Prospectus
(including Terms of Investment)
July 2, 2018

C-QUADRAT ARTS Total Return Flexible

(A UCITS Fund under German law)

HANSAINVEST

Hanseatische Investment-GmbH, Hamburg

(capital investment company)

in cooperation with

C-QUADRAT Wealth Management GmbH

(portfolio management and marketing company)

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INTRODUCTION

This Prospectus issued by HANSAINVEST Hanseatische Investment-GmbH (“HANSAINVEST” or “the Company” or “the Capital Investment Company”) provides information on the UCITS Fund **C-QUADRAT ARTS Total Return Flexible** (“the Fund”) for interested persons and potential investors. It specifies the firms responsible for the Fund’s management and provides information which prospective investors should be familiar with before purchasing units in the above-mentioned Fund.

This Prospectus complies with the requirements of the German Capital Investment Code (Kapitalanlagegesetzbuch, KAGB) for the sale of investment units in the Federal Republic of Germany in regard to its form and scope.

Units in the Fund C-QUADRAT ARTS Total Return Flexible are purchased and sold on the basis of the currently valid Prospectus, the Key Investor Information and the General Terms of Investment in combination with the Special Terms of Investment, as amended. The General Terms of Investment and the Special Terms of Investment are appended to this Prospectus.

Upon demand, this Prospectus will be made available, free-of-charge, to prospective investors interested in purchasing units in C-QUADRAT ARTS Total Return Flexible and any investor in the Fund, together with the most recently published annual report and any semi-annual report published since the annual report. Persons who are interested in purchasing a unit in C-QUADRAT ARTS Total Return Flexible must also receive the Key Investor Information in good time, free-of-charge, before concluding a contract.

No information or statements may be issued which deviate from this Prospectus. Any purchase of units on the basis of statements or declarations which are not contained in this Prospectus or in the Key Investor Information is made exclusively at the purchaser’s risk. This Prospectus is supplemented by the most recently published annual report as well as any semi-annual report published since the annual report.

Investment restrictions for US persons

HANSAINVEST and/or C-QUADRAT ARTS Total Return Flexible are not, and will not be, registered pursuant to the United States Investment Company Act 1940, as amended. The units in the Fund are not, and will not be, registered pursuant to the United States Securities Act 1933, as amended, or in accordance with securities legislation of a federal state of the United States of America. Units in C-QUADRAT ARTS Total Return Flexible may not be offered or sold in the United States or to a US person or for account of a US person. Where necessary, persons interested in purchasing units will be required to document that they are not US persons and that they are not purchasing units on behalf of US persons and will not sell them on to US persons. US persons include natural persons residing in the United States. US persons may also include partnerships and corporations, e.g. if they have been established pursuant to the laws of the USA or a federal state, territory or possession of the USA.

This Prospectus and the particulars contained therein are accurate as of the time of finalization of the Prospectus. This Prospectus will be updated in case of any material changes.

Since the particulars required for this Prospectus are provided together with the Terms of Investment approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, *BaFin*), duplications of information in the combined document (comprising the Prospectus and the Terms of Investment) are inevitable.

HANSAINVEST
Hanseatische Investment-GmbH

Hamburg, July 2, 2018

KEY LEGAL CONSEQUENCES OF THE CONTRACTUAL RELATIONSHIP

In purchasing units, the investor will acquire fractional co-ownership of the assets held by **C-QUADRAT ARTS Total Return Flexible**. The investor may not dispose of these assets. Units do not entail any voting rights.

All publications and advertising media must be issued in German or provided with a German translation. Moreover, HANSAINVEST will conduct any communications with its investors in German.

Enforcement of rights

The legal relationship between HANSAINVEST and the investor and their precontractual relationships shall be governed by German law. HANSAINVEST's registered office shall be the place of jurisdiction in case of any complaints which the investor files against the Company due to the contractual relationship. Investors who are consumers (see the following definition) and who reside in another EU state may also file a complaint before a competent court for their place of residence. Court rulings shall be enforced in accordance with the German Code of Civil Procedure (*Zivilprozessordnung*, *ZPO*) and, where applicable, the German Act on Compulsory Auctions and Compulsory Administration (*Gesetz über die Zwangsversteigerung und die Zwangsverwaltung*, *ZVG*) and the German Insolvency Code (*Insolvenzordnung*, *InsO*). Since HANSAINVEST is subject to German law, acknowledgement of German rulings is not necessary prior to their enforcement.

For enforcement of their rights, investors may institute legal proceedings before the general courts of law or initiate alternative dispute resolution proceedings, where available.

HANSAINVEST has undertaken to participate in dispute resolution proceedings before a consumer arbitration body.

In case of any disputes in connection with the provisions of the German Capital Investment Code, consumers may contact the Investment Funds Ombudsman's Office at the German Investment Funds Association (BVI Bundesverband Investment und Asset Management e. V.). HANSAINVEST participates in dispute resolution proceedings before this arbitration body.

The contact details of the Investment Funds Ombudsman's Office are as follows:

Büro der Ombudsstelle
BVI Bundesverband Investment und Asset Management e.V.
Unter den Linden 42
10117 Berlin
Tel.: (030) 6449046-0
Fax: (030) 6449046-29
E-mail: info@ombudsstelle-investmentfonds.de
www.ombudsstelle-investmentfonds.de

Consumers are natural persons who invest in **C-QUADRAT ARTS Total Return Flexible** for a purpose which is not mainly attributable to commercial or self-employed professional activity on their part, i.e. who are acting for their own personal purposes.

The right of recourse to the courts of law shall remain unaffected by any arbitration proceedings.

BASIC INFORMATION

The Fund

C-QUADRAT ARTS Total Return Flexible (“the Fund”) is an undertaking for collective investment which pools capital provided by a number of investors in order to invest this for their benefit, in accordance with a defined investment strategy (“the Investment Fund”). The Fund is an Investment Fund within the meaning of the German Capital Investment Code and in accordance with the Directive 2009/65/EC of the European Parliament and the Council of July 13, 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (“UCITS Directive”). The Fund is managed by HANSAINVEST (“the Company”). **C-QUADRAT ARTS Total Return Flexible** was launched on November 8, 2010 for an indefinite duration.

The Company invests the capital deposited with it in its own name and for the joint account of the investors in assets permitted by the German Capital Investment Code in line with the principle of risk diversification. These assets are kept separate from the Company’s own assets in the form of funds. The purpose of the Fund is limited to investment in accordance with a specified investment strategy, within the scope of collective asset management for the resources deposited with the fund; operational activities and active commercial management of the assets held are excluded. The German Capital Investment Code, related ordinances and the Terms of Investment regulating the legal relationship between the investors and the Company define the assets in which the Company is permitted to invest the investors’ capital and the provisions which it must thereby comply with. The Terms of Investment comprise a general section and a special section (“General Terms of Investment” and “Special Terms of Investment”). Terms of Investment for an Investment Fund require the approval of the German Federal Financial Supervisory Authority before coming into effect. The Fund does not form part of the Company’s insolvency assets.

Sales documents and disclosure of information

The Prospectus, the Key Investor Information, the Terms of Investment and the current annual and semi-annual reports may be obtained free-of-charge from the Company and also from its website www.hansainvest.de.

Additional information is available from the Company in writing on the investment limits applicable for this Fund's risk management strategy, its risk management methods and the latest risk/return trends for its key asset types.

Terms of Investment and amendments

The Terms of Investment are appended to the Prospectus and included in this document. The Company may amend these Terms of Investment. Amendments of the Terms of Investment require the approval of the German Federal Financial Supervisory Authority. Amendments to the investment principles for the Fund will also require the consent of the Company's supervisory board. The Fund's investment principles may only be amended if the Company provides the investors with an offer to redeem their units before these changes become effective or offers to convert their units into units in investment funds with similar investment principles, insofar as the Company or an affiliate manages such investment funds. The Company will not impose any charges for redemption or conversion of units.

The envisaged changes will be published in the German Federal Gazette (*Bundesanzeiger*) and also on the website www.hansainvest.de. If these amendments relate to fees and reimbursement of expenses which may be provided out of the Fund or the investment principles for the Fund or significant rights of the investors, the investors will also be notified through their custodians by means of a medium on which information is stored for a duration which is appropriate for the purposes of this information and which may be viewed and reproduced unchanged, e.g. in paper form or in electronic form (permanent data storage medium). This information encompasses the key details of the planned amendments, their context, the rights of investors in connection with an amendment as well as a notice on where and how to obtain further information.

Amendments will come into force on the day following their notification, at the earliest. Amendments of provisions concerning fees and reimbursement of expenses will come into force three months following their notification, at the earliest, unless an earlier date has been determined with the consent of the German Federal Financial Supervisory Authority. Changes to the Fund's current investment principles will likewise become effective three months after their notification at the earliest.

OVERVIEW OF THE FUND

Basic characteristics of the Fund

Name of the Fund	**C-QUADRAT ARTS Total Return Flexible**
Fund's currency	Euro
Unit classes	The Company may issue different unit classes entailing various rights in relation to appropriation of income, the front-end load, the redemption fee, the currency of the unit value (including use of currency hedges), management fees, the minimum investment amount or a combination of these characteristics. As of the launch of the Fund, initially one unit class **C-QUADRAT ARTS Total Return Flexible A (EUR)** was established. As of December 13, 2010 the unit class **C-QUADRAT ARTS Total Return Flexible T (EUR),** as of June 1, 2012 a further unit class **C-QUADRAT ARTS Total Return Flexible T (PLN),** and as of March 3, 2015 a further unit class **C-QUADRAT ARTS Total Return Flexible T (USD)** and as of July 2, 2018 a further unit class **C-QUADRAT ARTS Total Return Flexible H (EUR)** was established. No further unit classes have been established. All units issued in a given unit class of the Fund have the same characteristics. The following tables "Characteristics of the unit classes" summarize the characteristics of the unit classes.
Financial year	The Fund's financial year begins on January 1 and ends on December 31.

Derivatives	**The Company may enter into derivatives transactions as part of its investment strategy for the Fund. This includes derivatives transactions for efficient portfolio management and to realize additional income, i.e. this includes speculative purposes. The Fund may thus be exposed to an increased loss risk, at least temporarily.**
Method which the Company applies to calculate the Fund's level of utilization of the market risk limit	Qualified approach (Further details of the method which the Company applies to calculate the Fund's level of utilization of the market risk limit may be found in the section "General investment principles and investment limits – General provisions concerning the purchase of assets and their statutory investment limits – Derivatives")
Leverage	Leverage designates the ratio of the Fund's level of risk and its net asset value. Any method by which the Company increases the investment fund's level of investment (leverage effect) affects its leverage. In particular, such methods include the conclusion of securities lending transactions, repurchase agreements and the purchase of derivatives with embedded leverage (insofar as derivatives may be purchased for the Fund). The possibility of the use of derivatives and the conclusion of securities lending transactions and repurchase agreements is outlined in the section "General investment principles and investment limits – General provisions concerning the purchase of assets and their statutory investment limits – Derivatives – Securities lending transactions – Repurchase agreements". The possibility of borrowing is outlined in the section "General investment principles and investment limits – Borrowing". The market risk may be no more than double due to the use of derivatives (cf. "General investment principles and investment limits – General provisions concerning the purchase of assets and their statutory investment limits – Derivatives"). The Fund's leverage is calculated on the basis of a gross method. It designates the total amount of the absolute values of all of the Fund's positions which are valued in accordance with the statutory requirements. Individual derivatives transactions or securities positions may not be offset against one another (i.e. no inclusion of netting and hedging agreements). Any effects resulting from the reinvestment of collateral from securities lending transactions and repurchase agreements will be included. Short-term borrowing which is exclusively permitted under the Fund's investment strategy may be omitted from the leverage calculation. The Company expects that the Fund's leverage calculated according to the gross method will not amount to more than 5 times its net asset value. However, depending on the market conditions the level of leverage may fluctuate. The target level may therefore be

	exceeded despite continuous monitoring by the Company.
Management remuneration	Up to 2.00 % p.a. of the average value of the UCITS Fund in the respective unit class, calculated on the basis of the values at the end of each month. Further details of the management fee may be found in the section “Costs – Management and other costs”.
Performance-based remuneration:	Up to 20 % (maximum) of the amount by which the unit value at the end of a settlement period exceeds the unit value at the start of this settlement period by the daily 3-month Euribor (positive absolute development of the unit value), but not exceeding 20 % of the average value for the UCITS Fund in the settlement period. Further details of the performance-related fee may be found in the section “Costs – Management and other costs”.

Investment goal and investment strategy

The investment goal of **C-QUADRAT ARTS Total Return Flexible** is to realize appropriate income and the highest possible long-term growth independently of any benchmark. The Fund’s management uses a technical trading program developed by ARTS Asset Management GmbH with a medium-term trend-following orientation. Funds indicating positive trends from a systemic point of view are given the strongest weightings in the portfolio. The Fund’s portfolio may thus be limited to a small number of sectors. **C-QUADRAT ARTS Total Return Flexible** is thus not as broadly diversified as most traditionally managed global funds of funds. Nor does the Fund’s investment strategy follow a benchmark. Instead, the Fund seeks to generate absolute growth in every market phase. The core strength of this management approach is a combination of its medium-term trend-following orientation and permanent adjustment of the portfolio in line with developments in individual markets. No attempt is made to anticipate trends. Instead, investments are made once a positive trend has established itself in the market in question.

The investment policy of **C-QUADRAT ARTS Total Return Flexible** follows a total return approach. The Fund’s management uses a technical trading program developed by ARTS Asset Management with a trend-following orientation. The objective is to generate absolute growth in all market phases. The Fund’s assets may be fully invested in the equities asset class, both through funds, ETFs and derivatives and also through individual equities. In bear markets the Fund’s equity holdings may be reduced to zero. In such cases, resources are mainly invested in more defensive asset classes such as the bond and money markets. In addition, risks may be hedged by means of derivatives and the Fund’s level of investment may be increased beyond 100 %. **C-QUADRAT ARTS Total Return Flexible** represents a highly active management style. The Fund’s management may make use of all of the instruments available under the current legal framework for the UCITS Fund in order to realize the investment goal.

The Fund may purchase equities and equity-equivalent securities, other securities, bank deposits, money market instruments, units in other investment funds, derivatives for investment and hedging purposes and also other investment instruments.

The following maximum investment limits apply for the respective asset classes, in accordance with the Special Terms of Investment:

Equities and equity-equivalent securities	max. 100 %
Other securities (incl. certificates)	max. 100 %
Bank deposits	max. 100 %
Money market instruments	max. 100 %
Equity funds	max. 100 %
Bond funds	max. 100 %
Funds mainly investing in money market instruments	max. 100 %

NO GUARANTEE CAN BE PROVIDED THAT THE GOALS OF THE INVESTMENT POLICY WILL ACTUALLY BE FULFILLED.

Increased volatility

As a result of its composition and the possible use of derivatives, the Fund is subject to an increased level of volatility, i.e. unit prices may undergo considerable upward and downward fluctuations, even within short periods of time.[1]

Typical investor profile[2]

The following assessment provided by the Company in this Prospectus does not constitute investment advice, since it does not give any consideration to the client's personal circumstances. This assessment is merely intended to provide (potential) investors with initial guidance as to whether this Fund may be suitable in view of their investment experience, their risk propensity and their investment horizon:

The Fund is intended for all types of investors who pursue the goal of asset building or asset optimization. Investors should be capable of bearing fluctuations in value and significant losses and should not require any guarantee regarding the preservation of the amount which they have invested. C-QUADRAT ARTS Total Return Flexible is suitable for investors who already have some experience of the financial markets. The investment horizon should be at least 3 years.

Outline of the risk profile for the Fund

A summary of the risk profile for the Fund is included in the Key Investor Information which is available at www.hansainvest.de.

Front-end load

When calculating the issuing price, a front-end load is added to the unit value. The front-end load amounts to up to 5 %. Particularly in case of a brief investment period, the front-end load may reduce the Fund's performance or even erode it entirely. The front-end load primarily represents a fee for the sale of the units in the Fund. The Company may pass on the front-end load to any brokers as remuneration for their sales activities.

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[1] Please note that this assessment of the fund's possible future development does not necessarily coincide with the risk indicator details provided in the Key Investor Information, since the risk indicator is based on past data in accordance with statutory requirements.

[2] The profile of the typical investor is based on a forecast of the Fund's future development, in view of its investment goals. There is no guarantee of the Fund realizing its investment goals. On the other hand, its increased volatility status (based on the fund-related risk indicator shown in the KID) reflects past data. Accordingly, not inconsiderable discrepancies are possible between its increased volatility status – which is based on the Fund's historical development – and the profile of the typical investor.

Redemption fee

No redemption fee is charged.

Characteristics of the Fund’s unit classes

C-QUADRAT ARTS Total Return Flexible A (EUR)	
Securities identification number (WKN)	A0YJMJ
ISIN code	DE000A0YJMJ5
Initial issuing date	November 8, 2010
Initial issuing price:	EUR 100
Currency of the unit class	Euro
Appropriation of income	Income-distributing Further details of the appropriation of income may be found in the section “Calculation and appropriation of income – Appropriation of income – Distribution procedure”.
Minimum investment amount (one-off investment)	EUR 100
Minimum amount for subsequent payments	EUR 100
Minimum amount for savings plan	EUR 100
Front-end load*	5 % of the unit value
Redemption fee*	N/A
Management fee*	2.00 % p.a. of the average value of the UCITS Fund in the respective unit class, calculated on the basis of the values at the end of each month.
Performance-related fee*	Up to 20 % (maximum) of the amount by which the unit value at the end of a settlement period exceeds the unit value at the start of this settlement period by the daily 3-month Euribor (positive absolute development of the unit value), but not exceeding 20 % of the average value for the UCITS Fund in the settlement period.
Custodian fee*	0.025 % p.a. of the value of the UCITS Fund, calculated on the basis of the average month-end figures for the relevant year, as of the end of the financial year in question but at least EUR 18,000 (eighteen thousand euros) per year.

* The fees indicated in the above table and the front-end load/redemption fee correspond to the fees and the front-end load/redemption fee actually charged at the time of finalization of this Prospectus. These figures may be lower than the maximum amounts permitted in the Special Terms of Investment. In such cases, the Company is free at any time to increase the fees and the front-end load/redemption fee actually charged up to the maximum figures stipulated in the Special Terms of Investment.

C-QUADRAT ARTS Total Return Flexible T (EUR)	
Securities identification number (WKN)	A0YJMN
ISIN code	DE000A0YJMN7
Initial issuing date	December 13, 2010
Initial issuing price:	EUR 100
Currency of the unit class	Euro
Appropriation of income	income-reinvesting Further details of the appropriation of income may be found in the section “Calculation and appropriation of income – Appropriation of income – Distribution procedure”.
Minimum investment amount (one-off investment)	EUR 100
Minimum amount for subsequent payments	EUR 100
Minimum amount for savings plan	EUR 100
Front-end load*	5 % of the unit value
Redemption fee*	N/A
Management fee*	2.00 % p.a. of the average value of the UCITS Fund in the respective unit class, calculated on the basis of the values at the end of each month.
Performance-related fee*	Up to 20 % (maximum) of the amount by which the unit value at the end of a settlement period exceeds the unit value at the start of this settlement period by the daily 3-month Euribor (positive absolute development of the unit value), but not exceeding 20 % of the average value for the UCITS Fund in the settlement period.
Custodian fee	0.025 % p.a. of the value of the UCITS Fund, calculated on the basis of the average month-end figures for the relevant year, as of the end of the financial year in question but at least EUR 18,000 (eighteen thousand euros) per year.

* The fees indicated in the above table and the front-end load/redemption fee correspond to the fees and the front-end load/redemption fee actually charged at the time of finalization of this Prospectus. These figures may be lower than the maximum amounts permitted in the Special Terms of Investment. In such cases, the Company is free at any time to increase the fees and the front-end load/redemption fee actually charged up to the maximum figures stipulated in the Special Terms of Investment.

C-QUADRAT ARTS Total Return Flexible T (PLN)	
Securities identification number (WKN)	A1JRP7
ISIN code	DE000A1JRP71
Initial issuing date	June 1, 2012
Initial issuing price:	PLN 100
Currency of the unit class	Zloty (PLN)
Appropriation of income	income-reinvesting Further details of the appropriation of income may be found in the section “Calculation and appropriation of income – Appropriation of income – Distribution procedure”.
Minimum investment amount (one-off investment)	PLN 100
Minimum amount for subsequent payments	PLN 100
Minimum amount for savings plan	PLN 100
Front-end load*	5 % of the unit value
Redemption fee*	N/A
Management fee*	2.00 % p.a. of the average value of the UCITS Fund in the respective unit class, calculated on the basis of the values at the end of each month.
Performance-related fee*	Up to 20 % (maximum) of the amount by which the unit value at the end of a settlement period exceeds the unit value at the start of this settlement period by the daily 3-month Euribor (positive absolute development of the unit value), but not exceeding 20 % of the average value for the UCITS Fund in the settlement period.
Custodian fee*	0.025 % p.a. of the value of the UCITS Fund, calculated on the basis of the average month-end figures for the relevant year, as of the end of the financial year in question but at least EUR 18,000 (eighteen thousand euros) per year.

* The fees indicated in the above table and the front-end load/redemption fee correspond to the fees and the front-end load/redemption fee actually charged at the time of finalization of this Prospectus. These figures may be lower than the maximum amounts permitted in the Special Terms of Investment. In such cases, the Company is free at any time to increase the fees and the front-end load/redemption fee actually charged up to the maximum figures stipulated in the Special Terms of Investment.

C-QUADRAT ARTS Total Return Flexible T (USD)	
Securities identification number (WKN)	A12BKG
ISIN code	DE000A12BKG4
Initial issuing date	March 3, 2015
Initial issuing price:	USD 100
Currency of the unit class	US dollar (USD)
Appropriation of income	income-reinvesting Further details of the appropriation of income may be found in the section “Calculation and appropriation of income – Appropriation of income – Distribution procedure”.
Minimum investment amount (one-off investment)	USD 100
Minimum amount for subsequent payments	USD 100
Minimum amount for savings plan	USD 100
Front-end load*	5 % of the unit value
Redemption fee*	N/A
Management fee*	2.00 % p.a. of the average value of the UCITS Fund in the respective unit class, calculated on the basis of the values at the end of each month.
Performance-related fee*	Up to 20 % (maximum) of the amount by which the unit value at the end of a settlement period exceeds the unit value at the start of this settlement period by the daily 3-month Euribor (positive absolute development of the unit value), but not exceeding 20 % of the average value for the UCITS Fund in the settlement period.
Custodian fee*	0.025 % p.a. of the value of the UCITS Fund, calculated on the basis of the average month-end figures for the relevant year, as of the end of the financial year in question but at least EUR 18,000 (eighteen thousand euros) per year.

* The fees indicated in the above table and the front-end load/redemption fee correspond to the fees and the front-end load/redemption fee actually charged at the time of finalization of this Prospectus. These figures may be lower than the maximum amounts permitted in the Special Terms of Investment. In such cases, the Company is free at any time to increase the fees and the front-end load/redemption fee actually charged up to the maximum figures stipulated in the Special Terms of Investment.

C-QUADRAT ARTS Total Return Flexible H (EUR)	
Securities identification number (WKN)	A2JF84
ISIN code	DE000A2JF840
Initial issuing date	July 2, 2018
Initial issuing price:	EUR 100
Currency of the unit class	Euro
Appropriation of income	income-reinvesting Further details of the appropriation of income may be found in the section “Calculation and appropriation of income – Appropriation of income – Distribution procedure”.
Minimum investment amount (one-off investment)	EUR 100
Minimum amount for subsequent payments	EUR 100
Minimum amount for savings plan	EUR 100
Front-end load*	0 % of the unit value
Redemption fee*	N/A
Management fee*	1.20 % p.a. of the average value of the UCITS Fund in the respective unit class, calculated on the basis of the values at the end of each month.
Performance-related fee*	Up to 20 % (maximum) of the amount by which the unit value at the end of a settlement period exceeds the unit value at the start of this settlement period by the daily 3-month Euribor (positive absolute development of the unit value), but not exceeding 20 % of the average value for the UCITS Fund in the settlement period.
Custodian fee*	0.025 % p.a. of the value of the UCITS Fund, calculated on the basis of the average month-end figures for the relevant year, as of the end of the financial year in question but at least EUR 18,000 (eighteen thousand euros) per year.
Limitation of the group of investors	This unit class is exclusively available for investors who • have concluded separate agreements with the sales agents specified by the capital investment company in relation to the provision of independent advisory services

	or discretionary asset management; or • are professional investors within the meaning of § 1 (19) No. 32 of the German Capital Investment Code. The Company will not pay any remuneration to its sales partners for this unit class. This means that the investor's costs in connection with an investment in this unit class may be lower than the costs associated with an investment in other unit classes of the same fund.

* The fees indicated in the above table and the front-end load/redemption fee correspond to the fees and the front-end load/redemption fee actually charged at the time of finalization of this Prospectus. These figures may be lower than the maximum amounts permitted in the Special Terms of Investment. In such cases, the Company is free at any time to increase the fees and the front-end load/redemption fee actually charged up to the maximum figures stipulated in the Special Terms of Investment.

Performance

In the calendar years (in some cases, short financial years) since the Fund's launch, it has registered the following performance (in %):

C-QUADRAT ARTS Total Return Flexible A (EUR):

November 8 – December 31, 2010:	+ 3.9
Calendar year 2011:	- 13.3
Calendar year 2012:	+ 3.6
Calendar year 2013:	+ 13.1
Calendar year 2014:	+ 8.2
Calendar year 2015:	0.0
Calendar year 2016:	- 2.6
Calendar year 2017:	+ 10.3

C-QUADRAT ARTS Total Return Flexible T (EUR):

December 13 – December 31, 2010:	+ 1.8
Calendar year 2011:	- 13.3
Calendar year 2012:	+ 3.5
Calendar year 2013:	+ 13.0
Calendar year 2014:	+ 7.9
Calendar year 2015:	+ 0.2
Calendar year 2016:	- 2.6
Calendar year 2017:	+ 10.3

C-QUADRAT ARTS Total Return Flexible T (PLN):

June 1 – December 31, 2012:	+ 2.0
Calendar year 2013:	+ 12.6
Calendar year 2014:	+ 8.2
Calendar year 2015:	+ 1.0
Calendar year 2016:	- 0.8
Calendar year 2017:	+ 11.6

C-QUADRAT ARTS Total Return Flexible T (USD)

March 3 – December 31, 2015:	- 10.0
Calendar year 2016:	- 3.3
Calendar year 2017:	+ 11.6

C-QUADRAT ARTS Total Return Flexible H (EUR)
This unit class is a newly launched unit class. Accordingly, it is not possible to provide details of the historical performance of this unit class in this Prospectus.

The performance has been calculated in accordance with the “BVI method”.

The Fund’s historical performance does not permit any forecast of its future performance.

Please see the current information in the annual and semi-annual report and at www.hansainvest.de regarding the details of the Fund’s performance since publication of this Prospectus.

