

# Prospectus

(including the Appendices)

## Generali Komfort

An investment fund governed by Luxembourg law

Generali Komfort Balance

Generali Komfort Wachstum

Generali Komfort Dynamik Europa

Generali Komfort Dynamik Global

Generali Komfort Strategie 30

Generali Komfort Strategie 50

Management Company:

Generali Investments Luxembourg S.A.

4, Rue de Jean Monnet

L-2180 Luxembourg Grand Duchy of Luxembourg

**1<sup>st</sup> January 2024**

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## GENERALI KOMFORT

### Prospectus

The investment fund (the “**Fund**”) described in this prospectus (the “**Prospectus**”) is a contract-based investment fund (*fonds commun de placement*) for the collective investment in transferable securities under Luxembourg Law, comprising several sub-funds (“**Sub-Funds**”), set up for an indefinite period of time.

**Investors are advised that the assets of certain Sub-Funds are, as detailed in Appendix 2 of this Prospectus, invested primarily in shares or units of other investment funds in accordance with the provisions of this Prospectus. This means that a Sub-Fund’s assets may be invested in assets other than securities and money market instruments within the meaning of Article 41 of the Luxembourg law of 17<sup>th</sup> December 2010 relating to undertakings for collective investment (the “Law of 2010”).**

This Fund is subject to Part I of the Law of 2010 and qualifies as an undertaking for collective investment in transferable securities within the meaning of Council Directive 2009/65/EC as amended.

The Fund is managed by Generali Investments Luxembourg S.A. (the “**Management Company**”), which is licensed in accordance with the provisions of the Law of 2010. Where applicable, a reference in this Prospectus to the Fund or a Sub-Fund includes a reference to the Management Company acting on behalf and for the account of the Fund or a Sub-Fund, as the case may be.

The Fund’s depositary is BNP Paribas, Luxembourg Branch (the “**Depositary**”). This Prospectus contains detailed information on the Management Company, its board of directors and its partners in the areas of administration, sales and advice.

The KID (Key Investor Information Document and/or Key Investor Document, as applicable) for each Sub-Fund or unit class contain a summary of all of the key information relevant to a Sub-Fund. Individual KIDs can be obtained free of charge from the Management Company’s head office, on the Internet at [www.generali-investments-luxembourg.com](http://www.generali-investments-luxembourg.com), at the Central Administration Agent and from any Fund distribution company and should be read by all investors carefully and in full before investing in the Fund.

### SUBSCRIPTION REQUIREMENTS

All acquisitions of units in the relevant Sub-Funds are subject to the provisions detailed in this Prospectus, the KIDs and the Management Regulations of this Fund. The Prospectus applies solely in conjunction with the relevant latest annual report and – should this report be more than eight months old – in conjunction with a more recent semi-annual report.

It is prohibited to provide information or make declarations contrary to those detailed in this Prospectus.

Investors acquiring units on the basis of information or declarations other than those detailed in this Prospectus or the documentation mentioned therein shall do so at their own risk.

If the information provided in the Prospectus and the KIDs changes, the latest information provided as part of the latest annual or semi-annual report shall apply. In the event these changes are significant, the Prospectus and the KIDs shall be amended accordingly.

The Fund's financial year ends on 31<sup>st</sup> December of every year.

This Prospectus must be distributed free of charge together with the KIDs. Investors shall be provided with both an annual and semi-annual report free of charge upon subscription.

Information on the Management Company can be found in the section entitled "The Management Company".

The original Management Regulations were first published on 27<sup>th</sup> October 1999 in the *Mémorial, Recueil des Sociétés et Associations* ("**Mémorial**"), the Gazette of the Grand Duchy of Luxembourg. The *Mémorial* has been replaced by the Recueil Electronique des Sociétés et Associations ("**RESA**") as of 1 June 2016. The Management Regulations were last amended on 16 December 2022.

## **INVESTMENT POLICY**

The Sub-Funds' investment policies are determined by the Management Company and, insofar as it does not carry out asset management itself, in collaboration with the Fund's asset manager. The general regulations on the Fund's investment policy are detailed in Appendix 1 of this Prospectus.

There are presently six open-ended Sub-Funds: Generali Komfort Balance, Generali Komfort Wachstum, Generali Komfort Dynamik Europa, Generali Komfort Dynamik Global, Generali Komfort Strategie 30 and Generali Komfort Strategie 50. The investment policies of the relevant Sub-Funds are detailed in Appendix 2 of this Prospectus.

## **FUND MANAGEMENT**

### **1. The Management Company**

The Fund is managed by Generali Investments Luxembourg S.A., a public limited company under the laws of the Grand Duchy of Luxembourg with its registered office at 4, Rue de Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg.

The Management Company results from the demerger with Generali Fund Management S.A. on 1 July 2014. The Management Company was incorporated for an unlimited duration under the laws of Luxembourg on 1 July 2014 by notarial formation deed deposited with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés Luxembourg*) and published in the *Mémorial*. As at 1<sup>st</sup> July 2014, its share capital amounted to EUR 1,921,900. The Management Company's sole shareholder is Generali Investments S.p.A.

The Management Company also acts as management company for other investment funds and will in the future be appointed to act for other investment funds as management company. The list of the funds

managed by the Management Company may be obtained, on simple request, at the registered office of the Management Company

The Management Company has designed and implemented a remuneration policy which is consistent with and promotes sound and effective risk management by having a business model which by its nature does not promote excessive risk taking that is inconsistent with the risk profile of the Fund. The Management Company's remuneration policy integrates governance, balanced pay structure between fixed and variable components as well as risk and long-term performance alignment rules, in a multi-year framework, that are designed to be consistent with the business strategy, objectives, values and interests of the Management Company and the Fund and the unitholders in the Fund, and includes measures to avoid conflicts of interest.

Details of the Management Company's up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available at <https://www.generali-investments.lu/lu/en/institutional/legal-information/> and a paper copy of such remuneration policy is available to investors free of charge upon request at the registered office of the Management Company.

## 2. The Depositary

The Management Company has appointed BNP Paribas, Luxembourg Branch as the Fund's depositary, within the meaning of the Law of 2010, and paying agent pursuant to the depositary and paying agent agreement, as may be amended or supplemented from time to time (the "**Depositary and Paying Agent Agreement**"). The Depositary and Paying Agent Agreement has been entered into for an unlimited period of time.

BNP Paribas, Luxembourg Branch is a branch of BNP Paribas, a licensed bank incorporated in France as a *Société Anonyme* (public limited company) with the *Registre du commerce et des sociétés Paris* (Trade and Companies' Register) under No. 662 042-449, authorised by the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR) and supervised by the *Autorité des Marchés Financiers* (AMF), with its registered address at 16, Boulevard des Italiens, 75009 Paris, France acting through its Luxembourg Branch, whose office is at 60, avenue J.F. Kennedy, L-1855 Luxembourg, Grand -Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 23968 and is supervised by the CSSF.

The Depositary performs three types of functions, namely (i) the oversight duties (as defined in Art 34(1) of the Law of 2010), (ii) the monitoring of the cash flows of the Fund (as set out in Art 34(2) of the Law of 2010) and (iii) the safekeeping of the Fund's assets (as set out in Art 34(3) of the Law of 2010). Under its oversight duties, the Depositary is required to:

- 1) ensure that the sale, issue, repurchase, redemption and cancellation of Units effected on behalf of the Fund are carried out in accordance with the Law of 2010 and the Management Regulations;

- 2) ensure that the value of the Units is calculated in accordance with the Law of 2010 and the Management Regulations;
- 3) carry out the instructions of the Management Company unless they conflict with the Law of 2010 or the Management Regulations;
- 4) ensure that, in transactions involving the Fund's assets, the consideration is remitted to the Fund within the usual time limits;
- 5) ensure that the Fund's income is allocated in accordance with the Law of 2010 and the Management Regulations.

The overriding objective of the Depositary is to protect the interests of the unitholders, which always prevail over any commercial interests.

Conflicts of interest may arise if and when the Fund/Management Company maintains other business relationships with BNP Paribas, Luxembourg Branch in parallel with an appointment of BNP Paribas , Luxembourg Branch acting as Depositary.

Such other business relationships may cover services in relation to:

- outsourcing/delegation of middle or back office functions (e.g. trade processing, position keeping, post trade investment compliance monitoring, collateral management, OTC valuation, fund administration inclusive of net asset value calculation, transfer agency, fund dealing services) where BNP Paribas or its affiliates act as agent of the Fund/Management Company, or
- selection of BNP Paribas or its affiliates as counterparty or ancillary service provider for matters such as foreign exchange execution, securities lending, bridge financing.

The Depositary is required to ensure that any transaction relating to such business relationships between the Depositary and an entity within the same group as the Depositary is conducted at arm's length and is in the best interests of unitholders.

In order to address any situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, aiming namely at:

- identifying and analysing potential situations of conflicts of interest;
- recording, managing and monitoring the conflict of interest situations either in:
  - o relying on the permanent measures in place to address conflicts of interest such as segregation of duties, separation of reporting lines, insider lists for staff members;
  - o implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new "Chinese wall" (i.e. by separating functionally and hierarchically the performance of its Depositary duties from other activities), making sure that operations are carried out at arm's length and/or informing the concerned unitholders, or (ii) refuse to carry out the activity giving rise to the conflict of interest;

- implementing a deontological policy;
- recording of a cartography of conflict of interests permitting to create an inventory of the permanent measures put in place to protect the Funds' interests; or
- setting up internal procedures in relation to, for instance (i) the appointment of service providers which may generate conflicts of interests, (ii) new products/activities of the Depositary in order to assess any situation entailing a conflict of interest.

In the event that such conflicts of interest do arise, the Depositary will undertake to use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the Fund and the unitholders are fairly treated.

