following information and documentation required with respect to the AIF management company relate to the AIF itself with the necessary modifications. The obligations imposed by the Guidance Notice or the Code also apply to the AIF itself in the absence of an external AIF management company.

The most up-to-date versions of the documents must be submitted in each case. Foreign language documents must be submitted together with a German translation. To the extent that foreign statutory provisions are referred to in the documents to be submitted, these must be submitted upon request.

In the fund rules, the articles of association, or the partnership agreement that must be included together with the notification or that are contained in the prospectus, and in the prospectus in German, the information referred to under B. must be identified by making corresponding references to the following numbers and letters in the margin of the individual pages.

Self-certification

In the case of the most recent versions of the documents submitted to or approved by the home supervisor (prospectus and fund rules, articles of association, or partnership agreement) that must be included with the notification of intention to commence marketing, an affirmation by the manager(s) of the AIF management company authorised to represent the company, or by a third party who has been issued with written authorisation, stating that the documents are the most up-to-date versions and have been submitted to or approved by the supervisory authority in the AIF management company's country of domicile, will be accepted.² The name and function of the signatory of this affirmation must be indicated. If the self-certification is not performed by the manager(s) of the AIF management company authorised to represent the company, a list of authorised signatories must be provided which

² It should be noted that this does not indicate an option. The content of the affirmation depends on whether the documents must be approved by the supervisory authority in the country of domicile or merely submitted to it; the affirmation should be affixed to the relevant document. If the affirmation is made in a language other than German, a German translation must be included.

must contain the names, functions and specimen signatures of the authorised signatories. Additionally, information must be provided on the conditions subject to which a legally binding declaration of intent on behalf of the AIF management company can be assumed (e.g. requirement that two people sign; unless information to the contrary is provided, the validity of the list of authorised signatories also extends to future notification procedures until it is revoked or replaced). The list of authorised signatories must be signed by the manager(s) of the AIF management company authorised to represent the company, and the name and function of the signatory provided.

Notification letter

The notification must be signed at the end with legally binding effect in the name of the AIF management company by the persons authorised to represent it, giving the place and date of its execution, and repeating the names of the signatories in typescript. If the notification is not made by the AIF management company, but by an appointed representative, a certificate of authorisation for the notifier must be submitted authorising the latter to notify BaFin of the intention to commence marketing and to furnish and receive all necessary declarations required in connection with this. It must be stated whether and, if applicable, to what extent the appointed representative, whose name and function must be indicated (at least one natural person), is empowered to issue affirmations on behalf of the AIF management company. In particular, information is required on whether the appointed representative is authorised to perform self-certification. The certificate of authorisation must be signed by the manager(s) authorised to represent the company and must indicate the names and functions of the signatories.

The notification must be addressed to the following BaFin registered office:

Federal Financial Supervisory Authority
Marie-Curie-Strasse 24–28
60439 Frankfurt

If the marketing of units of several AIFs is to be notified, a separate notification must be made for each AIF and the fee in accordance with section 14 (1) and (2) of the Act Establishing the Federal Financial

Supervisory Authority (*Finanzdienstleistungsaufsichtsgesetz* – FinDAG) in conjunction with section 2 (1) of the Regulation on the Imposition of Fees and Allocation of Costs Pursuant to the FinDAG (*Verordnung über die Erhebung von Gebühren und die Umlegung von Kosten nach dem Finanzdienstleistungsaufsichtsgesetz* – FinDAGKostV) and no. 4.1.10.2.4.1.1 of the fee schedule for this Regulation must be paid. In the case of an umbrella scheme, each investment compartment is subject to the notification requirement and fee obligation. If the documents to be included with the individual notifications are identical, they need only be submitted with one notification; in other respects, reference must be made to the notification with which the relevant document is included. If reference is made to documents that were submitted in an earlier notification procedure, the relevant investment undertaking must be identified by name. The ability to make such references depends on the documents being up to date.

The fee of €2,520 in accordance with section 14 (1) and (2) of the FinDAG in conjunction with section 2 (1) of the FinDAGKostV and no. 4.1.10.2.4.1.1 of the fee schedule for this Regulation is to be remitted to the following account stating the following reference:

**“BaFin, ... (name of AIF to which the notification relates),
AnzGeb.”**

Recipient: Bundeskasse Trier

Deutsche Bundesbank Filiale Saarbrücken

IBAN: DE 81 5900 0000 0059 0010 20

BIC: MARK DEF 1590

In each case, the full name of the AIF must be provided as far as technically possible, e.g. to the extent that the number of characters provided for the payment reference on the transfer form allows this.

³ Act Establishing the Federal Financial Supervisory Authority of 22 April 2002 (Federal Law Gazette I p. 1310), most recently amended by section 6 paragraph 9 of the Act of 28 August 2013 (Federal Law Gazette I p. 3395).

⁴ Regulation on the Imposition of Fees and Allocation of Costs Pursuant to the FinDAG of 29 April 2002 (Federal Law Gazette I p. 1504, 1847), most recently amended by section 1 of the Regulation of 27 August 2013 (Federal Law Gazette I p. 3467).

When remitting payment, please ensure that the fee is paid in full and that no bank or other charges are deducted.

Special provisions in the case of umbrella schemes

Simultaneous existence of investment compartments authorised for marketing and not authorised for marketing

Where in the case of umbrella schemes with at least one investment compartment whose units or shares are permitted to be marketed within the jurisdiction of the KAGB, sales documentation is used that also contains information about additional investment compartments that are not permitted to be marketed within the jurisdiction of this Code, or that are only permitted to be marketed to another type of investor, the sales documentation must include a prominent statement in prominent print in each case that the units or shares of the additional investment compartments are not permitted to be marketed within the jurisdiction of the KAGB or, if they are permitted to be marketed to individual types of investor, the type of investor within the meaning of section 1 (19) nos. 31 to 33 to which they are not permitted to be marketed; such additional investment compartments must be identified by name. These statements must be included in the documents intended for investors in Germany.

Deregistration of investment compartments

Investment compartments of an umbrella scheme that are already authorised for marketing can be deregistered under the following conditions:

In compliance with section 293 (1) no. 3, amended information and documents must be submitted to BaFin in line with section 320 (4) in conjunction with section 316 (4). The discontinuation of marketing in the Federal Republic of Germany must be announced in the Federal Gazette (*Bundesanzeiger*) without undue delay in accordance with section 315 (2). Proof of this must be provided to BaFin.

When remitting the fee for the deregistration of investment compartments in accordance with section 2 (1) of the FinDAGKostV in conjunction with no. 4.1.10.2.2 of its fee schedule amounting to €746 per investment compartment, the following reference must be used:

“BaFin, ... (name of investment compartment to which the deregistration relates), DeRegGeb.”

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The fee must be remitted to the account given above.

BaFin can only deregister the investment compartment once the required documents and proofs, particularly the proof of payment of the deregistration fee, have been submitted in full.

Your attention is drawn to section 314 (2).

Updating documents and amendment notices

BaFin must be informed in writing of amendments to the information provided in the notification letter and to the documents supplied. The amended documents must be included. BaFin must be notified of planned amendments at least 20 working days before they are implemented and of unplanned amendments immediately after they have occurred. If the planned amendment infringes the provisions of the KAGB, BaFin will notify the AIF management company within the period of 20 working days that it may not implement the amendment.

Your attention is drawn to section 320 (4) in conjunction with section 316 (4) and (5).

A. Content of the notification in accordance with section 320

I. Information about the AIF management company (in the case of self-managed AIFs, the information referred to here must be given for the AIF with the necessary modifications)

1. Name, legal form, registered office, address, contact person with telephone number, fax number and e-mail address
2. Name of the country under whose laws the AIF management company was established
3. Name, registered office and address of the governmental authority responsible for supervising the AIF management company
4. In the case of a foreign AIF management company
 - 4.1. All material information showing that the foreign AIF management company is subject to effective public supervision for the protection of investors in the country in which it has its registered office
 - 4.2. Other information
 - a) names of the managers
 - b) names of owners of major holdings in the AIF management company
 - c) facts indicating a close link between the AIF management company and other natural or legal persons
 - d) information on the remuneration policy and practice within the meaning of section 37

The information must contain at least:

- a list of (groups of) employees that fall within the scope of the company's remuneration policy and practice; information on the function performed by the employees is sufficient for this,

- information on whether a remuneration committee has been established, and if not, the reasons for this,
- a description of the structure of variable and fixed remuneration (e.g. information on the parameter it is based on)

e) information on outsourcing arrangements within the meaning of section 36

f) information on the engagement agreements for the depositary

If the notifying foreign AIF management company has already made notification of an AIF to be marketed to retail investors in the Federal Republic of Germany, the information referred to in a) to e) need not be provided again if the AIF management company affirms in the notification letter that there have been no changes in relation to the requirements in accordance with section 317 (1) sentence 1 nos. 1 and 3 since the last notification.