Overview of the Parties

Capital Investment Company

HANSAINVEST
Hanseatische Investment-GmbH
Postfach 60 09 45
22209 Hamburg

Street address:
Kapstadtring 8
22297 Hamburg

Commercial register B 12 891
Hamburg Local Court (*Amtsgericht Hamburg*)

Tel.: (040) 300 57- 62 96
Fax: (040) 300 57- 61 42
Internet: www.hansainvest.de
E-mail: service@hansainvest.de

Subscribed and paid-in capital:
EUR 10,500,000.00

Shareholders

SIGNAL IDUNA Allgemeine Versicherung AG, Dortmund
SIGNAL IDUNA Vereinigte Lebensversicherung aG, Hamburg

Board of Directors

Nicholas Brinckmann
(also member of the board of directors of HANSAINVEST Real Assets GmbH)

Marc Driessen
(also deputy president of the board of directors of HANSAINVEST LUX S.A.)

Dr. Jörg W. Stotz
(also president of the board of directors of HANSAINVEST LUX S.A. and member of the board of directors of SIGNAL IDUNA Asset Management GmbH and HANSAINVEST Real Assets GmbH)

Supervisory Board

Martin Berger (chairman),
Member of the management board of SIGNAL IDUNA Group, Hamburg
(also chairman of the supervisory board of SIGNAL IDUNA Asset Management GmbH)

Dr. Karl-Josef Bierth
Member of the management board of SIGNAL IDUNA Group, Hamburg
(also deputy chairman of the supervisory board of DONNER & REUSCHEL AG, Hamburg)

Thomas Gollub
Advisor of Aramea Asset Management AG

Dr. Thomas A. Lange
Chairman of the management board of National-Bank AG, Essen

Prof. Dr. Stephan Schüller
Businessman

Prof. Dr. Harald Stützer
Managing partner of STUETZER Real Estate Consulting GmbH, Neufahrn

Deposits

UniCredit Bank AG, Munich
(previously Bayerische Hypo- und Vereinsbank)
BIC: HYVEDEMM300
IBAN: DE15200300000000791178

Custodian

CACEIS Bank France S.A. German branch
Lilienthalallee 34-36
80939 Munich

Portfolio management

C-QUADRAT Wealth Management GmbH
Schottenfeldgasse 20
A-1070 Vienna
Austria

Onward outsourcing of portfolio management:

ARTS Asset Management GmbH
Siegfried Ludwig-Platz 2
A-3100 St. Pölten

www.arts.co.at
Companies register:
St. Pölten Regional Court (*Landesgericht St. Pölten*), FN 251755 d
Managing directors: Thomas Riess, Leopold Willert

Marketing company

C-QUADRAT Wealth Management GmbH
Schottenfeldgasse 20
A-1070 Vienna
Austria

Internet: www.c-quadrat.at
Companies register: Vienna Commercial Court (*Handelsgericht Wien*), FN 200444x
Managing directors: Christian Jost, Andreas Wimmer

Auditor

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft
Friedrich-Ebert-Anlage 37
60327 Frankfurt am Main

CAPITAL INVESTMENT COMPANY

Company name, legal form and registered office

HANSAINVEST Hanseatische Investment-GmbH, seated in Hamburg, is a capital investment company within the meaning of the German Capital Investment Code. The Company was established on April 2, 1969 and has the legal form of a limited-liability company (*Gesellschaft mit beschränkter Haftung*, *GmbH*). The Company's head office is situated in Hamburg. The Company initially received a license to issue funds on June 24, 1969. The Company is licensed as an external AIF capital investment company and as a UCITS capital investment company under the German Capital Investment Code. Accordingly, besides undertakings for collective investment in transferable securities (UCITS) pursuant to § 1 (2) in combination with §§ 192ff. of the German Capital Investment Code it may manage the following domestic Investment Funds:

- mixed Investment Funds pursuant to §§ 218f. of the German Capital Investment Code,
- other Investment Funds pursuant to §§ 220ff. of the German Capital Investment Code,
- funds of hedge funds pursuant to §§ 225ff. of the German Capital Investment Code,
- real property funds pursuant to §§ 230ff. of the German Capital Investment Code,
- closed-end domestic retail AIFs pursuant to §§ 261ff. of the German Capital Investment Code which invest in the following assets:
    - real estate including woods, forests and agricultural land,
    - ships, ship superstructure, ship components and ship replacement parts,
    - aircraft, aircraft components and aircraft replacement parts,
    - installations for the creation, transportation and storage of electricity, gas or heating derived from renewable energy sources,
    - rail vehicles, rail vehicle components and rail vehicle replacement parts,
    - containers,
    - infrastructure which is used for assets within the meaning of § 261 (2) Nos. 2, 4 and 5 of the German Capital Investment Code,
    - the assets pursuant to § 261 (1) nos. 2 to 6 of the German Capital Investment Code,
    - securities in accordance with § 193 of the German Capital Investment Code,
    - money market instruments in accordance with § 194 of the German Capital Investment Code,
    - bank deposits in accordance with § 195 of the German Capital Investment Code.
    - cash loans in accordance with §§ 261 (1) No. 8, 285 (3) Clauses 1 and 3 of the German Capital Investment Code extended to companies in which the closed-end retail AIF already holds an interest,
- closed-end domestic special AIFs in accordance with §§ 285ff. of the German Capital Investment Code – including AIFs which obtain control over non-stock market-listed companies and issuers pursuant to §§ 287ff. of the German Capital Investment Code – which invest in the following assets:
    - real estate including woods, forests and agricultural land,
    - ships, ship superstructure, ship components and ship replacement parts,
    - aircraft, aircraft components and aircraft replacement parts,
    - installations for the creation, transportation and storage of electricity, gas or heating derived from renewable energy sources,
    - rail vehicles, rail vehicle components and rail vehicle replacement parts,
    - containers,
    - infrastructure which is used for assets within the meaning of § 261 (2) Nos. 2, 4 and 5 of the German Capital Investment Code,
    - the assets pursuant to § 261 (1) nos. 2 to 6 of the German Capital Investment Code,
    - securities in accordance with § 193 of the German Capital Investment Code,

    - money market instruments in accordance with § 194 of the German Capital Investment Code,
    - bank deposits in accordance with § 195 of the German Capital Investment Code.
    - cash loans in accordance with § 285 (2) of the German Capital Investment Code,
    - cash loans pursuant to §§ 285 (3) of the German Capital Investment Code extended to companies in which the closed-end special AIF already holds an interest,
- open-end domestic special AIFs with fixed terms of investment pursuant to § 284 of the German Capital Investment Code that invest in the following assets: the assets indicated in § 284 (1) and (2) of the German Capital Investment Code and cash loans pursuant to §§ 284 (5), 285 (3) of the German Capital Investment Code extended to companies in which the special AIF already holds an interest,
- general open-end domestic special AIFs pursuant to § 282 of the German Capital Investment Code – including hedge funds pursuant to § 283 of the German Capital Investment Code – that invest in the following assets:
    - the assets indicated in § 284 (1) and (2) of the German Capital Investment Code,
    - hedge funds pursuant to § 283 of the German Capital Investment Code,
    - closed-end domestic retail AIFs pursuant to §§ 261ff. of the German Capital Investment Code which invest in the following assets:
        - real estate including woods, forests and agricultural land,
        - ships, ship superstructure, ship components and ship replacement parts,
        - aircraft, aircraft components and aircraft replacement parts,
        - installations for the creation, transportation and storage of electricity, gas or heating derived from renewable energy sources,
        - rail vehicles, rail vehicle components and rail vehicle replacement parts,
        - containers,
        - infrastructure which is used for assets within the meaning of § 261 (2) Nos. 2, 4 and 5 of the German Capital Investment Code,
        - the assets pursuant to § 261 (1) nos. 2 to 6 of the German Capital Investment Code,
        - securities in accordance with § 193 of the German Capital Investment Code,
        - money market instruments in accordance with § 194 of the German Capital Investment Code,
        - bank deposits in accordance with § 195 of the German Capital Investment Code.
        - cash loans in accordance with §§ 261 (1) No. 8, 285 (3) Clauses 1 and 3 of the German Capital Investment Code extended to companies in which the closed-end retail AIF already holds an interest,
    - closed-end domestic special AIFs in accordance with §§ 285ff. of the German Capital Investment Code – including AIFs which obtain control over non-stock market-listed companies and issuers pursuant to §§ 287ff. of the German Capital Investment Code – which invest in the following assets:
        - real estate including woods, forests and agricultural land,
        - ships, ship superstructure, ship components and ship replacement parts,
        - aircraft, aircraft components and aircraft replacement parts,
        - installations for the creation, transportation and storage of electricity, gas or heating derived from renewable energy sources,
        - rail vehicles, rail vehicle components and rail vehicle replacement parts,
        - containers,
        - infrastructure which is used for assets within the meaning of § 261 (2) Nos. 2, 4 and 5 of the German Capital Investment Code,
        - the assets pursuant to § 261 (1) nos. 2 to 6 of the German Capital Investment Code,
        - securities in accordance with § 193 of the German Capital Investment Code,
        - money market instruments in accordance with § 194 of the German Capital Investment Code,

- bank deposits in accordance with § 195 of the German Capital Investment Code.
- cash loans in accordance with § 285 (2) of the German Capital Investment Code,
- cash loans pursuant to §§ 285 (3) of the German Capital Investment Code extended to companies in which the closed-end special AIF already holds an interest,

The Company may also manage EU UCITS, EU AIFs or foreign AIFs whose permitted assets match those held by domestic investment funds.

Equity capital and additional equity resources

The Company's subscribed and paid-in capital amounts to EUR 10,500,000.00.

The Company has made provision for the professional liability risks which result from its management of investment funds which do not fall under the scope of the UCITS Directive ("alternative investment funds", "AIF") and which are attributable to the professional negligence of its executive bodies or its employees by means of equity resources amounting to at least 0.01 % of the value of the portfolios of all AIF managed by it. This amount is subject to annual verification and adjustment. These equity resources are included in the paid-in capital.

CUSTODIAN

Identity of the custodian

The credit institution CACEIS Bank France S.A., , with a German branch office situated at Lilienthalallee 34-36, 80939 Munich, has assumed the function of the Fund's custodian. The custodian is a credit institution under German law.

Tasks of the custodian

The German Capital Investment Code stipulates separate management and custody of funds. The custodian holds the assets on blocked (custody) accounts In case of assets which cannot be held in custody, the custodian will verify whether the management company has obtained ownership of these assets. It monitors the Company's asset dispositions for compliance with the provisions of the German Capital Investment Code and the Terms of Investment. Investments may only be made in bank deposits at another credit institution and such bank deposits may only be disposed of with the custodian's consent. The custodian must issue its consent if such investment or disposition is compatible with the Terms of Investment and the provisions of the German Capital Investment Code.

In addition, the custodian performs the following tasks in particular:

- issuance and redemption of units in the Fund,
- ensuring that units are issued, redeemed and valued in accordance with the provisions of the German Capital Investment Code and the Fund's Terms of Investment,
- ensuring that it receives the proceeds of transactions executed for joint account of the investors within the normal time limits,
- ensuring that the income of the Fund is appropriated pursuant to the German Capital Investment Code and the Terms of Investment,
- monitoring of any borrowing by the Company for account of the Fund and, where applicable, consent to such borrowing,
- ensuring that enforceable collateral is provided for securities lending transactions and is available at any time.

Conflicts of interest

The following conflicts of interest may arise from the assumption of the function of custodian for the Fund.

- No conflict of interest was identified as of preparation of this Prospectus.

Sub-custody

In the following countries, the custodian has transferred custody of the assets to the following sub-custodians:

Country	Sub-custodian
Albania	Raiffeisen Bank sh.a, Tirania
Argentina	Citibank, N.A.*, Buenos Aires
Australia	The Hongkong and Shanghai Banking Corporation Ltd., Sydney

Austria	Deutsche Bank AG, Vienna
Austria	UniCredit Bank Austria AG, Vienna
Bahrein	HSBC Bank Middle East Limited, Bahrein
Bangladesh	Standard Chartered Bank, Dhaka
Belgium	Deutsche Bank AG, Amsterdam
Benin	via Standard Chartered Bank Cote d’Ivoire S.A., Abidjan/Ivory Coast
Bermuda	HSBC Bank Bermuda Limited, Hamilton
Bosnia and Herzegovina	UniCredit Bank d.d, Sarajevo
Botswana	Standard Chartered Bank Botswana Ltd., Gaborone
Brazil	Citibank, N.A., São Paulo
Bulgaria	Citibank Europe plc, Sofia
Bulgaria	UniCredit Bulbank AD, Sofia
Burkina Faso	via Standard Chartered Bank Cote d’Ivoire S.A., Abidjan/Ivory Coast
Canada	State Street Trust Company Canada, Toronto
Chile	Banco Itaú Chile, Chile
China	HSBC Bank (China) Company Limited, Shanghai
China	China Construction Bank Corporation, Beijing
China	The Hongkong and Shanghai Banking Corporation Limited, Hongkong
China	Citibank N.A., Hong Kong
China	Standard Chartered Bank (Hong Kong) Limited, Hong Kong
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria, Bogota
Costa Rica	Banco BCT S.A., San José
Croatia	Privredna banka Zagreb d.d., Zagreb
Croatia	Zagrebacka Banka d.d., Zagreb
Cyprus	BNP Paribas Securities Services, S.C.A., Athens
Czech Republic	Československá obchodni banka, a.s., Czech Republic
Czech Republic	UniCredit Bank Czech Republic and Slovakia, a.s., Prague
Denmark	Skandinaviska Enskilda Banken AB (publ), Copenhagen
Denmark	Nordea Bank AB (publ), Copenhagen
Egypt	HSBC Bank Egypt S.A.E., Cairo
Estonia	AS SEB Pank, Tallinn

Finland	Skandinaviska Enskilda Banken AB (publ), Helsinki
Finland	Nordea Bank AB (publ), Helsinki
France	Deutsche Bank A.G., Amsterdam
Georgia	JSC Bank of Georgia, Tbilisi
Germany	State Street Bank GmbH, Munich
Ghana	Standard Chartered Bank Ghana Limited, Accra
United Kingdom	State Street Bank and Trust Company, United Kingdom branch, Edinburgh/Scotland
Greece	BNP Paribas Securities Services, S.C.A., Athens
Guinea-Bissau	via Standard Chartered Bank Cote d'Ivoire S.A., Abidjan
Hong Kong	Standard Chartered Bank(Hong Kong) Ltd., Hong Kong
Hungary	UniCredit Bank Hungary Zrt., Budapest
Hungary	Citibank Europe plc Magyarországi Fióktelepe, Budapest
Iceland	Landsbankinn hf., Reykjavik
India	Deutsche Bank AG, Mumbai
India	The Hongkong and Shanghai Banking Corporation Limited, Mumbai
Indonesia	Deutsche Bank AG, Jakarta
Ireland	State Street Bank and Trust Company, Edinburgh
Israel	Bank Hapoalim B.M., Tel Aviv
Italy	Deutsche Bank S.p.A., Milan
Italy	Intesa Sanpaolo S.p.A., Milan
Ivory Coast	Standard Chartered Bank Cote d'Ivoire S.A., Abidjan
Jamaica	Scotia Investments Jamaica Limited, Kingston
Japan	Mizuho Bank, Ltd., Tokyo
Japan	The Hongkong and Shanghai Banking Corporation Limited, Tokyo
Jordan	Standard Chartered Bank, Amman
Kazakhstan	JSC Citibank Kazakhstan, Almaty
Kenya	Standard Chartered Bank Kenya Limited Custody Services Standard Chartered @ Chiromo, Level 5, Nairobi
Korea	Deutsche Bank AG, Seoul The Hongkong and Shanghai Banking Corporation Limited, Seoul
Kuwait	HSBC Bank Middle East Limited, Safat

Latvia	AS SEB banka, Riga
Lebanon	HSBC Bank Middle East Limited, Beirut
Lithuania	AB SEB bankas, Vilnius
Malawi	Standard Bank Limited, Blantyre
Malaysia	Deutsche Bank (Malaysia) Berhad, Kuala Lumpur
Malaysia	Standard Chartered Bank Malaysia Berhad, Kuala Lumpur
Mali	via Standard Chartered Bank Cote d'Ivoire S.A., Abidjan/Ivory Coast
Mauritius	The Hongkong and Shanghai Banking Corporation Limited, Ebene
Mexico	Banco Nacional de México S.A., Mexico
Morocco	Citibank Maghreb, Casablanca
Namibia	Standard Bank Namibia Limited, Windhoek
Netherlands	Deutsche Bank AG, Amsterdam
New Zealand	The Hongkong and Shanghai Banking Corporation Ltd., Auckland
Niger	via Standard Chartered Bank Cote d'Ivoire S.A., Abidjan/Ivory Coast
Nigeria	Stanbic IBTC Bank Plc, Lagos
Norway	Skandinaviska Enskilda Banken AB (publ), Oslo
Norway	Nordea Bank AB (publ), Oslo
Oman	HSBC Bank Oman S.A.O.G., Seeb
Pakistan	Deutsche Bank AG, Karachi
Palestine	HSBC Bank Middle East Limited, Ramallah
Panama	Citibank, N.A., Apartado/Panama
Peru	Citibank del Perú, S.A., Lima
Philippines	Deutsche Bank AG, Makati City
Poland	Bank Handlowy w Warszawie S.A., Warsaw
Poland	Bank Polska Kasa Opieki S.A, Warsaw
Portugal	Deutsche Bank AG, Amsterdam/Netherlands
Puerto Rico	Citibank, N.A., San Juan
Qatar	HSBC Bank Middle East Limited, Doha
Republika Srpska	UniCredit Bank d.d., Sarajevo/Bosnia and Herzegovina
Romania	Citibank Europe plc, Dublin - Romania Branch, Bucharest
Russia	Limited Liability Company Deutsche Bank, Moscow

Saudi Arabia	HSBC Saudi Arabia Limited, Riyadh
Senegal	via Standard Chartered Bank Cote d'Ivoire S.A., Abidjan/Ivory Coast
Serbia	UniCredit Bank Serbia JSC, Belgrade
Singapore	Citibank N.A., Singapore
Singapore	United Overseas Bank Ltd., Singapore
Slovak Republic	UniCredit Bank Czech Republic and Slovakia, a.s., Bratislava
Slovenia	UniCredit Banka Slovenija d.d., Ljubljana
South Africa	FirstRand Bank Limited, Johannesburg
South Africa	Standard Bank of South Africa Ltd., Johannesburg
Spain	Deutsche Bank S.A.E., Madrid
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited, Colombo
Swaziland	Standard Bank, Mbabane
Sweden	Skandinaviska Enskilda Banken AB (publ), Stockholm
Sweden	Nordea Bank AB (publ), Stockholm
Switzerland	UBS Switzerland AG, Zurich
Switzerland	Credit Suisse AG, Zurich
Taiwan - R.O.C.	Deutsche Bank AG, Taipei
Taiwan - R.O.C.	Standard Chartered Bank(Taiwan) Limited, Taipei
Tanzania	Standard Chartered Bank(Tanzania) Limited, Dar es Salaam
Thailand	Standard Chartered Bank (Thai) Public Company Limited, Bangkok, Thailand
Togo	via Standard Chartered Bank Cote d'Ivoire S.A., Abidjan/Ivory Coast
Tunisia	Banque Internationale Arabe de Tunisie, Tunis
Turkey	Citibank, A.Ş., Istanbul
Turkey	Deutsche Bank A.Ş., Istanbul
United Arab Emirates - ADX	HSBC Bank Middle East Limited, Dubai
United Arab Emirates - DFM	HSBC Bank Middle East Limited, Dubai
United Arab Emirates - DIFC	HSBC Bank Middle East Limited, Dubai
Uganda	Standard Chartered Bank Uganda Limited, Kampala
Ukraine	PJSC Citibank, Kiev
United States	State Street Bank and Trust Company, Boston

Uruguay	Banco Itaú Uruguay S.A., Montevideo
Venezuela	Citibank, N.A., Caracas
Vietnam	HSBC Bank (Vietnam) Ltd., Ho Chi Minh City
Zambia	Standard Chartered Bank Zambia Plc., Lusaka
Zimbabwe	Stanbic Bank Zimbabwe Limited, Harare

According to the custodian, the above-mentioned companies' sub-custody role does not entail any conflicts of interest.

The custodian has provided HANSAINVEST with the information in this section. HANSAINVEST has merely verified the plausibility of this information. However, it receives this information from the custodian and is unable to undertake a detailed review of its accuracy and completeness.

The above list of sub-custodians may change at any time. The most recent (i.e. current) list of sub-custodians which the custodian has provided to the Company may be obtained from the Company's website www.hansainvest.de.

Liability of the custodian

As a general rule, the custodian is responsible for any assets which are held by it or which are held by another custodian with its consent. The custodian will be liable to the Fund and its investors in the event of the loss of such an asset, unless such loss is attributable to events beyond the custodian's control. In principle, the custodian will only be liable for damage not associated with the loss of an asset if it has, at very least, been negligent in failing to comply with its obligations under the German Capital Investment Code.

Additional information

Upon demand, the Company shall provide the investors with up-to-date information regarding the custodian and its duties, the sub-custodians and possible conflicts of interest associated with the activity of the custodian or the sub-custodians.

RISK NOTICES

Before deciding whether to purchase units in the Fund, investors are advised to carefully read the following risk notices in conjunction with the other information provided in this Prospectus and to consider this in making their investment decision. Realization of one or more of these risks may, in itself or together with other circumstances, adversely affect the development of the Fund or of the assets held in the Fund and thus also adversely influence the value of a unit.

If the investor sells units in the Fund at a time when the prices of the assets held by the Fund are lower than when the units were purchased, he will not recover the capital which he has invested in the Fund or will not recover the full value of this capital. The investor may even lose some or all of the capital which he has invested in the Fund. Growth cannot be guaranteed. The investor's risk exposure is limited to the sum invested. The investor is not required to make subsequent contributions above and beyond his capital contribution.

As well as the risks and uncertainties outlined below and elsewhere in this Prospectus, the performance of the Fund may also be impaired by various other risks and uncertainties which are not known at the present time. The order in which the following risks are listed does not constitute any indication as to the probability of their realization or as to the scope of specific risks or their significance upon realization.

Risks associated with an investment in the Fund

The risks typically associated with an investment in a UCITS are listed below. These risks may adversely affect the value of a unit, the capital invested by the investor or the investor's envisaged holding period for his investment in the Fund.

Fluctuation of the Fund's unit value

The Fund's unit value consists of the value of the Fund divided by the number of units in circulation. The value of the Fund corresponds to the total market values of all of the assets held in the Fund less the total market values of all of the Fund's liabilities. The Fund's unit value is therefore dependent on the value of the assets held in the Fund and the value of the Fund's liabilities. If the value of these assets decreases or the value of these liabilities increases, this will cause the value of a unit in the Fund to fall.

Effect of tax issues on the specific outcome for the investor

The tax treatment of investment income will depend on the investor's specific circumstances and may change over time. The investor should consult his personal tax advisor in case of any queries, particularly in relation to his specific tax situation. The investor's non-tax situation should also be considered in making any investment decision.

Amendment of the investment policy or the Terms of Investment

The Company may amend the Terms of Investment subject to the approval of the German Federal Financial Supervisory Authority. This may also affect rights of the investor. For instance, the Company may amend the Fund's investment policy by amending the Terms of Investment, or it may increase the costs charged to the Fund. The Company may also amend the investment policy within the scope of the range of investments permitted contractually and by law, i.e. without amending the Terms of Investment and related approval from the German Federal Financial Supervisory Authority. This may alter the level of risk associated with the Fund.

Suspension of redemption of units

In principle, investors may require the redemption of their units by the Company on each valuation date. However, the Company may temporarily suspend redemption of units if extraordinary circumstances arise that make such suspension appear necessary in the interests of the investors. Such extraordinary circumstances may include economic or political crises, an unusual volume of redemption applications or the closure of stock exchanges or markets, trading restrictions or other factors which impair determination of the unit value. The German Federal Financial Supervisory Authority may also require the Company to suspend redemption of units if this is in the interests of the investors or the general public. During this time, the investor will not be able to redeem his units. The unit value may also fall in case of suspension of redemption of units, e.g. if the Company is forced to sell assets below their market value while redemption of units is suspended. The Company will be entitled not to redeem the units until it has resumed redemption of units at the redemption price then applicable. The unit value upon resumption of redemption of units may be lower than prior to the suspension of redemption. The Fund may be directly liquidated following a suspension, without any resumption of the redemption of units, e.g. if the Company terminates its management of the Fund in order to liquidate the Fund. Investors are therefore exposed to the risk that they may not be able to hold their investment for the length of time envisaged and that significant portions of their invested capital may not be available, for an indefinite period, or may be lost entirely.

Possible range of investments

In view of the investment principles and limits laid down by the German Capital Investment Code and the Terms of Investment – which stipulate a very wide scope for the Fund – the actual investment policy may focus on purchasing assets which are limited to a small number of sectors, markets or regions/countries, for example. This concentration on just a few special investment sectors may entail particular opportunities as well as corresponding risks (e.g. market tightness, strong level of fluctuation during certain economic cycles). The annual report provides a retrospective review of the Fund's investment policy for the past reporting year.

Liquidation of the Fund

The Company is entitled to terminate its management of the Fund. The Company may liquidate the Fund entirely upon termination of its management activities. Following a notice period of six months, the right of disposal over the Fund will be transferred to the custodian. Investors are therefore exposed to the risk that they may not be able to hold their investment for the length of time envisaged. The Fund may incur taxes other than German taxes on income at the Fund's transfer to the custodian. If the units in the Fund are removed from the investor's custody account upon termination of the liquidation procedure, the investor may incur taxes on income.

Transfer of all of the assets in the Fund to another investment fund (merger)

The Company may transfer all of the assets in the Fund to a different investment fund. In this case, the investor may (i) surrender his units, (ii) retain them, thus becoming an investor in the absorbing investment fund, (iii) or exchange them for units in an investment fund with similar investment principles, insofar as the Company or an affiliate manages such an investment fund with similar investment principles. This will equally apply in the event of the Company transferring all of the assets of another investment fund to the Fund. The investor will therefore be required to make a new investment decision prematurely, at the time of this transfer. Taxes on income may be levied upon the surrender of units. The investor may incur taxes at the conversion of units into units in an investment fund with similar investment principles, e.g. if the value of the units received exceeds the value of the investor's old units at the time of purchase.

Transfer of the Fund to another capital investment company

The Company may transfer the Fund to another capital investment company. This will not change either the Fund or the position of the investor. However, within the scope of the transfer the investor must decide whether he considers the new capital investment company to be as suitable as the current capital investment company. If he does not wish to continue to invest in the Fund under new management, he must surrender his units. Taxes on income may arise.