The Depositary may delegate to third parties the safe-keeping of the Fund's assets subject to the conditions laid down in the applicable laws and regulations and the provisions of the Depositary and Paying Agent Agreement. The process of appointing such delegates and their continuing oversight follows the highest quality standards, including the management of any potential conflict of interest that should arise from such an appointment. Such delegates must be subject to effective prudential regulation (including minimum capital requirements, supervision in the jurisdiction concerned and external periodic audit) for the custody of financial instruments. The Depositary's liability shall not be affected by any such delegation.

A potential risk of conflicts of interest may occur in situations where the delegates may enter into or have a separate commercial and/or business relationship with the Depositary in parallel to the custody delegation relationship.

In order to prevent such potential conflicts of interest from crystalizing, the Depositary has implemented and maintains an internal organisation whereby such separate commercial and / or business relationships have no bearings on the choice of the delegate or the monitoring of the delegates' performance under the delegation agreement.

A list of these delegates and sub-delegates for its safekeeping duties is available on the website <https://securities.cib.bnpparibas/app/uploads/sites/3/2021/11/ucitsv-list-of-delegates-sub-delegates-en.pdf>. Such list may be updated from time to time. Updated information on the Depositary's custody duties, a list of delegations and sub-delegations, and conflicts of interest that may arise, may be obtained, free of charge and upon request, from the Depositary.

BNP Paribas, Luxembourg Branch, being part of a group providing clients with a worldwide network covering different time zones, may entrust parts of its operational processes to other BNP Paribas Group entities and/or third parties, whilst keeping ultimate accountability and responsibility in Luxembourg. The entities involved in the support of internal organisation, banking services, central administration and transfer agency service are listed in the website: <https://securities.cib.bnpparibas/luxembourg/>. Further information on BNP Paribas, Luxembourg Branch international operating model linked to the Fund may be provided upon request by the Management Company.



The Depositary and Management Company respectively are entitled to terminate the Depositary's appointment at any time by giving three months' written notice. The Management Company may only terminate said appointment provided another bank that has been approved by the relevant supervisory body will be taking over the duties and responsibilities of the Depositary in accordance with the Management Regulations. If such appointment is terminated by the Depositary, the Management Company shall appoint a new Depositary that will take over the duties and responsibilities of a Depositary in accordance with the Management Regulations within a period of two months. The previous Depositary shall continue to fulfil all of the duties and responsibilities of a Depositary until the appointment of a new Depositary in order to protect the Fund unitholders' interests.

As paying agent, the Depositary is responsible for the payment of dividends (if any) to the unitholders, where appropriate.

### **3. Administration**

The Management Company is responsible for the general administrative tasks associated with the management of the Fund, the computation of the relevant Sub-Fund's net asset value and all accounting as required under Luxembourg law.

The Management Company has, with effect from 2<sup>nd</sup> February 2015, entrusted BNP Paribas, Luxembourg Branch (the "**Central Administration Agent**"), a partnership limited by shares incorporated under French law, acting through its Luxembourg branch with registered office at 60, avenue J.F. Kennedy, L-1855 Luxembourg, with the following administrative tasks in order to ensure the efficient management of the Fund:

- Accountancy;
- Distribution of the financial reports and all other documentation intended for investors, including correspondence within Luxembourg.
- Net asset value computation.

This transfer of duties does not affect the Management Company's liability.

### **4. Asset management**

The Management Company appointed Generali Investments Deutschland Kapitalanlagegesellschaft mbH, an investment company under German law with its registered office at Unter Sachsenhausen 27, D-50667, Cologne, Germany, as investment manager of the relevant Sub-Funds' assets until 31<sup>st</sup> March 2010.

From 1<sup>st</sup> April 2010 to 30 June 2014, the Management Company carried out asset management duties itself.

Since 1<sup>st</sup> July 2014 to 30 September 2018, the Management Company appointed Generali Investments Europe S.p.A. Società di gestione del risparmio, German branch as investment manager by means of an agreement concluded on 1<sup>st</sup> July 2014.

Since 1<sup>st</sup> October 2018, the Management Company appointed Generali Investments Partners S.p.A. Società di gestione del risparmio, German branch as investment manager (“**GIP**”) by means of an agreement concluded on the same day. With effect from 1<sup>st</sup> January 2024, GIP has been merged by absorption with Generali Insurance Asset Management S.p.A. Società di gestione del risparmio, with the latter being simultaneously renamed Generali Asset Management S.p.A. Società di gestione del risparmio (the “**Fund Manager**” or “**Generali AM**”).

The Fund Manager’s responsibilities include, amongst others and in particular the daily implementation of the relevant Sub-Fund’s investment policy, conducting all of the day-to-day business associated with the management of the Fund’s assets and the performance of all of the other services related to the above. In this connection, Generali AM, German branch is also responsible for making investment decisions and for order entering. In fulfilling these obligations, the Fund Manager will observe the investment policies and investment restrictions of the relevant Sub-Funds as detailed in this Prospectus and the Management Regulations, as well as the legal restrictions on investments. In particular, the Management Company and the Fund Manager must always act in compliance with the regulations of CSSF Circular 14/592 on the ESMA guidelines on exchange-traded funds and other UCITS issues (“**Circular 14/592**”).

The Fund Manager may, at its own cost, own risk and under its own supervision, employ the services of an investment advisor with respect to fulfilling these responsibilities.

#### **NET ASSET VALUE AND VALUATION**

The Fund’s net asset value is computed in accordance with the following principles:

Liquid funds are valued at their face value plus proportional interest.

Fixed deposits with original maturities in excess of 30 days are valued at their relevant yield-implied price.

Securities or money market instruments that are officially quoted on a stock exchange are valued at the latest available price. Securities or money market instruments that are not officially quoted on a stock exchange, but are traded on another regulated market, are valued at a price no lower than the buying rate and no higher than the offer price as of the time of the valuation and which the Management Company deems the best possible price at which said securities or money market instruments may be sold.

Securities or money market instruments that are not officially quoted on a stock exchange or traded on another regulated market are valued at their relevant current market value as specified by the Management Company in good faith and in accordance with generally recognised valuation rules that are verifiable by auditors.

Options are always valued at the latest available market or broker price. If a valuation day also simultaneously comprises the expiry date of an option, that option will be valued at the relevant settlement price (“settlement price”).

Target fund shares or units are valued at the latest available valuation and net asset value and may include a redemption fee.

The net asset value per unit of each of the Sub-Funds or unit classes will be computed in Luxembourg on each day on which banks in Luxembourg are normally open for business (“**valuation day**”) <sup>1</sup>. This value is computed by dividing the Sub-Fund’s or unit class’ net assets (Fund assets minus liabilities) by the number of units of that Sub-Fund or unit class in circulation at the time of valuation.

Example:

Net Sub-Fund assets: 500,000,000 Euro  
Number of units in circulation: 10,000,000 units  
Net asset value per unit: 50 Euro

### **UNIT ISSUING AND REDEMPTION**

The Sub-Funds Generali Komfort Balance, Generali Komfort Wachstum, Generali Komfort Dynamik Europa, Generali Komfort Dynamik Global, Generali Komfort Strategie 30 and Generali Komfort Strategie 50 are launched.

After the launch of the individual Sub-Funds and unit classes, the units in these Sub-Funds and unit classes will be issued at their issue price (net asset value per unit plus front-end load) and redeemed at the net asset value per unit. The front-end load on the Sub-Funds and unit classes may be up to 4.0 percent. The front-end load currently charged is 4.0 percent. The issue price per unit therefore corresponds to the net asset value per unit plus the front-end load of 4.0 percent, which is levied for the benefit of the agent(s) entrusted with the sale of said units.

Example:

Net asset value per unit: 50.00 Euro  
Front-end load of 4.0%: 2.00 Euro  
Net issue price per unit: 52.00 Euro

Subscription applications received no later than 12:00 o’clock by the Central Administration Agent on a banking day are valued at the next valuation day’s net asset value per unit plus any front-end loads. Subscription applications received after 12:00 o’clock at the above office on a Luxembourg banking day are valued at the net asset value per unit of the next but one valuation day plus any front-end loads.

Subscription applications submitted through a paying agent or Distributor may be subject to other – earlier – application acceptance closing times. Distributors are not permitted to retain subscription applications in order to personally profit from any changes in unit prices. Investors are advised that they may not be able to acquire units through particular distributors on days these distributors are closed for normal business.

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<sup>1</sup> Until 11 January 2024 (included): “The net asset value per unit of each of the Sub-Funds or unit classes will be computed in Luxembourg on each day on which banks in Luxembourg and Munich are normally open for business (“valuation day”).”

The issue price must be paid within three valuation days following receipt of the subscription application (including the day on which the subscription application was received) to the Management Company or one of the other paying agents detailed in this Prospectus in the currency of the relevant Sub-Fund or, if there are several unit classes, in the currency of the relevant unit class as specified in the Prospectus.

The Depositary will assign and transfer units to the relevant value to the subscriber on behalf of the Management Company immediately upon receipt of the issue price payment.

The Management Company may decide to provide two or more unit classes within a Sub-Fund. The unit classes may differ in their features and rights according to the appropriation of their income, the fee structure, minimum investment amounts, currencies, hedging techniques or other specific features and rights, or be reserved for specific types of investors. If two or more unit classes are provided within a Sub-Fund, this must be described in the appendix to this Prospectus for the relevant Sub-Fund.

All of the different units of a Sub-Fund enjoy the same rights, unless the Management Company has resolved to issue various unit classes within a Sub-Fund. All units are issued in uncertificated registered form, and the unit register is conclusive evidence of ownership.

The Management Company may, at its discretion, temporarily limit or cease or permanently cease issuing units for each of the Sub-Funds if the subscribers in question are natural persons or legal entities that are resident or domiciled in certain countries or areas. The Management Company may also exclude natural persons and legal entities from the acquisition of units where such a measure is deemed necessary in order to protect the interests of the investors of a Sub-Fund or of the Fund itself. The Management Company may furthermore reject subscription applications and repurchase units at the repurchase price at its discretion from unitholders who are barred from the acquisition or holding of such units ("**Prohibited Persons**").