5. Equity (share capital less outstanding contributions plus reserves) according to the most recent annual financial statements
6. Date of incorporation and duration of the AIF management company
7. Date of commencement of business activities
8. Financial year
9. Equity investments by the AIF management company (giving the percentage) in the depositary

II. Documents for the information about the AIF management company (in the case of self-managed AIFs, the documents referred to here must be submitted for the AIF with the necessary modifications)

1. Declaration of the assumption of obligations in accordance with section 320 (1) sentence 2 no. 7

The affirmation should be worded as follows:

"Affirmation in accordance with section 320 (1) sentence 2 no. 7 of the German Investment Code (KAGB) for ... *(name of the AIF or the umbrella scheme, giving the names(s) of the notified investment compartment(s))*

(Name of the AIF management company or name of the AIF in the case of a self-managed AIF) undertakes to

- submit to the Federal Financial Supervisory Authority (hereafter BaFin) the annual financial statements of the management company and the annual report to be published in accordance with section 299 (1) sentence 1 no. 3 of the KAGB no later than six months following the end of each financial year and additionally, in the case of open-ended AIFs, the semi-annual report to be published in accordance with section 299 (1) sentence 1 no. 4 of the KAGB no later than three months after the end of each half financial year; an auditors' report must have been issued for the annual financial statements and the annual report,
- inform BaFin in accordance with section 320 (3) of the KAGB of all material changes to facts and circumstances that were provided at the time of notification of the intention to commence marketing or that serve as the basis for the certification from the competent authority in accordance with section 320 (1) no. 1 (a) of the KAGB, and submit proof of such changes,
- provide information and submit documents on the business activities of the management company to BaFin on request,
- at BaFin's request, restrict the use of leverage to the level required by BaFin or cease its use, *(and*
- *in the case of a foreign AIF management company,)* comply with its reporting obligations towards BaFin in accordance with section 35 of the KAGB."

In the case of AIFs that exercise control over unlisted companies, the affirmation must be expanded to the effect

that the specific provisions of Article 29 of Directive 2011/61/EU regarding the annual report are observed.

2. The most recent adopted annual financial statements (balance sheet plus income statement), including an (original) auditors' report signed by hand and prepared by a German auditor or an equally qualified foreign auditor
3. Proof of payment of the notification fee in accordance with section 320 (1) sentence 2 no. 8

4. In the case of an EU AIF management company

A certificate from the competent authority in the home member state in a language customary in the sphere of international finance to the effect that the EU AIF management company and its management of the notified AIF comply with Directive 2011/61/EU and that the required authorisation for the management of the AIF has been granted

5. In the case of a foreign AIF management company

- 5.1. Proof of the funds required in order to operate the business within the meaning of section 25
- 5.2. The business plan, which, along with the organisational structure of the foreign AIF management company, also contains information on how the foreign AIF management company intends to comply with its obligations under the KAGB including the requirements of Directive 2011/61/EU
- 5.3. Information permitting an assessment of the good repute and professional qualifications of the managers

The substantive requirements for demonstrating the good repute and professional qualifications required in this context shall generally be satisfied if the following documents are submitted for all managers:

- a) certificates of good conduct or corresponding documentary proof of good repute issued by the supervisory authorities in the country of residence
- b) a statement by the person concerned as to whether criminal proceedings are pending against him or her,

whether criminal proceedings were previously instituted against him or her on account of a crime or other offence, or whether he or she, or an enterprise managed by him or her, has been or is involved as a debtor in bankruptcy, in proceedings for making a declaration in lieu of an oath, or in comparable proceedings

- c) a full, personally signed curriculum vitae which must contain all the person's first names, their last name and name at birth, date of birth, place of birth, private address, nationality, as well as a detailed description of their professional training, the names of all companies for which this person has worked and information on the nature of their activities in each case. With respect to the nature of the activities, the person's powers of representation, their internal decision-making powers and the business areas assigned to them within the company must be indicated in particular

5.4. Documents permitting an assessment of the good repute of the owners of major holdings in the AIF management company

- a) certificates of good conduct or corresponding documentary proof of good repute issued by the supervisory authorities in the country of residence
- b) a statement by the person concerned as to whether criminal proceedings are pending against him or her, whether criminal proceedings were previously instituted against him or her on account of a crime or other offence, or whether he or she, or an enterprise managed by him or her, has been or is involved as a debtor in bankruptcy, in proceedings for making a declaration in lieu of an oath, or in comparable proceedings

If the notifying foreign AIF management company has already made notification of an AIF to be marketed to retail investors in the Federal Republic of Germany, the documents referred to in II.5.1. to II.5.4. need not be resubmitted if the AIF management company affirms in the notification letter that there have been no changes in relation to the requirements in accordance with section 317 (1) sentence 1 nos. 1 and 3 since the last notification.

5.5. All material documents showing that the foreign AIF management company is subject to effective public supervision for the protection of investors in the country in which it is domiciled and that the competent supervisory authority is willing to cooperate with BaFin, in particular

- a) an up-to-date original certificate from the competent supervisory authority showing that the AIF management company has been authorised by this authority and is subject to public supervision there for the protection of investors
- b) an up-to-date original certificate from the competent supervisory authority documenting that it is willing to cooperate to a satisfactory extent with BaFin and that it will inform BaFin without undue delay of any revocation, retraction, or other discontinuation of the AIF management company's authorisation, or of other serious measures taken against the AIF management company, and that it will make available further information requested by BaFin to perform its tasks.

The certificate under b) may be waived if a bilateral or multilateral agreement (MoU) exists between BaFin and the competent supervisory authority of the country in which the foreign AIF management company has its registered office that ensures cooperation between the supervisory authorities, and particularly the exchange of information, including information falling within the scope of the relevant provisions of the KAGB.

6. Upon request only: the applicable laws, regulations and pronouncements of the country in which the foreign AIF management company has its registered office that are applicable to the AIF management company and, where relevant, to the AIF

- III. Information on the AIF whose units are to be marketed** (information already provided under I. does not need to be provided here; a corresponding reference is required, however)
1. Name and duration of the AIF, if this is different to the information in point I.1.; ISIN if available
 - 1.1. Name and duration of the investment compartment(s) in the case of an umbrella scheme
 2. Information on whether the units or shares of the AIF may be marketed to retail investors in the country in which the AIF has its registered office; if marketing is not permitted, the reasons for this must be given in detail
 3. Legal form of the AIF (e.g. form of agreement, self-managed AIF; form of articles of association or partnership agreement)
 4. Description of the legal position of owners of units or shares of the AIF to which the notification relates (e.g.: "The investors are shareholders (partners) in the AIF" or "The investors hold an interest in the investment undertaking which is segregated from the AIF management company's own assets")
 5. Date of establishment of the AIF
 6. Date of establishment of the investment compartment(s), if applicable
 7. Date of the initial issue of units
 8. Financial year of the AIF
 9. Information on the arrangements for marketing the notified AIF

- IV. Documents relating to the information about the AIF**
(information already provided under point II. does not need to be provided here; a corresponding reference is required, however)
1. The fund rules approved by the supervisory authority in the country in which the AIF has its registered office, the articles of association, or the partnership agreement of the AIF

Separate submission of the fund rules, the articles of association, or the partnership agreement is not required if these are contained in the prospectus. A corresponding reference as to whether the fund rules, the articles of association, or the partnership agreement are contained in the prospectus is required here.
 2. Business plan, which also contains the material information about the governing bodies of the AIF where appropriate
 3. Annual report in accordance with section 299 (1) sentence 1 no. 3 for the last financial year, including an original auditors' report signed by hand
 4. The semi-annual report following on the most recent annual report in accordance with section 299 (1) sentence 1 no. 4, if the reporting date of the annual report is more than eight months earlier (*this point does not apply in the case of a closed-ended AIF*)
 5. The original version of the prospectus (which may be in a language other than German) valid at the time of the notification and submitted to or approved by the supervisory authority in the country in which the AIF has its registered office; a German translation must be included in the case of prospectuses in other languages
 6. The key investor information valid at the time of the notification and intended for marketing in the Federal Republic of Germany
 7. If applicable, all other information about the AIF available to investors

8. In the case of foreign AIFs
 - a) an up-to-date original certificate from the competent supervisory authority documenting that the AIF management company has been authorised by this authority, that it is subject to public supervision there for the protection of investors and that the fund rules, the articles of association, or the partnership agreement of the AIF as well as the prospectus comply with the applicable provisions
 - b) an up-to-date original certificate from the competent supervisory authority documenting that it is willing to cooperate to a satisfactory extent with BaFin and that it will inform BaFin without undue delay of any revocation, retraction, or other discontinuation of the AIF management company's authorisation, or of other serious measures taken against the AIF management company, and that it will make available further information requested by BaFin to perform its tasks.

The certificate under b) may be waived if a bilateral or multilateral agreement (MoU) exists between BaFin and the competent supervisory authority of the country in which the AIF has its registered office that ensures cooperation between the supervisory authorities, and particularly the exchange of information, including information falling within the scope of the relevant provisions of the KAGB.

V. Information about the representative

1. Name, legal form, registered office or domicile, address, e-mail address, telephone number and fax number
2. Profession/business or corporate purpose
3. Members of the management, including their name, place of residence and function (e.g. chairperson, deputy chairperson)
4. Indication that the compliance function in accordance with Directive 2011/61/EU can be performed in line with section 57 (3) sentence 4

If the representative is a credit institution whose registered office is in the Federal Republic of Germany, the information on points V.2. and V.4. is not required

VI. Documents relating to the information about the representative

1. Up-to-date original affirmation of the representative that it has assumed this function

The affirmation should be worded as follows:

"I/we hereby affirm that I/we have assumed the function of representative(s) within the meaning of section 319 of the German Investment Code (KAGB) for ... (name of the AIF management company or AIF) and that I/we perform the compliance function in line with section 57 (3) sentence 4 of the KAGB."

In the case of an AIF that has no legal personality, the name of the AIF must also be given ("... for ... for the account of the AIF ...")