Profitability and fulfillment of the investor’s investment goals

No guarantee can be provided that the investor will achieve his desired investment outcome. The value of a unit in the Fund may fall and cause the investor to suffer losses. Neither the Company nor third parties have provided any guarantee in regard to a specific minimum payment commitment upon surrender or in regard to a specific investment outcome for the Fund. Investors may thus receive an amount which is less than their original investment. Moreover, a front-end load paid upon purchase of units or a redemption fee paid at the sale of units may reduce the target financial performance of an investment or even deplete this entirely, particularly in case of a short investment period.

Risks associated with a negative performance for the Fund (market risk)

The market risk is the risk of loss associated with an Investment Fund which results from fluctuations in the market value of positions in this Investment Fund’s portfolio on account of changes in market variables such as interest rates, exchange rates, equity and commodity prices as well as changes in an issuer’s credit rating.

The risks associated with the Fund’s investments in individual assets are outlined below. These risks may impair the performance of the Fund or its assets and thus adversely affect the value of a unit and the capital invested by the investor. If the investor sells units in the Fund at a time when the prices of the assets held by the Investment Fund are lower than when the units were purchased, the investor will not recover the money which he has invested in the Fund or will not recover the full value of this investment.

Risks of changes in value

The assets in which the Company invests for account of the Fund are exposed to risks. For example, losses may be incurred if the market value of these assets falls in relation to the purchase price or if cash settlement prices and forward rates vary in terms of their development.

Capital market risk

The price or market value trend for financial products depends in particular on the development of the capital markets which, for their part, are affected by the general situation of the world economy and by economic and political outline conditions in individual countries. Irrational factors such as sentiment, opinions and rumors may also influence general price trends, especially on the stock exchange. Fluctuations in market values may also be attributable to changes in interest rates, exchange rates or the credit rating of an issuer.

Risks of changes in equity prices

As is well known, equities are subject to strong price fluctuations and thus also the risk of price falls. In particular, these price fluctuations are affected by the profit trend for the issuing company as well as developments in its business sector and the trend for the overall economy. Market participants’ level of confidence in the company in question may also affect its price trend. This is particularly true of companies whose equities have only been licensed on the stock exchange or another organized market for a short period of time; even slight changes in the forecasts for such equities may lead to strong price movements. If the volume of freely tradable equities held by a large number of shareholders (free float) accounts for a small proportion of total ownership of this stock, even small purchase and sales orders may have a strong effect on the market price and thus lead to increased price fluctuations.

The value of equities does not always reflect the actual asset value of the company in question. Accordingly, these values may be subject to major and rapid levels of fluctuation in case of changing market conditions or in case of changing assessments on the part of market participants regarding the value of these investments. In addition, the rights resulting from equities will only be satisfied after the claims of all other creditors of the issuer have been fulfilled. Equities are therefore generally subject to larger fluctuations in value than interest-bearing securities, for instance.

In view of the risk of larger and more frequent fluctuations in equity values, the equities featured in the Fund may thus lead to correspondingly larger and more frequent changes in the Fund's value.

Interest-rate fluctuation risk

When investing in fixed-income securities, the market interest rate prevailing at the time of issue for a security may change. If market interest rates rise in relation to the interest rates prevailing at the time of issue, the prices of the fixed-income securities will usually fall. By contrast, if market interest rates fall, the prices of fixed-income securities will rise. This market trend means that current returns for fixed-income securities roughly correspond to current market interest rates. However, price fluctuations vary in accordance with the (remaining) time to maturity of fixed-income securities. Fixed-income securities with shorter maturities offer lower price risks than fixed-income securities with longer maturities. By contrast, fixed-income securities with shorter maturities generally have lower returns than fixed-income securities with longer maturities. Due to their short term of a maximum of 397 days, money market instruments are generally exposed to lower price risks. In addition, the interest rate trends for various interest rate-based financial instruments which are denominated in the same currency and have similar residual maturities may vary.

Risk of negative credit interest

The Company invests liquid resources of the Fund with the custodian or other banks for account of the Fund. For these bank deposits, in some cases an interest rate has been agreed which corresponds to the European Interbank Offered Rate (Euribor) minus a specific margin. Should the Euribor fall below the agreed margin, this will result in negative interest rates on the relevant account. Insofar as other procedures have been agreed with a similar effect, they may likewise result in negative interest rates on the relevant account. Depending on the development of the European Central Bank's interest-rate policy, short-, medium- and even long-term bank deposits may attract a negative rate of interest.

Risk of changes in prices of convertible and warrant-linked bonds

Convertible and warrant-linked bonds entitle the bearer to convert the bond into equities or to purchase equities. The development of the value of convertible and warrant-linked bonds therefore depends on the price trend for the equity as the underlying instrument. The risks associated with the performance of the underlying equities may therefore also affect the performance of the convertible and warrant-linked bonds. Warrant-linked bonds which entitle the issuer to deliver to the investor a predetermined volume of equities (reverse convertibles) instead of repaying a nominal amount are even more dependent on the corresponding equity price.

Risks associated with derivatives transactions

The Company may enter into derivatives transactions for the Fund. Derivatives transactions involve futures contracts which are entered into on the basis of specific underlyings. The term "derivatives" refers to financial instruments whose price is derived from the underlying market asset. The purchase and sale of options and the execution of futures contracts or swaps are associated with the following risks:

- The use of derivatives may give rise to losses which are not foreseeable and which may even exceed the amounts committed for the derivatives transaction.

- Changes in the price of the underlying instrument may reduce the value of an option or futures contract. In the event of its value falling and the derivative thus becoming worthless, the Company may be compelled to accept forfeiture of the purchased rights, without the return of the invested capital. The Fund may also suffer losses as a result of changes in the value of the underlying asset for a swap.

- A liquid secondary market for a specific instrument may not be available at a given time. In this case, it may not be possible to neutralize (close out) a derivatives position economically.

- The leverage effect of options may influence the value of the Fund to a greater extent than the direct purchase of the underlying instruments. It may not be possible to determine the risk of loss at the time of conclusion of the transaction.

- Purchasing options carries the risk that the option will not be exercised because the prices of the underlying instruments do not develop as expected, resulting in the expiry of the option premium paid by the Fund. When options are sold, there is a risk that the Fund will be required to pay a price higher than the current market price when purchasing assets, or to deliver assets at a price lower than the current market price. In this case, the Fund will suffer a loss in the amount of the difference in price less the option premium received.

- In case of futures contracts, there is a risk of the Company being obliged for account of the Fund to bear the difference between the price as of the transaction's conclusion and the market price at the time of its closing-out or its maturity date. The Fund would thus suffer losses. It is not possible to determine this loss risk as of the time of entry into the futures contract.

- Offsetting transactions (closing-out) entail costs.

- The Company's forecasts for the future development of underlying assets, interest rates, prices and foreign exchange markets may subsequently prove to be incorrect. A derivatives transaction may thus subsequently prove to be financially disadvantageous.

- It may not be possible to purchase or sell the derivatives' underlying assets at a favorable moment, and it may be necessary to purchase or sell them at an unfavorable moment.

The following risks may apply in case of over-the-counter (OTC) transactions:

- An organized market may not be available, so that the Company has difficulty in selling the financial instruments purchased for account of the Fund on the OTC market or is unable to do so at all.

- It may be difficult or impossible to enter into an offsetting transaction (closing-out) due to the individual agreement, or this may entail significant costs.

Risks for securities lending transactions

In the event of the Company lending securities for account of the Fund, it will transfer them to a borrower which will return the same type, volume and quality of securities upon termination of the transaction (securities loan). For the period of this transaction, the Company will not be able to dispose of loaned securities. Should the security suffer a loss of value during this transaction and the Company wish to sell this security outright, it must terminate the lending transaction and await completion of the normal settlement cycle. This may entail a loss risk for the Fund.

Risks for repurchase agreements

In the event of the Company selling securities under agreements to repurchase them, it will thus sell these securities subject to an obligation to repurchase them at the end of the respective period, subject to a premium. The repurchase price and the premium payable by the seller at the end of the period will be specified upon conclusion of the transaction. If the securities sold under an agreement to repurchase them suffer a loss of value during the transaction period and the Company wishes to sell them in order to limit this loss of value, it may only do so while exercising its right of premature termination. Premature termination of the transaction may entail financial losses for the Fund. In addition, the premium payable at the end of the period may be higher than the income which the Company has realized by reinvesting the cash proceeds received as the selling price.

In the event of the Company purchasing securities under agreements to resell them, it will thus purchase them subject to an obligation to resell them at the end of the respective period. The repurchase price plus a premium will already be specified upon conclusion of the transaction. The securities purchased under a resale agreement shall serve as collateral for provision of liquidity to the counterparty. The Fund will not benefit from any increase in the value of the securities.

Risks associated with the receipt of collateral

The Company shall receive collateral for derivatives transactions, securities lending transactions and repurchase agreements. Derivatives, loaned securities or securities sold under an agreement to repurchase them may increase in value. In this case, the collateral received may no longer be sufficient in order to fully cover the Company's delivery or retransfer claim against the counterparty.

The Company may invest cash collateral on blocked accounts, in high-quality government bonds or in money market funds with short-term maturity structures. However, the credit institution holding these bank deposits may default. Government bonds and money market funds may develop negatively. Upon termination of the transaction, the invested collateral may no longer be fully available even though the Company is required to return the volume of this collateral which was originally granted. In this case, the Fund would be required to bear the losses suffered in relation to the collateral.

Risk for securitization positions excluding amount retained for first loss exposure

The Fund may only purchase securities which securitize receivables (securitization positions) that were issued after January 1, 2011 if the debtor retains at least 5 % of the securitization volume as "first loss exposure" and complies with further requirements. The Company is therefore obliged in the interests of the investors to implement remedial measures in case of securitizations held in the Fund's assets not complying with these EU standards. Within the scope of these remedial measures, the Company may be forced to sell such securitization positions. Due to legal requirements affecting banks, investment companies and insurers, the Company may be unable to sell such securitization positions or may only be able to do so at strong price discounts or subject to a considerable delay.

Inflation risk

Inflation presents a devaluation risk for all assets. This also applies for the assets held in the Fund. The rate of inflation may exceed the Fund's level of growth.

Currency risk

Assets of the Fund may be invested in a currency which differs from the Fund's currency. The Fund will receive the income, repayments and proceeds of such investments in the other currency. Should the value of this currency fall in relation to the Fund's currency, the value of such investments will decrease and so will the value of the Fund's assets.

The currency of the unit classes **C-QUADRAT ARTS Total Return Flexible A (EUR)** and **C-QUADRAT ARTS Total Return Flexible T (EUR)** is the euro.

The currency of the unit class **C-QUADRAT ARTS Total Return Flexible T (PLN)** is the zloty. This means that the investor will purchase units in the Fund in PLN. At the purchase and surrender of units in the Fund for a EUR custody account, the investor's EUR payments will be converted into PLN. The investor is exposed to the risk of changes in the value/conversion ratio and associated fluctuations in the respective values of the EUR and the PLN in relation to his deposits and repayments from the purchase and surrender of units in the Fund.

The currency of the unit class **C-QUADRAT ARTS Total Return Flexible T (USD)** is the US dollar. This means that the investor will purchase units in the Fund in USD. At the purchase and surrender of units in the Fund for a EUR custody account, the investor's EUR payments will be converted into USD. The investor is exposed to the risk of changes in the value/conversion ratio and associated fluctuations in the respective values of the EUR and the USD in relation to his deposits and repayments from the purchase and surrender of units in the Fund.

Risk of the break-up of monetary unions or withdrawal of individual countries

If the Fund invests in assets denominated in a currency issued by a monetary union, in case of the break-up of this monetary union the original currency may be replaced with a substitute currency. This may lead to a decrease in the value of the related asset.

Moreover, in case of a country withdrawing from a monetary union, the currency of this monetary union and thus any assets held in this currency may suffer a decrease in value.

Concentration risk

If the Fund's investments are concentrated in specific assets or markets, the Fund will be particularly dependent on the performance of these assets or markets.

Risks associated with investing in investment units

The risks for units in other investment funds which are purchased for the Fund ("target funds") are closely associated with the risks for the assets held in these target funds and these target funds' investment strategies. Since the managers of the individual target funds may act independently of one another, multiple target funds may pursue the same or opposing investment strategies. This may cause existing risks to accumulate and to cancel out any opportunities. The Company is not normally able to control the management of the target funds. Their investment decisions will not necessarily be consistent with the Company's assumptions or expectations. In many cases, the Company will not receive prompt notification of the target funds' current composition. If this is not consistent with their assumptions or expectations, in some cases it may only be able to react with a significant delay by surrendering units in the target fund.

Moreover, open-end investment funds in which the Fund purchases units may temporarily suspend redemption of units. In this case, the Company will be unable to sell its units in the target fund by surrendering them to the management company or the custodian of the target fund in return for payment of the redemption price.

Risks resulting from the range of investments

In view of the investment principles and limits laid down by law and in the Terms of Investment – which stipulate a very wide scope for the Fund – the actual investment policy may focus on purchasing investment units whose underlying assets are limited to a small number of sectors, markets or regions/countries, for example. This concentration on a small number of specific investment sectors may entail risks (e.g. market tightness, strong level of fluctuation during certain economic cycles). The annual report provides a retrospective review of the Fund's investment policy for the past reporting year.

Emerging markets

The Fund may also invest in emerging markets. Any countries which, at the time of the investment, the International Monetary Fund, the World Bank or the International Finance Corporation (IFC) does not consider to be developed industrialized nations are emerging markets. Investments in these markets may entail a particularly high level of risk, since the assets traded on stock exchanges in these countries may be subject to a particularly strong level of fluctuation, e.g. due to market tightness, transfer difficulties, a lower volume of regulation, potentially higher counterparty defaults and other factors.

Specific sector risks

Where investments focus on securities in a given sector, the specific risks associated with this sector may be more strongly reflected in the value of the Fund.

Particularly in case of investments in sectors which are strongly dependent on research and development (e.g. the biotechnology sector, the pharmaceuticals sector, the chemicals sector etc.) or which are relatively new, trends with industry-wide effects may give rise to premature investor reactions, leading to significant price fluctuations. The success of these sectors is frequently based upon speculation and expectations in relation to future products. However, if these products do not fulfill the expectations placed in them or if other setbacks occur, this may lead to abrupt losses of value throughout the sector.

However, dependencies may also arise in other sectors which mean that, in case of unfavorable trends (e.g. delivery bottlenecks, scarcity of raw materials, tightening-up of statutory regulations etc.) the entire sector may be subject to a significant fluctuation in value.

Risks associated with restricted or increased liquidity for the Fund and risks associated with an increased volume of subscriptions or surrenders (liquidity risk)

The liquidity risk is the risk of it not being possible to sell, liquidate or close a position in the Investment Fund's portfolio within a sufficiently short period of time and subject to limited costs and this impairing the ability of the Investment Fund to comply with the requirements for its fulfillment of a surrender request under the German Capital Investment Code or other payment obligations.

The risks which may impair the Fund's liquidity are listed below. This may mean that the Fund is unable to fulfill its payment obligations, either temporarily or permanently, or that the Company is unable to comply with investors' surrender requests, either temporarily or permanently. The investor may be unable to realize his intended holding period and his invested capital, or portions of it, may be unavailable to him for an indefinite period of time. Moreover, if these liquidity risks are realized the value of the Fund's assets and thus the unit value may fall, e.g. if the Company is forced to sell assets for the Fund at below their market value, where permitted by law. If the Company is not able to fulfill the investors' surrender requests, this may also result in a suspension of redemption and, in an extreme scenario, the Fund's subsequent liquidation.

Risk resulting from investing in assets

Assets that are not admitted to trading on a stock exchange or admitted to, or included in, trading on another organized market may also be purchased for the Fund. It may only be possible to resell these assets subject to high price discounts or subject to a delay, or this may not be possible at all. Depending on the market situation, the volume, the time frame and the planned costs, it may also not be possible to sell assets admitted to trading on a stock exchange or this may only be possible subject to high price discounts. While assets may only be purchased for the Fund which may be liquidated at any time in principle, the possibility that it may only be possible to sell these assets subject to losses, either temporarily or permanently, cannot be ruled out.

Risk resulting from borrowing

The Company may take up loans for account of the Fund. Loans subject to a variable rate of interest may have a negative effect on the Fund's assets due to rising interest rates. If the Company is required to repay a loan and is unable to settle this by means of follow-up financing or the Fund's existing liquidity, it may be forced to sell assets prematurely or subject to conditions which are worse than planned.

Risks resulting from an increased volume of surrenders or subscriptions

The assets of the Fund may gain or lose liquidity through investors' purchase and sales orders. On balance, such gains and losses may result in a net gain or loss for the Fund's liquid resources. The Fund's manager may purchase or sell assets on account of this net gain or loss, leading to transaction costs. In particular, this may apply if a ratio of liquid resources which the Company has stipulated for the Fund is exceeded or undershot due to these gains or losses. The resulting transaction costs will be charged to the Fund and may impair the Fund's performance. In case of gains, increased liquidity for the Fund may have a negative effect on the Fund's performance if the Company is unable to invest these resources subject to appropriate conditions or is unable to do so promptly.

Risk of suspension of redemption

In principle, investors may require the redemption of their units by the Company on each valuation date. However, the Company may temporarily suspend redemption of units in exceptional circumstances and may only subsequently redeem the units at the price then applicable (for more details see "Risk notices – Risks associated with an investment in the Fund – Issuance and redemption of units – Suspension of redemption of units"). This price may be lower than the price prior to the suspension of redemption.

Risk due to public holidays in specific regions/countries

The Fund may focus on purchasing assets in a small number of regions/countries. Local public holidays in these regions/countries may lead to discrepancies between the trading dates on stock exchanges in these regions/countries and the valuation dates for the Fund. In case of a date which is not a valuation date, the Fund may not be able to react to market developments in these regions/countries on the same date. In case of a valuation date which is not a trading date in these regions/countries, the Fund may not be able to act on the relevant market. The Fund may thus be unable to sell assets within the necessary period of time. This may have a negative effect on the Fund's ability to comply with surrender requests or other payment obligations.

Counterparty risks, including credit risk and risk on receivables

The counterparty risk is the loss risk for an investment fund, where the counterparty for a transaction may be unable to fulfill its obligations within the scope of the parties' settlement of their respective payment obligations.

The risks which may apply for the Fund within the scope of a business relationship with another party (the "counterparty") are set out below. The counterparty may no longer be able to fulfill its agreed obligations. This may impair the Fund's performance and thus adversely affect the unit value and the capital invested by the investor.

Counterparty risks/counterparty default risk (except for central counterparties)

The Fund may suffer losses due to the default of an issuer or a counterparty which the Fund has claims against. Issuer risk describes the effect of specific developments at an individual issuer that affect the price of a security in addition to general capital market trends. Even when securities are selected with the utmost care, it is not possible to exclude losses due to the disintegration of issuers' assets. The counterparty to a contract entered into for account of the Fund may default in whole or in part (counterparty risk). This applies to all agreements that are entered into for account of the Fund.

Risk in case of central counterparties

A central counterparty ("CCP") will act as an intermediary institution for certain transactions on behalf of the Fund, particularly transactions relating to derivative financial instruments. In this case, it will act as a purchaser in relation to the seller, and as a seller in relation to the purchaser. A CCP protects itself against the risk of its counterparties being unable to provide the agreed considerations through a series of protective mechanisms which enable it at all times to compensate for any losses resulting from transactions entered into (e.g. through collateralization). Despite these protective mechanisms, the over-indebtedness of a CCP and its default cannot be ruled out. This may thus also affect any claims which the Company holds for the Fund. Losses may thus arise for the Fund.

Counterparty default risks for repurchase agreements

In the event that the Company sells securities under a repurchase agreement for account of the Fund, it must obtain sufficient collateral to cover a default by the counterparty. In the event of the counterparty's default during the term of the repurchase agreement, the Company shall have a right of realization in regard to the collateral provided. A risk of loss may arise for the Fund if the collateral provided is no longer sufficient to fully cover the Company's retransfer claim e.g. on account of rising prices for the securities sold under a repurchase agreement.

Counterparty default risks for securities lending transactions

In the event of the Company lending securities for account of the Fund, it must obtain sufficient collateral to cover a default by the counterparty. This collateral must at least match the market price of the securities transferred within the scope of securities loans. The borrower must provide further collateral in the event of an increase in the value of the securities granted as loans or a deterioration in the quality of the collateral provided or if its financial position worsens and the collateral already granted is no longer sufficient. If the borrower is unable to fulfill this additional funding commitment, the retransfer claim may not be fully collateralized in the event of the counterparty's default. If the collateral is held by an institution other than the Fund's custodian, in the event of the borrower's default this may not be realizable immediately or in full.

Operational and other risks for the Fund

Operational risk is the risk of loss for an Investment Fund arising due to inadequate internal processes as well as human or system error at the Capital Investment Company, including legal, documentation and reputational risks as well as risks resulting from the trading, settlement and valuation procedures implemented for an Investment Fund.

Risks which may apply due to insufficient internal processes as well as human or systemic error on the part of the Company or external third parties are outlined below. These risks may impair the Fund's performance and thus adversely affect the unit value and the capital invested by the investor.

Risks due to criminal activities, irregularities or natural disasters

The Fund may fall victim to fraud or other criminal activities. It may suffer losses due to misunderstandings or errors on the part of employees of the Company or external third parties and may be harmed by external events such as natural disasters.

Country or transfer risk

Despite being solvent, a foreign debtor may not be able to make payments on a timely basis or may not be able to do so at all, or only in another currency, because its currency is not transferable, because its country of residence is not ready to make transfers or for similar reasons. For instance, payments to which the Company is entitled for account of the Fund may not be forthcoming, may be made in a currency which is not (or no longer) convertible due to foreign exchange restrictions or may be made in a different currency. In the event of the debtor making payment in a different currency, this position will be subject to the currency risk outlined above.

Legal and political risks

The Fund may invest in legal systems in which German law is not applicable and with a place of jurisdiction outside Germany in case of any legal disputes. Any resulting rights and obligations of the Company for account of the Fund may differ from those in Germany, to the detriment of the Fund or the investor. The Company may fail to recognize political or legal developments – including changes to legal environment in these legal systems – or may do so too late, or these developments may lead to restrictions in relation to the assets which may be purchased or have already been purchased. These consequences may also apply in case of a change in the legal environment for the Company and/or for the Fund’s management in Germany.

The legal treatment of funds may change in unforeseeable and uncontrollable ways. This may mean that the Fund can no longer be managed in the same way as previously and in line with its investment strategy. This may give rise to financial losses. The same applies for assets in which the Fund has invested or may invest and which undergo changes of a legal nature.

Change in tax environment, tax risk

The brief details of tax regulations provided in this Prospectus reflect the current understanding of the legal situation. They are intended for persons with unlimited German income or corporate income tax liability. The tax assessment may change due to legislation, court rulings or other legal acts of the fiscal administration.

Amendments to inaccurately determined bases for taxation for the Fund for previous financial years (e.g. as a result of external tax audits) may lead, in the case of a correction with negative tax consequences for investors, to investors having to carry the tax burden arising out of the correction for previous financial years even if they had not invested in the Fund at the time. Conversely, the investor may fail to benefit from an advantageous tax correction for the current financial year and for previous financial years in which he had invested in the Fund because he has surrendered or sold his units before this correction becomes effective.

In addition, corrections to tax details may result in taxable income and tax benefits being registered for tax purposes in a different tax period than that actually applicable, which may have negative effects on individual investors.

Key personnel risk

In case of a highly positive investment outcome for the Fund in a given period, this outcome may also reflect the aptitude of the persons responsible and thus the correct decisions made by the Fund’s management. However, the personnel makeup of the Fund's management may change. New decision-makers may be less successful.

Custody risk

Custody of assets, particularly outside Germany, entails a risk of loss due to the custodian's insolvency or negligence or due to force majeure.

In particular, the following custody risks may apply:

- Legal risks (e.g. ownership status is not analogous to German law; legislation, application of law and judicial authority fail to match German standards);
- Execution and counterparty risk (e.g. restriction of depositaries, poor credit rating for a depositary and for counterparties, leading to the default of the counterparty without finding an equivalent replacement);
- Risk of insolvency for the custodian or for a sub-custodian of the custodian: In such case, distribution of the Fund's assets may be strongly impeded, they may only be distributed subject to a considerable delay or their distribution may be impossible; deposits held by the custodian may become worthless in the event of the custodian's insolvency;
- Financial market and currency risks (e.g. insolvency of sovereigns, currency restrictions);
- Political and economic risks (e.g. nationalization/confiscation of assets, regulations adversely affecting the financial sector);
- Auditing is not compliant with international standards;
- Market and settlement risks (e.g. delay in registration of securities, deficiencies in the organization of markets, lack of reliable price sources).

Risks resulting from trading and clearing mechanisms (settlement risk)

In case of the settlement of securities transactions, one of the counterparties may fail to make payment in good time or as agreed or may fail to deliver the securities in good time. This settlement risk also applies in case of trading of other assets for the Fund.

GENERAL INVESTMENT PRINCIPLES AND INVESTMENT LIMITS

General provisions concerning the purchase of assets and their statutory investment limits

General provisions concerning the purchase of assets for UCITS funds and their statutory investment limits are outlined below. The assets which may be specifically purchased for account of the Fund described in this Prospectus in accordance with the Special Terms of Investment and the investment limits applicable for this Fund are indicated in the above section "Overview of the Fund – Investment goal and investment strategy" (cf. section "Terms of Investment").

Securities

Securities from domestic and foreign issuers may be purchased

1. if they are admitted to trading on a stock exchange in a member state of the European Union ("EU") or another signatory state to the Agreement on the European Economic Area ("EEA") or are admitted to, or are included in, trading on another organized market in one of these states,
2. if they are exclusively admitted to trading on a stock exchange outside of the member states of the European Union ("EU") or outside the other signatory states to the Agreement on the European Economic Area ("EEA") or are admitted to, or are included in, trading on another organized market in one of these states, insofar as the German Federal Financial Supervisory Authority has approved this stock exchange or this organized market.

Securities resulting from new issues may be purchased if their terms of issue require admission to, or inclusion in, trading on one of the stock exchanges or organized markets listed in Subsections 1 and 2 and this admission or inclusion occurs within one year of issue.

Securities in this sense also include

- units in closed-end Investment Funds established in contractual or corporate form which are controlled by the unitholders ("corporate control"), i.e. the unitholders must have voting rights in relation to key decisions and be entitled to control the investment policy by means of suitable mechanisms. The Investment Fund must also be managed by an entity which is subject to the investor protection regulations unless the Investment Fund has been established in corporate form and asset management activities are not handled by another entity.
- financial instruments which are collateralized by means of other assets or linked to the development of other assets. Insofar as derivatives components are embedded in such financial instruments, further requirements will apply in order for the Company to be able to purchase them as securities.

These securities may only be purchased subject to the following conditions:

- The potential loss which the Fund may suffer may not exceed the purchase price of the respective security. No additional funding commitment may apply.
- A lack of liquidity for the securities purchased by the Fund may not give rise to a situation where the Fund is no longer able to comply with the statutory requirements for redemption of units. This applies in view of the possibility provided for by law of suspending redemption of units in certain circumstances (cf. the section "Units – Issuance and redemption of units and – Suspension of redemption of units").
- A reliable valuation must be possible for the security on the basis of exact, reliable and prevailing prices; these must be market prices or prices provided by a valuation system which is independent of the security's issuer.