As the Fund is not registered under the US Securities Act of 1933, as amended, nor has the Fund been registered under the United States Investment Company Act of 1940, as amended, its units may not be offered or sold, directly or indirectly, in the United States of America or its territories or possessions or areas subject to its jurisdiction, or to people who are US nationals or residents (hereafter "**US Persons**"). Accordingly, the Fund may require any subscriber to provide it with any information that it may consider necessary for the purpose of deciding whether or not he is, or will be, a Prohibited Person or a US Person.

It is prohibited to transfer units of a Sub-Fund to a Prohibited Person or to a US Person.

Unitholders may submit a request for redemption of their units on every valuation day.

Redemption applications received no later than 12:00 o'clock by the Central Administration Agent on a Luxembourg banking day are valued at the next valuation day's net asset value per unit minus any back-end loads. Redemption applications received after 12:00 o'clock at the above office on a Luxembourg banking day are valued at the net asset value per unit of the next but one valuation day minus any back-end loads.

There are currently no back-end loads.

Redemption applications submitted through a Paying Agent, Distributor or Depository, may be subject to other – earlier – application acceptance closing times. Distributors are not permitted to retain redemption applications in order to personally profit from any changes in unit prices. Investors are advised that they may not be able to submit units for redemption through particular distributors on days these distributors are closed for normal business.

Redemptions are paid for at the latest within three valuation days following the receipt of the redemption application (including the day on which the redemption application was submitted) by cancelling the relevant units. The redemption price is paid in the currency of the relevant Sub-Fund or, if there are several unit classes, in the currency of the relevant unit class. The relevant unit expires upon payment of the corresponding redemption price. All redemption price payments and other payments are made through the Depository or paying agents.

The Management Company shall, subject to the Depository's prior consent, be entitled to process major redemption applications only upon selling corresponding assets without any delays and under consideration of the interests of its unitholders. Please refer to Article 11 of the Management Regulations for further information.

The Management Company shall furthermore be entitled to temporarily cease valuing units, and issuing and redeeming units, in the event of and for the duration of any circumstances making such a cessation necessary in consideration of the Sub-Fund unitholders' interests, and in particular if the Management Company is unable to dispose of the Fund's investments or to freely transfer the counter value of any investment acquisitions or sales or to duly compute the unit value or if the redemption prices of a substantial part of the underlying investments is not available. The conditions under which the redemption of units may be ceased due to the cessation of the computation of the unit value are described in more detail in Article 10 of the Management Regulations.

Where the distribution units are issued, the Management Company intends to distribute the dividend yield from a financial year on an annual basis. This is intended to comprise the distribution of the majority of the relevant Sub-Fund's ordinary net income. The Management Company may also distribute any realised capital gains, unrealised appreciations and capital gains from previous years. Dividends are paid on a frequency set forth in Appendix 2.<sup>2</sup>

The Management Company expressly advises all unitholders that a unitholder may only fully and comprehensively claim and exercise their rights directly over the Fund as a unitholder of the Fund under certain circumstances if the unitholder is entered in the register under their own name. In the event that the unitholder has invested through another person, who acts in their own name but on behalf of the

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<sup>2</sup> Until 11 January 2024: “The Management Company intends to distribute the dividend yield from a financial year on an annual basis. This is intended to comprise the distribution of the majority of the relevant Sub-Fund's ordinary net income. The Management Company may also distribute any realised capital gains, unrealised appreciations and capital gains from previous years. Dividends are paid on 15th March each year provided this date also constitutes a valuation day. In the event that 15th March of a given year is not a valuation day, the dividends shall be paid on the next consecutive day that also comprises such a valuation day.”

unitholder, it is possible that the unitholders will themselves be unable to claim and exercise their rights over the Fund. Each unitholder or potential investor in the Fund is hereby advised to seek comprehensive advice with regard to the rights and obligations associated with investing in the Fund from their financial, legal and tax adviser.

## **CONVERSION OF UNITS**

Unitholders may submit applications for converting their units in whole or part into units in a different Sub-Fund of the Fund or a different unit class of the same or a different Sub-Fund of the Fund. Conversions are only possible if the investor fulfils the conditions for the direct acquisition of units in the relevant Sub-Fund or unit class and nothing to the contrary is indicated in this Prospectus.

Conversion applications received no later than 12:00 o'clock by the Central Administration Agent on a Luxembourg banking day are valued at the next valuation day's net asset value per unit minus any potential exchange fees. Conversion applications received after 12:00 o'clock at the above office on a Luxembourg banking day are valued at the net asset value per unit of the next but one valuation day minus any potential conversion fees.

The Management Company may levy a conversion fee of up to 2.0 percent of the net asset value of the units of the Sub-Fund into which the units are converted. The Management Company does not currently charge a conversion fee.

Any conversion applications submitted through a paying agent or distributor may be subject to other – earlier – application acceptance closing times. Distributors are not permitted to retain conversion applications in order to personally profit from any changes in unit prices. Investors are advised that they may not be able to convert units through particular distributors on days these distributors are closed for normal business.

## **MARKET TIMING**

The Management Company does not permit market timing (illegally switching among mutual fund asset classes in an attempt to profit from the changes in their market outlook). The Management Company therefore reserves the right - at its discretion – to reject any subscription or conversion applications it deems suspect and to take any other measures it deems appropriate in order to protect the interests of its other investors.

## **INFORMATION FOR UNITHOLDERS**

The audited annual reports will be made available to unitholders within four months of the end of the Fund's financial year at the Management Company, the Central Administration Agent, the Depositary, the relevant paying agents and the distributor. Semi-annual reports will be made available in an appropriate form within two months of the end of the period to which they relate.

The Management Company will provide information on the front-end loads and any redemption commission it charged/received for a particular Sub-Fund during a reporting period for issuing and

redeeming shares in other investment assets, as well as the payments a Sub-Fund was charged by another mutual fund or another investment company, including their management company, as the management fee for the shares held by the relevant Sub-Fund, in both the annual and semi-annual reports.

Further information on the issuing and redemption of units of the relevant Sub-Funds, the Management Regulations and the detailed annual and semi-annual reports as well as sales documentation can be obtained from the Management Company, the Depository, the relevant paying agents and the distributor.

The following documents can furthermore be viewed at the Management Company's registered office during normal business hours:

- The current Asset Management Agreement between the Management Company and the asset manager, if an external asset manager has been appointed;
- The current Service Agreement between the Management Company and BNP Paribas, Luxembourg Branch;
- The current Depository and Paying Agent Agreement between the Management Company and the Depository.

## **SUSTAINABILITY RELATED DISCLOSURES**

### **Integration of Sustainability Risk**

Sustainability Risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by the Fund ("**Sustainability Risk**"). Pursuant to the EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("**SFDR**"), the Fund is required to disclose the manner in which Sustainability Risks are integrated into the investment decision and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Fund.

The Fund does not actively promote environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters ("**Sustainability Factors**") and does not maximize portfolio alignment with Sustainability Factors, however it remains exposed to Sustainability Risks. Such Sustainability Risks may be integrated, through the incorporation of ESG issues into the investment analysis and decision-making processes, to the extent that they represent a potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns. ESG integration consists of taking into account some key environmental, social and governance indicators in the "mainstream" portfolio management and making ESG data available, whenever possible/feasible, to all portfolio management teams in order to foster consideration of ESG directly as another criteria of decision added to the financial analysis parameters and portfolio construction processes.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. In general, where an unexpected sustainability risk materialises in respect of an asset, there could be a negative impact on, or entire loss of, its value.

Unless otherwise specified in Appendix 2 for a particular Sub-Fund, it is expected that the Sub-Funds will be exposed to a broad range of Sustainability Risks. However, it is not anticipated that any single Sustainability Risk will drive a material negative financial impact on the value of the Sub-Funds.

### **Principal adverse impacts on Sustainability Factors**

Generali Investments Luxembourg S.A. acting as Management Company of the Fund does not consider the adverse impacts of its investment decisions on sustainability factors considering that non-financial data is still not available in satisfactory quality and quantity to allow the firm to adequately assess the potential adverse impact of its investment decision on sustainability factors.

### **ISSUE AND REDEMPTION PRICE ANNOUNCEMENTS**

The issue and redemption price of each of the Sub-Funds or unit classes can be obtained respectively from the Management Company, the Depositary and the relevant paying agents. The issue and redemption prices are furthermore published each trading day in the stock quotes of the major stock exchanges' compulsory trading information publications.

### **FUND COSTS AND TAXES**

The Sub-Funds and unit classes are liable for the following costs and taxes:

- All of the taxes due on the Fund's assets, their income and expenditure that the Sub-Funds are charged for;
- A management fee (including fees related to the Depositary and the Central Administration and the fees to be paid to the correspondents of the Depositary) of up to 1.55 percent p.a. out of the relevant Sub-Fund's average net assets, calculated and accrued on each valuation day and paid on a monthly basis in arrears;
- The usual commissions and banking fees and commissions on stocks on bonds due for transactions with investment fund units and other investments of the relevant Sub-Fund, as well as with respect to currency and security hedging transactions;
- Auditors' fees;
- Fees commonly charged by banks, possibly including the fees commonly charged for the custody of foreign investment units abroad;
- Costs for the publications intended for unitholders;
- Costs for marketing and costs generated in direct connection with the offering and sale of units;
- All of the costs associated with the preparation and creation, filing and publication of the Management Regulations and other documents relating to the Sub-Funds, including registration applications, prospectuses and written descriptions provided to all of the supervisory bodies and stock exchanges (including local trader associations), that are required in connection with the Sub-Funds or the offering of the units, the printing and distribution costs for the annual and semi-annual reports for the unitholders in all requisite languages, and printing and distribution costs for all other reports and documents that are required in accordance with the applicable laws or regulations of the above authorities, the fees for the relevant foreign representatives and all management and administrative fees;
- All of the costs incurred in connection with the acquisition and sale of assets with the exception of front-end loads and redemption commission for shares of target funds that are managed by the Management



Company itself or another company that the Management Company is affiliated with due to a significant direct or indirect holding. Insofar as a Sub-Fund invests a substantial proportion of its net asset value (over 50%) in target funds, the maximum management fee to be paid for these target funds are detailed in Appendix 2 to this Prospectus; and

- All costs incurred in connection with securities lending transactions (commission and transaction charges). The set-up costs, which amounted to around 75,000 Euro, were initially borne by the Management Company and then charged proportionally to the relevant Sub-Funds' assets by the Management Company over a period that comprised the Fund's entire first financial year. The costs for launching new Sub-Funds will be borne by these Sub-Funds themselves and amortized over a period comprising these Sub-Funds' first financial year. If several new Sub-Funds are launched simultaneously, they shall bear these costs proportionally.