2. Publicly certified extract from the commercial register
3. A full, personally signed curriculum vitae which must contain all the person's first names, their last name and name at birth, date of birth, place of birth, private address, nationality, as well as a detailed description of their professional training, the names of all companies for which this person has worked and information on the nature of their activities in each case; with respect to the nature of the activities, the person's powers of representation, their internal decision-making powers and the business areas assigned to them within the company must be indicated in particular; in the case of foreign nationals, a statement of whether the person is competent in written and spoken German is required.
4. A statement by the person concerned as to whether criminal proceedings are pending against him or her, whether criminal proceedings were previously instituted against him or her on account of a crime or other offence, or whether he or she, or

an enterprise managed by him or her, has been or is involved as a debtor in bankruptcy, in proceedings for making a declaration in lieu of an oath, or in comparable proceedings

5. Certificate of good conduct for submission to an authority (document type "O") from the Federal Office of Justice (*Bundesamt für Justiz*) in accordance with section 30 (5) of the Federal Central Register Act (*Bundeszentralregistergesetz* – BZRG)
6. In the case of natural persons who were or are self-employed, and of persons who, as part of their employment
 - were or are authorised to represent a trader or small business person, or
 - were or are engaged to manage a trade enterprise or small business, or
 - were or are the manager of another business entity

an original extract from the Central Trade and Industry Register (*Gewerbezentralregister*) in accordance with section 150 of the German Industrial Code (*Gewerbeordnung* – GewO)

If the representative is a commercial enterprise or a corporation, the documents under points VI.3. to VI.6. must be submitted for all members of the management.

If the representative is a credit institution whose registered office is in the Federal Republic of Germany, the documents under VI.2. to VI.6. need not be submitted.

VII. Information about the distributor(s)

1. Name, legal form, registered office and address of all distributors operating in the Federal Republic of Germany
2. Nature of the authorisation to market investment units

- VIII.** **Information about the depositary** (individual items of information do not need to be provided if they are covered by the certificate under II.4.)
1. Name, legal form, registered office and address
 2. Main activity of the depositary
 3. Name of the country under whose laws the depositary was established
 4. Name, registered office and address of the governmental authority responsible for supervising the depositary; in the case of a depositary from a third country, giving comprehensive details of the nature and scope of the supervision, particularly in relation to the fact that, in accordance with the applicable regulations governing the supervision, a check must be made as to whether the depositary's managing bodies (management) have the required experience for the depositary function, whether the depositary has the organisation needed to perform its tasks and whether it is subject to minimum capital requirements
 5. Equity (share capital less outstanding contributions plus reserves) according to the last annual financial statements
 6. Date of incorporation of the depositary
 7. Financial year
 8. Date of assumption of the depositary function
 9. Nature of the appointment of the depositary, e.g. appointment by the managing bodies (management) of the AIF management company; election or confirmation by a meeting/general meeting of the investors
 10. Duration of the appointment (e.g. unlimited, appointment for a specific period with the possibility of extension, possibilities for termination)
 11. The senior executives of the depositary (managers, holders of a special statutory authority (*Prokuristen*), agents of the depositary with authority to represent it in all aspects of its business) who are simultaneously members of the governing

bodies or employees of the AIF management company; senior executives of the AIF management company (managers, holders of a special statutory authority (*Prokuristen*), agents of the AIF management company with authority to represent it in all aspects of its business) who are simultaneously members of the governing bodies or employees of the depositary

IX. Documents relating to the information about the depositary

1. Up-to-date original affirmation by the depositary that it has assumed this function and that it complies with the provisions of sections 80 to 90 of the KAGB, together with reference to the statutory provisions in the country in which the depositary has its registered office giving rise to the rights and obligations of the depositary
2. Agreement between the AIF management company and the depositary (depositary agreement), which must also contain rules on liability in line with section 88 (1) to (4) of the KAGB as well as an obligation on the part of the depositary and the AIF management company to comply with the provisions of sections 80 to 90 of the KAGB
3. The most recent annual report including the annual financial statements of the depositary

Documents in accordance with points IX.2. and IX.3. need not be submitted if the relevant information is contained in the certificate in accordance with II.4.

X. Information about the paying agents

1. Name, legal form, registered office and address of all credit institutions whose registered offices are in the Federal Republic of Germany or branches in the Federal Republic of Germany of credit institutions whose registered offices are abroad, via which payments made by or intended for the investors can be remitted
2. Description of the payment route for payments from the paying agents to the depositary and vice versa

XI. Documents relating to the information about the paying agents

Up-to-date original affirmation(s) of the individual paying agents in the Federal Republic of Germany that they have assumed this function and that payments to the account referred to in section 83 (6) or to investors will be remitted directly and without undue delay

The affirmation should be worded as follows:

“We hereby affirm that we have assumed the function of a paying agent within the meaning of section 317 (1) no. 6 of the German Investment Code (KAGB) for ... (*name of the AIF(s)*).

We will remit payments made by or intended for the investors to the account referred to in section 83 (6) of the KAGB or to the investors directly and without undue delay.”

XII. Where appropriate, the agreements for master-feeder structures required in accordance with section 175

XIII. Advertisements

All advertisements for AIFs directed to retail investors must be clearly identifiable as such. They must be fair, clear and not misleading. In particular, any advertisements comprising an invitation to purchase units or shares of an AIF and that contain specific information about these units or shares may not make any statement that contradicts or diminishes the significance of the information contained in the prospectus and the key investor information.

In the case of written advertisements, reference must be made to the fact that a prospectus exists and that the key investor information is available. Such reference must specify where and in which language such information or documents are available and how they may be obtained.

Advertisements may not contain any information tending to create the misleading impression of a particularly favourable offer; this also applies to the prospectus. Equally, advertisements may not contain references to BaFin's powers under the KAGB; the fact that notification of marketing has been made may be noted, however (e.g. by using the formulation: "The marketing of units has been notified to the Federal Financial Supervisory Authority in accordance with section 320 of the KAGB"). Information on future performance may not be based on simulated historical performance or make reference to such a simulation. The information must be based on appropriate assumptions supported by objective data and, if it is based on gross performance, must clearly indicate the effect of commissions, charges and other fees. Until further notice, the description of historical performance must include a warning that historical data is not indicative of future performance and that it does not offer any guarantee of future success. Advertisements that make reference to the risk of inflation or loss of purchasing power, or to the security of investments in investment units, are not permitted. Otherwise, the term "security" may only be used in advertisements for investment units with extreme caution and with clarifying supplementary information.

To the extent that objective and restrained reference is made to a security-oriented investment strategy, the context such references must show without doubt that the investment concept of the AIF is meant. Furthermore, the risk of price and exchange rate losses, which cannot be (completely) ruled out in the case of investments in all types of securities and in comparable assets, must be made clear. No advertisements emphasising the term "security" may be used.

If prices are given in advertising materials, sales and redemption prices may only be referred to together.

Section 302 applies.

XIV. Sales documents

Subscription application and/or bought note

The application to enter into a contract and/or the bought note must contain an indication of the front-end load and the redemption fee and advice on the purchaser's right of revocation against the AIF management company in accordance with section 305.

B. Material requirements for fund rules, articles of association, or partnership agreements, prospectuses and key investor information

I. Open-ended AIFs

1. Content of the fund rules, the articles of association, or the partnership agreement

- 1.1. Name of the AIF
- 1.2. Name and registered office of the AIF management company
- 1.3. The principles according to which the assets to be acquired are selected, in particular
 - a) the type of assets that may be acquired and to what extent
 - b) the types of investment undertakings whose units or shares may be acquired for the AIF
 - c) the maximum percentage of the AIF that may be held in units or shares of each type
 - d) whether, to what extent and for what purpose derivatives transactions are permitted
 - e) what percentage may be held in bank deposits and money market instruments

- f) techniques and instruments that may be used to manage the AIF
 - g) whether loans may be taken out for the account of the AIF
- 1.4. In the event that the selection of securities to be acquired for the AIF aims to track a securities index within the meaning of section 209, information on which securities index is to be tracked and a statement that the limits referred to in section 206 may be exceeded
 - 1.5. Information on whether the AIF's assets are owned by the AIF management company or collectively owned by the investors
 - 1.6. Information on the conditions subject to which, the terms on which and the places where investors can request the AIF management company to redeem and exchange their units or shares; the conditions subject to which the redemption and, if applicable, the exchange of units or shares may be suspended
 - 1.7. Information on the manner in which and the dates on which the annual report and the semi-annual report on the performance and composition of the AIF are prepared and made available to the public
 - 1.8. Information on whether the AIF's income is to be distributed or reinvested, and whether the income components of the issue price for issued units or shares may be distributed (income equalisation procedure – Ertragsausgleichsverfahren); information on whether capital gains are intended to be distributed
 - 1.9. In the case of an AIF formed for a limited duration, information on when and the manner in which the AIF will be liquidated and the proceeds distributed to investors
 - 1.10. Information on whether the AIF comprises different investment compartments, on the conditions subject to which units or shares of different investment compartments are established and on what rights must be allocated to them in accordance with section 96 (2) sentence 1, and the method in accordance with section 96 (3) sentence 5 in conjunction

with section 96 (4) or section 117 (9) for calculating the value of the units or shares of the investment compartments

In the case of umbrella schemes, information that the assets and liabilities of the respective investment compartments of an umbrella scheme, and their respective liability, are segregated; for the purposes of the relationship between investors, each investment compartment is treated as a stand-alone special purpose fund; the rights of investors and creditors with regard to an investment compartment, particularly in relation to its launch, management, transfer and liquidation, extend only to the assets of such investment compartment; each investment compartment is itself only liable for the liabilities attributable specifically to it