- Appropriate information must be available in relation to the security, in the form of regular, precise and comprehensive market information on the security or a related portfolio, i.e. a portfolio evidenced in the security.
- The security is tradable.
- The purchase of this security is consistent with the Fund's investment goals and investment strategy.
- The Fund's risk management appropriately recognizes the risks associated with this security.

Securities may also be purchased in the following form:

- equities to which the Fund is entitled under a capital increase implemented on the basis of the Company's resources.
- securities purchased as a result of exercising subscription rights held by the Fund.

The Fund may also purchase subscription rights as securities in this sense insofar as the Fund is entitled to hold the securities from which these subscription rights derive.

Money market instruments

Money market instruments may be invested in if they are normally traded on the money market. Investments may also be made in interest-bearing securities which alternatively

- as of their purchase for the Fund have a term or remaining term not exceeding 397 days,
- as of their purchase for the Fund have a term or remaining term of more than 397 days but whose interest rate must be regularly adjusted in line with market conditions, but at least every 397 days in accordance with their terms and conditions of issue,
- whose risk profile is consistent with the risk profile for securities which satisfy the remaining term or interest-rate adjustment criterion.

Money market instruments may be purchased if they

1. are admitted to trading on a stock exchange in an EU member state or another signatory state to the EEA Agreement or are admitted to, or are included in, trading on another organized market in one of these states,
2. are exclusively admitted to trading on a stock exchange outside of the member states of the EU or in another signatory state to the EEA Agreement or are admitted to, or are included in, trading on an organized market in one of these states, insofar as the German Federal Financial Supervisory Authority has approved this stock exchange or this organized market.
3. are issued or guaranteed by the EU, the German federal government, a federal special fund, a German federal state, another member state or another central, regional or local authority or the central bank of an EU member state, the European Central Bank or the European Investment Bank, by a third country or, if the latter is a federal state, by one of the members making up this federation, or by an international public body to which at least one EU member state belongs,
4. are issued by a company whose securities are traded on the markets indicated under Subsections 1 and 2,
5. are issued or guaranteed by a credit institution that is subject to regulation in accordance with the criteria laid down by EU law, or by a credit institution that is subject to and complies with regulatory requirements that are equivalent to those of Community law in the opinion of the German Federal Financial Supervisory Authority, or

6. are issued by other issuers, and the issuer in question is
   a) a company whose equity capital amounts to at least EUR 10 million and which prepares and publishes its annual accounts in accordance with the European Directive on the annual accounts of public limited liability companies or

b) an entity within a group comprising one or more listed companies that is responsible for financing this group, or
c) an entity which issues money market instruments backed by liabilities, by means of a banking liquidity line. These are products involving the securitization of banks' loan receivables (asset backed securities).

All of these money market instruments may only be purchased provided that they are liquid and their value may be precisely determined at all times. Money market instruments which may be sold within a sufficiently short period of time for limited costs are liquid. Moreover, a precise and reliable valuation system must exist for these money market instruments which enables calculation of the net asset value of the money market instrument and is based on market data or valuation models (including systems based on amortized cost). The liquidity requirement will be deemed fulfilled for money market instruments if they are admitted to, or included in, trading on an organized market within the EEA or are admitted to, or included in, trading on an organized market outside of the EEA insofar as the German Federal Financial Supervisory Authority has approved this market. This will not apply if the Company has information suggesting insufficient liquidity for the money market instruments.

Moreover, for money market instruments which are not quoted on a stock exchange or admitted to trading on a regulated market (see Nos. 3 to 6 above) the issue or the issuer of these instruments must be regulated for the purpose of protection of investors and deposits. Accordingly, appropriate information must be available for these money market instruments which enables an appropriate assessment of the credit risks associated with these instruments, and the money market instruments must be freely transferable. For instance, these credit risks may be measured by means of a credit worthiness analysis performed by a ratings agency.

These money market instruments are also subject to the following requirements, unless they are issued or guaranteed by the European Central Bank or by the central bank of an EU member state:

- If they are issued or guaranteed by the following institutions (listed above under No. 3 et passim):
  - the EU,
  - the German federal government,
  - a federal special fund,
  - a German federal state,
  - another member state,
  - another central authority,
  - the European Investment Bank,
  - a third-party state or, in case of a federal state, one of the members making up this federation
  - an international public body to which at least one EU member state belongs,

  appropriate information must be available on the issue or the issuing program or on the issuer's legal and financial situation prior to the issue of the money market instrument.

- If issued or guaranteed by a credit institution supervised in the EEA (see No. 5 above), appropriate information must be available on the issue or the issuing program or on the issuer's legal and financial situation prior to the issue of the money market instrument, which will be updated at regular intervals and in case of significant events. Moreover, data (e.g. statistics) must be available in relation to the issue or the issuing program which enable appropriate assessment of the credit risks associated with this investment.
- If issued by a credit institution which is subject to regulatory requirements outside of the EEA which the German Federal Financial Supervisory Authority deems equivalent to the requirements applicable within the EEA for a credit institution, one of the following preconditions must be fulfilled:
  - The credit institution has a registered office in a member state of the Organization for Economic Cooperation and Development ("OECD") which belongs to the "Group of Ten" (the group of leading industrialized nations, the G10).

- o The credit institution has at least an “investment grade” rating. Grades of “BBB”, “Baa”, or better that are issued by a rating agency as part of a rating review are referred to as “investment grade”.
- o A detailed analysis for the issuer documents that the regulatory requirements applicable for this credit institution are at least as strict as those under EU law.

- For other money market instruments which are not quoted on a stock exchange or admitted to trading on a regulated market (see Nos. 4 and 6 above and also those listed under No. 3), appropriate information must be available on the issue or the issuing program as well as the legal and financial situation of the issuer prior to the issue of the money market instrument. This information must be updated at regular intervals and in case of significant events and audited by qualified third parties which are independent of the issuer. Moreover, data (e.g. statistics) must be available in relation to the issue or the issuing program which enable appropriate assessment of the credit risks associated with this investment.

Bank deposits

Insofar as the Fund’s Special Terms of Investment permit the purchase of bank deposits, only bank deposits with a term of no more than twelve months may be held. These deposits are to be kept on blocked accounts at credit institutions domiciled in an EU member state or another signatory state to the EEA Agreement. They may also be kept by credit institutions domiciled in a third country whose regulatory requirements are equivalent to those of EU law in the opinion of the German Federal Financial Supervisory Authority.

Other assets and applicable investment limits

Unless the Fund’s Special Terms of Investment stipulate otherwise, overall up to 10 % of the Fund’s value may be invested in the following other assets:

- securities which are not admitted to trading on a stock exchange or are not admitted to, or included in, another organized market but which fulfill the criteria for securities in principle. Unlike in the case of securities traded or admitted to trading, the reliable valuation of these securities must be available in the form of a regular valuation which is implemented on the basis of information provided by the issuer or from a competent financial analysis. Appropriate information on a security which is not admitted to or included in trading or, where applicable, the related portfolio – i.e. the portfolio which is evidenced in the security – must be available in the form of regular and precise information for the Fund.
- money market instruments from issuers which do not fulfill the above requirements, if they are liquid and their value can be precisely calculated at any time. Money market instruments which may be sold within a sufficiently short period of time for limited costs are liquid. The Company's obligation to redeem units in the Fund upon demand by the investors and the corresponding need for it to be able to sell such money market instruments at short notice must be considered accordingly. Moreover, a precise and reliable valuation system must exist for these money market instruments which enables calculation of the net asset value of the money market instrument and is based on market data or valuation models (including systems based on amortized cost). The liquidity requirement will be deemed fulfilled for money market instruments if they are admitted to or included in trading on an organized market within the EEA or are admitted to or included in trading on an organized market outside of the EEA insofar as the German Federal Financial Supervisory Authority has approved this market.
- equities from new issues if, according to their terms of issue,
  - o their admission to trading on a stock exchange in an EU member state or in another signatory state to the EEA Agreement, or their admission to or inclusion in trading on an organized market in an EU member state or in another signatory state to the EEA Agreement must be applied for, or

- their admission to or inclusion in trading on a stock exchange or an organized market outside of the EU member states or outside of the other signatory states to the EEA Agreement must be applied for insofar as the German Federal Financial Supervisory Authority has approved this stock exchange or this organized market,

insofar as these equities are admitted to or included in trading within one year of their issue.

- borrower's note loans that may be assigned at least twice after being purchased for the Fund and have been granted by one of the following institutions:
  a) the German federal government, a federal special fund, a German federal state, the EU or a member state of the OECD,
  b) another domestic local or regional authority or a regional government or local authority of another EU member state or of another signatory state to the EEA Agreement, insofar as this claim may be treated in accordance with the Regulation on Prudential Requirements for Credit Institutions and Investment Firms in the same way as a claim on the central government in whose jurisdiction the regional government or authority is domiciled,
  c) other corporate bodies or institutions under public law domiciled in Germany or in another EU member state or another signatory state to the EEA Agreement,
  d) companies which have issued securities which are admitted to trading on an organized market within the EEA or another regulated market which fulfills the key requirements for regulated markets within the meaning of the Markets in Financial Instruments Directive, as amended, or
  e) other debtors provided that one of the bodies described in Sections a) to c) has assumed a guarantee for the interest and principal repayments.

Investment limits for securities and money market instruments, including derivatives and bank deposits

General investment limits

A fund may invest up to 10 % of its value in securities and money market instruments issued by the same issuer (debtor). However, the total value of securities and money market instruments from these issuers (debtors) may not exceed 40 % of the value of the Fund. In addition, only 5 % of the value of the Fund may be invested in securities and money market instruments from a given issuer. Securities purchased under resale agreements will be included in this investment limit.

Up to 20 % of the value of a fund may be invested in bank deposits with a given credit institution.

Investment limits for debt securities with special covering assets

Up to 25 % of the value of a fund may be invested in mortgage bonds, municipal bonds and debt securities issued by a credit institution domiciled in an EU member state or in another signatory state to the EEA Agreement. This is subject to the condition that the funds raised through the debt securities are invested so that they cover the liabilities for these debt securities throughout their respective term and are primarily intended for repayments and interest in case of the issuer of these debt securities defaulting. If more than 5 % of the value of a fund is invested in these debt securities from a given issuer, the total value of these debt securities may not exceed 80 % of the value of a fund. Securities purchased under resale agreements will be included in this investment limit.

Investment limits for public issuers

The Company may invest up to 35 % of a fund's value in debt securities, borrower's note loans and money market instruments from specific national and supranational public issuers. These public issuers include the German federal government, German federal states, member states of the EU or their regional authorities, third-party states and supranational public bodies to which at least one EU member state belongs.

This limit may be exceeded for debt securities, borrower's note loans and money market instruments insofar as the Terms of Investment stipulate this, while indicating the issuers. Insofar as this possibility is made use of, the securities/money market instruments of these issuers held in the Fund must derive from at least six different issues, and no more than 30 % of the value of the Fund may be held in any one issue.

Securities purchased under resale agreements will be included in this investment limit.

Combination of investment limits

The Company may invest a maximum of 20 % of the value of a fund in a combination of the following assets:

- securities or money market instruments issued by a given institution,
- deposits at this institution, i.e. bank deposits,
- weightings for the counterparty risk associated with transactions entered into with this institution in derivatives, securities loans and repurchase agreements.

In case of specific public issuers (see the section "General investment principles and investment limits – General provisions concerning the purchase of assets and their statutory investment limits – Investment limits for securities and money market instruments, including derivatives and bank deposits – Investment limits for public issuers") a combination of the above-mentioned assets may not exceed 35 % of the value of a fund.

The respective individual limits will remain unaffected.

Investment limits including derivatives

The extent to which securities and money market instruments from one issuer count towards the above limits may be reduced using hedging derivatives whose underlying instruments are securities or money market instruments from the same issuer. This means that securities or money market instruments from a given issuer may be purchased for account of the Fund above and beyond the above limits, if the resulting increase in issuer risk is subsequently reduced by means of hedging transactions.

Investment units and applicable investment limits

The section "Overview of the Fund – Investment goal and investment strategy" and the Terms of Investment of the Fund indicate the limits for the Company's investment in units in target funds for account of the Fund insofar as these are open-end domestic and foreign investment funds.

Under their terms of investment or their corporate articles, the target funds may invest up to 10 % of their assets in units in other open-end Investment Funds. In addition, the following requirements apply for units in non-UCITS, "alternative investment funds" ("AIFs"):

- The target fund must be licensed under legal regulations which subject it to effective public regulation for the protection of investors, and satisfactory cooperation between the German Federal Financial Supervisory Authority and the regulatory authority for the target fund must be sufficiently guaranteed.
- The level of protection for investors must be equivalent to the level of protection afforded to an investor in a domestic UCITS, particularly in terms of separation of management and custody of assets, borrowing, lending and uncovered sales of securities and money market instruments.
- The business activities of the target fund must be reported in annual and semi-annual reports and permit the investors to assess its assets and liabilities as well as its income and transactions within the reporting period.

- The target fund must be a retail fund with an unlimited number of units and permit investors to surrender their units.

If the Company is permitted under the Terms of Investment for account of the Fund to invest more than 10 % of the value of the Fund in units in target funds, units in a single target fund may be invested in for up to 20 % of the value of the Fund. Overall, up to 30 % of the value of the Fund may be invested in AIFs. In general, the Company may not purchase more than 25 % of the units issued by another target fund for account of the Fund.

Target funds may temporarily suspend redemption of units, as permitted by law. In this case, the Company may be unable to surrender the units in the target fund to the management company or the custodian of the target fund in return for payment of the redemption price (cf. the section “Risk notices – Risks associated with a negative performance for the Fund (market risk) – Risks associated with investing in investment units”). The Company’s website www.hansainvest.de indicates whether and to what extent the Fund holds units in target funds which have suspended redemption of units at the present time.

Derivatives

A derivative is an instrument whose price depends on price fluctuations or price expectations in relation to other assets (“underlying instrument”). The following details apply both for derivatives and for financial instruments with a derivative component (hereinafter jointly: “derivatives”).

The Fund’s market risk may be no more than double due to the use of derivatives (“market risk limit”). Market risk is the loss risk resulting from fluctuations in the market value of assets held by the Fund which are attributable to changes in variable market prices and rates such as interest rates, exchange rates, equity and commodity prices as well as changes in an issuer’s credit rating. The Company must comply with the market risk limit at all times. The Company must determine its current level of utilization of this market risk limit every day, as required by law pursuant to the Regulation on Risk Management and Risk Measurement for the Use of Derivatives, Securities Loans and Repurchase Agreements in Investment Funds under the German Capital Investment Code (hereinafter: "German Derivatives Regulation" (*Derivateverordnung*, *DerivateV*)).

The method which the Company applies to calculate the Fund’s level of utilization of the market risk limit is indicated in the section “Overview of the Fund – Basic characteristics of the Fund”.

Two possible methods for calculation of the Fund’s level of utilization of the market risk limit – the simple approach and the qualified approach – are outlined below:

Derivatives – simple approach

Insofar as the Company applies the so-called simple approach within the meaning of the German Derivatives Regulation to calculate the level of utilization of the market risk limit, it will add up the weightings of all derivatives and also securities loans and repurchase agreements which increase its level of investment. As a rule, the market value of the underlying instrument will be applied as the weighting for derivatives and financial instruments with derivative components. The total weightings for market risk resulting from the use of derivatives and financial instruments with derivative components may not exceed the value of the Fund’s assets.

As a rule, the Company may only purchase derivatives if it might purchase the underlying instruments for these derivatives for account of the Fund or if the risks which these underlying instruments represent might also have arisen through assets held in the investment fund which the Company may purchase for account of the Fund. The Company may purchase for account of the Fund:

- basic forms of derivatives
- combinations of these derivatives
- combinations of these derivatives and other assets which may be purchased for the Fund

The Company is able to register and measure sufficiently precisely all of the market risks included in the Fund which are based upon the use of derivatives. All legally permissible strategies for the use of derivatives may be applied. This includes, in particular, option strategies, arbitrage strategies, long/short and market-neutral strategies. Please refer to the current annual report or the semi-annual report for information on the makeup of the investment portfolio (available at www.hansainvest.com).

The Company may purchase the following types of derivatives for account of the Fund.

a) Futures contracts on securities, money market instruments, interest rates, exchange rates or currencies and financial indexes which are sufficiently diversified, which represent an adequate benchmark for the market to which they refer and which are appropriately published ("qualified financial indexes").
b) Options or warrants on securities, money market instruments, interest rates, exchange rates or currencies and on futures contracts in accordance with Section a) as well as qualified financial indexes, if these options or warrants have the following characteristics:
   i) they may be exercised either during the entire term or at expiry and
   ii) there is a linear relationship at the time the option is exercised between the value of the option and the positive or negative difference between the exercise price and the market price of the underlying instrument, and the value of the option becomes zero if the plus/minus sign for the difference is reversed,
c) Interest-rate swaps, foreign currency swaps and cross-currency interest-rate swaps,
d) Options on swaps listed in Section c) above, provided that they have the features defined in Section b) above (swaptions),
e) Credit default swaps which relate to a single underlying instrument (single name credit default swaps).

A negligible proportion of the investment strategy may be based upon a so-called complex strategy. The Company may also invest a negligible proportion in complex derivatives. A negligible proportion will be assumed if this will not exceed one per cent of the value of the Fund, on the basis of the maximum loss.

Derivatives – qualified approach

Insofar as the Company applies the so-called qualified approach within the meaning of the German Derivatives Regulation to calculate the level of utilization of the market risk limit, the Company will compare the market risk for the Fund with the market risk for a virtual reference fund which does not feature any derivatives.

The derivatives-free reference fund is a virtual portfolio whose value always precisely corresponds to the Fund's current value but which does not involve any increase or hedging of market risk by means of derivatives. In other respects, the makeup of the reference fund must correspond to the investment goals and the investment policy which apply for the Fund.

The amount at risk in terms of the Fund's market risk may not at any time exceed twice the amount at risk for the market risk of the derivatives-free reference fund due to the use of derivatives.

The market risk for the Fund and for the derivatives-free reference fund will be determined by means of a suitable separate risk model ("value-at-risk method").

The Company uses the Monte Carlo simulation as a modeling procedure. In the Monte Carlo simulation, a large number of random scenarios are simulated for the portfolio. These scenarios are generated by drawing the changes in risk factors. These changes will be calculated on the basis of a normal distribution or a log-normal distribution, depending on the risk factor. The distribution characteristics of the drawings will be determined on the basis of historical events. The distribution function for the Monte Carlo simulation will be established on the basis of the random scenarios. The value-at-risk ("VAR") corresponds to the quantile of this distribution in relation to the stated probability.

The Company registers the market price risks resulting from all transactions. Using the risk model, it quantifies changes in the value of the assets held in the Fund over a period of time. The value-at-risk indicates a limit expressed in monetary units for potential losses suffered by a portfolio between two defined moments in time. This change in value is determined by chance events – i.e. the future development of market prices – and therefore cannot be predicted with certainty. The market risk can only ever be estimated with a sufficiently large degree of probability.

Subject to a suitable risk management system, the Company may invest in any type of derivative for account of the Fund. This is subject to the condition that these derivatives are derived from assets which may be purchased for the Fund or from the following underlying instruments:

- interest rates
- exchange rates
- currencies
- financial indexes which are sufficiently diversified, which represent an adequate benchmark for the market to which they refer and which are appropriately published.

This includes, in particular, options, financial futures and swaps as well as combinations of these derivatives.

Some common derivatives are outlined below.

Futures contracts

Futures contracts are agreements that are unconditionally binding on the parties to them and oblige these parties to buy or sell a certain quantity of a defined underlying instrument at a particular point in time, the maturity date, or within a specified period of time, at a price determined in advance. For account of the Fund, within the scope of its investment principles the Company may enter into futures contracts on securities and money market instruments, interest rates, exchange rates and currencies which may be purchased for the Fund and also for qualified financial indexes.

Option contracts

Options entail a third party being granted the right to demand the delivery or acceptance of assets or the payment of a cash settlement against payment (option premium), or to purchase corresponding option rights, within or at the end of a specified period of time, at a price agreed in advance (exercise price).

Within the framework of the Fund's investment principles the Company may participate in options trading for account of the Fund.

Swaps

For account of the Fund, within the scope of its investment principles the Company may enter into transactions such as interest-rate swaps, foreign currency swaps and cross-currency interest-rate swaps, inflation swaps, variance swaps, volatility swaps and total return swaps. Swaps are contracts in which the underlying cash flows or risks are exchanged between the contracting parties.

Swaptions

Swaptions are options on swaps. A swaption is the right, but not the obligation, to enter into a swap with precisely defined conditions at a specified point in time or within a specified period. In other respects, the principles outlined in connection with option contracts apply. For account of the Fund, the Company may only enter into swaptions which comprise the options and swaps outlined above.

Credit default swaps

Credit default swaps are credit derivatives that enable potential credit losses to be transferred to others. The seller pays the counterparty a premium in return for assuming the credit loss risk. For account of the Fund, the Company may only enter into simple, standardized credit default swaps which are used to hedge individual credit risks within the Fund. The information on swaps also applies here.

Total return swaps

Total return swaps are entered into for a fund in order to generate secured income within a fund and to largely eliminate possible market price risks. The object of a total return swap may include the following types of assets: equities, bonds, loans. The volume of the total return swaps as a proportion of the fund's assets is individually determined for each fund and is indicated in the fund's special terms of investment. The fund will receive all of the income from total return swaps, after deduction of the transaction costs.

The counterparties for total return swaps will also be individually selected (depending on the nature of the total return swaps) and must have appropriate experience as well as financial resources. A list of the current counterparties for total return swaps may be found at www.hansainvest.de.

Securitized financial instruments

In addition, the Company may purchase the financial instruments described above for account of the Fund if these instruments are securitized. Transactions involving financial instruments may also be only partly securitized (e.g. warrant bonds). The statements concerning risks and opportunities apply mutatis mutandis for such securitized financial instruments, subject to the proviso that the loss risk in the case of securitized financial instruments is limited to the value of the security.

OTC derivatives transactions

The Company may for account of the Fund enter into derivatives transactions that are admitted to trading on a stock exchange or that are admitted to trading on, or have been included in, another organized market, as well as over-the-counter (OTC) transactions. The Company may only enter into derivatives transactions that are not admitted to trading on a stock exchange or admitted to trading on, or included in, another organized market with suitable credit institutions or financial services institutions on the basis of standardized general agreements. In the case of derivatives traded over the counter, the counterparty risk for a contracting party is limited to 5 % of the value of the Fund. If the counterparty is a credit institution domiciled in an EU member state, in another signatory state to the EEA Agreement or a third-party state with a comparable level of regulation, the counterparty risk may amount to up to 10 % of the value of the Fund. Over-the-counter derivatives transactions which are concluded with the central clearing agency of a stock exchange or another organized market as the counterparty will not be counted towards the counterparty limits if the derivatives are marked to market daily and daily margin calls are made. However, claims which the Fund holds versus an intermediary will be counted toward these limits even if the derivative is traded on a stock exchange or another organized market.

Securities lending transactions

Unless the Fund's Special Terms of Investment stipulate otherwise, the securities, money market instruments and investment units held in the Fund may be lent to third parties at market rates. The counterparties will be individually selected in accordance with the portfolio's makeup. The Fund's total securities holdings may only be transferred to third parties for an indefinite period in the form of securities loans. The volume of the positions held in the fund which are subject to lending transactions as a proportion of the fund's assets is individually determined for each fund; restrictions are indicated in the fund's special terms of investment. The Company may terminate the lending transaction at any time. It must be contractually agreed that securities, money market instruments or investment units of the same type, quality and quantity will be returned to the Fund upon expiry of the term of the lending transaction, within the normal settlement period. A precondition for the transfer in the form of a loan is that the Fund has been provided with sufficient collateral. In this regard, bank deposits may be assigned and securities or money market instruments may be assigned or pledged. The Fund is entitled to the income from the collateral.

In addition, the borrower is obliged to pay interest that becomes due on the securities, money market instruments or investment units borrowed to the custodian for account of the Fund. The sum total of securities, money market instruments or investment units transferred to an individual borrower may not exceed 10 % of the value of the Fund.

The borrower shall have discretion over how it holds in custody the assets lent to it.

The Company may make use of an organized system for the arrangement and settlement of securities loans. In case of the arrangement and settlement of securities loans via this organized system, the furnishment of collateral may be waived since the terms of this system ensure that the investors' interests are safeguarded. In case of the settlement of securities loans via organized systems, the securities transferred to a given borrower may exceed 10 % of the value of the Fund.

The lending transactions described here are entered into in order to realize additional income for the Fund in the form of a lending fee.

The Company may not grant cash loans to third parties for account of the Fund.

At the present time, the Fund does not enter into securities lending transactions. However, it may do so in future. Insofar as securities lending transactions are entered into for the Fund, potential conflicts of interest will be identified in advance and taken into consideration in the Company's management of conflicts of interest. Any risks affecting the Fund's performance and any direct or indirect costs or fees arising through such transactions which reduce the Fund's income will be analyzed. In this case, a list of the current counterparties for securities lending transactions may be found at www.hansainvest.de.

Repurchase agreements

The Company may enter into repurchase agreements with a maximum term of twelve months with credit institutions and financial services institutions for account of the Fund. Insofar as the special contractual provisions for the Fund permit, the Company may transfer securities, money market instruments or investment units held by the Fund to a purchaser, in return for a fee (simple repurchase agreement) or purchase securities, money market instruments or investment units under a resale agreement, within the scope of its applicable investment limits (reverse repurchase agreement). The Fund's total holdings of securities, money market instruments and investment units may be transferred to third parties through the repurchase agreement. The volume of the positions held in the fund which are subject to lending transactions as a proportion of the fund's assets is individually determined for each fund; restrictions are indicated in the fund's special terms of investment. The Company may terminate this repurchase agreement at any time; this does not apply for repurchase agreements with a term of up to one week. Upon termination of a simple repurchase agreement, the Company will be entitled to require the return of the securities, money market instruments or investment units sold under a repurchase agreement. Termination of a reverse repurchase agreement may result in reimbursement of the full amount or the accrued amount at the current market value. Only genuine repurchase agreements are permitted. In the case of such transactions, the purchaser undertakes to return the securities, money market instruments or investment units at a particular time or at a time to be specified by the seller or to repay the amount plus interest.

The Company shall have discretion over how it holds in custody the assets purchased under resale agreements. Equally, the counterparty has discretion over how it holds in custody assets sold under repurchase agreements.

Repurchase agreements are entered into in order to realize additional income for the Fund (reverse repurchase agreement) or to provide additional liquidity for the Fund on a temporary basis (simple repurchase agreement).