Income earned by the Fund is not taxed in the Grand Duchy of Luxembourg. It may, however, be subject to withholding tax or other taxes in countries in which the assets of individual Sub-Funds are invested. Under the conditions of the Depositary and Paying Agent Agreement, the Depositary is responsible for the reimbursement of any withheld tax.

However, in accordance with the currently valid legislation, a tax of 0.05% p.a. (*taxe d'abonnement*) is levied on the Fund assets. A reduced tax rate of 0.01% p.a. applies to unit classes of the relevant Sub-Fund which are reserved for institutional investors in the sense of Article 174, Paragraph 2(c) of the Law of 2010. This tax is calculated based on the net asset value at the end of the quarter, and must be paid quarterly. No stamp tax or other tax is levied in Luxembourg for the issue of units.

Pursuant to current tax legislation, unitholders in Luxembourg are not, in principle, subject to capital gains tax, income tax, withholding tax, gift tax, inheritance tax, or any other tax (this excludes unitholders who are resident or domiciled in Luxembourg, or who have a permanent establishment or a permanent representative in Luxembourg).

Investors should seek information from their advisors about the consequences of purchasing, holding, exchanging, transferring and selling units which arise due to the laws of their country, including tax considerations and possible capital transfer restrictions.

#### **COMMON REPORTING STANDARD**

Capitalised terms used in this section should have the meaning as set forth in the amended Luxembourg Law dated 18 December 2015 on the Common Reporting Standard implementing Council Directive 2014/107/EU of 9 December 2014 as regards mandatory exchange of information in the field of taxation and setting forth to the OECD's multilateral competent authority agreement on automatic exchange of financial account information signed on 29 October 2014 in Berlin, with effect as of 1 January 2016 (the "**CRS Law**"), unless provided otherwise herein.

The Fund may be subject to the CRS as set out in the CRS Law.

Under the terms of the CRS Law, the Fund is likely to be treated as a Luxembourg Reporting Financial Institution. As such, the Fund is required to annually report to the Luxembourg tax authority personal and

financial information related, *inter alia*, to the identification of, holdings by and payments made to (i) certain unitholders qualifying as Reportable Persons and (ii) Controlling Persons of certain non-financial entities (“NFEs”) which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the “**Information**”), will include personal data related to the Reportable Persons.

The Fund’s ability to satisfy its reporting obligations under the CRS Law will depend on each unitholder providing the Fund with the Information, along with the required supporting documentary evidence. In this context, the unitholders are hereby informed that, as data controller, the Fund will process the Information for the purposes as set out in the CRS Law. Unitholders qualifying as passive NFEs undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Fund.

Additionally, the Fund is responsible for the processing of personal data and each unitholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the Data Protection Law.

The unitholders are further informed that the Information related to Reportable Persons will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. The Luxembourg tax authorities will, under their own responsibility, eventually exchange the reported information to the competent authority of the Reportable Jurisdiction.

In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities.

Similarly, unitholders undertake to inform the Fund within thirty (30) days of receipt of these statements, should any included personal data be not accurate. The unitholders further undertake to immediately inform the Fund of, and provide the Fund with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid any fines or penalties imposed by the CRS Law, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a fine or penalty as a result of the CRS Law, the value of the Shares held by the unitholders may suffer material losses.

Any unitholder that fails to comply with the Fund’s Information or documentation requests may be held liable for penalties imposed on the Fund as a result of such unitholder’s failure to provide the Information or subject to disclosure of the Information by the Fund to the Luxembourg tax authorities, and the Fund may, in its sole discretion redeem the Shares of such unitholders.

Along with its management company in Luxembourg, the Fund is regarded as a single taxpayer with no entitlement to deduct input tax for purposes of value added tax. In Luxembourg, services which can be classified as fund management services are exempted from VAT. Other services which are also provided for the Fund/Management Company may, in principle, be subject to VAT, which may then require the Management Company to be VAT-registered in Luxembourg. VAT registration allows the Management

Company to fulfil its obligation to self-assess Luxembourg VAT which arises in the event of the purchase of services (and in certain cases, supplies) from abroad which are subject to VAT.

In principle, payments made by the Fund to unitholders do not give rise to a VAT obligation as long as the payments are associated with the subscription of units and do not constitute remuneration for services rendered which are subject to VAT.

The tax considerations presented here do not claim to be complete. The legal situation portrayed here merely provides a general overview of taxation, and refers to the legal situation as at the date of this Prospectus.

Particularities to be observed in individual cases are not discussed, and no specific comments on the taxation of individual unitholders can be made. Therefore, in light of the complexity of the tax systems in the individual countries of distribution, it is recommended that unitholders consult their tax advisors in relation to the taxation of their holdings and take advantage of personalised advice which takes their personal circumstances into account.

Investors interested in this Fund should obtain information on the legislation and regulations that govern the subscription for, acquisition, ownership, redemption and sale of units and, where appropriate, consult an advisor.

The holders of units in umbrella funds may be directly or indirectly charged for fees, costs, taxes, commissions and other expenses related to the target funds. This can lead to unitholders being charged double for the Management, Depositary and auditors' fees, as well as for other costs and charges. The above costs are listed in the relevant annual reports.

If, through one of its Sub-Funds, the Management Company acquires shares or units in other UCITS and/or other UCIs that are directly or indirectly managed by the Management Company or another company with which the Management Company is affiliated due to the joint management or control or through a significant direct or indirect holding, the Management Company or such other company may not charge any fees for the subscription or the redemption of shares or units of the other UCITS and/or other UCI through the Sub-Fund.

Individual Sub-Funds who invest in target funds that are floated and/or managed by other companies may be subject to corresponding front-end loads and/or redemption fees.

If a significant part of the net assets of a Sub-Fund is invested in shares or units of other UCITS and/or other UCIs, the sum total of the management fees payable by the Sub-Fund and the UCITS and/or other UCI in which the Management Company intends to invest must not exceed 4 percent of the relevant Sub-Fund's net assets.

For the remainder, it may be possible that, in addition to the costs levied on the assets of the Fund's relevant Sub-Funds in accordance with the provisions of the Prospectus and the Management Regulations, there may be charges for the management of the assets of the target funds in which the

individual Sub-Funds invest, and that the relevant Sub-Funds may therefore be charged the same costs several times.

The maximum amount of the percentage of the management fees charged to the Sub-Fund assets and the UCITS and/or other UCI, in which the Sub-Fund's assets are invested, is detailed in the Fund's annual report.

## **FATCA**

Capitalised terms used in this section should have the meaning as set forth in the amended Luxembourg law dated 24 July 2015 implementing the Model 1 Intergovernmental Agreement between the Government of the Grand Duchy of Luxembourg and the Government of the United States of America to Improve International Tax Compliance and with respect to the United States information reporting provisions commonly known as the Foreign Account Tax Compliance Act (FATCA) (the "**FATCA Law**"), unless provided otherwise herein.

The Fund may be subject to the so-called FATCA legislation which generally requires reporting to the US Internal Revenue Service of non-US financial institutions that do not comply with FATCA and direct or indirect ownership by US persons of non-US entities.

As part of the process of implementing the provisions of the United States Hiring Incentives to Restore Employment (HIRE) Act of 18 March 2010 commonly referred to as the Foreign Account Tax Compliance Act (FATCA), and other regulations promulgated thereunder ("**FATCA**"), the US government has negotiated intergovernmental agreements with certain foreign jurisdictions which are intended to streamline reporting and compliance requirements for entities established in such foreign jurisdictions and subject to FATCA.

Luxembourg has entered into a Model 1 Intergovernmental Agreement implemented by the FATCA Law which requires Financial Institutions located in Luxembourg to report, when required, information on Financial Accounts held by Specified US Persons, if any, to the Luxembourg tax authorities (*administration des contributions directes*).

Under the terms of the FATCA Law, the Fund is likely to be treated as Luxembourg Reporting Financial Institution.

This status imposes on the Fund the obligation to regularly obtain and verify information on all of its unitholders. On the request of the Fund, each unitholder shall agree to provide certain information, including, in the case of a passive Non-Financial Foreign Entity ("**NFFE**"), information on the Controlling Persons of such NFFE, along with the required supporting documentation. Similarly, each unitholder shall agree to actively provide to the Fund within thirty (30) days any information that would affect its status, as for instance a new mailing address or a new residency address.

FATCA may require the Fund to disclose the names, addresses and taxpayer identification number (if available) of its unitholders as well as information such as account balances, income and gross proceeds (non-exhaustive list) to the Luxembourg tax authorities for the purposes set out in the FATCA Law. Such information will be relayed by the Luxembourg tax authorities to the US Internal Revenue Service.

The unitholders qualifying as passive NFFEs undertake to inform their Controlling Persons, if applicable, of the processing of their information by the Fund.

Additionally, the Fund is responsible for the processing of personal data and each unitholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Fund are to be processed in accordance with the Data Protection Law (as defined below).