- 1.11. Information on whether and subject to what conditions units or shares carrying different rights are issued, and a description of the method in accordance with section 96 (1) sentence 4 in conjunction with section 96 (4) sentence 1 used for calculating the value of the units or shares of each class of units or shares
- 1.12. Information on whether and subject to what conditions the AIF may be absorbed by another investment undertaking, and whether and subject to what conditions another investment undertaking may be absorbed
- 1.13. Information on the manner, amount and calculation method used for, the fees and expenses to be paid from the AIF to the AIF management company, the depositary and third parties
- 1.14. Information on the amount of the front-end load charged when issuing units or shares and the redemption fee charged when redeeming such units or shares, as well as any other costs payable by investors (including how they are calculated)
- 1.15. In the event that the fund rules, the articles of association, or the partnership agreement provide for a flat fee to cover the fees and costs, information on the fees and costs included in the flat fee and a reference as to whether, and if so which, costs are charged separately to the AIF

- 1.16. Information that the annual report and the semi-annual report must disclose the amount of any front-end loads and redemption fees that are charged to the AIF in the reporting period for the acquisition and redemption of units and shares within the meaning of sections 196 and 230, and that they must also disclose the fee that was charged to the AIF by the AIF management company itself, by another management company, or by a company with which the AIF management company is affiliated by way of a substantial direct or indirect equity investment as a management fee for the units or shares held in the AIF
- 1.17. Rules ensuring that the provisions of sections 192 to 213 or sections 218 and 219 are complied with
- 1.18. The assets held by the AIF may not be pledged or otherwise encumbered or title thereto transferred or assigned by way of collateral except where loans are taken out for the AIF in accordance with the requirements set out in section 199, section 221 (6) and section 254, where a third party is granted option rights, or where securities repurchase agreements in accordance with section 203 or financial futures, currency futures, swaps, or similar transactions are entered into pursuant to section 197
- 1.19. Information that the investors may demand on a daily basis to be paid out the share of the assets attributable to the units or shares
- 1.20. The valuation of the AIF must be performed in a manner corresponding to sections 168 to 170, 216 and 217
- 1.21. Advance charging of costs pursuant to section 304 must be restricted
- 1.22. A detailed description of the depositary's tasks and obligations that safeguard investors in a manner comparable to the provisions of sections 80 to 90 (*the substantive requirements for describing the comparable safeguards set out in these sections are generally met if all the requirements listed in sections 80 ff. are included in the fund rules, the articles of association, or the partnership agreement*)

- 1.23. Information that the corresponding number of units will be transferred to the purchaser without undue delay upon the depositary's receipt of the purchase price

2. Content of the fund rules, the articles of association, or the partnership agreements for AIFs comparable to other funds within the meaning of sections 220 ff.

In addition to or in derogation of the information listed under I.1., the following points must be included:

- 2.1. The types of precious metals, derivatives and loan receivables that may be acquired for the AIF
- 2.2. Information on the extent to which the permitted assets may be acquired
- 2.3. The minimum percentage of the fund's assets which must be invested in bank deposits, money market instruments and other liquid assets
- 2.4. All requirements and conditions for the redemption and payout of units or shares from the AIF concurrently with the surrender of the units or shares

Investors may demand on a daily basis to be paid out the share of the assets attributable to the units or shares unless the AIF provides for rules corresponding to section 223 (1) or the AIF offers investment opportunities in accordance with section 222 (1) and provides for rules corresponding to section 223 (2)

- 2.5. Only the following assets may be acquired for the AIF
- 2.5.1. Assets pursuant to sections 193 to 198 that are not subject to the restrictions on acquisition in accordance with section 197 (1)
- 2.5.2. Units or shares of investment undertakings established in the Federal Republic of Germany pursuant to sections 196, 218 and 220, and of corresponding EU investment undertakings or foreign AIFs

- 2.5.3. Precious metals
- 2.5.4. Unsecuritised loan receivables
- 2.5.5. If the fund rules, the articles of association, or the partnership agreement permit an AIF to acquire, for the account of the AIF, units or shares of other funds established in the Federal Republic of Germany, or units or shares of corresponding EU AIFs or foreign AIFs, sections 225 (3) and 225 (4) sentences 2 and 3, section 228 (1) and section 229 (2) apply *mutatis mutandis*
- 2.5.6. A maximum of 30 per cent of the value of the AIF may be invested in units or shares of other investment undertakings established in the Federal Republic of Germany or of corresponding EU AIFs or foreign AIFs
- 2.5.7. A maximum of 20 per cent of the value of the AIF may be invested in assets within the meaning of section 198
- 2.5.8. Precious metals, derivatives and unsecuritised loan receivables, including loan receivables that may be acquired as other investment instruments within the meaning of section 198, held for the account of the AIF may not exceed a maximum of 30 per cent of the value of the AIF (derivatives within the meaning of section 197 (1) are not counted towards this limit)
- 2.5.9. Short-term borrowing for the collective account of investors is permitted, provided that such borrowing does not exceed 20 per cent of the value of the AIF, that the loans are taken out at market conditions, and that it is provided for in the fund rules, the articles of association, or the partnership agreement
- 2.5.10. In derogation of section 200, securities may be transferred for a definite term; if the securities loan is required to be repaid within a definite term, such repayment must be due within 30 days of the transfer of the securities; the market value of securities to be transferred for a definite term plus the market value of securities previously transferred for a definite term under securities loans for the account of the AIF may not, in the aggregate, exceed 15 per cent of the value of the AIF; in derogation of section 203, repurchase agreements may not be callable at any time

- 2.5.11. Subject to the requirements of section 222, up to 95 per cent of the value of the AIF may be invested in unsecuritised loan receivables of regulated microfinancing institutions and in unsecuritised loan receivables from regulated microfinancing institutions, and up to 75 per cent of the value of the AIF may be invested in unsecuritised loan receivables of unregulated microfinancing institutions and in unsecuritised loan receivables from unregulated microfinancing institutions

3. Content of the fund rules, the articles of association, or the partnership agreement for AIFs comparable to funds of hedge funds within the meaning of sections 225 ff.

In addition to or in derogation of the information listed under I.1., the following points must be included or specified:

- 3.1. In addition to the information referred to in point I.1.3. as being required, the following must be provided
- 3.1.1. Information on the principles used to select target funds for investment (*target funds within the meaning of point 3. are hedge funds pursuant to section 283, or EU AIFs or foreign AIFs whose investment policy is comparable to the requirements of section 283 (1)*)
- 3.1.2. Information that these target funds are hedge funds, EU AIFs, or foreign AIFs whose investment policy is subject to requirements comparable to those in accordance with section 283
- 3.1.3. Information on which investment strategies are pursued by these target funds and the extent to which they are permitted as part of their investment strategy to take out loans to generate leverage, use securities loans or derivatives and engage in short selling
- 3.1.4. Information on the amount of funds that may be invested in bank deposits, money market instruments and units or shares of domestic AIFs, EU AIFs, or foreign AIFs in accordance with section 225 (2) sentence 1

- 3.1.5. Information on whether a target fund's assets may be held in safe custody at a depository or by a prime broker
- 3.2. In addition to I.1.6., information on all requirements and conditions for the surrender and payout of units from the funds of hedge funds concurrently with the surrender of the units or shares
- 3.3. A maximum of 49 per cent of the value of the AIF may be invested for the account of the AIF in bank deposits, money market instruments and units or shares of investment undertakings within the meaning of section 196 that may only invest in bank deposits and money market instruments, as well as in units or shares of corresponding EU AIFs or foreign AIFs
- 3.4. Leverage (with the exception of loans taken out pursuant to section 199) and short sales may not be engaged in
- 3.5. Currency futures may only be sold, and put options on foreign currencies or on currency futures denominated in the same foreign currency may only be acquired, for the purpose of currency hedging for assets denominated in foreign currencies
- 3.6. Foreign AIFs whose investment policies are comparable to the requirements of section 283 (1) may only be acquired for the account of the AIF if their assets are held in safe custody by a depository or a prime broker satisfying the requirements of section 85 (4) no. 2
- 3.7. The AIF may not invest more than 20 per cent of the value of the AIF in a single hedge fund pursuant to section 283 or in an EU AIF or foreign AIF whose investment policy is comparable to the requirements of section 283 (1) (target fund); it may not invest in more than two target funds of the same issuer or fund manager or in target funds that, in turn, invest their funds in other target funds; it may not invest in foreign target funds from countries which do not cooperate in combating money laundering within the meaning of international agreements; the AIF may also acquire all of the units or shares issued by a target fund
- 3.8. The AIF management company must ensure it has access to all information on the target fund in which it wishes to invest

that is necessary for its investment decision, and at a minimum:

- the most recent annual and, if applicable, semi-annual report,
- the fund rules, articles of association, or partnership agreements and prospectuses or equivalent documents,
- information relating to the organisational structure, management, investment policy and risk management, and to the depositary or comparable institutions

and

- information regarding investment restrictions, liquidity, the degree of leverage used and short sales made.

3.9. The AIF management company must continuously monitor the target funds in which it invests for compliance with their investment strategies and for risk, and must ensure that it is regularly provided with reports on generally accepted risk indicators; each target fund must disclose and explain to the AIF management company the method used to calculate the risk indicators; the target fund's depositary must submit an affirmation of the value of the target fund in question; the investors may demand on a daily basis to be paid out the share of the assets attributable to the units or shares, unless the fund rules, the articles of association, or the partnership agreement provide for rules in line with section 227

4. Content of the fund rules, the articles of association, or the partnership agreement for AIFs comparable to real estate investment funds within the meaning of sections 230 ff.