At the present time, the Fund does not enter into repurchase agreements. However, it may do so in future. Insofar as the Fund enters into repurchase agreements, potential conflicts of interest will be identified in advance and given due consideration within the scope of the Company's management of conflicts of interest.

Before entering into repurchase agreements, the possible effects of potential conflicts of interest and the risks for the Fund's development as well as direct and indirect costs and fees which result from the use of these transactions and which reduce the Fund's income will be analyzed. A list of the current counterparties for repurchase agreements may be found at www.hansainvest.de.

Collateral strategy

Within the framework of derivatives, securities lending and repurchase transactions, the Company will receive collateral for account of the Fund except where it is obliged to provide collateral due to its function in the transaction in question (e.g. for specific derivatives transactions such as CFDs, where the Company may be required to provide a margin). This collateral serves to reduce the default risk for the counterparty for these transactions in whole or in part.

Types of eligible collateral

The Company currently only accepts cash collateral for derivatives transactions/securities lending transactions and repurchase agreements. In the event of it accepting non-cash collateral in future, the Company will require a risk-oriented haircut. Only non-cash collateral is accepted which comprises assets which the Investment Fund may purchase under the German Capital Investment Code and which fulfill the further preconditions laid down in § 27 (7) of the German Derivatives Regulation and § 200 (2) of the German Capital Investment Code.

Scope of collateralization

Securities lending transactions will be fully collateralized. The collateral value comprises the market value of the loaned securities plus related income. The collateral provided by the borrower may not be less than the collateral value plus a normal market premium.

In other respects, sufficient collateral must be provided for derivatives, securities lending transactions and repurchase agreements so as to ensure that the weighting for the respective counterparty's default risk does not exceed 5 % of the Fund's value. If the counterparty is a credit institution domiciled in an EU member state, in another signatory state to the EEA Agreement or a third-party state with a comparable level of regulation, the weighting for the default risk may amount to up to 10 % of the value of the Fund.

Haircut strategy

The Company currently only accepts cash collateral for derivatives transactions/securities lending transactions/repurchase agreements. In the event of it accepting non-cash collateral in future, the Company will require a risk-oriented haircut.

Investment of cash collateral

Cash collateral in the form of bank deposits may only be held on blocked accounts with the Fund’s custodian or, with its consent, with another credit institution. This cash collateral may only be reinvested in high-quality government bonds or in money market funds with short-term maturity structures. Cash collateral may also be invested through a reverse repurchase agreement with a credit institution if the recall of the accrued balance is guaranteed at all times.

Borrowing

The Company may take out short-term loans of up to 10 % of the value of the Fund in each case for joint account of the investors, provided that the loan conditions conform with prevailing market conditions and the custodian consents to this action.

Valuation

General rules for valuation of assets

Assets admitted to stock exchange trading/traded on an organized market

Assets admitted to trading on a stock exchange or admitted to or included in another organized market and subscription rights for the Fund are valued at the most recently available trading price which enables a reliable valuation unless stated otherwise in the “Special rules for valuation of individual assets” set out below.

Assets not listed on stock exchanges or not traded on organized markets or assets for which no trading price is available

Assets that are not admitted to trading on a stock exchange or admitted to or included in another organized market, or for which no trading price is available, are valued at the current market value considered to be appropriate after careful assessment in accordance with appropriate valuation models, taking into account the current market situation, unless stated otherwise in the “Special rules for valuation of individual assets” set out below.

Special rules for valuation of individual assets

Unlisted debt securities and borrower’s note loans

Debt securities that are not admitted to trading on a stock exchange or admitted to or included in another organized market (such as unlisted bonds, commercial papers and deposit certificates) as well as borrower’s note loans are valued using the prices agreed for comparable debt securities and borrower’s note loans and, if applicable, the market prices of bonds issued by comparable issuers with similar terms and yields, and a current market value is determined which is considered to be appropriate after careful assessment in accordance with appropriate valuation models, taking into account the current market situation.

Options and futures contracts

Options belonging to the Fund and liabilities relating to options granted to third parties that are admitted to trading on a stock exchange or are admitted to trading or included in another organized market are valued at the most recently available trading price which enables a reliable valuation.

The same applies to receivables and liabilities relating to futures sold for account of the Fund. Margins calls paid on behalf of the Fund are included in the value of the Fund, taking into account the valuation gains and losses determined for the exchange trading day.

Bank deposits, time deposits, units in investment funds and loans

Bank deposits are valued at their nominal amount plus accrued interest.

Time deposits are valued at their market value to the extent that the time deposit may be terminated at any time and that the Fund will not be repaid at their nominal value plus interest upon termination.

As a rule, units in investment funds are reported at their most recently calculated redemption price or their most recently available trading price which enables a reliable valuation. If these values are not available, units in investment funds will be valued at the current market value considered to be appropriate after careful assessment in accordance with appropriate valuation models, taking into account current market circumstances.

Claims for repayment in respect of loans are valued on the basis of the market price of the assets transferred under the lending transaction in each case.

Assets denominated in foreign currencies

Assets denominated in foreign currency will be converted into euro on the same day, on the basis of the exchange rate for the respective currency indicated by Reuters AG at 5 p.m.

Subfund

The Fund is not a subfund of an umbrella fund.

UNITS

Investors’ rights are evidenced exclusively in global certificates. These global certificates are held at a securities clearing and deposit bank. Investors are not entitled to require delivery of individual unit certificates. Units may only be purchased if they are held in custody. The units are made out to bearer.

Issuance and redemption of units

Issuance of units

In principle, the number of units that may be issued is unlimited. Units may be purchased from the Company, the custodian or via a third party. They are issued by the custodian at the issuing price, which corresponds to the net asset value per unit (“unit value”) plus a front-end load, where applicable. Units may also be purchased through third parties, which may lead to additional costs. The Company reserves the right to discontinue issuance of units either temporarily or permanently.

Redemption of units

Investors may require the redemption of units on each valuation day unless the Company has temporarily suspended redemption of units (see the section “Units – Issuance and redemption of units – Suspension of redemption of units”). Investors must submit redemption orders to the custodian or to the Company itself. The Company is obliged to repurchase the units at the redemption price applicable as of the settlement date which corresponds to the unit value calculated on this date, where applicable less a redemption fee. Units may also be redeemed through third parties, which may lead to additional costs.

Settlement in case of issuance and redemption of units

The Company complies with the principle of equal treatment for investors by ensuring that no investors may realize advantages by purchasing or selling units at unit values which are already known. For this purpose, it specifies a deadline for acceptance of orders. In principle, issuance and redemption orders received by the custodian before the deadline for acceptance of orders will be settled on the valuation date (=settlement date) following receipt of these orders, at the unit value then calculated. Orders received after the custodian's deadline for acceptance will be settled on the next-but-one valuation date (=settlement date), at the unit value then calculated. Please consult the custodian regarding the deadline for acceptance of orders for this Fund. The Company may amend this at any time.

In addition, third parties may broker issuance and redemption of units, e.g. the investor's custodian. This may lead to longer settlement periods. The Company has no influence over the different settlement procedures at the custodians.

Custody accounts at credit institutions

Units in the Fund may be transferred to custody accounts at credit institutions. In such cases, the credit institution in question will handle custody and management of these units. The custodian is responsible for the specific details of the procedure.

Suspension of redemption of units

The Company may temporarily suspend redemption of units if extraordinary circumstances arise that make such suspension appear necessary in the interests of the investors. If the assets cannot be sold an orderly manner so as to provide liquidity, temporary suspension may lead to a permanent suspension and ultimately to the Fund's liquidation. Such extraordinary circumstances apply, for instance, in case of the unscheduled closure of a stock exchange on which a substantial portion of the securities of the Fund are traded or if the assets of the Fund cannot be valued. The German Federal Financial Supervisory Authority may also require the Company to suspend redemption of units if this is in the interests of the investors or the general public.

The Company reserves the right only to redeem or exchange the units, at the redemption price applicable at that time, once it has sold assets of the Fund without delay but while safeguarding the interests of all investors. Temporary suspension may be directly followed by the Fund's liquidation, without any resumption of the redemption of units (cf. the following section "Liquidation, transfer and merger of the Fund").

The Company will notify investors of the suspension and resumption of redemption of units by means of a notification in the German Federal Gazette and also on the Company's website www.hansainvest.de. The custodians will also notify the investors by means of a permanent data storage medium, e.g. in paper form or in electronic form.

Liquidity management

The Company has specified written principles and procedures for the Fund which enable the Company to monitor liquidity risks applicable for the Fund and to guarantee that the liquidity profile of the Fund's investments is compatible with the Fund's underlying liabilities. These principles and procedures are as follows:

- The Company will monitor the liquidity risks which may arise at the level of the Fund or its assets. It will assess the liquidity of the asset items held in the Fund in relation to the Fund's assets and specify a liquidity ratio. For example, this liquidity assessment includes an analysis of the trading volume, the complexity of the asset and the number of trading days which are required in order to sell the respective asset without affecting the market price. For this purpose, the Company will also monitor investments in target funds and their redemption principles as well as any effects on the Fund's liquidity.
- The Company will monitor the liquidity risks which may arise due to an increased volume of requests from investors for redemption of their units. It will thus establish predictions regarding changes in net liquidity, with consideration of information which is available regarding the investor structure and historical changes in net liquidity. It will give consideration to the effects of large-scale calls for delivery and other risks (e.g. reputation risks).
- The Company has stipulated adequate liquidity risk limits for the Fund. It monitors compliance with these limits and has specified procedures which apply in the event of these limits being exceeded, or possibly being exceeded.
- The procedures established by the Company ensure consistency between the liquidity ratio, the liquidity risk limits and the predicted changes in net liquidity.

The Company regularly verifies these principles and updates them accordingly.

Regularly, and at least monthly, the Company performs stress tests which enable it to assess the liquidity risks for the Fund. The Company performs these stress tests on the basis of reliable and up-to-date quantitative information or (where this is not appropriate) qualitative information. This includes the investment strategy, redemption periods, payment obligations and time limits within which the assets may be sold as well as information in relation to general investor behavior, market trends etc. The stress tests may simulate insufficient liquidity for the assets held in the Fund as well as non-typical numbers of unit redemption requests and their respective volumes. These tests cover market risks and their effects, requests for additional contributions, collateralization requirements or liquidity lines. They account for valuation sensitivities under stress conditions. The tests are implemented with due consideration of the investment strategy, the liquidity profile, the type of investor and the redemption principles for the Fund, with a frequency which is appropriate for the type of fund in question.

The Company has also established appropriate liquidity management procedures. In particular, these include warning and repayment limits in relation to the liquidity ratio and stress tests.

The rights of surrender in normal and extraordinary circumstances and suspension of redemption are detailed in the section "Units – Issuance and redemption of units – Suspension of redemption of units". The associated risks are detailed in "Risk notices – Risks associated with an investment in the Fund – Suspension of redemption of units" and "– Risks associated with restricted liquidity for the Fund (liquidity risk)".

Stock exchanges and markets

The Company may permit trading of the units in the Fund on a stock exchange or on organized markets. The Company has not done so at the present time.

Trading of units on other markets cannot be ruled out. A third party may initiate the inclusion of units in the Fund in over-the-counter or other off-board trading without the Company's consent.

The market price underlying stock exchange trading or trading in other markets is not solely determined by the value of the assets held in the Fund but also by supply and demand. Accordingly, this market price may deviate from the unit value calculated by the Company or the custodian.

Fair treatment of investors

The Company will treat the investors in the Fund fairly. Within the scope of management of liquidity risk and redemption of units, it may not prioritize the interests of an investor or a group of investors over those of another investor or another group of investors.

Please see the sections “Units – Issuance and redemption of units – Settlement in case of issuance and redemption of units” and “Units – Liquidity management” for details of the procedures by which the Company safeguards fair treatment for investors.

Issuing and redemption price

In order to calculate the issuing and redemption prices of the units, the Company (under the supervision of the custodian) determines the value of the assets belonging to the Fund on each valuation date, less the liabilities (“net asset value”).

The net asset value thus calculated will be divided by the number of units issued to produce the value of each unit (“unit value”).

The unit value is calculated on every stock-exchange trading day. The Company and the custodian may refrain from calculating the value on public holidays within the jurisdictional reach of the German Capital Investment Code that are also stock-exchange trading days, as well as on December 24 and 31 of each year. No unit value is currently calculated on New Year’s Day, Good Friday, Easter Monday, May Day, Ascension Day, Whit Monday, German Reunification Day, Reformation Day, Christmas Eve, Christmas Day, Boxing Day or New Year’s Eve.

Suspension of calculation of issuing/redemption price

The Company may temporarily suspend calculation of the issuing and redemption price subject to the same conditions as for unit redemption. These are outlined in the section “Units – Issuance and redemption of units – Suspension of redemption of units”.

Front-end load and redemption fee

Further details of the front-end load and the redemption fee may be found in the section “Overview of the Fund – Front-end load” and “Overview of the Fund – Redemption fee”.

Publication of the issuing and redemption prices

The issuing and redemption prices will be regularly published at www.hansainvest.de.

COSTS

Costs of issuing and redeeming units

Units are issued and redeemed by the Company or the custodian at the issuing price (unit value, where applicable plus front-end load) or the redemption price (unit value, where applicable less redemption fee). No additional costs are charged.

If the investor purchases units through third parties, these third parties may charge additional costs as well as the front-end load. In the event of the investor surrendering units through third parties, they may impose their own charges at the redemption of units.

Management and other costs

1. The following fees are payable to the Company:

   a) For its management of the UCITS Fund, for each unit class the Company shall receive an annual management fee of up to 2.00 % of the average value of the UCITS Fund in the respective unit class, calculated on the basis of the values at the end of each month. The custodian is entitled to deduct monthly pro rata advance payments. The Company shall indicate its management fee in the Prospectus and in the annual and semi-annual reports.

   b) In cases where contested claims are enforced through court or extrajudicial action for the UCITS Fund, the Company may charge a fee of up to 5 % of the amounts received for the UCITS Fund, after deduction and settlement of the costs resulting for the UCITS Fund on account of these proceedings.

   c) Performance-related fee

   aa) Definition of the performance-related fee

   For its management of the UCITS Fund, for each unit issued the Company may also receive a performance-related fee of up to 20 % (maximum amount) of the amount by which the unit value at the end of a settlement period exceeds the unit value at the start of this settlement period by the daily 3-month Euribor (positive absolute development of the unit value), but by no more than 20 % of the average value of the UCITS Fund in the respective settlement period.

   bb) Definition of the settlement period

   The settlement period will begin on January 1 and end on December 31 of a given calendar year.

   cc) Performance calculation

   The performance-related fee will be determined by comparing the unit value at the end of the settlement period with the unit value at the start of the settlement period in percentage terms. In principle, the unit value will be calculated in accordance with § 168 (1) of the German Capital Investment Code, i.e. less all costs with the exception of any dividends distributed from the UCITS Fund and any tax payments made.

   In accordance with the result of a daily comparison, a performance-related fee will be accrued in the UCITS Fund for each unit issued but will be released if the agreed increase in value or “high water mark” is undershot. The performance-related fee accrued at the end of the settlement period may be deducted.

   dd) Increase in value/“high water mark” provisions

   The performance-related fee may only be deducted if the unit value at the end of the settlement period exceeds the peak unit value of the UCITS Fund which has been realized at the end of the five previous settlement periods. Clause 1 shall not apply for the end of the first settlement period following the launch of the UCITS Fund; Clause 1 will apply for the end of the second, third, fourth and five settlement periods following its launch, subject to the proviso that the unit value must exceed the peak unit value at the end of one, two, three or four previous settlement periods.

2. Fees payable to third parties (these are not included in the management fee and the Company will thus additionally charge them to the UCITS Fund):

a) For measurement of the market risk and liquidity by third parties in accordance with the German Derivatives Regulation, the Company will charge the UCITS Fund an annual fee of up to 0.1 % of the average value of the UCITS Fund in the respective unit class, calculated on the basis of the average net asset values for the relevant month as determined on each day of stock-exchange trading.

b) For measurement of assets by third parties, the Company will charge the UCITS Fund an annual fee of up to 0.1 % of the average value of the UCITS Fund in the respective unit class, calculated on the basis of the average net asset values for the relevant month as determined on each day of stock-exchange trading.

3. Up to 2 % of the average value of the UCITS Fund which is determined on the basis of the values at the end of each month – plus 0.2 % of the average value of the UCITS Fund, in relation to the average net asset values for the relevant month as determined on each day of stock-exchange trading – may be deducted in total as fees from the UCITS Fund each year in accordance with the above Items 1.a), 2.a) and b).

4. The custodian shall receive an annual fee of up to 0.025 % of the value of the UCITS Fund, calculated on the basis of the average month-end figures for the relevant year, as of the end of the financial year in question but at least EUR 18,000 (eighteen thousand euros) per year. The custodian is entitled to deduct monthly pro rata advance payments.

5. As well as the above-mentioned fees, the following expenses will be charged to the UCITS Fund:

a) normal bank custody and account fees, including any normal bank fees for custody of foreign assets abroad, where appropriate;

b) costs for printing and mailing the sales documents required for investors by law (annual and semi-annual reports, prospectus, key investor information);

c) costs incurred for announcing the annual and semi-annual reports, the issuing and redemption prices, plus the distributions and reinvestments and the liquidation report, where appropriate;

d) costs for the creation and use of a permanent data storage medium, except in case of information on fund mergers and information on measures in connection with breaches of investment limits or calculation errors in relation to determination of unit values;

e) costs relating to the audit of the UCITS Fund by its auditor,

f) costs incurred for announcing the bases for taxation and certification that the tax information has been determined in accordance with the provisions of German tax law;

g) costs for the assertion and enforcement of the Company's legal claims for account of the UCITS Fund and for warding off claims brought against the Company at the expense of the UCITS Fund;

h) fees and costs charged by government agencies in relation to the UCITS Fund;

i) costs for legal and tax advice concerning the UCITS Fund;

j) costs and any fees which may arise in connection with the purchase and/or the use or designation of a benchmark or financial index;

k) costs associated with the appointment of proxies;

l) costs for third-party analysis of the investment outcome for the UCITS Fund;

m) any taxes arising in connection with the fees payable to the Company, the custodian and third parties and the above-mentioned expenses, including taxes arising in connection with management and custody.

6. Transaction costs

   As well as the above-mentioned fees and expenses, the costs arising in connection with the purchase and sale of assets will also be charged to the UCITS Fund.

7. The Company shall disclose in the annual report and the semi-annual report the front-end loads and redemption fees that have been charged to the UCITS Fund in the reporting period for the purchase and redemption of units pursuant to § 1 No. 5 of the Special Terms of Investment. In case of the purchase of units that are managed directly or indirectly by the Company itself or by another company affiliated to the Company by way of a material direct or indirect equity interest, the Company or the other company may not charge any front-end loads or redemption fees for purchase and redemption. The Company shall disclose in the annual report and semi-annual report the fees charged to the UCITS Fund by the Company itself, another capital investment company, an investment stock corporation, another company affiliated to the Company by way of a material direct or indirect equity interest, or a foreign investment company, including its management company, as a fee for managing the units held in the UCITS Fund.

The portfolio manager will receive a fee from the Company which will be deducted from the Company's management fee.

The Company has not agreed any upper limits for the reimbursement of expenses and transaction costs. Accordingly, in theory such other expenses and transaction costs may, in exceptional circumstances, amount to up to 100 % of the Fund's volume. This level has not been reached in the past. The Fund will only bear the actual costs and will therefore generally remain below the level indicated above.

The annual report provides details of the other expenses actually charged, both as amounts and as a percentage of the Fund's average volume.

As a rule, the transaction costs for trading of securities (equities, bonds, investment funds, certificates etc.) amount to up to 0.5 % of the market price of the respective transaction, but at least EUR 60 per transaction. A transaction is any activity which results, or is intended to result, in a monetary movement or other transfer of assets.

For derivatives products (options, futures etc.), the transaction costs generally amount to up to EUR 25 per contract, but at least EUR 60 per transaction. Contracts are the standardized, smallest tradable units in derivatives trading. Commodities derivatives will generally give rise to transaction costs of up to USD 50 per contract. In individual cases, a transaction fee of EUR 250.00 may apply.

The value of the transaction costs to be borne by the Fund will depend on the number of transactions actually executed during the financial year. Please refer to the annual report for details of the transaction costs actually charged to the Fund in the past financial year.

Insofar as the Company submits an application for a tax refund on behalf of certain investors at their request, it shall be entitled to charge an appropriate expense allowance for this.

Specific details concerning the purchase of investment units

As well as the remuneration for management of the Fund, a management fee will be charged for the target fund units held in the Fund.

The regular costs for the target fund units held in the Fund will be included in the calculation of the total expense ratio (see the section "Costs – Total expense ratio details").

Moreover, in connection with the acquisition of target fund units all types of fees, costs, taxes, commissions and other expenses may apply, which must be borne by the investors in the Fund either directly or indirectly.

The Company has not agreed any upper limits for these expenses. Accordingly, in theory the maximum upper limit may, in exceptional circumstances, amount to up to 100 % of the Fund's volume. This level has not been reached in the past. The Fund will only bear the actual costs and will therefore generally remain below the level indicated above.

The annual report and the semi-annual report disclose the front-end loads and the redemption fees which have been charged to the Fund during the reporting period for the purchase and redemption of units in target funds. They also disclose the fee which has been charged to the Fund by a domestic or foreign company or by a company affiliated to the Company by way of a material direct or indirect equity interest, as a management fee for the target fund units or equities held in the Fund.

Total expense ratio details

The management costs charged to the Fund during the financial year are disclosed in the annual report and shown as a percentage of the average volume of the Fund ("total expense ratio"). The management costs comprise the fee for management of the Fund, where applicable including a performance-related fee, the custodian's fee and the expenses which may be additionally charged to the Fund (see the section "Costs – Management and other costs" and "Costs – Specific details concerning the purchase of investment units"). Insofar as the Fund invests a significant portion of its assets in other investment funds, the total expense ratio for these target funds is also included. The total expense ratio does not include any incidental costs or costs relating to the purchase and sale of assets (transaction costs). The total expense ratio is published in the Key Investor Information as "Ongoing charges".

Different expense statements issued by sales agents

In the event that the investor is advised by third parties in purchasing units or if such third parties broker this purchase for the investor, they may provide the investor with expense statements or expense ratios which do not match the expense details in this Prospectus and the Key Investor Information and which may exceed the total expense ratio indicated herein. In particular, this may be due to the fact that this third party has also taken into consideration the costs for its own activity (e.g. brokerage, advice or maintenance of a custody account). In addition, it may include one-off costs such as front-end loads and will generally use different calculation methods or even estimates for the costs arising at the level of the Fund which include, in particular, the transaction costs for the Fund.

Discrepancies in terms of reported expenses may arise both in the information provided before a contract is concluded and in regular information on expenses arising through an existing fund investment, within the scope of a permanent customer relationship.

REMUNERATION POLICY

The remuneration of the employees of the Company and its management is not tied to the performance of the investment funds under their management. The Company's remuneration policy thus has no influence on the risk profile and the investment decisions for its investment funds.

Further details of the Company's current remuneration policy may be found at www.hansainvest.de. This includes a description of the methods of calculating remuneration and compensation for certain groups of employees as well as the details of the persons responsible for their allocation. Upon demand, the Company will provide this information free-of-charge in paper form.

CALCULATION AND APPROPRIATION OF INCOME

Calculation of income, income equalization procedure

The Fund realizes income in the form of the interest, dividends and income from investment units which are accrued during the financial year and are not used to cover costs. In addition, fees are generated from lending transactions and repurchase agreements. Further income may result from the sale of assets held for account of the Fund.

The Company applies an income equalization procedure for the Fund. This prevents the proportion of distributable income in relation to the unit price from fluctuating due to cash inflows and outflows. Otherwise, any cash inflow to the Fund during the financial year would mean that less income per unit would be available for distribution on the distribution dates than would be the case subject to a constant number of units in circulation. On the other hand, cash outflows would mean that for each unit more income would be available for distribution than would be the case subject to a constant number of units in circulation.

To prevent this, during the financial year the distributable income that the unit purchaser has to pay as part of the issuing price and that the seller of the units receives as part of the redemption price will be continuously calculated and allocated to the income statement as a distributable position.

Ultimately, in case of an income-distributing unit class the result of the income equalization procedure is that the distribution amount per unit is not influenced by the unforeseeable development of the Fund or the units outstanding. It is thus accepted that an investor who, for example, purchases units shortly before the distribution date will receive the portion of the unit price that corresponds to taxable income in the form of a distribution and be obliged to pay tax on this, even though the capital paid in by this investor has not contributed to generating this income.

Ultimately, in case of an income-reinvesting unit class the result of the income equalization procedure is that the reinvested income per unit shown in the annual report is not influenced by the unforeseeable development of the Fund or the units outstanding. It is thus accepted that an investor who, for example, purchases units shortly before the reinvestment date will pay tax on the portion of the unit price which is included in taxable income even though the capital paid in by the investor has not contributed to generating this income.

Appropriation of income

Distribution procedure

The section “Overview of the Fund – Characteristics of the Fund’s unit classes” indicates whether the Fund/a unit class distributes or reinvests income.

In case of an income-distributing unit class, in principle the Company will distribute the interest, dividends and income from investment units and fees from lending transactions and repurchase agreements – after adjustment for equalization of income – which have accrued during the financial year for account of the unit class and which have not been used to cover costs. Realized capital gains and other income may also be distributed after adjustment for equalization of income.

Income and any capital gains will be distributed within four months of the end of the financial year. In relation to distributions, it should be noted that the distribution amount will be deducted from the unit value (redemption price) on the distribution date, since the distribution amount will be withdrawn from the assets of the Fund. In special cases, in the interest of maintaining the Fund’s intrinsic value income may be partially or completely reinvested in the Fund even in the income-distributing unit class.

In case of an income-reinvesting unit class, income will not be distributed and will be reinvested in the Fund (reinvestment).

Crediting of distributions

In case of income-distributing unit classes, the following will apply for crediting of distributions:

If the units are held in a custody account at the custodian, the branches of the latter will credit the distributions free-of-charge. If the custody account is held at other banks or savings banks, additional costs may be incurred.

LIQUIDATION, TRANSFER AND MERGER OF THE FUND

Preconditions for the Fund's liquidation

Investors are not entitled to require the liquidation of the Fund. The Company may terminate its management of the Fund subject to at least six months' notice by way of an announcement in the German Federal Gazette as well as in the annual or semi-annual report. The custodians will also notify the investors of termination by means of a permanent data storage medium, e.g. in paper form or in electronic form. The Company's right to manage the Fund will expire once termination becomes effective.

In addition, the Company's right of management will expire if insolvency proceedings have been instituted in relation to its assets or in case of a final and non-appealable court ruling rejecting an application to institute insolvency proceedings on grounds of insufficient assets.

Upon expiry of the Company's right of management, the right of disposal over the Fund will pass to the custodian which shall liquidate the Fund and distribute the proceeds to the investors or – with the consent of the German Federal Financial Supervisory Authority – transfer management to another capital investment company.