Although the Fund will attempt to satisfy any obligation imposed on it to avoid imposition of FATCA withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax or penalties as result of the FATCA regime, the value of the Units held by the unitholders may suffer material losses. The failure for the Fund to obtain such information from each unitholder and to transmit it to the Luxembourg tax authorities may trigger the 30% withholding tax to be imposed on payments of US source income and on proceeds from the sale of property or other assets that could give rise to US source interest and dividends as well as penalties.

Any unitholder that fails to comply with the Fund's documentation requests may be charged with any taxes and/or penalties imposed on the Fund as a result of such unitholder's failure to provide the information and the Fund may, in its sole discretion, redeem the Units of such unitholder.

Unitholders who invest through intermediaries are reminded to check if and how their intermediaries will comply with this US withholding tax and reporting regime.

Unitholders should consult a US tax advisor or otherwise seek professional advice regarding the above requirements.

## **DATA PROTECTION**

In accordance with the applicable Luxembourg data protection law and, as of 25 May 2018, the Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("**Data Protection Law**"), the Management Company, acting as data controller ("**Data Controller**"), collects stores and processes, by electronic or other means, the data supplied by the investor at the time of his/her/its subscription for the purpose of fulfilling the services required by the investor and complying with its legal obligations.

The data processed may include the name, contact details (including postal and/or e-mail address), banking details and the invested amount of the investor (or, when the investor is a legal person, of its contact person(s) and/or beneficial owner(s)) ("**Personal Data**").

The investor may, at his/her/its discretion, refuse to communicate the Personal Data to the Fund. In this event however the investor's subscription in the Fund may be impaired.

Personal Data supplied by the investor is processed in order to enter into and execute the agreement with the Fund, for the legitimate interests of the Fund and to comply with the legal obligations imposed on the Fund. In particular, the Personal Data supplied by the investor is processed for the purposes of (i)

subscribing and redeeming in the Fund, (ii) maintaining the shares register; (iii) processing subscriptions and withdrawals of and payments of dividends to the investor (if any); (iv) account administration (v) sending legal information or notices to the investors, (vi) complying with applicable anti-money laundering rules and other legal obligations, such as maintaining controls in respect of CRS/FATCA obligations and (vii) complying with legal or regulatory requirements, including foreign laws. Personal Data is not used for marketing purposes.

The “legitimate interests” referred to above are (i) the processing purposes described in point (v) of the above paragraph of this data protection section, and (ii) exercising the business of the Fund in accordance with reasonable market standards.

The Personal Data may also be processed by the Management Company’s data recipients (the “**Recipients**”) which, in the context of the above mentioned purposes, refer to the Management Company, the Fund Manager, the Depositary and paying agent, the Central Administration Agent, the auditors, the distributor, the legal advisers and their respective affiliated entity or any other third party supporting the activity of the Fund.

The Recipients may, under their own responsibility, disclose the Personal Data to their agents, delegates and/or service providers employed to provide administrative, computer or other services or facilities (the “**Sub-Recipients**”), which shall process the Personal Data for purposes of assisting the Recipients in providing their services to the Data Controller and/or assisting the Recipients in fulfilling their own legal obligations. The Recipients and the Sub-Recipients may be located either inside or outside the European Union (the “**EU**”).

Where the Recipients are located outside the EU in a country which does not ensure an adequate level of protection for Personal Data, the Data Controller has entered into legally binding transfer agreements with the relevant Recipients in the form of the EU Commission approved model clauses. In this respect, the data subjects have a right to request copies of the relevant document for enabling the Personal Data transfer(s) towards such countries by writing to the Data Controller. The Recipients and Sub-Recipients may, as the case may be, process the Personal Data as data processors (when processing the Personal Data upon instructions of the Data Controller), or as distinct data controllers (when processing the Personal Data for their own purposes, namely fulfilling their own legal obligations).

The Personal Data may also be transferred to third-parties such as governmental or regulatory agencies, including tax authorities, in accordance with applicable laws and regulations. In particular, Personal Data may be disclosed to the Luxembourg tax authorities, which in turn may act as data controller, disclose the same to foreign tax authorities.

In accordance with the conditions laid down by the Data Protection Law, the investor acknowledges his/her/its right to:

- access his/her/its Personal Data;
- correct his/her/its Personal Data where it is inaccurate or incomplete;
- object to the processing of his/her/its Personal Data;
- restrict the use of his/her/its Personal Data;
- ask for erasure of his/her/its Personal Data;

- ask for Personal Data portability.

The investor also acknowledges the existence of his/her/its right to lodge a complaint with the National Commission for Data Protection (“**CNPD**”).

The investor may exercise the above rights by writing to the Management Company at the following address: 4, Rue de Jean Monnet, L-2180 Luxembourg Grand Duchy of Luxembourg.

Personal Data shall not be retained for periods longer than those required for the purpose of their processing subject to any limitation periods imposed by law.

#### **SUBSCRIPTIONS FOR, AND REDEMPTIONS OF, UNITS IN THE SUB-FUNDS**

Request in relation to the subscription for, or the redemption of, units in the relevant Sub-Funds may be submitted to the Management Company, the Central Administration Agent and the relevant paying agents.

#### **MONEY LAUNDERING PREVENTION**

Pursuant to the Luxembourg law and regulations relating to the fight against money-laundering and the prevention of the use of the financial sector for money laundering purposes and the circulars of the CSSF, obligations have been imposed inter alia on UCI as well as on professionals of the financial sector to prevent the use of UCI for money laundering purposes. Within this context a procedure for the identification of investors has been imposed. Namely, the subscription form of an investor must be accompanied, in the case of individuals, by a certified copy of the subscriber's passport or identification card and, in the case of legal entities, by a certified copy of the subscriber's articles of incorporation and, where applicable, an extract from the commercial register or a copy of such other documents as may be accepted in the relevant country of the Financial Action Task Force (*Groupe d'Action Financière*) (the "**FATF**") as verification of the identity and address of the individual or legal entity in accordance with applicable FATF rules.

This identification procedure must be complied with by the Central Administration (or the relevant competent agent of the Central Administration) in the case of direct subscriptions to the Management Company, and in the case of subscriptions received by the Management Company from any intermediary resident in a country that does not impose on such intermediary an obligation to identify investors equivalent to that required under Luxembourg laws for the prevention of money laundering.

It is generally accepted that professionals of the financial sector resident in a EU or European Economic Area (“**EEA**”) member country (with the exception of the Principality of Liechtenstein) or in a country that has ratified the conclusions of the FATF are deemed to be intermediaries having an identification obligation equivalent to that required under the laws of the Grand Duchy of Luxembourg.

The Central Administration may request any such additional documents, as it deems necessary to establish the identity of investors or beneficial owners. In case of any lack of cooperation of an unitholder, the Management Company would be obliged to block such unitholder's account until the receipt of the information and documents required by the Management Company and/or the Central Administration.

Any costs (including account maintenance costs) which are related to such non-cooperation will be borne by such unitholder.

Any information provided to the Management Company in this context is collected for anti-money laundering compliance purposes only.

## **FUND CURRENCY**

Euro

## **DIVIDEND POLICY**

Unless otherwise specified in Appendix 2 for a particular Sub-Fund, accumulation units will be issued in the Sub-Funds. Unitholders holding accumulation units will not receive any distributions. Instead, the income due to them will be rolled up to enhance the value of their accumulation units. The part of the year's net income corresponding to accumulation units will be capitalised in the relevant Sub-fund for the benefit of such accumulation units.

In case distribution units are issued, the relevant Sub-Funds will distribute their dividends on a frequency set forth in Appendix 2, for a particular Sub-Fund.<sup>3</sup>

## **DENOMINATION**

All units are issued in uncertificated registered form, and the unit register is conclusive evidence of ownership.

## **REPORTING**

The Management Company will provide unitholders with detailed information on the Fund's performance through its annual reports (up to the preceding 31<sup>st</sup> December) and semi-annual reports (up to the preceding 30<sup>th</sup> June). The reports can be obtained from the Central Administration Agent the Management Company, the relevant paying agents and the Distributor.

## **DEPOSITARY**

BNP Paribas, Luxembourg Branch  
60, avenue J.F. Kennedy  
L-1855 Luxembourg

## **FINANCIAL YEAR**

The Fund's financial year runs from 1<sup>st</sup> January to 31<sup>st</sup> December.

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<sup>3</sup> Until 11 January 2024 (included): “The relevant Sub-Funds distribute their dividends annually on 15th March in accordance with the dividend policy specified in Article 15 of the Management Regulations, provided that 15th March is a valuation day. In the event that 15th March of a given year is not a valuation day, the dividends are distributed on the next consecutive day that is also a valuation day.”



## **MISCELLANEOUS COSTS**

All other costs charged to the relevant Sub-Funds are detailed in the “Fund costs and taxes” section of this Prospectus and in the Management Regulations (Article 13).

## **SPECIAL RISKS ASSOCIATED WITH TAX REPORTING REQUIREMENTS IN GERMANY**

The German tax authorities require the Management Company to prove the accuracy of published tax bases. If errors should become apparent retrospectively, the adjustment will not be performed retrospectively, but instead will be accounted for as part of the disclosure for the current financial year. The correction may benefit or disadvantage investors who receive a dividend payout in the current financial year (as the case may be) or who are allocated a reinvestment amount.