In addition to or in derogation of the information listed under I.1., the following points must be included or specified:

4.1. In addition to point I.1.6., information on all requirements and conditions for the surrender and payout of units from the fund concurrently with the surrender of the units

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- 4.2. The inclusion of rules ensuring that the provisions of sections 230 to 246, 252 to 254 and 258 to 260 are complied with
- 4.3. Point I.1.18. does not apply
- 4.4. The inclusion of rules corresponding to sections 255 and 257
- 4.5. The valuation of the AIF must be performed in a manner corresponding to sections 248 to 251

5. Content of the prospectus

Any forecasts contained in the prospectus must be clearly identified as such.

- 5.1. Date
- 5.2. Name, legal form, registered office (and head office if different from the registered office) and amount of subscribed and paid-up capital (share capital less outstanding contributions plus reserves)
 - a) of the AIF,
 - b) of the AIF management company (plus date of incorporation)
 - c) of the distributor(s) in the Federal Republic of Germany and
 - d) of the depositary
- 5.3. Name, registered office and address
 - a) of the representative,
 - b) of the paying agents
- 5.4. Date of the establishment of the AIF and information on its duration
- 5.5. In a prominent place

- a) a description of the AIF's investment objectives, including its financial objectives and a description of its investment policy and strategy, including any details and restrictions relating to this investment policy and investment strategy
 - b) a description of the type of assets in which the investment undertaking may invest
 - c) information on any techniques and instruments that may be used in the management of the AIF and on all associated risks, conflicts of interest and effects on the performance of the AIF
 - d) a description of the key characteristics of the units or shares of investment undertakings that may be acquired for the AIF, including the main investment principles and investment limits and the target investment undertaking's registered office
- 5.6. A clear and easily comprehensible explanation of the investment undertaking's risk profile
- 5.7. A reference to the fact that parties interested in purchasing units or shares may request information on the investment limits used in risk management, the risk management methods and recent developments with respect to risks and yields in the AIF's key asset classes, and information on the places where, and in what form, parties interested in purchasing units or shares can obtain this information
- 5.8. Whether loans may be taken out for the account of the AIF
- 5.9. The circumstances in which the AIF may use leverage, the types and origins of the leverage permitted and the associated risks, other restrictions on the use of leverage and the maximum amount of leverage that the management company is entitled to employ on behalf of the AIF
- 5.10. The administration of collateral, in particular the types and amount of the necessary collateral, the reuse of collateral and assets, and the associated risks
- 5.11. If applicable, the performance to date of the AIF and, if applicable, the unit or share classes together with a warning

that historical performance is not an indicator of future performance

- 5.12. The profile of the typical investor for whom the AIF is designed
- 5.13. A description of the procedures by which the AIF may change its investment strategy or investment policy, or both
- 5.14. The requirements for liquidating and transferring the AIF, including details in particular with regard to the rights of investors
- 5.15. A description of how and when the additional duties of information in accordance with section 300 will be disclosed
- 5.16. A description of the rules for determining and appropriating the income
- 5.17. Brief details of the tax provisions of significance to investors, including information as to whether the income distributed by the AIF is subject to any withholding tax
- 5.18. The date on which the AIF's financial year ends; the frequency with which income is distributed
- 5.19. Information on the places where the annual reports and semi-annual reports of the AIF may be obtained and information on the place in the Federal Republic of Germany where the AIF's investors or shareholders can obtain the prospectus, the key investor information and the fund rules, the articles of association, or the partnership agreement free of charge, and how they may be obtained
- 5.20. The name of the auditor engaged to audit the AIF including the annual report
- 5.21. Rules for the valuation of assets, in particular a description of the AIF's valuation procedure and of the pricing methodology for valuing assets, including the methods used in valuing hard-to-value assets in accordance with sections 168 to 170, 212, 216 and 217; where applicable, the identity of the external valuer

- 5.22. If applicable, information on the stock exchanges or markets on which units or shares are listed or traded; information that the unit value may differ from the stock exchange price
- 5.23. The procedures and the conditions for issuing and redeeming and, if applicable, exchanging units or shares
- 5.24. A description of the AIF's liquidity management, including the rights to surrender units in both normal and exceptional circumstances, and the existing redemption agreements with investors, including the conditions subject to which the redemption and, where applicable, the exchange of units or shares may be suspended
- 5.25. The arrangements made for making payments to investors, redeeming units or shares and disseminating reports and other information concerning the AIF
- 5.26. A description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, on the applicable law and on the existence or not of any legal instruments providing for the recognition and enforcement of judgements in the territory where the AIF has its registered office

A clear reference to the place of jurisdiction in Germany:

"The jurisdiction for actions against the AIF, the AIF management company, or the distributor relating to the marketing of units or shares of the AIF to retail investors in the Federal Republic of Germany is ... (*details of the domicile or registered office of the representative*). The statement of claim as well as any other documents can be delivered to the representative."

- 5.27. The types and main characteristics of the units or shares, particularly the nature of the rights or claims evidenced by or associated with the units or shares; information as to whether the units or shares are evidenced by global certificates or whether unit certificates or individual certificates are issued; information as to whether units are in bearer or registered form and information concerning their denomination

- 5.28. If applicable, information on the AIF's individual investment compartments and on the conditions subject to which units or shares of different investment compartments can be issued, including a description of the investment compartments' investment objectives and investment policy, the date of establishment and, if applicable, the duration of the investment compartment(s), where relevant
- 5.29. A description of how the AIF management company or the AIF ensures that investors are treated equitably, information on whether and subject to what conditions units or shares carrying different rights are issued, and an explanation of which characteristics in accordance with section 96 (1) and (2) or section 108 (4) are allocated to the unit or share classes; a description of the method in accordance with section 96 (1) sentence 4 or section 108 (4) used for calculating the value of the units or shares of each class of units or shares, including information as to when an investor receives preferential treatment or acquires the right to receive preferential treatment, an explanation of this treatment, the types of investors who receive such preferential treatment and, where applicable, the legal or economic links between these investors and the AIF or the AIF management company
- 5.30. The names of the members of the board of management or of the managing directors and of the members of the supervisory board or, if applicable, of the advisory board, in each case stating their main activities outside the AIF management company or the AIF, where these are significant for the AIF management company or the AIF
- 5.31. Information on the other investment undertakings managed by the AIF management company
- 5.32. Main activity of the depositary
- 5.33. The names of advisory firms, investment advisers, or other service providers who provide advice on a contractual basis; details of such contracts that are relevant to investors, including in particular an explanation of the service providers' obligations and the investors' rights; other significant activities of the advisory firms, investment advisers, or other service providers

- 5.34. A description of all management functions delegated by the AIF management company and of all safe-keeping functions delegated by the depositary, the name of the person or entity to whom the tasks were delegated and any conflicts of interest that may arise from such delegation
- 5.35. A description of how the AIF management company complies with the requirements of section 25 (6)
- 5.36. If applicable, mention of the arrangements made by the depositary to contractually obtain relief from its liability in accordance with section 88 (4)
- 5.37. The circumstances or relationships that could give rise to conflicts of interest
- 5.38. Where, in the case of umbrella schemes with at least one investment compartment whose units or shares are permitted to be marketed within the jurisdiction of the KAGB, sales documentation is used that also contains information about additional investment compartments that are not permitted to be marketed within the jurisdiction of this Code, or that are only permitted to be marketed to another type of investor, the prospectus must include a prominent statement in prominent print in each case that the units or shares of the additional investment compartments are not permitted to be marketed within the jurisdiction of the KAGB or, if they are permitted to be marketed to individual types of investor, the type of investor within the meaning of section 1 (19) nos. 31 to 33 to which they are not permitted to be marketed; such additional investment compartments must be identified by name. These references must be included in the documents intended for investors in Germany.
- 5.39. Information related to the costs including the amount of any front-end load and redemption fee in accordance with section 165 (3), together with an illustrative calculation of the front-end load and redemption fee
- 5.40. If the AIF management company or the AIF is authorised to enter into derivatives transactions for the account of the AIF, the prospectus must include a statement in a prominent place indicating whether such transactions may be entered into for the purpose of hedging or as part of the investment

strategy, and the possible impact of the use of derivatives on the AIF's risk profile

- 5.41. If the AIF has an increased volatility due to its composition or the fund management techniques used, the prospectus must include a statement in a prominent place to this effect
- 5.42. If the AIF tracks a recognised securities index, a statement in a prominent place must indicate that the principle of risk diversification only applies to a limited extent for such AIF; in addition, the prospectus must include information on the securities that comprise the securities index and their respective percentage weightings; details of the composition of the securities index may be omitted if they are contained in the last published annual or semi-annual report for the end or middle of the respective financial year
- 5.43. If applicable, the identity of the prime broker, a description of any material arrangements between the AIF and its prime brokers and the manner in which related conflicts of interest are resolved
- 5.44. If applicable, information about any transfer of liability to the prime broker
- 5.45. The requirements and conditions under which investors may require the share of the assets attributable to the units or shares to be paid out as well as the entities responsible for this
- 5.46. An explicit reference – **in prominent print** – to the fact that the AIF and, if applicable, the AIF management company are not subject to governmental supervision by the Federal Financial Supervisory Authority using the following wording:
- “Neither the investment undertaking nor its management company are subject to governmental supervision by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin).”
- 5.47. A reference to the fact that the AIF management company issues the following publications for units or shares of an AIF:

- the prospectus and all amendments to the same on the AIF management company's website (*stating the name of the website*)
 - the latest version of the key investor information on the AIF management company's website
 - the fund rules, the articles of association, or the partnership agreement and all amendments to the same on the AIF management company's website
 - the annual report for the end of each financial year in the Federal Gazette no later than six months after the end of the financial year
 - the semi-annual report for the middle of each financial year in the Federal Gazette no later than two months after the reporting date
- 5.48. Information on the business or daily newspaper with a sufficiently large circulation published in the Federal Republic of Germany or on the electronic information medium in/by means of which the issue and redemption prices are published, and information on the manner and frequency of their publication
- 5.49. Information that an annual report in accordance with section 299 (1) sentence 1 no. 3 and, if the reporting date of the annual report is more than eight months earlier, a semi-annual report in accordance with section 299 (1) sentence 1 no. 4, must also be included with the prospectus
- 5.50. The inclusion of the AIF's fund rules, its articles of association, or its partnership agreement; these documents need not be included if the prospectus contains a reference to the place in the Federal Republic of Germany where these documents can be obtained free of charge
- 5.51. A reference that the German text of the prospectus, the fund rules, the articles of association, or the partnership agreement as well as of any other documents and publications shall be binding

6. **Content of the prospectus for AIFs comparable to other funds in accordance with sections 220 ff.**

In addition to the information listed under I.5., the following points must be included:

- 6.1. Information on whether and to what extent investment is permitted in assets within the meaning of section 198, precious metals, derivatives and unsecuritised loan receivables
- 6.2. A description of the key characteristics of the unsecuritised loan receivables that may be acquired for the AIF
- 6.3. Information on the extent to which borrowing is permitted together with an explanation of the potential risks that may be associated with this
- 6.4. In cases in which the AIF is permitted to invest in unsecuritised loan receivables of regulated and unregulated microfinancing institutions and in unsecuritised loan receivables from regulated and unregulated microfinancing institutions in accordance with section 222 (1) and (2); information on whether and to what extent use is made of the investment options referred to in those sections and an explanation of the risks associated with this, together with a description of the key characteristics of the microfinancing institutions and the principles used to select them
- 6.5. In cases in which section 223 (1) applies, an explicit reference – **in prominent print** – indicating that investors can request the redemption of units or shares and the payout of the unit or share value from the AIF or AIF management company on certain dates only if, at the time the units or shares are surrendered, the aggregate value of the surrendered units or shares exceeds the amount laid down in the fund rules, the articles of association, or the partnership agreement (*no reference is required if no restrictions on surrender within the meaning of section 223 have been established*)
- 6.6. In cases in which section 223 (2) applies, an explicit reference – **in prominent print** – indicating that, in derogation of section 98 (1), investors can request the redemption of units or shares and the payout of the unit or

share value from the AIF management company on certain dates only

- 6.7. Information on the requirements and conditions for the redemption and payout of units or shares from the AIF concurrently with the surrender of the units or shares

7. Content of the prospectus for AIFs comparable to funds of hedge funds in accordance with sections 225 ff.

In addition to the information listed under I.5., the following points must be included:

- 7.1. Information on the principles used in selecting the target funds
- 7.2. Information on the extent to which units in foreign target funds not subject to supervision may be acquired, together with a reference to the fact that such target funds are AIFs whose investment policies are comparable to those of hedge funds, but which may potentially not be subject to a system of governmental supervision comparable to the KAGB
- 7.3. Information on the requirements to be met by the management of the target funds
- 7.4. Information on the extent to which the selected target funds may take out loans and engage in short selling as part of their investment strategy, including a reference to the risks that may be associated with this
- 7.5. Information on the fee structure of the target funds, together with a reference to the particularities of the fee levels and information on the methods used for calculating total costs to be borne by the investor
- 7.6. Information on the details of and conditions for the redemption and payout of units or shares; where applicable, including an explicit **reference in prominent print** that, in derogation of section 98 (1), investors may not request the AIF management company to redeem units or shares and

pay out the share of the fund assets attributable to the units or shares at will

- 7.7. **A warning in prominent print** in a prominent place with the following wording: "The Federal Minister of Finance has issued the following warning: this investment fund invests in hedge funds that are not subject to statutory restrictions with respect to their leverage or risk."

The warning must be included in the information intended for German investors.

8. Content of the prospectus for AIFs comparable to real estate investment funds in accordance with sections 230 ff.

In addition to the information listed under I.5., the following points must be included:

- 8.1. An explicit reference – **in prominent print** – indicating that, in derogation of section 98 (1) sentence 1, investors can only request the redemption of their units and the payout of the unit value from the AIF management company on the redemption dates set out in the fund rules, the articles of association, or the partnership agreement
- 8.2. All requirements and conditions for the surrender and payout of units and shares from the AIF concurrently with the surrender of the units

9. Content of the prospectus in the case of a feeder AIF

In addition to the information listed under I.5., the following points must be included:

- 9.1. An explanation that the fund is a feeder fund of a particular master fund and as such permanently invests 85 per cent or more of its assets in units of that master fund
- 9.2. Information on the risk profile and on whether the performance of the feeder fund and the master fund is

identical, or to what extent and for what reasons they differ, and a description of investments made in accordance with section 174 (1)

- 9.3. A brief description of the master fund, its organisation, its investment objective and strategy, including the risk profile, and an indication of where and how the current prospectus of the master fund may be obtained, as well as information on the registered office of the master fund
- 9.4. A summary of the master-feeder agreement in accordance with section 175 (1) sentence 2 or of the relevant internal conduct of business rules in accordance with section 175 (1) sentence 3
- 9.5. Information on how investors may obtain further information on the master fund and the master-feeder agreement
- 9.6. A description of all fees and costs payable by the feeder fund by virtue of its investment in units of the master fund, as well as of the aggregate fees for the feeder fund and the master fund
- 9.7. A description of the tax implications of investments in the master fund for the feeder fund

10. Content of the key investor information

Key investor information aims to enable investors to understand the nature and the risks of the investment product that is being offered to them and, consequently, to take investment decisions on an informed basis.

Key investor information must be fair, clear and may not be misleading. It must be consistent with the relevant parts of the prospectus and be written in a concise manner and in non-technical language. It must also be drawn up in a standardised format so as to permit comparison.

- 10.1. It must include the following information about the key characteristics of the investment undertaking concerned:
 - a) name of the AIF

- b) a brief description of its investment objectives and investment policy
- c) risk/reward profile of the investment
- d) costs and fees
- e) the historical performance or, if applicable, performance scenarios
- f) practical information and cross-references.

These key characteristics must be comprehensible to the investor without any reference to other documents.

10.2. In other respects, Regulation (EU) no. 583/2010 applies *mutatis mutandis* to the details of content, form and structure of the key investor information.

10.3. The AIF or AIF management company must disclose a total expense ratio in the key investor information; this is a single figure based on the figures for the preceding year; it includes all annual charges and other payments borne by the AIF, expressed as a percentage of the average net asset value of the AIF; it is shown in the key investor information as "ongoing charges" within the meaning of Article 10 (2)(b) of Regulation (EU) no. 583/2010; this figure must be reported as a percentage; if the fund rules, the articles of association, or the partnership agreement provide for a performance-based management fee or an additional management fee for acquiring, selling, or managing assets in accordance with section 231 (1) and section 234, such fee must also be disclosed separately as a percentage of the average net asset value of the AIF.

11. Content of the key investor information for AIFs comparable to funds of hedge funds in accordance with sections 225 ff.

In derogation of the points referred to under I.10., Article 4 (8) and Articles 8 and 9 of Regulation (EU) no. 583/2010 do not apply to AIFs comparable to funds of hedge funds.

The following additional information must therefore be provided:

- 11.1. For AIFs comparable to funds of hedge funds, the presentation of the risk/reward profile in accordance with point I.10.3. must identify the material risks and opportunities associated with an investment in the investment undertaking; this must indicate the material risks affecting the risk profile of the investment undertaking; the risks associated with the target investment undertakings must also be included if these materially affect the risk profile of the AIF; reference must be made to the description of key risks in the prospectus

The information provided must enable investors to understand the significance and impact of the various risk factors; the description must be presented in text form without any graphic elements

- 11.2. Instead of the information in accordance with Article 7 (1)(b) of Regulation (EU) no. 583/2010, a reference to the ability to restrict redemption in accordance with section 227
- 11.3. In the section referring to point I.10.3., the following warning must additionally be included in a prominent place **in prominent print**: "The Federal Minister of Finance has issued the following warning: this investment fund invests in hedge funds that are not subject to statutory restrictions with respect to leverage or risk."
- 11.4. In addition to the information in accordance with Article 28 of Regulation (EU) no. 583/2010, information must be provided on the extent to which units in foreign target funds not subject to supervision may be acquired together with a reference to the fact that these target funds are AIFs whose investment policies are comparable to those of hedge funds, but which may potentially not be subject to a system of governmental supervision comparable to the KAGB
- 11.5. In addition to the information in accordance with Article 29 of Regulation (EU) no. 583/2010, information on the extent to which the selected target funds may take out loans and engage in short selling as part of their investment strategy, including a reference to the risks that may be associated with this

12. Content of the key investor information for AIFs comparable to real estate investment funds in accordance with sections 230 ff.

In derogation of the points referred to under I.10, Article 4 (8) and Articles 8 and 9 of Regulation (EU) no. 583/2010 do not apply to AIFs comparable to real estate funds.