Procedure in case of the Fund's liquidation

Issuance and redemption of units will be suspended and the Fund will be liquidated upon transfer of the right of disposal over the Fund to the custodian.

The proceeds obtained from the sale of assets of the Fund, less such costs as are still to be borne by the Fund and less the costs incurred as a result of liquidation, will be distributed among the investors who will be entitled to payment of the liquidation proceeds in proportion to the units which they hold in the Fund.

On the day that its right to manage the Fund expires, the Company shall prepare a liquidation report meeting the standards for an annual report. Notice of the liquidation report will be provided in the German Federal Gazette within three months of the date of the Fund's liquidation. During its liquidation of the Fund, annually and as of the date on which its liquidation is completed the custodian will produce a report meeting the standards for an annual report. Notification of these reports is also required in the German Federal Gazette within three months of the reporting date.

Transfer of the Fund

The Company may transfer the right of management and disposal for the Fund to another capital investment company. The transfer shall require the prior approval of the German Federal Financial

Supervisory Authority. The approved transfer will be announced in the German Federal Gazette and additionally in the annual report or semi-annual report for the Fund. The custodians will also notify the investors of the planned transfer by means of a permanent data storage medium, e.g. in paper form or in electronic form. The date as of which the transfer becomes valid shall be determined in accordance with the contractual provisions agreed between the Company and the receiving capital investment company. However, the transfer may become valid at the earliest three months following its announcement in the German Federal Gazette. In this case, all rights and obligations of the Company in relation to the Fund shall be transferred to the receiving capital investment company.

Preconditions for the Fund’s merger

With the consent of the German Federal Financial Supervisory Authority, all of this Fund’s assets may be transferred to another existing investment fund or to another investment fund which is newly established through the merger which must comply with the requirements for a UCITS launched in Germany or another EU or EEA state.

This transfer will become valid as of the end of the financial year for the transferred fund (transfer date) unless another transfer date is specified.

Investors’ rights in case of the Fund’s merger

Up to five working days prior to the planned transfer date investors may either surrender their units without any further costs – with the exception of the costs to cover the Fund’s liquidation – or exchange them for units in another open-end retail investment fund which is also managed by the Company or by an affiliate and whose investment principles are similar to those of the Fund.

The Company must notify the Fund’s investors prior to the planned transfer date by means of a permanent data storage medium, e.g. in paper form or in electronic form, of the reasons for the merger, the potential effects for the investors, their rights in connection with the merger and the key details of the process. In addition, the investors must be provided with the key investor information for the investment fund to which the Fund’s assets are to be transferred. The investors must receive the above-mentioned information at least 30 days prior to the expiry of the deadline for the surrender or conversion of their units.

On the transfer date, the net asset values of the absorbing fund and of the transferred fund will be calculated, the exchange ratio will be determined and the overall exchange process will be audited by the auditor. The exchange ratio is the ratio of the net asset values per unit in the transferred fund and in the absorbing investment fund at the time of the transfer. Investors will receive the number of units in the absorbing investment fund equal in value to their units in the transferred investment fund.

Insofar as the investors fail to exercise their right of surrender or their right of conversion, as of the transfer date they will become investors in the absorbing investment fund. The Company may stipulate – where applicable, together with the capital investment company for the absorbing investment fund – that the investors in the transferred investment fund will receive a cash payment of up to 10 % of the value of their units. The Fund will be terminated upon transfer of all of its assets. If the transfer takes place during the current financial year of the Fund, the Company must prepare a report as of the transfer date which meets the standards for an annual report.

The Company will provide notice in the German Federal Gazette and on its website www.hansainvest.de if the Fund has been merged with another investment fund managed by the Company and if this merger has become effective. In the event of the Fund being merged with another investment fund which is not managed by the Company, the management company which manages the absorbing investment fund or the newly established investment fund will provide notice of the effectiveness of this merger.

OUTSOURCING

HANSAINVEST has outsourced portfolio management for the Fund indicated in this Prospectus to C-QUADRAT Wealth Management GmbH, Vienna. C-QUADRAT Wealth Management GmbH, Vienna, is regulated by the Austrian Financial Market Authority (*Finanzmarktaufsicht*, *FMA*), Otto-Wagner-Platz 5, A – 1090 Vienna (fma@fma.gv.at).

As well as outsourcing of portfolio management for other funds managed by HANSAINVEST to various companies, HANSAINVEST has transferred the following tasks to other companies:

Provision and maintenance of software and hardware for operation of the IT network and data processing for office communications
to
SIGNAL IDUNA Vereinigte Lebensversicherung a.G., Hamburg

IT audit
to
KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin/Frankfurt am Main

Collateral management for some of the Company's funds
to
Bank of New York Mellon SA/NV, London Branch

HANSAINVEST is entitled to issue these companies with instructions in relation to the outsourced tasks at any time. It may also terminate its relationships with these companies and outsource the relevant tasks to third parties or handle them itself.

The following conflicts of interest may arise from outsourcing:

- SIGNAL IDUNA Lebensversicherung a.G. is an affiliate of the Company.

CONFLICTS OF INTEREST

The following conflicts of interest may arise at the Company:

The interests of the investor may conflict with the following interests:

- interests of the Company and its affiliates,
- interests of the employees of the Company,
- interests of other investors in this Fund or other funds or
- interests of the customers of the Company.

Circumstances or relationships which may give rise to conflicts of interest for the Company and/or firms to which it outsources tasks include, in particular:

- incentive systems for employees of the Company,
- employee transactions,
- gifts for employees of the Company,
- restructuring of the Fund,
- improvement of the Fund's performance in line with a specific reporting date ("window dressing"),
- transactions between the Company and the investment funds or individual portfolios managed by it or
- transactions between the investment funds and/or individual portfolios managed by the Company,
- pooling of multiple orders ("block trades"),
- commissioning of closely affiliated companies and persons,
- significant individual investments,

- if the Company has subscribed the securities for multiple investment funds or individual portfolios ("IPO allocations") following an oversubscription within the scope of a share issue,
- transactions following the close of trading at the closing price already known during the current day, "late trading",
- exercise of voting rights.

In connection with transactions performed for account of the Fund, the Company may receive benefits in kind (broker research, financial analyses, market and share price information systems) that it uses in making investment decisions in the interests of the investors.

The Company does not receive any reimbursement of the fees and expenses paid to the custodian and third parties out of the assets of the Fund.

The Companies pays brokers (e.g. credit institutions) regular (generally, annual) brokerage fees as "trail fees" out of its own management fee. In addition, the Company charges a front-end load at the purchase of units in the Fund; please see the sections "Costs" and "Overview of the Fund – Front-end load" for details. Up to 100 % of this front-end load will be passed on to the Company's sales partners as a fee for their sales activities.

The Company makes uses of organizational measures such as the following for identification, avoidance, management, monitoring and disclosure of conflicts of interest:

- Existence of a compliance department which ensures compliance with rules and legislation and which must be notified of conflicts of interest.
- Disclosure obligations
- Organizational measures such as
    - establishment of confidentiality areas for individual departments, to prevent misuse of confidential information,
    - allocation of responsibilities to prevent undue influence,
- Rules of conduct for employees in relation to employee transactions, obligations for compliance with insider trading law, initial and advanced training
- Establishment of appropriate remuneration systems,
- Principles for consideration of client interests,
- Optimal execution principles for the purchase or sale of financial instruments,
- Principles for splitting up partial executions,
- Establishment of order acceptance times (cut-off times),
- Principles for the exercise of voting rights,
- Forward pricing,
- Participation on the compliance committee of the SIGNAL IDUNA Group.

The portfolio manager is already required by law to maintain appropriate systems for management of conflicts of interest.

SIGNAL IDUNA Lebensversicherung a.G. is an affiliate of the Company. It cannot be ruled out that this company might not have been selected for the above-mentioned outsourcing activities if it were not an affiliate.

Moreover, the portfolio manager to which HANSAINVEST has outsourced portfolio management tasks for this Fund is obliged under the outsourcing contract concluded with it to maintain appropriate procedures for identification, management and monitoring of potential conflicts of interest. It is also obliged to regularly review its principles for handling conflicts of interest and – insofar as the portfolio manager's organizational measures are not suitable to avoid conflicts of interest – to document the general nature and origin of any residual conflicts of interest ("inevitable conflicts of interest") and to notify the Company of these immediately.

No inevitable conflicts of interest have been identified in connection with outsourcing of portfolio management.

Nor have any inevitable conflicts of interest been identified in relation to the other outsourcing companies.

BRIEF DETAILS OF TAX REGULATIONS

The following information on tax regulations only applies to investors with unlimited tax liability in Germany. Foreign investors are advised to contact their tax advisor prior to purchasing units in the Fund described in this Prospectus, for individual clarification of the potential tax consequences of such an investment in their respective countries of residence.

As a special purpose fund, in principle the Fund is exempt from corporate income tax and trade tax. However, it is partially liable for corporate income tax for its domestic investment income and other domestic income within the scope of its limited income tax liability, within the exception of gains from the sale of shares in corporations. The tax rate is 15 %. Insofar as the taxable income is assessed by means of a deduction of capital gains tax, the tax rate of 15 % will already include the solidarity surcharge.

However, for private investors the investment income is treated as income from capital assets and is subject to income tax if this income, together with the investor's other investment income, exceeds the currently applicable lump-sum savings allowance[3].

25 % tax will be withheld on income from capital assets (plus solidarity surcharge and church tax, if applicable). Income from capital assets includes the income from investment funds (investment income), i.e. the distributions made by the Fund, the predetermined lump-sum amounts and the gains from the sale of units.

As the tax withheld is generally definitive (flat tax) for private investors, income from capital assets does not, as a rule, have to be disclosed in the investor's income tax return. When withholding the tax, in principle the custodian will offset any losses and credit foreign withholding taxes resulting from direct investments.

However, the tax withheld is not definitive if, among other things, the investor's personal tax rate is lower than the 25 % flat tax rate. In this case, income from capital assets may be disclosed in the income tax return. The tax office will then apply the lower personal tax rate and count the tax withheld towards the investor's tax liability (most favorable tax treatment – *Günstigerprüfung*).

If no tax has been withheld on income from capital assets (for example, because a gain from the sale of units in the Fund is generated in a foreign custody account), this income must be disclosed in the tax return. This income from capital assets is then also subject to the 25 % flat tax rate or to the lower personal tax rate in the course of the assessment.

Units held as business assets will be treated as business income for tax purposes.

Units held as part of private assets (resident taxpayers)

Distributions

In principle, distributions made by the Fund are liable for tax.

[3] Since 2009, the lump-sum savings allowance is EUR 801 for a separate assessment and EUR 1,602 for married couples assessed jointly.

Tax is normally deducted from taxable distributions at a rate of 25 % (plus solidarity surcharge and church tax, where applicable).

The deduction of tax may be waived if the investor is a resident taxpayer and submits an exemption request (*Freistellungsauftrag*), provided that the taxable income components do not exceed the current annual lump-sum savings allowance[4].

The same applies upon presentation of a certificate for persons who are not expected to be assessed for income tax purposes ("non-assessment certificate").

If domestic investors hold the units in a domestic custody account, the respective custodian, as the paying agent, will not withhold any tax provided that, prior to the specified distribution date, it receives either an official exemption request for a sufficient amount or a non-assessment certificate issued by the tax office for a maximum period of three years. In this case, the entire distribution will be credited to the investor without deduction.

Predetermined lump-sum amounts

The predetermined lump-sum amount is the amount by which the distributions made by the Fund within a given calendar year fall short of the basic income for this calendar year. This basic income will be determined by multiplying the redemption price of the unit at the start of a calendar year by 70 per cent of the basic interest rate determined according to the return achievable on public bonds on a long-term basis. This basic income is limited to the additional amount resulting between the first and last redemption price calculated in a given calendar year plus the distributions made in this calendar year. In the year of the units' purchase, this predetermined lump-sum amount will be reduced by one twelfth for each full month preceding the month of purchase. This predetermined lump-sum amount will be deemed to have accrued on the first working day of the following calendar year.

In principle, predetermined lump-sum amounts are liable for tax.

Tax is normally deducted from taxable predetermined lump-sum amounts at a rate of 25 % (plus solidarity surcharge and church tax, where applicable).

The deduction of tax may be waived if the investor is a resident taxpayer and submits an exemption request (*Freistellungsauftrag*), provided that the taxable income components do not exceed the current annual lump-sum savings allowance5.

The same applies upon presentation of a certificate for persons who are not expected to be assessed for income tax purposes ("non-assessment certificate").

If domestic investors hold the units in a domestic custody account, the respective custodian, as the paying agent, will not withhold any tax provided that, prior to the date of accrual, it receives either an official exemption request for a sufficient amount or a non-assessment certificate issued by the tax office for a maximum period of three years. In this case, no tax will be paid over. Otherwise, the investor must provide the domestic custodian with the amount of remittable tax. For this purpose, the custodian may recover the amount of remittable tax from an account which it holds in the name of the investor without the investor's consent. Unless the investor submits an objection prior to the accrual of the predetermined lump-sum amount, the custodian may recover the amount of remittable tax from an account in the name of the investor insofar as an overdraft facility agreed with the investor for this account has not been used. Insofar as the investor fails to comply with his obligation to provide the

[4] Since 2009, the lump-sum savings allowance is EUR 801 for a separate assessment and EUR 1,602 for married couples assessed jointly.

[5] Since 2009, the lump-sum savings allowance is EUR 801 for a separate assessment and EUR 1,602 for married couples assessed jointly.

domestic custodian with the amount of remittable tax, the custodian must notify the tax office which is competent for it of this fact. In this case, the investor will be required to report the predetermined lump-sum amount in his income tax return.

Capital gains at the level of the investor

If units in the Fund are sold after December 31, 2017, the capital gain will be subject to the 25 % flat tax. This applies both for units which were purchased before January 1, 2018 and which are deemed to have been sold as of December 31, 2017 and reacquired as of January 1, 2018 and for units purchased after December 31, 2017.

In case of gains from the sale of units which were purchased before January 1, 2018 and which are deemed to have been sold as of December 31, 2017 and reacquired as of January 1, 2018, it should be noted that as of the date of actual sale tax must also be paid on the profits resulting from the fictitious sale as of December 31, 2017 if these units were in fact purchased after December 31, 2008.

If the units are held in a domestic custody account, the custodian will withhold this tax while taking any partial exemptions into account. The 25 % tax (plus solidarity surcharge and church tax, if applicable) need not be withheld if a sufficient exemption request or a non-assessment certificate is submitted. Where a private investor sells such units at a loss, this loss may be offset against other positive income from capital assets. Insofar as these units are held in a domestic custody account and positive income is realized from capital assets held by the same custodian in the same calendar year, the custodian will offset any losses.

In case of a sale of the fund units purchased before January 1, 2009 in the period after December 31, 2017, in principle the profit arising in the period after December 31, 2017 will be tax-free for private investors up to an amount of EUR 100,000. This tax-exempt amount may only be claimed if these profits are reported to the tax office which is competent for the investor.

For the calculation of the capital gain, the predetermined lump-sum amounts applied during the holding period must be deducted from the profit.

Units held as part of business assets (resident taxpayers)

Reimbursement of corporate income tax for the Fund

The corporate income tax arising at the level of the Fund may be refunded to the Fund in order to be passed on to an investor insofar as this investor is a domestic corporation, an association of persons or a collection of assets which, according to its corporate articles, endowment contract or other constitution and, in terms of its actual management, exclusively and directly pursues non-profit, charitable or ecclesiastical purposes or is a foundation governed by public law which exclusively and directly pursues non-profit or charitable purposes or is a legal entity governed by public law which exclusively and directly pursues ecclesiastical purposes; this will not apply if these units are held within the scope of commercial activities. The same applies for comparable foreign investors whose registered office and management are situated in a foreign state which provides administrative and collection assistance.

This is subject to the precondition that such an investor submits a corresponding application and that the accrued corporate income tax applies for his holding period pro rata. In addition, at least three months prior to the accrual of the income of the Fund which is liable for corporate income tax, the investor must be the civil law owner and the beneficial owner of the units, without being subject to any obligation to transfer the units to another person. Moreover, in relation to the corporate income tax arising at the level of the Fund on German dividends and income from German equity capital-equivalent profit participation rights a key precondition of this reimbursement is that the Fund has, as the beneficial owner, held German equities and German equity capital-equivalent profit participation rights without interruption for a period of 45 days, within 45 days before and after the due date for the investment income, and that minimum price fluctuation risks of 70 % applied without interruption in this 45-day period.

Evidence of this tax exemption and an investment unit statement issued by the custodian must be attached to the application. The investment unit statement is a certificate issued on the basis of an official template, documenting the volume of units held by the investor throughout the calendar year as well as the dates of this investor's purchases and sales of units during this calendar year and the volume of such purchases and sales.

The corporate income tax arising at the level of the Fund may also be reimbursed to the Fund in order for it to be passed on the investor, provided that the units in the Fund are held within the scope of old age provision or basic pension (*Basisrente*) agreements certified under the German Act on the Certification of Old Age Provision Agreements (*Altersvorsorgeverträge-Zertifizierungsgesetz*, *AltZertG*). This is subject to the precondition that the entity providing an old age provision or basic pension agreement notifies the Fund within one month of the end of its financial year as to when units have been purchased or sold and the volume of such purchases and sales.

The Fund or the Company shall not be obliged to request reimbursement of the relevant corporate income tax amount in order for this to be passed on to the investor.

Due to the highly complex nature of these rules, it would appear prudent to consult a tax advisor.

Distributions

In principle, distributions made by the Fund are liable for income or corporate income tax as well as trade tax.

Tax is normally deducted from distributions at a rate of 25 % (plus solidarity surcharge).

Predetermined lump-sum amounts

The predetermined lump-sum amount is the amount by which the distributions made by the Fund within a given calendar year fall short of the basic income for this calendar year. This basic income will be determined by multiplying the redemption price of the unit at the start of a calendar year by 70 per cent of the basic interest rate determined according to the return achievable on public bonds on a long-term basis. This basic income is limited to the additional amount resulting between the first and last redemption price calculated in a given calendar year plus the distributions made in this calendar year. In the year of the units' purchase, this predetermined lump-sum amount will be reduced by one twelfth for each full month preceding the month of purchase. This predetermined lump-sum amount will be deemed to have accrued on the first working day of the following calendar year.

In principle, predetermined lump-sum amounts are liable for income or corporate income tax as well as trade tax.

Tax is normally deducted from predetermined lump-sum amounts at a rate of 25 % (plus solidarity surcharge).

Capital gains at the level of the investor

In principle, gains from the sale of units are subject to income or corporate income tax as well as trade tax. For the calculation of the capital gain, the predetermined lump-sum amounts applied during the holding period must be deducted from the profit.

As a rule, the gains from the sale of units are not subject to any deduction of tax.

Negative tax income

Negative taxable income may not be allocated directly to investors.

Taxation in case of liquidation

During the liquidation of the Fund, distributions will only be treated as income insofar as they include growth for a given calendar year.

Summary of taxation for common types of business investor groups

<table>
<tr><th></th><th>Distributions</th><th>Predetermined lump-sum amounts</th><th>Capital gains</th></tr>
<tr><td>Domestic investors</td><td></td><td></td><td></td></tr>
<tr><td rowspan="2">Sole proprietorships</td><td colspan="2">Capital gains tax:
25 % (the partial exemption for equity funds in the amount of 30 % and for balanced funds in the amount of 15 % will be taken into consideration)</td><td>Capital gains tax:
N/A</td></tr>
<tr><td colspan="3">Specific taxation arrangements:
Income tax and trade tax, while taking into consideration any partial exemptions (equity funds 60 % for income tax/30 % for trade tax; balanced funds 30 % for income tax/15 % for trade tax)</td></tr>
<tr><td rowspan="2">Corporate bodies subject to regular taxation (typically industrial firms; banks, provided that units are not held in their trading portfolios; property insurance firms)</td><td colspan="2">Capital gains tax:
N/A for banks, otherwise 25 % (the partial exemption for equity funds in the amount of 30 % and for balanced funds in the amount of 15 % will be taken into consideration)</td><td>Capital gains tax:
N/A</td></tr>
<tr><td colspan="3">Specific taxation arrangements:
Corporate income tax and trade tax, while taking into consideration any partial exemptions (equity funds 80 % for corporate income tax/40 % for trade tax; balanced funds 40 % for corporate income tax/20 % for trade tax)</td></tr>
<tr><td rowspan="2">Life and health insurance firms and pension funds where fund units form part of their investments</td><td colspan="3">Capital gains tax:
N/A</td></tr>
<tr><td colspan="3">Specific taxation arrangements: Corporate income tax and trade tax, if no provision is established in the commercial balance sheet for premium refunds which must be recognized for tax purposes; where applicable, while taking into consideration any partial exemptions (equity funds 30 % for corporate income tax/15 % for trade tax; balanced funds 15 % for corporate income tax/7.5 % for trade tax)</td></tr>
<tr><td rowspan="2">Banks holding fund units within the scope of their trading portfolios</td><td colspan="3">Capital gains tax:
N/A</td></tr>
<tr><td colspan="3">Specific taxation arrangements: Corporate income tax and trade tax, while taking into consideration any partial exemptions (equity funds 30 % for corporate income tax/15 % for trade tax; balanced funds 15 % for corporate income tax/7.5 % for trade tax)</td></tr>
<tr><td rowspan="2">Tax-exempt non-profit-making, charitable or church investors (particularly churches, non-profit-making foundations)</td><td colspan="3">Capital gains tax:
N/A</td></tr>
<tr><td colspan="3">Specific taxation arrangements:
Tax-free – in addition, the corporate income tax arising at the level of the Fund may be refunded upon request</td></tr>
<tr><td rowspan="2">Other tax-exempt investors (particularly pension funds, death benefits funds and relief funds, subject</td><td colspan="3">Capital gains tax:
N/A</td></tr>
<tr><td colspan="3">Specific taxation arrangements:
Tax-free</td></tr>
</table>

to fulfillment of the preconditions stipulated in the German Corporate Income Tax Act (*Körperschaftsteuer gesetz, KStG*)	

Domestic custody will be assumed. A solidarity surcharge will be deducted on capital gains tax, income tax and corporate income tax as an additional levy. To qualify for non-deduction of capital gains tax, it may be necessary to present the custodian with certificates in good time.

Non-resident individuals

If a non-resident individual holds units in the Fund in a custody account with a domestic custodian, no tax will be withheld on distributions, predetermined lump-sum amounts and gains from the sale of units if the investor furnishes proof of his non-resident status for tax purposes. If the custodian concerned is unaware of the investor’s non-resident status or if proof of this status is not furnished in good time, the foreign investor is required to apply for reimbursement of the tax withheld in accordance with the German Fiscal Code. The investor must contact the tax office which is competent for the custodian.

Solidarity surcharge

A 5.5 % solidarity surcharge is levied on the withheld tax, for remittance in case of distributions, predetermined lump-sum amounts and gains from the sale of units. The solidarity surcharge may be offset against the investor’s income tax or corporate income tax liability.

Church tax

If income tax is already levied via the tax withheld by a domestic custodian (withholding agent), the church tax payable on this will normally be levied as a surcharge to the tax withheld in accordance with the church tax rate for the religious community to which the person subject to church tax belongs. Deductibility of church tax as a special personal deduction is already recognized as reducing the tax burden when the tax is withheld.

Foreign withholding tax

Withholding tax on the fund’s foreign income will be retained in some cases in the country of origin. This withholding tax cannot be recognized as reducing the tax burden for investors.

Consequences of a fund merger

The transfer of all of the assets of a domestic fund to another domestic fund will not result in the realization of hidden reserves, either at the level of the investor or at the level of the funds concerned, i.e. this process is tax-neutral. The same applies for the transfer of all of the assets of a domestic fund to a domestic investment stock corporation with variable capital or to a subfund of a domestic investment stock corporation with variable capital. In the event of the investors in the transferred fund receiving a cash payment defined in the merger plan, this will be treated in the same way as a distribution.

Automatic exchange of information in relation to tax matters

In the past few years, the automatic exchange of information to combat international tax fraud and tax evasion has become much more significant at an international level. Accordingly, in 2014 the OECD published a global standard on behalf of the G20 for the automatic exchange of information concerning financial accounts in relation to tax matters (Common Reporting Standard, hereinafter: “CRS”). More than 90 states (participating states) reached agreement on the CRS through a multilateral agreement. Moreover, in late 2014 through the Council Directive 2014/107/EU of December 9, 2014 this was integrated into the Directive 2011/16/EU in relation to the commitment to exchange information in the field of taxation automatically. As a rule, the participating states (all EU member states and some third countries) have applied the CRS since 2016, subject to reporting obligations from 2017. Only a few states (e.g. Austria and Switzerland) have been permitted to apply the CRS one year later. Germany transposed the CRS into German law through the German Act on the Exchange of Information on Financial Accounts (*Finanzkonten-Informationsaustauschgesetz, FKAustG*) of December 21, 2015 and has applied this since 2016.

The CRS obliges reporting financial institutions (mainly credit institutions) to obtain certain types of information regarding their customers. If these customers (natural persons or legal entities) are persons who are subject to reporting requirements and who reside in other participating states (this does not include stock market-listed corporations or financial institutions, for example), their accounts and custody accounts will be classified as notifiable accounts. The reporting financial institutions will then forward certain types of information to their domestic tax authority for each notifiable account. This will then forward this information to the customer's domestic tax authority.

The information which will be forwarded mainly comprises the personal data of the customer subject to reporting requirements (name; address; tax identification number; date of birth and place of birth (for natural persons); country of residence) as well as information concerning this customer's accounts and custody accounts (e.g. account number; account balance or account value; total gross amount of income such as interest, dividends or distributions from investment funds); total gross proceeds of the sale or surrender of financial assets (including fund units)).

Accordingly, in concrete terms this affects investors subject to reporting requirements who have an account and/or custody account with a credit institution which resides in a participating state. German credit institutions will therefore pass on information concerning investors residing in other participating states to the German Federal Central Office of Taxation, which will forward this information to the relevant tax authorities in these investors' countries of residence. Conversely, credit institutions in other participating states will pass on information on investors residing in Germany to their domestic tax authority which will forward this information to the German Federal Central Office of Taxation. Finally, it is possible that credit institutions residing in other participating states may pass on information concerning investors residing in additional participating states to their domestic tax authority, which will in turn forward this information to the tax authorities in these investors' countries of residence.

Notice: These tax comments reflect the current understanding of the legal situation. They are intended for persons with unlimited German income or corporate income tax liability. The tax assessment may change due to legislation, court rulings or other legal acts of the fiscal administration.

REPORTING

The Company will provide the Fund's investors with a detailed annual report at the end of the financial year. This includes a statement of assets, a statement of income and expenditure and details of the Fund's development and taxation of income. The Company will produce a semi-annual report halfway through the financial year.

AUDITOR

The audit firm PricewaterhouseCoopers Aktiengesellschaft, Hamburg, has been tasked with auditing the Fund and the annual report.