## **ADMINISTRATION, SALES AND ADVICE**

### **MANAGEMENT COMPANY**

Generali Investments Luxembourg S.A.  
4, Rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg

## **BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY**

1. Mr Pierluigi MARTINO  
Chairman  
Group Investments Asset and Wealth Management General Counsel  
Assicurazioni Generali S.p.A.  
2, Piazza Duca degli Abruzzi  
I-34132 Trieste  
Italy  
Chairman of the Board of Directors
2. Mr Mattia SCABENI  
Chief Executive Officer  
Generali Investments Luxembourg S.A.  
4, Rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg
3. Mrs Sophie MOSNIER  
Independent Director  
41, rue du Cimetière  
L-3350 Leudelange  
Grand Duchy of Luxembourg

4. Mr Geoffroy LINARD de GUERTECHIN  
Independent Director  
2, rue Jean-Pierre Beicht  
L-1226 Luxembourg  
Grand Duchy of Luxembourg
  
5. Mr Timothy Cameron RAINSFORD  
Head of Product & Distribution  
Generali Asset Management S.p.A. Società di gestione del risparmio  
Via Machiavelli 4  
34132 Trieste  
Italy
  
6. Mrs Anouk AGNES  
Independent Director  
22, rue Charles Darwin  
L-1433 Luxembourg  
Grand-Duchy of Luxembourg

#### **MANAGEMENT**

1. Mr Mattia Scabeni  
Chief Executive Officer  
Generali Investments Luxembourg S.A.  
4, Rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg
  
2. Mrs Ilaria Drescher  
Manager  
Generali Investments Luxembourg S.A.  
4, rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg
  
3. Mr Erionald Lico  
Manager  
Generali Investments Luxembourg S.A.  
4, rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg

4. Mr Stefano Portolan  
Manager  
Generali Investments Luxembourg S.A.  
4, rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg

**FUND MANAGER**

Generali Asset Management S.p.A Società di gestione del risparmio, German branch  
Tunisstrasse 19-23  
D-50667 Cologne  
Germany

**DEPOSITARY AND PAYING AGENT IN LUXEMBOURG**

BNP Paribas, Luxembourg Branch  
60, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**CENTRAL ADMINISTRATION AGENT**

BNP Paribas, Luxembourg Branch  
60, avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**DISTRIBUTOR IN LUXEMBOURG**

Generali Investments Luxembourg S.A.  
4, Rue Jean Monnet  
L-2180 Luxembourg  
Grand Duchy of Luxembourg

**DISTRIBUTOR AND INFORMATION AGENT IN GERMANY**

Generali Asset Management S.p.A. Società di gestione del risparmio – Germany branch  
Tunisstrasse 19-23  
D-50667 Cologne  
Germany

**LEGAL ADVISOR IN LUXEMBOURG**

Arendt & Medernach S.A.  
41A, avenue J.F. Kennedy  
L-2082 Luxembourg  
Grand Duchy of Luxembourg

**AUDITOR**

KPMG Luxembourg, *Société anonyme*  
39, avenue J.F. Kennedy  
L - 1855 Luxembourg  
Grand Duchy of Luxembourg

**FUND INITIATOR**

Assicurazioni Generali S.p.A.  
Piazza Duca degli Abruzzi, 2  
I-34132 Trieste  
Italy

## APPENDIX 1 TO THE PROSPECTUS

### Article 1: Investment restrictions

The investment objectives and investment policies of the different Sub-Funds are governed by the following general guidelines.

#### The following definitions apply:

“Ancillary Liquid Assets”: Bank deposits at sight, such as cash held in current accounts with a bank accessible at any time.

“Third country”: A third country is any European State that is not a member of the European Union, as well as all American, African, Asian, Australian and Oceanian states.

“Money market instruments”: Money market instruments are those instruments that are commonly traded on the financial market, that are liquid and whose value can be accurately determined at any time.

“Regulated market”: Regulated markets are markets in accordance with Directive 2004/39/EC of the European Parliament and of the Council.

“Law of 2010”: The Law of 17<sup>th</sup> December 2010 regarding undertakings for collective investment (including subsequent changes and amending acts).

“UCI”: Undertakings for collective investment.

“UCITS”: Undertakings for collective investment in Transferable Securities, subject to Directive 2009/65/EC.

“Directive 2009/65/EC”: Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as amended by Directive 2014/91/EU of the European Parliament and Council of 23 July 2014 as regards depositary functions, remuneration policies and sanctions, as may be further amended in the future.

“Securities”: Shares, stocks and other securities of equal status and value to share units (“Shares”)  
- debt securities and other securitised debt instruments (“Debt Instruments”)  
- all other marketable securities that entitle the bearer to purchase securities by subscription or swapping with the exception of the techniques and instruments listed under point 5 of this Article.

“SFTR”: Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

“CSSF Circular 14/592”: CSSF Circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues.

“CSSF Circular 08/356”: CSSF Circular 08/356 relating to the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments.

The Fund’s investment policy is governed by the following regulations and investment restrictions:

**1. A Sub-Fund may invest in the following assets:**

Due to the differences between the Sub-Fund-specific investment policies, some of the investment options listed below may not apply to all of the Sub-Funds. In this case, please refer to the Appendix for this Sub-Fund for more information.

- a) Securities and money market instruments that are quoted or traded on a regulated market;
- b) Securities and money market instruments that are traded on another recognised, regulated within a European Union Member State which operates regularly and is open to the public;
- c) Securities and money market instruments that are officially quoted on a third-country stock market or traded on another regulated, third-country stock market which operates regularly and is open to the public;
- d) Securities and money market instruments from new issues, provided the terms of issue include the undertaking that an application will be made for said issues to be admitted for trade on a regulated market in terms of the provisions detailed under 1. a) to c) above and that said admission is obtained at the latest within one year of their issue;
- e) Shares or units of UCITS approved in compliance with Directive 2009/65/EC and/or other UCIs within the meaning of Article 1, Section 2, letters a) and b) of Directive 2009/65/EC, that are registered within a European Union Member State, or a third country, provided :
  - these other UCIs were approved under legislation that subject them to official supervision considered by the Luxembourg Financial Services Regulator (the “CSSF”) to be equivalent to that laid down in Community Law (this currently includes that of the United States of America, Canada, Switzerland, Hong Kong and Japan) and that cooperation between authorities is sufficiently ensured;
  - the level of guaranteed protection for share- or unit-holders in such other UCI is equivalent to that provided for share- or unit-holders in a UCITS, and in particular that the rules on Sub-Fund asset segregation, borrowing, lending and uncovered sales of securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
  - the business of the other UCI is reported in semi-annual and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
  - no more than 10% of the UCITS or the other UCI assets, whose acquisition is contemplated, can be, according to its instruments of incorporation, invested in aggregate in shares or units of other UCITS or UCIs.

f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State of the European Union or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law. If a description of a Sub-Fund's investment policy is related to deposits, such reference means deposits under this item (f) / article 41 (1) f) of the Law of 2010 (excluding Ancillary Liquid Assets);

g) financial derivative instruments, i.e. in particular options and futures, as well as swaps ("Derivatives") and equivalent cash settled instruments, dealt in on a regulated market referred to under a), b) and c) above, and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

- the underlying consist of instruments covered by this point 1. a) to h) or financial indices, interest rates, exchange rates or currencies;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF, and therefore comply with the provisions of CSSF Circular 14/ 592 as further explained in Article 1 point 6, b) of Appendix 1 to the Prospectus, and
- OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair market value at the initiative of the Sub-Fund;

h) money market instruments that are not traded on a regulated market and that do not fall under any of the above categories, provided that the issuer or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and that such instruments are:

- issued or guaranteed by a central, regional or local authority, a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a third country or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
- issued by an undertaking any securities of which are dealt in on one of the regulated markets referred to in a), b) and c) above, or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law; or
- issued by other bodies provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, second and third indent, and provided that the issuer is a company whose capital and reserves amount at least to ten million Euro (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with Directive 2013/34/EU, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group, or is an entity which is dedicated to the financing of securitization vehicles which benefit from a banking liquidity line.

**2. Moreover, each Sub-Fund may:**

- a) Invest up to 10 percent of its net assets in securities and money market instruments other than those listed under 1. above;
- b) Hold Ancillary Liquid Assets, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets or for a period of time strictly necessary in case of unfavourable market conditions. The holding of Ancillary Liquid Assets is limited to 20% of the net assets of the Sub-Fund. This limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interest of the Sub-Fund and the unitholders. Initial and variation margins relating to financial derivative instruments do not fall under this restriction.
- c) Borrow the equivalent of up to 10% of its net assets on a short-term basis. Hedging transactions conducted in connection with the sale of options or the acquisition or sale of forward contracts and futures are not considered borrowings for the purposes of this restriction;
- d) Acquire foreign currencies as part of a back-to-back transaction.

**3. Every Sub-Fund is furthermore subject to the following restrictions regarding the investment of its assets:**

- a) A Sub-Fund may not invest more than 10% of its net assets in securities or money market instruments issued by the same body. A Sub-Fund may invest no more than 20 percent of its net assets in deposits with one and the same institution.

The default risk associated with the counterparty to a Sub-Fund OTC derivative transaction may not exceed 10 percent of a Sub-Fund's net assets if said counterparty is a financial institution within the meaning of 1. f), and, in all other cases, may not exceed 5 percent of a Sub-Fund's net assets.

- b) The total value of the securities and money market instruments held by the Sub-Fund in the issuing bodies in each of which it invests more than 5% of its net assets must not exceed 40% of the value of its net assets. This restriction does not apply to deposits with financial institutions that are governed by prudential regulations or to transactions in OTC derivative instruments with these institutions. A Sub-Fund may furthermore not invest more than 20 percent of its net assets in one and the same institution in a combination of :

- securities or
  - money market instruments issued by this institution
- and/or
- deposits with this institution and/or
  - OTC derivative transactions conducted with this institution, irrespective of the individual limits detailed under 3. a).

- c) The limit laid down in 3. a), first sentence, is raised to a maximum of 35% if the securities or money market instruments are issued or guaranteed by a Member State of the European Union, by its local authorities, by a third country or by public international bodies to which one or more Member States of the European Union are members.



d) The limit laid down in 3. a), first sentence, is raised to 25% in respect of bonds that fall under the definition of covered bonds in point (1) of Article 3 of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU ("Directive (EU) 2019/2162"), and for certain bonds where they are issued before 8 July 2022 by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of those bonds issued before 8 July 2022 must be invested, in accordance with the law, in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest..