The following additional information must therefore be provided:

12.1. A description of the material risks and opportunities associated with investments in such investment undertakings; this must indicate the material risks affecting the risk profile of the investment undertaking; in particular, it must describe the risks associated with investments in real estate and equity investments in real estate companies; reference must be made to the description of key risks in the prospectus

The information provided must enable investors to understand the significance and impact of the various risk factors; the description must be presented in text form without any graphic elements

12.2. A general reference to the fact that investing in the investment undertaking may be associated with risks as well as opportunities for rewards

12.3. Instead of information in accordance with Article 7 (1) sentence 2 (b) of the above-mentioned Regulation, an explicit reference – **in prominent print** – to a restriction on investors' ability to surrender their units or shares set out in the fund rules, the articles of association, or the partnership agreement as well as a reference to the possible suspension of unit redemption and the consequences of this in accordance with section 257

II. Closed-ended AIFs

Closed-ended AIFs in the present sense of the term are, in accordance with section 1 (5) in conjunction with

section 1 (4) no. 2, AIFs whose investors or shareholders do not have the right to surrender their units or shares against payment from the AIF at least once a year. Minimum holding periods and the possibility of suspending or restricting the redemption of units or shares are not taken into account in this context.

1. Content of the fund rules, the articles of association, or the partnership agreement

- 1.1. Name of the AIF
- 1.2. Name and registered office of the AIF management company
- 1.3. Information on the manner in which and the dates on which the annual report on the performance and composition of the AIF is prepared and made available to the public
- 1.4. Information on whether the AIF's income is to be distributed or reinvested, and whether the income components of the issue price for issued units or shares may be distributed (income equalisation procedure – Ertragsausgleichsverfahren); information on whether capital gains are intended to be distributed
- 1.5. In the case of an AIF formed for a limited duration, information on when and the manner in which the AIF will be liquidated and the proceeds distributed to investors
- 1.6. Information on whether and subject to what conditions units or shares carrying different rights are issued, and a description of the method in accordance with section 96 (1) sentence 4 in conjunction with section 96 (4) sentence 1 used for calculating the value of the units or shares of each class of units or shares
- 1.7. Information on whether and subject to what conditions the AIF may be absorbed by another investment undertaking, and whether and subject to what conditions another investment undertaking may be absorbed
- 1.8. Information on the manner, amount and calculation method used for, the fees and expenses to be paid from the AIF to

the AIF management company, the depositary and third parties

- 1.9. The front-end load charged when issuing units or shares and the redemption fee charged when redeeming such units or shares, as well as any other costs payable by investors (including how they are calculated)
- 1.10. In the event that the fund rules, the articles of association, or the partnership agreement provide for a flat fee to cover the fees and costs, information on the fees and costs included in the flat fee and a reference as to whether, and if so which, costs are charged separately to the AIF
- 1.11. Information that the annual report must disclose the amount of any front-end loads and redemption fees that are charged to the AIF in the reporting period for the acquisition and redemption of units and shares, and that they must also disclose the fee that was charged to the AIF by the AIF management company itself, by another management company, or by a company with which the AIF management company is affiliated by way of a substantial direct or indirect equity investment as a management fee for the units or shares held in the AIF
- 1.12. If investors have been granted rights to surrender units or shares, information on the conditions subject to which, the terms on which and the places where, investors can request the AIF management company to redeem or, if applicable, exchange their units or shares; the conditions subject to which the redemption and, if applicable, the exchange of units or shares can be suspended
- 1.13. If the AIF management company acquires assets for a closed-ended retail AIF that are located outside a signatory state to the Agreement on the European Economic Area, information on the countries and the maximum percentage of the AIF that may be invested in these countries in each case
- 1.14. The principles according to which the assets to be acquired are selected, in particular
 - what types of assets may be acquired for the closed-ended retail AIF and to what extent

- the types of investment undertakings whose units or shares are acquired for the investment undertaking
- the percentage of the investment undertaking held in units or shares of each type
- whether, to what extent and to what end derivatives transactions are permitted and what percentage of bank deposits and money market instruments may be held
- techniques and instruments that may be used in the management of the investment undertaking
- Whether loans may be taken out for the account of the investment undertaking

1.15. The AIF may only invest in:

1.15.1. Tangible assets, in particular

- a) real estate, including woodlands, forests and agricultural land
- b) ships, ship superstructures, ship parts and replacement parts for ships
- c) aircraft, aircraft parts and aircraft replacement parts
- d) facilities for generating, transporting and storing electricity, gas, or heat from renewable energy sources
- e) railway rolling stock, rolling stock parts and rolling stock replacement parts
- f) vehicles used for electromobility
- g) containers
- h) infrastructure used for assets within the meaning of b) to f)

1.15.2. Units or shares of PPP project companies

1.15.3. Units or shares of companies which, in accordance with their partnership agreement or the articles of association, may

only acquire assets within the meaning of point II.1.15.1. and assets required to manage such assets or equity investments in such companies

- 1.15.4. Equity investments in undertakings that are not admitted to trading on a stock exchange or included in a regulated market
- 1.15.5. Units or shares of closed-ended retail AIFs established in the Federal Republic of Germany pursuant to sections 261 to 272 or of European or foreign closed-ended retail AIFs whose investment policies are subject to comparable requirements
- 1.15.6. Units or shares of closed-ended special AIFs established in the Federal Republic of Germany pursuant to sections 285 to 292 in conjunction with sections 273 to 277, sections 337 and 338, or of closed-ended EU special AIFs or foreign closed-ended special AIFs whose investment policies are subject to comparable requirements
- 1.15.7. Securities in accordance with section 193
- 1.15.8. Money market instruments in accordance with section 194
- 1.15.9. Bank deposits in accordance with section 195
- 1.16. Derivatives transactions may be entered into solely for the purpose of hedging an AIF's assets against a decrease in value
- 1.17. The AIF management company must ensure that any foreign currency risk associated with the assets is limited such that the value of the assets subject to such a risk does not exceed 30 per cent of the AIF's assets
- 1.18. Investments in assets within the meaning of section 261 (1) no. 1 may only be made if
 - 1. The asset has been previously valued in the case of
 - a) an asset value of up to and including €50 million by an external valuer who satisfies the requirements of section 216 (1) sentence 1 no. 1 and sentence 2, and of section 216 (2) to 216 (5)

or

- b) an asset value exceeding €50 million by two external, mutually independent valuers who satisfy the requirements of section 216 (1) sentence 1 no. 1 and sentence 2, and of section 216 (2) to 216 (5) and who value the assets independently of one another
2. The external valuer within the meaning of no. 1 (a) or the external valuers within the meaning of no. 1 (b) does not/do not also perform the annual valuation of the assets in accordance with section 272 and
 3. The consideration to be paid from the closed-ended domestic retail AIF does not exceed or only slightly exceeds the value calculated.

Section 250 (2) and section 271 (2) must remain unaffected

- 1.19. In other respects, it must contain rules which ensure that the provisions of sections 261 to 265 are complied with
- 1.20. The assets held by the AIF may not be pledged or otherwise encumbered or title thereto transferred or assigned by way of collateral except where loans are taken out for the AIF in accordance with the requirements set out in section 199, section 221 (6) and section 254, where a third party is granted option rights, or where securities repurchase agreements in accordance with section 203 or financial futures, currency futures, swaps, or similar transactions are entered into pursuant to section 197
- 1.21. Investors must be able to demand at a minimum at the end of the term to be paid out the share of the assets attributable to the units or shares
- 1.22. The valuation of the AIF must be performed in a manner corresponding to sections 271 and 272
- 1.23. Information to the effect that no investment compartments and master-feeder structures may be formed; the AIF may not be a feeder AIF or a master-feeder structure
- 1.24. Information that advance charging of costs pursuant to section 304 is restricted

2. Content of the prospectus

2.1. Date

2.2. Name, legal form, registered office (and head office if different from the registered office) and amount of subscribed and paid-up capital (share capital less outstanding contributions plus reserves)

a) of the AIF,

b) of the AIF management company (plus date of incorporation)

c) of the distributor(s) operating in the Federal Republic of Germany and

d) of the depositary

2.3. Name, registered office and address

a) of the representative,

b) of the paying agents

2.4. Date of the establishment of the AIF and information on its duration

2.5. In a prominent place

a) a description of the AIF's investment objectives, including its financial objectives and a description of its investment policy and strategy, including any details and restrictions relating to this investment policy and investment strategy

b) a description of the type of assets in which the investment undertaking may invest

c) information on any techniques and instruments that may be used in the management of the AIF and on all

associated risks, conflicts of interest and effects on the performance of the AIF

d) A description of the key characteristics of the units or shares of investment undertakings that may be acquired for the AIF, including the main investment principles and investment limits and the target investment undertaking's registered office

- 2.6. A clear and easily comprehensible explanation of the AIF's risk profile
- 2.7. A reference to the fact that parties interested in purchasing units or shares may request information on the investment limits used in risk management, the risk management methods and recent developments with respect to risks and yields in the AIF's key asset classes, and information on the places where, and in what form, parties interested in purchasing units or shares can obtain this information
- 2.8. Whether loans may be taken out for the account of the AIF
- 2.9. The circumstances in which the AIF may use leverage, the types and origins of the leverage permitted and the associated risks, other restrictions on the use of leverage and the maximum amount of leverage that the management company is entitled to employ on behalf of the AIF
- 2.10. The administration of collateral, in particular the types and amount of the necessary collateral, the reuse of collateral and assets, and the associated risks
- 2.11. If applicable, the performance to date of the AIF and, if applicable, the unit or share classes together with a warning that historical performance is not an indicator of future performance
- 2.12. The profile of the typical investor for whom the AIF is designed
- 2.13. A description of the procedures by which the AIF may change its investment strategy or investment policy, or both