The auditor will audit the annual report for the Fund. The auditor shall summarize its audit findings in a separate opinion which must be reproduced in full in the annual report. This audit includes an assessment of whether the Fund's management is consistent with the requirements of the German Capital Investment Code and the Terms of Investment. The auditor must submit its audit report for the Fund to the German Federal Financial Supervisory Authority.

SERVICE PROVIDERS

Companies performing functions outsourced by the Company are listed under "Outsourcing". In addition, the Company has commissioned the following service providers:

- Marketing company: cf. the section "Overview of the Parties"
- Tax advice: KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main (preparation of the certificates required under § 5 of the German Investment Tax Act (Investmentsteuergesetz, InvStG).

PAYMENTS TO THE INVESTORS/DISTRIBUTION OF REPORTS AND OTHER INFORMATION

The custodian has been appointed so as to ensure that investors will receive any distributions and that units may be redeemed. Investor information documents mentioned in this Prospectus – such as the Prospectus, the Key Investor Information, the Terms of Investment and annual and semi-annual reports – are available at www.hansainvest.de. These documents may also be obtained from HANSAINVEST and from the custodian.

FURTHER INVESTMENT FUNDS MANAGED BY THE COMPANY

The Company also manages the following retail investment funds which are not covered by this Prospectus:

Investment funds compliant with the UCITS Directive

HANSArenta	– launched on	January 2, 1970
HANSAsecur	– launched on	January 2, 1970
HANSAinternational	– launched on	September 1, 1981
HANSAzins	– launched on	May 2, 1985
HANSAeuropa	– launched on	January 2, 1992
HANSAgeldmarkt	– launched on	November 2, 1994
Konzept Privat	– launched on	December 8, 1995
4Q-VALUE FONDS	– launched on	February 1, 1997
HANSAertrag	– launched on	March 19, 1997
IPAM AktienSpezial	– launched on	October 1, 1997
4Q-INCOME FONDS	– launched on	January 30, 1998
4Q-EUROPEAN OPPORTUNITIES	– launched on	January 31, 1998
Aramea Hippokrat	– launched on	October 22, 1998
HANSAbalance	– launched on	July 1, 1999
Inovesta Classic	– launched on	May 26, 2000
Inovesta Opportunitiy	– launched on	May 26, 2000
HANSAcentro	– launched on	July 3, 2000
HANSAdynamic	– launched on	July 3, 2000
advantage konservativ	– launched on	August 1, 2000
HI Topselect W	– launched on	May 17, 2001
HI Topselect D	– launched on	May 17, 2001
HANSAaccura	– launched on	January 2, 2002
4Q-GROWTH FONDS	– launched on	May 6, 2005
IPAM RentenWachstum	– launched on	October 4, 2005
efv-Perspektive-Fonds I	– launched on	November 15, 2005

CH Global	– launched on	October 2, 2006
HINKEL Welt Core Satelliten Strategie HI Fonds	– launched on	October 5, 2007
HINKEL Europa Core Satelliten Strategie HI Fonds	– launched on	October 23, 2007
SI BestSelect	– launched on	December 14, 2007
D&R Best-of-Two Classic	– launched on	December 20, 2007
SI SafeInvest	– launched on	January 2, 2008
IAC-Aktien Global	– launched on	February 15, 2008
MuP Vermögensverwaltung Horizont 5	– launched on	February 29, 2008
MuP Vermögensverwaltung Horizont 10	– launched on	February 29, 2008
TOP-Investors Global	– launched on	March 3, 2008
GLOBAL MARKETS DEFENDER	– launched on	April 1, 2008
GLOBAL MARKETS TRENDS	– launched on	April 1, 2008
GLOBAL MARKETS GROWTH	– launched on	April 1, 2008
Konzept Rendite	– launched on	April 28, 2008
Aramea Balanced Convertible	– launched on	May 15, 2008
PTAM Absolute Return	– launched on	May 29, 2008
OLB Invest Solide	– launched on	August 1, 2008
GFS Aktien Anlage Global	– launched on	September 1, 2008
Münsterländische Bank Strategieportfolio II	– launched on	September 1, 2008
Münsterländische Bank Strategieportfolio I	– launched on	September 1, 2008
GF Global Select HI	– launched on	September 15, 2008
Aramea Strategie I	– launched on	November 10, 2008
Aramea Rendite Plus	– launched on	December 9, 2008
ENISO Forte E	– launched on	October 19, 2009
4Q-SMART POWER	– launched on	December 5, 2009
Antecedo Strategic Invest	– launched on	August 2, 2010
Aramea Aktien Select	– launched on	August 16, 2010
TOP Defensiv Plus	– launched on	October 19, 2010
C-QUADRAT ARTS Total Return Flexible	– launched on	November 8, 2010
HANSAwerte	– launched on	December 30, 2010
NATIONAL-BANK Stiftungsfonds 1	– launched on	September 15, 2011
HANSAsmart Select E	– launched on	October 4, 2011
Apus Capital Revalue Fonds	– launched on	October 19, 2011
3ik-Strategiefonds I	– launched on	December 1, 2011
3ik-Strategiefonds II	– launched on	December 1, 2011
3ik-Strategiefonds III	– launched on	December 1, 2011
D&R Konservative Strategie Europa	– launched on	June 1, 2012
Rücklagenfonds	– launched on	June 6, 2012
Vermögensrefugium	– launched on	June 15, 2012
4Q-SPECIAL INCOME	– launched on	July 9, 2012
M3 Opportunitas	– launched on	July 2, 2012
OLB Zinsstrategie	– launched on	August 1, 2012
K&S Flex	– launched on	December 3, 2012
BremenKapital Aktien	– launched on	December 14, 2012
BremenKapital Ertrag	– launched on	December 14, 2012
BremenKapital Renten Offensiv	– launched on	December 14, 2012
BremenKapital Renten Standard	– launched on	December 17, 2012
BremenKapital Zertifikate	– launched on	December 14, 2012
apano HI Strategie 1	– launched on	July 19, 2013
PSM Konzept	– launched on	July 19, 2013
PSM Dynamik	– launched on	July 19, 2013
TBF Japan Fund	– launched on	November 18, 2013
HANSAdividende	– launched on	December 16, 2013
Sauren Dynamic Absolute Return	– launched on	December 27, 2013
P&K Balance	– launched on	December 30, 2013
D&R Wachstum Global TAA	– launched on	February 3, 2014
PAM-Wertinvest	– launched on	March 3, 2014
Münsterländische Bank Stiftungsfonds	– launched on	April 14, 2014
Attila Global Opportunity Fund	– launched on	April 22, 2014
ZinsPlus-Laufzeitfonds 10/2019	– launched on	August 4, 2014
D&R Global TAA	– launched on	November 3, 2014

QCP PremiumIncome	– launched on November 3, 2014
avesco Sustainable Hidden Champions Equity	– launched on January 5, 2015
Vermögensmandat Select	– launched on January 19, 2015
ENRAK Wachstum und Dividende global	– launched on March 11, 2015
KIRIX Substitution Plus	– launched on March 16, 2015
KIRIX Dynamic Plus	– launched on March 18, 2015
BPC Alpha UCITS	– launched on April 1, 2015
HANSAsmart Select G	– launched on April 15, 2015
ROCKCAP-US CORPORATE BOND FUND	– launched on April 24, 2015
PECULIUM GLOBAL SELECT	– launched on August 3, 2015
MF INVEST Best Select"	– launched on September 15, 2015
WWAM Marathon Renten	– launched on September 15, 2015
global online retail	– launched on October 1, 2015
Vermögenspooling Fonds Nr. 1	– launched on November 2, 2015
Vermögenspooling Fonds Nr. 2	– launched on November 2, 2015
HINKEL RELATIV PERFORMANCE HI FONDS	– launched on December 21, 2015
apano Global Systematik	– launched on December 30, 2015
Aramea Global Convertible	– launched on January 4, 2016
Vermögenspooling Fonds Nr. 3	– launched on January 11, 2016
A.IX-Faktor-Fonds	– launched on February 1, 2016
NATIONAL-BANK Dividendenstrategie Deutschland	– launched on May 11, 2016
KIRIX Herkules-Portfolio	– launched on October 4, 2016
D&R value.investments Europa	– launched on November 18, 2016
HANSArenten Spezial	– launched on December 1, 2016
Tempera eVaR Fund	– launched on December 15, 2016
NATIONAL-BANK Dividendenstrategie Global	– launched on January 2, 2017
Perspektive OVID Equity	– launched on February 15, 2017
HANSApraemie	– launched on January 19, 2017
Dreisam Income	– launched on April 3, 2017
D&R Globalance Zukunftbeweger Aktien	– launched on May 31, 2017
Vonderau Market System Fund	– launched on June 1, 2017
Quant.LSE 50	– launched on June 30, 2017
Quant.LSE 100	– launched on June 30, 2017
PSV KONSERVATIV	– launched on August 15, 2017
FRAM Capital Skandinavien	– launched on October 1, 2017
Apus Capital Marathon Fonds	– launched on October 16, 2017
Aramea Rendite Plus Nachhaltig	– launched on November 30, 2017
Marathon Substanz und Rendite EUR	– launched on December 1, 2017
Wallrich Wolf AI Prämienstrategie	– launched on December 1, 2017
TBF Euro Short Term Bond	– launched on December 27, 2017
D&R SpeedLab eQuant Equity	– launched on January 15, 2018
D&R SpeedLab eQuant Income	– launched on January 15, 2018
youmex Fixed Income Select	– launched on February 15, 2018
Themis Special Situations Fund	– launched on February 15, 2018
IBB-AG Manufakturfonds ausgewogen	– launched on March 1, 2018
IBB-AG Manufakturfonds ausgewogen	– launched on March 1, 2018
IBB-AG Manufakturfonds defensiv	– launched on March 1, 2018

Alternative investment funds (AIF)

Mixed funds

FondsSecure Systematik	– launched on December 28, 2005
efv-Perspektive-Fonds II	– launched on October 2, 2006
RM Select Invest Global	– launched on August 1, 2007
fortune alpha ausgewogen	– launched on December 3, 2007
fortune alpha dynamisch	– launched on December 3, 2007
efv-Perspektive-Fonds III	– launched on July 4, 2007
ALPHA TOP SELECT dynamic	– launched on October 15, 2007
Strategie Welt Select	– launched on December 6, 2007
Strategie Welt Secur	– launched on December 7, 2007

VAB Strategie BASIS	– launched on	January 15, 2008
VAB Strategie SELECT	– launched on	January 11, 2008
EICHLER & MEHLERT Balanced Strategie	– launched on	May 13, 2008
All Asset Allocation Fund – HI	– launched on	December 1, 2010

Other funds

Primus Inter Pares Strategie Chance	– launched on	February 22, 2008
Primus Inter Pares Strategie Ertrag	– launched on	February 22, 2008
Primus Inter Pares Strategie Wachstum	– launched on	February 22, 2008
HANSAgold	– launched on	January 2, 2009
PECULIUM GLOBAL BALANCED	– launched on	April 12, 2012
BremenKapital Dynamik	– launched on	December 14, 2012
BremenKapital Ertrag Plus	– launched on	December 14, 2012
BremenKapital Wachstum	– launched on	December 14, 2012
NATIONAL-BANK Multi Asset Global Opportunity	– launched on	January 19, 2015
VoBaFlex30	– launched on	February 2, 2015
VoBaFlex50	– launched on	February 2, 2015
WWAM Marathon Balance	– launched on	September 15, 2015
Friedrich & Weik Wertefonds	– launched on	January 2, 2017
Manganina Multi Asset	– launched on	January 3, 2017
PENSION.INVEST PLUS ®	– launched on	January 16, 2017
Vis Bonum Ratio	– launched on	September 1, 2017
Vis Bonum Defensus	– launched on	September 1, 2017
ARISTOCRATS OPPORTUNITY	– launched on	October 26, 2017

Real property funds

Crosslane Student Real Estate Fund	– launched on	November 4, 2016

Investment stock corporations

antea Strategie II (subfund of antea InvAG mVK und TGV)	– launched on	August 29, 2014
antea (subfund of antea InvAG mVK und TGV)	– launched on	August 29, 2014

The Company manages 51 special securities funds and 32 special real estate funds (including 4 closed-end special AIFs). It also manages 5 closed-end retail AIFs.

As of March 31, 2018

SALES RESTRICTION

Distribution of the information provided in this Prospectus and offering for sale of the investment units described in this Prospectus are prohibited in many countries. Accordingly, unless the Company or a third-party agent of the Company has notified and received a license from the local supervisory authorities, this Prospectus does not constitute an offer to purchase investment units. In case of doubt, prospective investors are advised to contact a local sales agent or one of the paying agents.

The unit class **C-QUADRAT ARTS Total Return Flexible H (EUR)** is exclusively available for investors who have concluded separate agreements with the sales agents specified by the capital investment company in relation to the provision of independent advisory services or discretionary asset management or who are professional investors within the meaning of § 1 (19) No. 32 of the German Capital Investment Code.

No one is authorized to provide declarations or assurances which are not contained in this Prospectus or in the documents referred to in this Prospectus. These documents are publicly available at the Company's registered office.

This Prospectus may not be circulated in the United States (cf. the section "Introduction – Investment restrictions for US persons").

General Terms of Investment

governing the legal relationship between the investors and HANSAINVEST Hanseatische Investment-GmbH, Hamburg, (the "Company") for the funds managed by the Company under the UCITS Directive. These General Terms of Investment are only valid in conjunction with the "Special Terms of Investment" issued for the respective UCITS Fund.

§ 1 Basic information

1. The Company is a UCITS capital investment company under the German Capital Investment Code.
2. The Company invests the money deposited with it in its own name and for the joint account of the investors in assets permitted by the German Capital Investment Code, in line with the principle of risk diversification. These assets are kept separate from the Company's own assets in the form of a UCITS Fund. The Company issues global certificates embodying the resulting rights of the investors. The purpose of the UCITS Fund is limited to investment in accordance with a specified investment strategy, within the scope of collective asset management for the resources deposited with the fund; operational activities and active commercial management of the assets held are excluded.
3. The legal relationship between the Company and the investor is defined by the General Terms of Investment (GTI) and the Special Terms of Investment (STI) for the UCITS Fund, as well as the German Capital Investment Code.

§ 2 Custodian

1. The Company shall appoint a credit institution as a custodian for the UCITS Fund; this custodian shall act independently of the Company and exclusively in the interests of the investors.
2. The tasks and duties of the custodian are stipulated in the custodian agreement concluded with the Company as well as the German Capital Investment Code and the Terms of Investment.
3. The custodian may outsource custodial tasks to another company (sub-custodian) as provided for in § 73 of the German Capital Investment Code. Please refer to the Prospectus for further details.
4. The custodian shall be liable to the UCITS Fund or to the investors in case of the loss of a financial instrument within the meaning of § 72 (1) No. 1 of the German Capital Investment Code held by the custodian or by a sub-custodian to which custody of financial instruments has been transferred in accordance with § 73 (1) of the German Capital Investment Code. The custodian will not be liable if it can prove that this loss is attributable to external events whose consequences were unavoidable despite all appropriate countermeasures. Further claims under the German Civil Code resulting from contracts or tortious acts shall remain unaffected. The custodian will also be liable to the UCITS Fund or to the investors for any other losses which the latter suffer due to the custodian's negligence or intent in failing to fulfill its obligations under the German Capital

Investment Code. The custodian’s liability shall remain unaffected by any transfer of custodial tasks as defined in Subsection 3 Clause 1.

§ 3 Fund management

1. The Company shall purchase and manage the assets in its own name for the joint account of the investors, with the necessary expert knowledge, probity, care and diligence. In the performance of its tasks, it will act independently of the custodian and exclusively in the interests of the investors.
2. The Company is authorized to purchase assets with the money deposited by the investors, to sell these assets and to invest the proceeds elsewhere; it is also authorized to perform any other legal acts associated with its management of the assets.
3. The Company may not grant loans or enter into obligations arising from surety or guarantee agreements for the joint account of the investors; it may not sell assets as defined in §§ 193, 194 and 196 of the German Capital Investment Code that do not belong to the UCITS Fund at the time that the transaction is concluded. § 197 of the German Capital Investment Code shall remain unaffected.

§ 4 Investment principles

The UCITS Fund will be invested directly or indirectly, in accordance with the principle of risk diversification. The Company will only purchase assets for the UCITS Fund that may be expected to offer income and/or growth. It stipulates which assets may be purchased for the UCITS Fund in the STI.

§ 5 Securities

Unless the STI stipulate any further restrictions, subject to § 198 of the German Capital Investment Code the Company may only purchase securities for account of the UCITS Fund if

a) they are admitted to trading on a stock exchange in an EU member state or another signatory state to the EEA Agreement or are admitted to, or included in, trading on another organized market in one of these states,

b) they are admitted to trading exclusively on a stock exchange outside the EU member states or outside the other signatory states to the EEA Agreement, or are admitted to, or included in, trading on another organized market in one of these countries, provided that the stock exchange or organized market in question is approved by the German Federal Financial Supervisory Authority[6],

c) their admission to trading on a stock exchange in an EU member state or in another signatory state to the EEA Agreement, or their admission to or inclusion in an organized market in an EU member state or in another signatory state to the EEA Agreement must be applied for under the conditions of issue, provided that the admission or inclusion of these securities takes place within a year of their issue,

d) their admission to trading on a stock exchange or their admission to, or inclusion, in an organized market outside the EU member states or outside the other signatory states to the EEA Agreement must be applied for under the conditions of issue, provided that the stock

[6] This list of stock markets is published on the website of the German Federal Financial Supervisory Authority, www.bafin.de

exchange or organized market in question is approved by the German Federal Financial Supervisory Authority and the admission or inclusion of these securities takes place within a year of their issue,

e) the securities are equities to which the UCITS Fund is entitled under a capital increase implemented on the basis of the resources of the Company,

f) the securities are purchased as a result of exercising subscription rights held by the UCITS Fund,

g) the securities are units in closed-end funds that meet the criteria specified in § 193 (1) Clause 1 No. 7 of the German Capital Investment Code,

h) the securities are financial instruments that meet the criteria specified in § 193 (1) Clause 1 No. 8 of the German Capital Investment Code.

Securities may only be purchased in accordance with Clause 1 Sections a) to d) if the requirements under § 193 (1) Clause 2 of the German Capital Investment Code are additionally met. Subscription rights resulting from securities which may, for their part, be purchased under this § 5 may also be purchased.

§ 6 Money market instruments

1. Unless the STI stipulate any further restrictions, subject to § 198 of the German Capital Investment Code the Company may purchase for account of the UCITS Fund instruments that are normally traded on the money market, as well as interest-bearing securities that have a remaining term of no more than 397 days at the time of their purchase for the UCITS Fund, whose interest rate is regularly adjusted in line with market rates, and at least once every 397 days, during their entire term subject to their conditions of issue or whose risk profile corresponds to the risk profile for such securities ("money market instruments").

   Money market instruments may only be purchased for the UCITS Fund if they

   a) are admitted to trading on a stock exchange in an EU member state or another signatory state to the EEA Agreement or are admitted to, or are included in, trading on another organized market there,

   b) are admitted to trading exclusively on a stock exchange outside the EU member states or outside the other signatory states to the EEA Agreement or are admitted to, or included in, another organized market there, provided that the stock exchange or organized market in question is approved by the German Federal Financial Supervisory Authority[7],

   c) are issued or guaranteed by the European Union, the German federal government, a federal special fund, a German federal state, another member state, or another central, regional or local authority, or by the central bank of a member state of the European Union, the European Central Bank, or the European Investment Bank, by a third country or, if the latter is a federal state, by one of the members making up this federation, or by an international public body to which at least one EU member state belongs,

   d) are issued by a company whose securities are traded on the markets specified under Sections a) and b),

   e) are issued or guaranteed by a credit institution that is subject to regulation in accordance with the criteria laid down by European Union law, or by a credit institution that is subject to and

[7] This list of stock markets is published on the website of the German Federal Financial Supervisory Authority, www.bafin.de

complies with regulatory requirements that are equivalent to those of European Union law in the opinion of the German Federal Financial Supervisory Authority or

f) are issued by other issuers and these meet the requirements under § 194 (1) Clause 1 No. 6 of the German Capital Investment Code.

2. Money market instruments as defined by Subsection 1 may only be purchased if they meet the requirements under § 194 (2) and (3) of the German Capital Investment Code.

§ 7 Bank deposits

The Company may hold bank deposits for account of the UCITS Fund that have a term of no more than twelve months. These deposits, which must be kept in blocked accounts, may be held at a credit institution domiciled in an EU member state or in another signatory state to the EEA Agreement; these deposits may also be held at a credit institution domiciled in a third country whose regulatory requirements are equivalent to those of European Union law in the opinion of the German Federal Financial Supervisory Authority. Unless the STI stipulate otherwise, the bank deposits may also be denominated in foreign currency.

§ 8 Investment units

1. Unless the STI stipulate otherwise, the Company may purchase units in investment funds in accordance with the Directive 2009/65/EC (UCITS) for account of the UCITS Fund. Units in other domestic funds and investment stock corporations with variable capital and units in open-end EU AIFs and foreign open-end AIFs may be purchased provided that they comply with the requirements laid down in § 196 (1) Clause 2 of the German Capital Investment Code.
2. The Company may only purchase units in domestic funds and investment stock corporations with variable capital, in EU UCITS, in open-end EU AIFs and foreign open-end AIFs provided that the terms of investment or the corporate articles of the capital investment company, the investment stock corporation with variable capital, the EU investment fund, the EU management company, the foreign AIF or the foreign AIF management company stipulate that an overall maximum of 10 % of the value of their assets may be invested in units in other domestic funds, investment stock corporations with variable capital, open-end EU investment funds or foreign open-end AIFs.

§ 9 Derivatives

1. Unless the STI stipulate otherwise, in its management of the UCITS Fund the Company may use derivatives as defined by § 197 (1) Clause 1 of the German Capital Investment Code and financial instruments with a derivative component as defined by § 197 (1) Clause 2 of the German Capital Investment Code. In line with the type and volume of derivatives and financial instruments featuring a derivative component, the Company may use either the simple approach or the qualified approach as defined by the "Regulation on Risk Management and Risk Measurement for the Use of Derivatives, Securities Loans and Repurchase Agreements in Investment Funds under the German Capital Investment Code" (German Derivatives Regulation) pursuant to § 197 (3) of the German Capital Investment Code to calculate the level of utilization of the market risk limit for the use of derivatives and financial instruments featuring a derivative component laid down in § 197 (2) of the German Capital Investment Code; further details are provided in the Prospectus.
2. If the Company applies the simple approach, within the scope of the UCITS Fund it may exclusively use basic forms of derivatives and financial instruments with a derivative component, or combinations of these derivatives, financial instruments with a derivative component as well as

the underlying instruments permitted under § 197 (1) Clause 1 of the German Capital Investment Code. Complex derivatives with underlying instruments permitted pursuant to § 197 (1) Clause 1 of the German Capital Investment Code may only account for a marginal portion of these instruments. In this context, the weighting of the UCITS Fund's exposure to market risk, which must be calculated in accordance with § 16 of the German Derivatives Regulation, may not exceed the value of the Fund at any time.

The following instruments are basic forms of derivatives:

a) Futures contracts on the underlying instruments as defined by § 197 (1) of the German Capital Investment Code, with the exception of investment units as defined by § 196 of the German Capital Investment Code;
b) Options or warrants on the underlying instruments as defined by § 197 (1) of the German Capital Investment Code, with the exception of investment units as defined by § 196 of the German Capital Investment Code, and on futures contracts in accordance with Section a) if they have the following features:

   aa) they may be exercised either during the entire term or at expiry and

   bb) there is a linear relationship at the time the option is exercised between the value of the option and the positive or negative difference between the exercise price and the market price of the underlying instrument, and the value of the option becomes zero if the plus/minus sign for the difference is reversed,

c) Interest-rate swaps, foreign currency swaps and cross-currency interest-rate swaps,

d) Options on swaps listed in Section c) above, provided that they have the features defined in Sections aa) and bb) of Section b) above (swaptions),

e) Credit default swaps which relate to a single underlying instrument (single name credit default swaps).

3. If the Company applies the qualified approach, it may – subject to a suitable risk management system – invest in any financial instruments with a derivative component or derivatives that are derived from an underlying permitted under § 197 (1) Clause 1 of the German Capital Investment Code.

   In this context, the potential amount at risk in terms of the UCITS Fund's market risk exposure ("amount at risk") may not at any time exceed twice the potential amount at risk for the market risk exposure of the reference fund in accordance with § 9 of the German Derivatives Regulation. Alternatively, the amount at risk may not at any time exceed 20 % of the value of the UCITS Fund.

4. Under no circumstances may the Company deviate from the investment principles and limits specified in the Terms of Investment or the Prospectus in these transactions.

5. The Company may use derivatives and financial instruments with a derivative component for hedging purposes, to enable efficient portfolio management and to generate additional income if and insofar as it deems this to be advisable in the interests of the investors.

6. In calculating the market risk limit when using derivatives and financial instruments with a derivative component, the Company may switch between the simple approach and the qualified approach at any time in accordance with § 6 Clause 3 of the German Derivatives Regulation. The switchover does not require the approval of the German Federal Financial Supervisory Authority; however, the Company must notify the German Federal Financial Supervisory Authority of this switch without delay and must provide notice of this in the next semi-annual or annual report.

7. When using derivatives and financial instruments with a derivative component, the Company shall comply with the German Derivatives Regulation.

§ 10 Other investment instruments

Unless the STI stipulate otherwise, for account of the UCITS Fund the Company may invest up to 10 % of the value of the UCITS Fund in other investment instruments in accordance with § 198 of the German Capital Investment Code.

§ 11 Issuer limits and investment limits

1. In its management of the fund, the Company must comply with the limits and restrictions laid down in the German Capital Investment Code, the German Derivatives Regulation and the Terms of Investment.
2. Securities and money market instruments issued by a single issuer, including securities and money market instruments purchased under resale agreements, may exceed the 5 % threshold and account for up to 10 % of the value of the UCITS Fund. However, the total value of securities and money market instruments from these issuers may not exceed 40 % of the value of the UCITS Fund.
3. The Company may invest up to 35 % of the value of the UCITS Fund in each case in debt securities, borrower's note loans and money market instruments issued or guaranteed by the German federal government, a German federal state, the European Union, an EU member state or its regional authorities, another signatory state to the EEA Agreement, a third country, or an international organization to which at least one EU member state belongs.
4. The Company may invest up to 25 % of the value of the UCITS Fund in each case in mortgage bonds, municipal bonds and debt securities issued by credit institutions domiciled in an EU member state or in another signatory state to the EEA Agreement, if the credit institutions are subject to special public regulation on the basis of statutory regulations designed to protect the holders of these debt securities and if, in accordance with the statutory regulations, the funds raised when the debt securities were issued are invested in assets that are sufficient to cover the liabilities arising from the debt securities throughout their term and that are prior-ranking with regard to repayments falling due and interest payments in case of the issuer defaulting. If the Company invests more than 5 % of the value of the UCITS Fund in debt securities issued by a single issuer in accordance with Clause 1, the total value of these debt securities may not exceed 80 % of the value of the UCITS Fund.
5. The limit laid down in Subsection 3 may be exceeded for securities and money market instruments from a single issuer in accordance with § 206 (2) of the German Capital Investment Code provided that the STI stipulate this with reference to the relevant issuers. In such cases, the securities and money market instruments held for account of the UCITS Fund must derive from at least six different issues, and no more than 30 % of the value of the UCITS Fund may be held in any one issue.
6. The Company may only invest up to 20 % of the value of the UCITS Fund in bank deposits held by a given credit institution in accordance with § 195 of the German Capital Investment Code.
7. The Company must ensure that a combination of

   a) Securities and money market instruments issued by a given institution,

   b) Deposits at this institution and

   c) Weightings for the counterparty risk associated with transactions entered into with this institution,

   does not exceed 20 % of the value of the UCITS Fund. Clause 1 applies to the issuers and guarantors specified in Subsections 3 and 4, subject to the proviso that the Company must ensure that a combination of the assets and weightings specified in Clause 1 does not exceed 35 % of the value of the UCITS Fund. This shall not affect the individual upper limits in either case.