To the extent that a Sub-Fund invests more than 5% of its assets in debt securities in terms of the above subparagraph that are issued by one and the same issuer, the total value of these investments must not exceed 80 percent of the net assets of the UCITS.

e) The securities and money market instruments detailed under 3. c) and d) do not apply with respect to the investment limit of 40 percent specified under 3. b).

The limits laid down in 3. a), b), c) and d) must therefore not be cumulated, and investments in terms of 3. a), b), c) and d) in securities or money market instruments from one and the same issuer, or in deposits with that same issuer must therefore not exceed 35 percent of a Sub-Fund's net assets.

Companies belonging to one and the same group of companies with respect to the creation of consolidated accounts within the meaning of Directive 2013/34/EU or in terms of the recognised International Accounting Standards must be deemed a single issuer when computing the investment limits specified in this Section under point a) to e). A Sub-Fund may furthermore cumulatively invest up to 20 percent of its net assets in securities and money market instruments from one and the same group of companies.

f) Without prejudice to the limits laid down in 3. k), l) and m) below, the limits laid down in 3. a) to e) are raised to a maximum of 20% for investment in shares and/or debt securities issued by the same body if the investment policy of the Sub-Fund is aimed at duplicating the composition of a certain share or debt securities index, which is recognized by the CSSF and meets the following criteria:

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

g) The limit laid down in 3. f) is increased to 35 percent where that proves to be justified by exceptional market conditions, in particular in regulated markets where certain securities or money market instruments are highly dominant, provided that any investment up to this 35% limit is only permitted for one single issuer.

h) Notwithstanding the limits indicated in 3. a) to e), a Sub-Fund may, in accordance with the principle of risk-spreading, invest up to 100 percent of its net assets in securities and money market instruments of different issues issued or guaranteed by a European Union Member State, its local authorities, a member

state of the OECD or public international bodies of which one or more European Union Member States are members, provided that :

- (1) The unit-holders of the relevant Sub-Fund enjoy the same level of protection as unit-holders of Sub-Funds that observe the investment limits specified under 3. a) to g),
- (2) The securities in question were floated as part of at least six different issues and
- (3) It does not invest more than 30 percent of its net assets in securities from one and the same offering.

i) A Sub-Fund may acquire shares or units of other UCITS and/or other UCIs in terms of 1. e) provided it does not invest more than 20 percent of its net assets in one and the same UCITS or another UCI. When applying this investment limit, each of the sub-funds belonging to an umbrella fund shall be deemed an independent issuer within the meaning of Article 181 of the Law of 2010 provided each of the Sub-Funds observe the principle of several liability respecting third parties.

j) A Sub-Fund may not invest more than a total of 30 percent of its net assets in shares or units of UCIs other than UCITS. If a Sub-Fund has acquired shares or units in a UCITS and/or other UCI, the investment values of the relevant UCITS or other UCI are not taken into account with respect to the upper limits specified under 3. a) to e).

If a Sub-Fund acquires shares or units in other UCITS and/or other UCIs that are directly or indirectly managed by the same Management Company or another company with which the Management Company is affiliated due to the joint management or control or a significant direct or indirect holding, the Management Company or other company may not charge any fees for the issuing or redemption of shares or units of the other UCITS and/or other UCI by or to the Sub-Fund.

k) The Management Company may not acquire voting stock of the UCITS it manages to such an extent as to enable it to exert significant influence on the issuer's management.

l) A Sub-Fund or the Fund may furthermore not acquire more than:

- 10 percent of the non-voting shares of the same issuer;
- 10 percent of the debt securities of the same issuer;
- 25 percent of the shares or units of one and the same UCITS and/or another UCI;
- 10 percent of the money market instruments of the same issuer.

The limits specified under the second, third and fourth bullet points may be disregarded at the time of acquisition if at that time the gross amount of debt securities or money market instruments, or the net amount of the issued shares, cannot be calculated.

m) Provisions 3. k) and l) above do not apply with respect to:

aa) Securities and money market instruments issued or guaranteed by a European Union Member State, or its local authorities;

bb) Securities and money market instruments issued or guaranteed by a third country;

cc) Securities and money market instruments issued by public international bodies of which one or more European Union Member States are members;

dd) Shares in a company which is incorporated under the laws of a country that is not a Member State of the European Union provided that (1) such company invests its assets mainly in securities of issuing bodies having their registered office in that State, (2) under the legislation of that State, such holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State and (3) this company observes the investment restrictions specified under 3. a) to e) and 3. i) to l) above with respect to the investment of its assets.

n) A Sub-Fund may not acquire any precious metals or certificates for the same.

o) A Sub-Fund may not invest in real estate; although it may invest in real estate secured securities or security interests or in securities issued by companies that invest in real estate and in interest on the same.

p) Neither the Management Company nor the Depositary may grant loans to or act as guarantor for third parties at the expense of a Sub-Fund's assets. This does not, however, prohibit a Sub-Fund from investing its net assets in shares, money market instruments or any other financial instruments in terms of 1. e), g) and h) above that are not fully paid-up.

q) Neither the Management Company nor the Depositary may carry out uncovered sales of securities, money market instruments or any of the other financial instruments specified under 1. e), g) and h) above on the Fund's account.

#### **4. Notwithstanding any provisions to the contrary contained herein:**

a) A Sub-Fund is not required to observe the investment limits specified under 1. to 3. above when exercising subscription rights associated with securities or money market instruments it holds as part of its assets;

b) A new Sub-Fund may diverge from the provisions detailed under 3. a) to j) for a period of six months following its initial listing date, irrespective of its obligation to observe the principle of diversification;

c) A Sub-Fund must give precedence to rectifying situations where it breached the above provisions for reasons outside its control or because of subscription rights during the course of its selling transactions and under consideration of its unitholders' interests;

d) If an issuer forms a legal entity comprising several Sub-Funds whose assets are liable only to the claims of this Sub-Fund's investors and to creditors whose claims are related to the set-up, duration or the liquidation of said Sub-Fund, each one of those Sub-Funds shall be regarded as an independent issuer with respect to the provisions detailed under 3. a) to g), and 3. i) and j) regarding diversification.

e) A Sub-Fund may invest in the shares or units of other UCITS and/or other UCIs managed or advised by group Generali or affiliated parties. For any investment, the investment manager conducts a

quantitative due diligence focusing on performance and risks indicators. All the indicators are based on returns net of fees.<sup>4</sup>

Please refer to the Appendix for this Sub-Fund for more details on the portion each Sub-Fund may invest of its net assets in the shares or units of other UCITS and/or other UCIs managed or advised by group Generali or affiliated parties.

The Management Company shall be entitled to specify additional investment restrictions where necessary in order to comply with the legal and administrative requirements in countries in which Sub-Fund units are offered or sold.

## **5. Techniques and instruments**

### **a) General Provisions**

Where specified in Appendix 2 of this Prospectus for a given Sub-Fund, for the purpose of efficient portfolio management and/or hedging purposes and/or investment purposes, the Fund may arrange for such Sub-Fund to make use of techniques and instruments relating to transferable securities and money market instruments or other types of underlying assets in compliance with applicable laws and regulations, including CSSF Circular 14/592, CSSF Circular 08/356 and SFTR.

Such techniques and instruments must be economically appropriate and must be realised in a cost effective way.

The relating risks of these transactions will be adequately captured by the Management Company's risk management process.

The techniques and instruments referred to in this section include, among others, the purchase and sale of call and put options and the purchase and sale of future or forwards contracts or the entering into swaps relating to foreign exchange rates, currencies, securities, indices, interest rates or other admissible financial instruments as further described herein below. The Sub-Fund shall use instruments dealt in on a regulated market and/or OTC derivatives.

Where such transactions involve the use of derivatives, the conditions and restrictions under which they are conducted must accord with those specified under Sections 1. to 4. above of this Article. Transactions involving derivatives are furthermore subject to the conditions of Section 6. of this Article below regarding risk management procedures for derivatives.

In addition, such techniques and instruments include the following efficient portfolio management techniques: securities lending and borrowing transactions, repurchase or reverse repurchase agreements, and buy-sell back or sell-buy back transactions ("EMT").

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<sup>4</sup> Until 11 January 2024 (included): "All investments, including those in internal funds, will be done in the lowest share class available in term of fees considering the eligible investors definition."

“Efficient portfolio management” allows techniques and instruments to be used for the purpose of reducing risks and/or costs and/or increasing capital or income returns with a level of risk which is consistent with the risk profile and risk diversification requirements of the relevant Sub-Fund.

“Investment purposes” refers to the use of techniques and instruments to fulfil the investment objectives of the relevant Sub-Fund.

“Hedging purposes” refers to combinations of positions on derivative instruments and/or positions in cash realised for the purpose of reducing risks linked to derivatives and/or securities held by the relevant Sub-fund.

In no case whatsoever must the recourse to transactions involving derivatives or other techniques and instruments cause the Fund to depart from the investment objectives set out in the Prospectus.

#### b) Efficient portfolio management techniques

Where specified in Appendix 2 for a given Sub-Fund, the Fund may use EMT in accordance with the conditions set out in this Appendix 1 and the investment objective and policy of the Sub-Fund, as set out in Appendix 2 to this Prospectus. The use of EMT should not result in a change of the declared investment objective of any Sub-Fund or substantially increase the risk profile of such Sub-Fund.

#### *A) Securities lending*

Securities lending transactions consist in transactions whereby a lender transfers securities or instruments to a borrower, subject to a commitment that the borrower will return equivalent securities or instruments on a future date or when requested to do so by the lender, such transaction being considered as securities lending for the party transferring the securities or instruments and being considered as securities borrowing for the counterparty to which they are transferred.