- 2.14. The requirements for liquidating and transferring the AIF, including details in particular with regard to the rights of investors
- 2.15. A description of how and when the additional duties of information in accordance with section 300 will be disclosed
- 2.16. A description of the rules for determining and appropriating the income
- 2.17. Brief details of the tax provisions of significance to investors, including information as to whether the income distributed by the AIF is subject to any withholding tax
- 2.18. The date on which the AIF's financial year ends; the frequency with which income is distributed
- 2.19. Information on the places in the Federal Republic of Germany where the AIF's investors or shareholders can obtain the annual reports of the AIF and the prospectus, the key investor information and the fund rules, the articles of association, or the partnership agreement free of charge, and how they may be obtained
- 2.20. The name of the auditor engaged to audit the AIF including the annual report
- 2.21. Rules for the valuation of assets, in particular a description of the AIF's valuation procedure and of the pricing methodology for valuing assets, including the methods used in valuing hard-to-value assets in accordance with sections 271 and 272
- 2.22. If applicable, information on the stock exchanges or markets on which units or shares are listed or traded; information that the unit value may differ from the stock exchange price
- 2.23. The procedures and the conditions for issuing and redeeming and, if applicable, exchanging units or shares
- 2.24. A description of the AIF's liquidity management, including the rights to surrender units in both normal and exceptional circumstances, and the existing redemption agreements with investors, including the conditions subject to which the

redemption and, if applicable, the exchange of units or shares may be suspended

- 2.25. The arrangements made for making payments to investors, redeeming units or shares and disseminating reports and other information concerning the AIF
- 2.26. A description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, on the applicable law and on the existence or not of any legal instruments providing for the recognition and enforcement of judgements in the territory where the AIF has its registered office

A clear reference to the place of jurisdiction in Germany:

“The jurisdiction for actions against the AIF, the AIF management company, or the distributor relating to the marketing of units or shares of the AIF to retail investors in the Federal Republic of Germany is ... (*details of the domicile or registered office of the representative*). The statement of claim as well as any other documents can be delivered to the representative.”

- 2.27. The types and main characteristics of the units or shares, particularly the nature of the rights or claims evidenced by or associated with the units or shares; information as to whether the units or shares are evidenced by global certificates or whether unit certificates or individual certificates are issued; information as to whether units are in bearer or registered form and information concerning their denomination
- 2.28. A description of how the AIF management company or the AIF ensures that investors are treated equitably, information on whether and subject to what conditions units or shares carrying different rights are issued, and an explanation of which characteristics in accordance with sections 96 (1) and (2) or section 108 (4) are allocated to the unit or share classes; a description of the method in accordance with section 96 (1) sentence 4 or section 108 (4) used for calculating the value of the units or shares of each class of units or shares, including information as to when an investor

receives preferential treatment or acquires the right to receive preferential treatment, an explanation of this treatment, the types of investors who receive such preferential treatment and, where applicable, the legal or economic links between these investors and the AIF or the AIF management company

- 2.29. The names of the members of the board of management or of the managing directors and of the members of the supervisory board or, if applicable, of the advisory board, in each case stating their main activities outside the AIF management company or the AIF, where these are significant for the AIF management company or the AIF
- 2.30. Information on the other investment undertakings managed by the AIF management company
- 2.31. Main activity of the depositary
- 2.32. The names of advisory firms, investment advisers, or other service providers who provide advice on a contractual basis; details of such contracts that are relevant to investors, including in particular an explanation of the service providers' obligations and the investors' rights; other significant activities of the advisory firms, investment advisers, or other service providers
- 2.33. A description of all management functions delegated by the AIF management company and of all safe-keeping functions delegated by the depositary, the name of the person or entity to whom the tasks were delegated and a description of any conflicts of interest that may arise from such delegation
- 2.34. A description of how the AIF management company complies with the requirements of section 25 (5)
- 2.35. If applicable, mention of the arrangements made by the depositary to contractually obtain relief from its liability in accordance with section 88 (4)
- 2.36. The circumstances or relationships that could give rise to conflicts of interest
- 2.37. Information related to the costs including the amount of any front-end load and redemption fee in accordance with

section 165 (3) no. 1 and nos. 3 to 7, together with an illustrative calculation of the front-end load and redemption fee

- 2.38. The requirements and conditions under which investors may require the share of the assets attributable to the units or shares to be paid out as well as the entities responsible for this
- 2.39. If relevant, information related to the trustee acting as a limited partner:
- a) name and address; in the case of legal persons, company name and registered office
 - b) duties and legal basis of activities
 - c) material rights and obligations
 - d) sum total of the fee agreed for performing the duties
- 2.40. In cases where units or shares of PPP project companies may be acquired:
- a) a description of the key characteristics of PPP project companies
 - b) the types of PPP project companies that may be acquired for the AIF and the principles used to select them
 - c) a reference to the effect that equity investments may be made in PPP project companies that are not admitted to trading on a stock exchange or included in another regulated market
- 2.41. If concrete investments within the meaning of section 261 (1) no. 1 have already been selected, the following information on the investments must additionally be included in the prospectus
- a) a description of the investment
 - b) more than insignificant charges *in rem* relating to the investment

- c) legal or actual restrictions on the use of the investment, in particular with respect to the investment objective
- d) information on whether official approvals are required and the extent to which these have been obtained
- e) information on what contracts the AIF management company has entered into in relation to the purchase or construction of the investment or material parts of the investment
- f) name of the person or company that prepared a valuation report for the investment, the date of the valuation report and its result
- g) the expected total costs of the investment, broken down in particular by purchasing and construction costs and other costs, and the planned financing, broken down to separately disclose equity and debt finance, in each case sub-classified by interim financing and permanent financing; with regard to equity and debt finance the terms and conditions and the maturities must be provided, along with the extent to which and from whom binding commitments have already been received

If the concrete investments have not yet been selected, this must be disclosed in the prospectus.

- 2.42. A reference to how the units or shares can be transferred
- 2.43. If applicable, a reference to any restrictions on the transferability of the units or shares
- 2.44. If applicable, a reference to the fact that the AIF's investments have not yet been diversified for risk (*if the AIF's investments have not yet been diversified for risk in accordance with section 262 (1) sentence 3 in the first 18 months following the date on which marketing began*)
- 2.45. If applicable, a reference to the fact that the limits referred to in sections 263 (1) and (4) do not apply during the initial marketing period for the closed-ended AIF, but at the maximum for a period of 18 months starting on the date on which marketing begins (*if this is provided for in the fund*)

rules, the articles of association, or the partnership agreement)

- 2.46. If the principle of risk diversification is not adhered to for investments, a reference in a prominent place to the default risk arising from the lack of risk diversification
- 2.47. An explicit reference – **in prominent print** – indicating that the AIF and the AIF management company are not subject to governmental supervision by the Federal Financial Supervisory Authority
- 2.48. A reference that the German text of the prospectus, the fund rules, the articles of association, or the partnership agreement as well as of any other documents and publications shall be binding

3. Content of the key investor information

Key investor information aims to enable investors to understand the nature and the risks of the investment product that is being offered to them and, consequently, to take investment decisions on an informed basis.

The key characteristics must be comprehensible to the investor without any reference to other documents. Key investor information must be fair, clear and may not be misleading. It must be consistent with the relevant parts of the prospectus and be written in a concise manner and in non-technical language. It must be drawn up in a standardised format so as to permit comparison.

- 3.1. It must include the following information about the key characteristics of the investment undertaking concerned:
 - a) name of the investment undertaking
 - b) a brief description of its investment objectives and investment policy
 - c) risk/reward profile of the investment
 - d) costs and fees

- e) the historical performance and, if appropriate, performance scenarios
- f) practical information and cross-references.

- 3.2. A total expense ratio must be disclosed in the key investor information; it is a single figure based on the figures for the preceding year; it includes all annual charges and other payments borne by the AIF, expressed as a percentage of the average net asset value of the AIF; it is shown in the key investor information as “ongoing charges” within the meaning of Article 10 (2)(b) of Commission Regulation (EU) no. 583/2010; this figure must be reported as a percentage
- 3.3. In the case of closed-ended retail funds, Articles 3 to 7, 10 to 24, 26 to 30 and 38 of Regulation (EU) no. 583/2010 apply with respect to the details of the content, form and structure pursuant to section 270 (2) sentences 1 and 2
- 3.4. The identification and explanation of risks in the context of the risk/reward profile in accordance with section 270 (2) no. 5 must be consistent with the internal process for identifying, measuring and monitoring risks used by the AIF management company within the meaning of Articles 38 to 40 of Directive 2010/43/EU; where an AIF management company manages more than one investment undertaking, the associated risks must be identified and explained in a consistent manner
- 3.5. If the fund rules, the articles of association, or the partnership agreement provide for an additional management fee for acquiring, selling, or managing assets in accordance with section 261 (1) no. 1, such fee, in addition to the total cost ratio in accordance with section 166 (5), must be disclosed separately in addition to the total expense ratio as a percentage of the average net asset value of the closed-ended retail AIF
- 3.6. If applicable, a reference to the fact that the AIF’s investments have not yet been diversified for risk (*if the AIF’s investments have not yet been diversified for risk in accordance with section 262 (1) sentence 3 in the first 18 months following the date on which marketing began*)

- 3.7. If the principle of risk diversification is not adhered to for investments, a reference in a prominent place to the default risk arising from the lack of risk diversification

- 3.8. If applicable, a reference to the fact that the limits referred to in sections 263 (1) and (4) do not apply during the initial marketing period for the closed-ended AIF, but at the maximum for a period of 18 months starting on the date on which marketing begins (*if this is provided for in the fund rules, the articles of association, or the partnership agreement*)