8. The debt securities, borrower's note loans and money market instruments specified in Subsections 3 and 4 are not included when applying the 40 % limits specified in Subsection 2. In contrast to the provision in Subsection 7, the limits specified in Subsections 2 to 4 and Subsections 6 to 7 may not be aggregated.
9. The Company may only invest up to 20 % of the value of the UCITS Fund in units in a single investment fund as defined by § 196 (1) of the German Capital Investment Code. The Company may only invest a total of up to 30 % of the value of the UCITS Fund in units in investment funds as defined by § 196 (1) Clause 2 of the German Capital Investment Code. The Company may not purchase for account of the UCITS Fund more than 25 % of the units issued in another open-end domestic, EU or foreign investment fund which invests in assets within the meaning of §§ 192 to 198 of the German Capital Investment Code in accordance with the principle of risk diversification.

§ 12 Merger

1. In accordance with §§ 181 to 191 of the German Capital Investment Code, the Company may
   a. transfer the assets and liabilities of this UCITS Fund to another existing UCITS fund or to another UCITS fund thus newly established or to an EU UCITS or a UCITS investment stock corporation with variable capital;
   b. incorporate all of the assets and liabilities of another open-end retail investment fund in this UCITS Fund.
2. Mergers will require the approval of the relevant supervisory authority. The details of the procedure are stipulated in §§ 182 to 191 of the German Capital Investment Code.
3. The UCITS Fund may only be merged with a non-UCITS retail investment fund if the absorbing or newly established investment fund will remain a UCITS. An EU UCITS may also be merged with the UCITS Fund under Article 2 (1) Section p Item iii of Directive 2009/65/EC.

§ 13 Securities lending transactions

1. For account of the UCITS Fund, the Company grant a securities borrower a securities loan which may be called in at any time, in return for a fee in line with prevailing market rates and upon provision of sufficient collateral pursuant to § 200 (2) of the German Capital Investment Code. The total of the market price for the securities that are to be transferred and the market price of the securities already transferred in the form of securities loans for account of the UCITS Fund to a given securities borrower – including its affiliates within the meaning of § 290 of the German Commercial Code (*Handelsgesetzbuch*, *HGB*) – may not exceed 10 % of the value of the UCITS Fund.
2. In the event that the securities borrower provides collateral for the securities transferred in the form of deposits, such deposits must be held on blocked accounts in accordance with § 200 (2) Clause 3 No. 1 of the German Capital Investment Code. Alternatively, the Company may invest these deposits, in their respective currencies, in the following types of assets:
   a. in high-quality debt securities which have been issued by the German federal government, a German federal state, the European Union, a member state of the European Union or its regional authorities, another signatory state to the EEA Agreement or a third-party state,

b. in money market funds with short-term maturity structures, in accordance with the rules issued by the German Federal Financial Supervisory Authority on the basis of § 4 (2) of the German Capital Investment Code or

c. by way of a reverse repurchase agreement with a credit institution which guarantees the recall of the accrued balance at any time.

The UCITS Fund is entitled to the income from the collateral.

3. The Company may also make use of a central securities depository or another company specified in the STI whose business purpose is the settlement of cross-border securities transactions for third parties to arrange and settle securities loans and that does not meet the requirements laid down in §§ 200 and 201 of the German Capital Investment Code, provided that the conditions for this system ensure that the interests of the investors are protected and that the right of termination at any time under Subsection 1 is not deviated from.
4. Unless the STI stipulate otherwise, the Company may also enter into securities lending transactions in relation to money market instruments and investment units provided that the UCITS Fund may purchase these assets. In this respect, Subsections 1 to 3 apply mutatis mutandis.

§ 14 Repurchase agreements

1. On the basis of standardized general agreements, the Company may enter into securities repurchase agreements as defined by § 340b (2) of the German Commercial Code and which may be terminated at any time with credit institutions or financial services institutions for account of the UCITS Fund and in return for a fee.
2. These repurchase agreements must involve securities which may be purchased for the UCITS Fund in accordance with the Terms of Investment.
3. The repurchase agreements shall have a maximum term of 12 months.
4. Unless the STI stipulate otherwise, the Company may also enter into repurchase agreements in relation to money market instruments and investment units provided that the UCITS Fund may purchase these assets. In this respect, Subsections 1 to 3 apply mutatis mutandis.

§ 15 Borrowing

The Company may take out short-term loans of up to 10 % of the value of the UCITS Fund for the joint account of the investors, provided that the loan conditions conform with prevailing market conditions and the custodian consents to this action.

§ 16 Units

1. The unit certificates to be documented in a global certificate shall be issued in bearer form.
2. The units may have different characteristics, especially with regard to appropriation of income, the front-end load, the redemption fee, the currency of the unit value, the management fee, the minimum investment amount or a combination of the above features (unit classes). The details are stipulated in the STI.
3. These units are transferable, unless the STI stipulate otherwise. When a unit is transferred, the rights evidenced by it will pass to the holder. The holder of a unit is always deemed the rightful owner in relation to the Company.

4. The rights of the investors/the rights of the investors in a given unit class will be evidenced in a global certificate. It shall bear at least the handwritten or duplicated signatures of the Company and the custodian.

5. The right of issuance of separate share certificates is excluded. If physical securities have been issued for the UCITS Fund in the past and these are not held in collective safekeeping by one of the agents indicated in § 97 (1) Clause 2 of the German Capital Investment Code upon expiry of December 31, 2016, these physical securities shall become invalid upon expiry of December 31, 2016. The investors' units shall instead be evidenced in a global certificate and credited to a separate custody account of the custodian. A person submitting an invalid physical security to the custodian may require crediting of a corresponding unit to a custody account indicated by him which is maintained on his behalf. Physical securities which are held in collective safekeeping by one of the agents indicated in § 97 (1) Clause 2 of the German Capital Investment Code upon expiry of December 31, 2016 may be transferred to a global certificate at any time.

§ 17 Issuance and redemption of units, suspension of redemption

1. In principle, the number of units that may be issued is unlimited. The Company reserves the right to discontinue issuance of units either temporarily or permanently.
2. Units may be purchased from the Company, the custodian or via a third party. The STI may stipulate that the units may only be purchased and held by specific types of investor.
3. The investors may require the Company to redeem their units. The Company is obliged to repurchase the units at the redemption price then applicable for account of the UCITS Fund. The redemption agent is the custodian.
4. However, the Company reserves the right to suspend redemption of units pursuant to § 98 (2) of the German Capital Investment Code if extraordinary circumstances arise which make such suspension appear necessary in the interests of the investors.
5. The Company shall notify the investors of a suspension pursuant to Subsection 4 and of the resumption of redemption by means of a notice published in the German Federal Gazette (*Bundesanzeiger*) and also in a business or daily newspaper with a sufficiently large circulation or the electronic information media indicated in the Prospectus. The investors must be notified of the suspension and the resumption of redemption of units immediately following the announcement in the German Federal Gazette, by means of a permanent data storage medium.

§ 18 Issuing and redemption prices

1. The issuing and redemption prices of the units are calculated by determining the market values of the assets belonging to the UCITS Fund less any loans taken up and other liabilities (net asset value) and dividing this figure by the number of outstanding units ("unit value"). If different unit classes are introduced for the UCITS Fund in accordance with § 16 (2), the unit value and the issuing and redemption price must be calculated separately for each unit class.

   The assets are valued in accordance with §§ 168 and 169 of the German Capital Investment Code and the German Investment Reporting and Valuation Regulation (*Kapitalanlage-Rechnungslegungs- und -Bewertungsverordnung*, *KARBV*).

2. The issuing price corresponds to the unit value of the UCITS Fund, where applicable plus a front-end load stipulated in the STI in accordance with § 165 (2) Number 8 of the German Capital Investment Code. The redemption price corresponds to the unit value of the UCITS Fund, where

applicable less a redemption fee stipulated in the STI in accordance with § 165 (2) Number 8 of the German Capital Investment Code.

3. Unless the STI stipulate otherwise, the settlement date for unit purchases and redemption orders is the valuation date following receipt of the unit purchase or redemption order at the latest.
4. Issuing and redemption prices are calculated on each exchange trading day. Unless the STI stipulate otherwise, the Company and the custodian may refrain from calculating the value on public holidays which are also exchange trading days, as well as on December 24 and 31 of each year; please see the Prospectus for further details.

§ 19 Costs

Details of expenses and the fees due to the Company, the custodian and third parties that may be charged to the UCITS Fund are provided in the STI. In the case of fees defined in Clause 1, the STI must also provide details of the method of calculation applied, the amount due and the basis of calculation.

§ 20 Financial reporting

1. The Company shall publish an annual report including a statement of income and expenditure in accordance with § 101 (1), (2) and (4) of the German Capital Investment Code within four months of the end of the financial year of the UCITS Fund.
2. The Company shall publish a semi-annual report in accordance with § 103 of the German Capital Investment Code within two months of the middle of the financial year.
3. If the right to manage the UCITS Fund is transferred to another capital investment company during the financial year or if the UCITS Fund merges with another UCITS fund, a UCITS investment stock corporation with variable capital or an EU UCITS during the financial year, the Company shall prepare an interim report as of the transfer date meeting the standards for an annual report pursuant to Subsection 1.
4. In the event of the UCITS Fund's liquidation, annually and as of the date on which its liquidation is completed the custodian will produce a liquidation report meeting the standards for an annual report pursuant to Subsection 1.
5. These reports may be obtained from the Company, the custodian and other agents cited in the Prospectus and the Key Investor Information; they are also announced in the German Federal Gazette.

§ 21 Termination and liquidation of the UCITS Fund

1. The Company may terminate its management of the UCITS Fund subject to at least six months' notice by means of an announcement in the German Federal Gazette and additionally in the annual report or semi-annual report. The investors are to be notified immediately by means of a permanent data storage medium if termination is announced pursuant to Clause 1.
2. The Company's right to manage the UCITS Fund will expire once termination becomes effective. In this case, the UCITS Fund and the right of disposal over it will pass to the custodian, which must liquidate the UCITS Fund and distribute it to the investors. For the liquidation period, the custodian will be entitled to remuneration for its liquidation activities and to reimbursement of any expenses which are necessary for these activities. With the approval of the German Federal

Financial Supervisory Authority, the custodian may refrain from liquidating and distributing the UCITS Fund and transfer the management of the UCITS Fund to another capital investment company in accordance with the current Terms of Investment.

3. On the day that its right to manage the Fund expires in accordance with § 99 of the German Capital Investment Code, the Company shall prepare a liquidation report meeting the standards for an annual report in accordance with § 20 (1).

§ 22 Change of capital investment company and custodian

1. The Company may transfer the UCITS Fund to another capital investment company. The transfer shall require the prior approval of the German Federal Financial Supervisory Authority.
2. The approved transfer will be announced in the German Federal Gazette and additionally in the annual report or semi-annual report. The investors are to be notified immediately by means of a permanent data storage medium if a transfer is announced pursuant to Clause 1. The transfer shall become valid at the earliest three months following its announcement in the German Federal Gazette.
3. The Company may change the custodian for the UCITS Fund. This change will require the approval of the German Federal Financial Supervisory Authority.

§ 23 Amendments to the Terms of Investment

1. The Company may amend the Terms of Investment.
2. Amendments of these Terms of Investment will require the prior approval of the German Federal Financial Supervisory Authority. Changes to the investment principles of the UCITS Fund in line with Clause 1 will require the prior approval of the supervisory board of the Company.
3. All planned amendments shall be announced in the German Federal Gazette and also in a business or daily newspaper with a sufficiently large circulation or in the electronic information media described in the Prospectus. Information on the planned amendments and on when they come into force must be published in accordance with Clause 1. In case of cost amendments as defined by § 162 (2) Clause 11 of the German Capital Investment Code, amendments to the UCITS Fund’s investment principles within the meaning of § 163 (3) of the German Capital Investment Code or amendments relating to key rights of the investors, together with the announcement in accordance with Clause 1 the investors are to be clearly notified of the key details of the envisaged amendments to the Terms of Investment and the reasons for them as well as notification of their rights under § 163 (3) of the German Capital Investment Code, by means of a permanent data storage medium pursuant to § 163 (4) of the German Capital Investment Code.
4. Amendments will become effective at the earliest on the day following their announcement in the German Federal Gazette, but in case of amendments of costs and the investment principles at least three months after the corresponding announcement.

§ 24 Place of performance, jurisdiction

The place of performance is the Company’s registered office.

Special Terms of Investment

governing the legal relationship between the investors and HANSAINVEST Hanseatische Investment-GmbH, Hamburg, (the "Company") for the Fund managed by the Company in accordance with the UCITS Directive, **C-QUADRAT ARTS Total Return Flexible**. These Special Terms of Investment are only valid in conjunction with the "General Terms of Investment" issued by the Company for this Fund.

INVESTMENT PRINCIPLES AND INVESTMENT LIMITS

§ 1 Assets

The Company may purchase the following assets for the UCITS Fund:

1. equities and equity-equivalent securities pursuant to § 5 of the GTI
2. other securities pursuant to § 5 of the GTI which are not equities or equity-equivalent securities,
3. money market instruments pursuant to § 6 of the GTI,
4. bank deposits pursuant to § 7 of the GTI,
5. investment units pursuant to § 8 of the GTI,
6. derivatives pursuant to § 9 of the GTI,
7. other investment instruments pursuant to § 10 of the GTI.

§ 2 Investment limits

1. The Company may invest up to 100 % of the value of the UCITS Fund in equities and equity-equivalent securities pursuant to § 1 No. 1 and in accordance with § 5 of the "General Terms of Investment". Securities purchased under resale agreements will be counted toward the investment limits specified in § 206 (1) to (3) of the German Capital Investment Code.

2. The Company may invest up to 100 % of the value of the UCITS Fund in Other Securities pursuant to § 1 No. 2 and in accordance with § 5 of the "General Terms of Investment". Securities purchased under resale agreements will be counted toward the investment limits specified in § 206 (1) to (3) of the German Capital Investment Code.

3. The Company may invest up to 100 % of the value of the UCITS Fund in money market instruments pursuant to § 1 No. 3 and in accordance with § 6 of the "General Terms of Investment". Money market instruments purchased under resale agreements will be counted toward the investment limits specified in § 206 (1) to (3) of the German Capital Investment Code.

4. The Company may invest up to 100 % of the value of the UCITS Fund in bank deposits pursuant to § 1 No. 4 and in accordance with § 7 Clause 1 of the "General Terms of Investment".

5. The Company may invest up to 100 % of the value of the UCITS Fund in units in domestic or foreign investment funds pursuant to § 1 No. 5 and in accordance with § 8 of the "General Terms of Investment" which mainly invest in equities and equity-equivalent securities pursuant to § 1 Nos. 1 and 7 in accordance with their terms of investment or their corporate articles. Investment units purchased under resale agreements will be counted toward the investment limits specified in § 207 and 210 (3) of the German Capital Investment Code.

6. The Company may invest up to 100 % of the value of the UCITS Fund in units in domestic or foreign investment funds pursuant to § 1 No. 5 and in accordance with § 8 of the “General Terms of Investment” which mainly invest in Other Securities pursuant to § 1 Nos. 2 and 7 in accordance with their terms of investment or their corporate articles. Investment units purchased under resale agreements will be counted toward the investment limits specified in § 207 and 210 (3) of the German Capital Investment Code.

7. The Company may invest up to 100 % of the value of the UCITS Fund in units in domestic or foreign investment funds pursuant to § 1 No. 5 and in accordance with § 8 of the “General Terms of Investment” which mainly invest in money market instruments pursuant to § 1 Nos. 3 and 7 in accordance with their terms of investment or their corporate articles. Investment units purchased under resale agreements will be counted toward the investment limits specified in § 207 and 210 (3) of the German Capital Investment Code.

UNIT CLASSES

§ 3 Unit classes

1. Unit classes in accordance with § 16 (2) of the General Terms of Investment may be established for the UCITS Fund that differ in terms of appropriation of income, the front-end load, the currency of the unit value including the use of currency hedges, the management fee, the minimum investment amount or a combination of these characteristics. Unit classes may be established at any time, at the Company’s discretion.

2. Assets may only be purchased uniformly for the UCITS Fund as a whole and not for an individual unit class or for a group of unit classes.

3. The UCITS Fund may enter into currency hedges in favor of a single currency unit class only. In the case of currency unit classes whose currency has been hedged (reference currency) the Company may also, independently of § 9 of the General Terms of Investment, use exchange rate or currency derivatives as defined in § 197 (1) of the German Capital Investment Code with the aim of avoiding losses in unit values resulting from exchange rate losses relating to assets of the UCITS Fund which are not denominated in the reference currency for the unit class.

4. The unit value is calculated separately for each unit class by allocating the costs of launching new unit classes, the distributions (including any taxes payable out of the assets of the Fund), the management fee and the gains or losses on currency hedges attributable to a specific unit class, including any equalization of income where appropriate, exclusively to the unit class in question.

5. The existing unit classes shall be listed individually in the Prospectus and in the annual and semi-annual report. The specific defining features of the unit classes (appropriation of income, front-end load, currency of the unit value, management fee, minimum investment amount, or a combination of these characteristics) will be described in the Prospectus and in the annual and semi-annual report.

UNIT CERTIFICATES, ISSUING PRICE, REDEMPTION PRICE, REDEMPTION OF UNITS AND COSTS

§ 4 Unit certificates

Investors have a fractional co-ownership interest in the UCITS Fund’s respective assets in proportion to the number of units they hold.

§ 5 Issuing and redemption price

1. The front-end load amounts to 5 % of the unit value for each unit class. The Company is free to charge a lower front-end load. The Company must provide details of the front-end load in the Prospectus in accordance with § 165 (3) of the German Capital Investment Code.

2. No redemption fee is charged.

§ 6 Costs

1. The following fees are payable to the Company:

   a) For its management of the UCITS Fund, for each unit class the Company shall receive an annual management fee of up to 2.00 % of the average value of the UCITS Fund in the respective unit class, calculated on the basis of the values at the end of each month. The custodian is entitled to deduct monthly pro rata advance payments. The Company shall indicate its management fee in the Prospectus and in the annual and semi-annual reports.

   b) In cases where contested claims are enforced through court or extrajudicial action for the UCITS Fund, the Company may charge a fee of up to 5 % of the amounts received for the UCITS Fund, after deduction and settlement of the costs resulting for the UCITS Fund on account of these proceedings.

   c) Performance-related fee

   aa) Definition of the performance-related fee

   For its management of the UCITS Fund, for each unit issued the Company may also receive a performance-related fee of up to 20 % (maximum amount) of the amount by which the unit value at the end of a settlement period exceeds the unit value at the start of this settlement period by the daily 3-month Euribor (positive absolute development of the unit value), but by no more than 20 % of the average value of the UCITS Fund in the respective settlement period.

   bb) Definition of the settlement period

   The settlement period will begin on January 1 and end on December 31 of a given calendar year.

   cc) Performance calculation

   The performance-related fee will be determined by comparing the unit value at the end of the settlement period with the unit value at the start of the settlement period in percentage terms. In principle, the unit value will be calculated in accordance with § 168 (1) of the German Capital Investment Code, i.e. less all costs with the exception of any dividends distributed from the UCITS Fund and any tax payments made.

   In accordance with the result of a daily comparison, a performance-related fee will be accrued in the UCITS Fund for each unit issued but will be released if the agreed increase in value or "high water mark" is undershot. The performance-related fee accrued at the end of the settlement period may be deducted.

   dd) Increase in value/"high water mark" provisions

   The performance-related fee may only be deducted if the unit value at the end of the settlement period exceeds the peak unit value of the UCITS Fund which has been realized at the end of the five previous settlement periods. Clause 1 shall not apply for the end of the first settlement period following the launch of the UCITS Fund; Clause 1 will apply for the end of the second, third, fourth and five settlement periods following its launch, subject to the proviso that the unit value must exceed the peak unit value at the end of one, two, three or four previous settlement periods.

2. Fees payable to third parties (these are not included in the management fee and the Company will thus additionally charge them to the UCITS Fund):

   a) For measurement of the market risk and liquidity by third parties in accordance with the German Derivatives Regulation, the Company will charge the UCITS Fund an annual fee of up to 0.1 % of the average value of the UCITS Fund in the respective unit class, calculated on the basis of the average net asset values for the relevant month as determined on each day of stock-exchange trading.

   b) For measurement of assets by third parties, the Company will charge the UCITS Fund an annual fee of up to 0.1 % of the average value of the UCITS Fund in the respective unit class, calculated on the basis of the average net asset values for the relevant month as determined on each day of stock-exchange trading.

3. Up to 2 % of the average value of the UCITS Fund which is determined on the basis of the values at the end of each month – plus 0.2 % of the average value of the UCITS Fund, in relation to the average net asset values for the relevant month as determined on each day of stock-exchange trading – may be deducted in total as fees from the UCITS Fund each year in accordance with the above Items 1.a), 2.a) and b).

4. The custodian shall receive an annual fee of up to 0.025 % of the value of the UCITS Fund, calculated on the basis of the average month-end figures for the relevant year, as of the end of the financial year in question but at least EUR 18,000 (eighteen thousand euros) per year. The custodian is entitled to deduct monthly pro rata advance payments.

5. As well as the above-mentioned fees, the following expenses will be charged to the UCITS Fund:

   a) normal bank custody and account fees, including any normal bank fees for custody of foreign assets abroad, where appropriate;

   b) costs for printing and mailing the sales documents required for investors by law (annual and semi-annual reports, prospectus, key investor information);

   c) costs incurred for announcing the annual and semi-annual reports, the issuing and redemption prices, plus the distributions and reinvestments and the liquidation report, where appropriate;

   d) costs for the creation and use of a permanent data storage medium, except in case of information on fund mergers and information on measures in connection with breaches of investment limits or calculation errors in relation to determination of unit values;

   e) costs relating to the audit of the UCITS Fund by its auditor,

   f) costs incurred for announcing the bases for taxation and certification that the tax information has been determined in accordance with the provisions of German tax law;

   g) costs for the assertion and enforcement of the Company's legal claims for account of the UCITS Fund and for warding off claims brought against the Company at the expense of the UCITS Fund;

   h) fees and costs charged by government agencies in relation to the UCITS Fund;

   i) costs for legal and tax advice concerning the UCITS Fund;

j) costs and any fees which may arise in connection with the purchase and/or the use or designation of a benchmark or financial index;

k) costs associated with the appointment of proxies;

l) costs for third-party analysis of the investment outcome for the UCITS Fund;

m) any taxes arising in connection with the fees payable to the Company, the custodian and third parties and the above-mentioned expenses, including taxes arising in connection with management and custody.

6. Transaction costs

   As well as the above-mentioned fees and expenses, the costs arising in connection with the purchase and sale of assets will also be charged to the UCITS Fund.

7. The Company shall disclose in the annual report and the semi-annual report the front-end loads and redemption fees that have been charged to the UCITS Fund in the reporting period for the purchase and redemption of units pursuant to § 1 No. 5. In case of the purchase of units that are managed directly or indirectly by the Company itself or by another company affiliated to the Company by way of a material direct or indirect equity interest, the Company or the other company may not charge any front-end loads or redemption fees for purchase and redemption. The Company shall disclose in the annual report and semi-annual report the fees charged to the UCITS Fund by the Company itself, another capital investment company, an investment stock corporation, another company affiliated to the Company by way of a material direct or indirect equity interest, or a foreign investment company, including its management company, as a fee for managing the units held in the UCITS Fund.

APPROPRIATION OF INCOME AND FINANCIAL YEAR

§ 7 Distribution

1. In the case of income-distributing unit classes, the Company will distribute pro rata dividends, interest and other income – after adjustment for equalization of income – that have accrued during the financial year for account of the UCITS Fund and that have not been used to cover costs. Any capital gains realized may also be distributed on a pro rata basis, after adjustment for equalization of income.

2. Distributable pro rata income in accordance with Subsection 1 may be carried forward for distribution in subsequent financial years, provided that the total income carried forward does not exceed 15 % of the value of the UCITS Fund at the end of the financial year in question. Income from short financial years may be carried forward in full.

3. In the interest of maintaining the intrinsic value of the fund income may be partly (or in special circumstances completely) reinvested in the UCITS Fund.

4. Distributions will be made annually, within four months of the end of the financial year.

§ 8 Reinvestment

In the case of income-reinvesting unit classes, the Company reinvests in the UCITS Fund pro rata the dividends, interest and other income that have accrued during the financial year for account of the UCITS Fund and that have not been used to cover costs, after adjustment for equalization of income, as well as the capital gains realized for the income-reinvesting unit classes.

§ 9 Financial year

The UCITS Fund’s financial year begins on January 1 and ends on December 31.

ADDITIONAL INFORMATION FOR INVESTORS IN AUSTRIA

Public sale in Austria

HANSAINVEST has notified the Austrian Financial Market Authority (*Finanzmarktaufsicht*, *FMA*) of its intention to offer investment units for public sale in Austria and has been licensed to do so since the conclusion of this notification procedure.

Paying agent in Austria

HANSAINVEST has appointed

UniCredit Bank Austria AG
Schottengasse 6-8
A-1010 Vienna

as the Austrian paying agent for the Fund **C-QUADRAT ARTS Total Return Flexible**.

Accordingly, Austrian investors may contact the Austrian paying agent and require handling of any payments due to them from HANSAINVEST (redemption prices, distributions and other payments) through the Austrian paying agent.

Investors holding units in the Fund may contact the Austrian paying agent for redemption of their units.

Moreover, all investors and potential investors may contact the Austrian paying agent and require it to provide them with the prospectus, free-of-charge, together with the general and special terms of investment, the key investor information and the most recently published annual report and semi-annual report.

Investors in Austria may obtain the same information and documents which investors in Germany have access to free-of-charge from the Austrian paying agent.

Publication of unit prices

Issuing and redemption prices for the Fund will be regularly published on HANSAINVEST's website, www.hansainvest.de, and are also available from the Austrian paying agent.