Securities lending transactions to be entered into exclusively aim to generate additional capital or income. Therefore, the Sub-Funds will in particular engage in securities lending transactions based on the expected revenues and costs of the transaction which are essentially driven by the borrowers' demand for the securities held in each Sub-Fund's portfolio at any time. As such, there is no restriction on the frequency under which a Sub-Fund may engage into such type of transactions. Nevertheless the Fund must ensure that the volume of securities lending transaction is kept at an appropriate level or that it is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardize the management of the Sub-Fund's assets in accordance with its investment policy.

In particular, the expected and maximum proportion of the Net Asset Value that each Sub-Fund intends to engage in securities lending transactions are disclosed in Appendix 2.

Where a Sub-Fund engages in securities lending transactions, such transactions will be made exclusively by the use of the securities lending program organised by BNP Paribas (formerly BNP Paribas Securities

Services). BNP Paribas (formerly BNP Paribas Securities Services) will be acting as principal and exclusive borrower, and no securities lending agent will be involved.

The Management Company receives a fee up to 15% of the gross revenue received from BNP Paribas (formerly BNP Paribas Securities Services) for the monitoring of the securities lending program. The remainder of the gross revenue, that is at least 85%, is received by the lending Sub-Funds.

The Fund may also engage for each Sub-Fund in securities borrowing transaction, provided that these transactions comply with the following rules:

- (1) The Fund is authorized to borrow securities within a standardized lending system organized by a recognized securities clearing institution or through a lending system organised by a first rate financial institution subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law and specialized in this type of transactions.
- (2) The Fund cannot sell any securities borrowed during the period of the borrowing agreement unless adequately hedged with financial instruments that will enable the Sub-Fund to return the borrowed securities at the end of the contract.
- (3) Borrowing transactions may not extend beyond a period of 30 days nor may they exceed 50 percent of the aggregate market value of the securities in the portfolio of the Sub-Fund concerned.
- (4) A Sub-Fund may engage in securities borrowing only in the following exceptional circumstances:
  - (i) during the period of time during which securities are sent off in order to be re-registered;
  - (ii) if securities have been lent out and are not returned in time and
  - (iii) in order to avoid any mishaps regarding a transaction if the Depositary fails to meet its delivery obligations.

None of the Sub-Funds intends to engage into securities borrowing transactions at the date of this Prospectus.

*B) Repurchase agreements, buy-sell back and sell-buy back transactions*

Repurchase agreements consist of transactions governed by an agreement whereby a party sells securities or instruments to a counterparty, subject to a commitment to repurchase them, or substituted securities or instruments of the same description, from the counterparty at a specified price on a future date specified, or to be specified, by the transferor. Such transactions are commonly referred to as repurchase agreements (“**Repo**”) for the party selling the securities or instruments, and reverse repurchase agreements (“**Reverse Repo**”) for the counterparty buying them.

Buy-sell back transactions consist of transactions, not being governed by a Repo or a Reverse Repo as described above, whereby a party buys or sells securities or instruments to a counterparty, agreeing, respectively, to sell to or buy back from that counterparty securities or instruments of the same description

at a specified price on a future date. Such transactions are commonly referred to as buy-sell back transactions for the party buying the securities or instruments, and sell-buy back transactions for the counterparty selling them.

Where a Sub-Fund engages in repo/reverse repo transactions, such transactions to be entered into exclusively aim to generate additional capital or income as well as to manage excess cash. Therefore, the Sub-Funds will engage in repo/reverse repo transactions to meet extraordinary short-term cash funding requirements, to manage temporary excess cash balances or to sell securities which are trading in demand in the Repo and cash markets, offering higher returns compared to holding similar securities for yield enhancement purposes.

When entering into Repo/reverse repo transactions, a Sub-Fund will generally seek to reinvest the cash collateral received in eligible financial instruments with the aim to generate additional return. As such, there is no restriction on the frequency under which a Sub-Fund may engage into such type of transactions.

In particular, the expected and maximum proportion of the Net Asset Value that each Sub-Fund intends to engage in Repo, Reverse Repo, buy-sell back and sell-buy back transactions are disclosed in Appendix 2.

Where a Sub-Fund engages into Repo and Reverse Repo, such transactions will in principle be made directly with the counterparty with no involvement of intermediaries. Furthermore, the Investment Manager does not charge any additional costs or fees or receive any additional revenues in connection with these transactions, so that 100% of the revenues (or losses) generated by their execution are allocated to the Sub-Funds.

The counterparties to Repo, Reverse Repo, buy-sell back and sell-buy back transactions must be establishments:

- authorised by a financial authority;
- subject to prudential supervision;
- and either be located in the EEA or in a country belonging to the Group of ten or have at least an investment grade rating. Considering such criteria, the legal form of the counterparties shall not be relevant;
- specialised in such transactions; and
- in accordance with the standard terms laid down by the ISDA, as applicable.

During the duration of a buy-sell back or of a Reverse Repo transaction, the Fund may not sell or pledge/give as security the securities which are the subject of the contract before the counterparty has exercised its option or the repurchase period has expired, unless it has other means of coverage.

It must ensure that it is able, at all times, to meet its redemption obligations towards its unitholders.

Securities that are the subject of buy-sell back or Reverse Repo transactions are limited to:

- (i) short term bank certificates or money market instruments such as defined within Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the

coordination of laws, regulations and administrative provisions relating to certain UCITS as regards the clarification of certain definitions;

- (ii) bonds issued or guaranteed by a member state of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope;
- (iii) shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent;
- (iv) bonds issued by non-governmental issuers offering an adequate liquidity;
- (v) shares quoted or negotiated on a regulated market of a Member State or on a stock exchange of a member state of the OECD, on the condition that these shares are included in a main index.

Where it invests in such transactions, a Sub-Fund may incur costs and fees. In particular, a Sub-Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depositary, the Fund Manager or the Management Company, in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable.

All revenues arising from such transactions, net of any direct or indirect operational costs and fees, will be returned to the relevant Sub-Fund.

None of the Sub-Funds intends to engage into Repo, Reverse Repo, buy-sell back and sell-buy back transactions at the date of this Prospectus.

#### *C) Common provisions to EMT*

In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under an EMT, the Sub-Fund will receive cash or other assets as collateral, as further specified in sub-section c) below.

Assets received under an EMT are held by the Depositary or its delegate in accordance with the provisions of the section entitled "The Depositary" of this Prospectus.

The Fund's annual report will contain information on income from EMT for the Sub-Funds' entire reporting period, together with details of the Sub-Funds' direct and indirect operational costs and fees, insofar as they are associated with the management of the corresponding Fund/Sub-Fund.

The Fund's annual report will also provide information on the identity of entities to which such costs and fees are paid and any affiliation they may have with the Management Company, the Investment Manager or the Depositary, as applicable.

#### c) Management of collateral for OTC derivatives and EMT



As guarantee for any EMT and OTC derivatives transactions, the relevant Sub-Fund will obtain the following type of collateral covering at least the market value of the financial instruments object of EMT and OTC derivatives:

i) liquid assets which include not only cash and short term bank deposits, but also money market instruments such as defined within Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain UCITS as regards the clarification of certain definitions. A letter of credit or a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty are considered as equivalent to liquid assets.

Haircut comprised between 0% and 2% depending on market conditions;

ii) debt securities issued or guaranteed by a member state of the OECD or by their local public authorities or by supranational institutions and undertakings with Community, regional or worldwide scope.

Haircut comprised between 0% and 5% depending on market conditions;

iii) shares or units issued by money market funds calculating a daily net asset value and being assigned a rating of AAA or its equivalent.

Haircut comprised between 0% and 2% depending on market conditions;

iv) shares or units issued by money market funds, which invest in the debt securities/shares listed under points (v) and (vi) below.

Haircut comprised between 4% and 20% depending on market conditions;

(v) debt securities issued by first class issuers offering an adequate liquidity; or

Haircut comprised between 4% and 20% depending on market conditions;

(vi) shares admitted to or dealt in on a regulated market of a Member State of the European Union or on a stock exchange in a member state of the OECD, on the condition that these shares are included in a main index.

Haircut comprised between 5% and 20% depending on market conditions.

The Fund must proceed on a daily basis to the valuation and to the exchange of the guarantee received, using available market prices and taking into account appropriate discounts which will be determined for each asset class based on the above haircut policy. That policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out under normal and exceptional liquidity conditions.

Each Sub-Fund must make sure that it is able to claim its rights on the guarantee in case of the occurrence of an event requiring the execution thereof. Therefore, the guarantee must be available at all times, either

directly through a first class financial institution or indirectly through a wholly-owned subsidiary of this institution, in such a manner that the Fund is able to appropriate or realize the assets given as guarantee, without delay, if the counterparty does not comply with its obligation to return the securities.

During the duration of the agreement, the guarantee cannot be sold or given as a security or pledged, except when the Sub-Fund has other means of coverage.

Collateral received must fulfil the following criteria at all times:

- (a) Liquidity: collateral must be highly liquid so that it can be sold at a price close to its pre-sale valuation.
- (b) Valuation: collateral should be capable of being valued on at least a daily basis and must be marked to market daily.
- (c) Issuer credit quality: the Fund will only accept issuers of collateral who have a high credit quality.
- (d) Correlation: the collateral accepted by the Fund should be issued by a legal entity that is independent from the counterparty and does not exhibit a high correlation with the performance of the counterparty.
- (e) Collateral diversification (asset concentration): collateral should be suitably diversified in terms of country, markets and issuers. The criterion of suitable diversification with respect to issuer concentration is considered to be respected if the Sub-Fund receives from a counterparty to transactions for purposes of efficient portfolio management or OTC derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of the Sub-Fund's net asset value. When a Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from this sub-paragraph, a Sub-Fund may be fully collateralised in different securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a Sub-Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Sub-Fund's net asset value.
- (f) Collateral safe-keeping / management: collateral must be held by the Depositary or its delegates.
- (g) Enforceability: collateral must be immediately available to the Fund at all times without recourse to the counterparty, in the event of a default by that entity.
- (h) Non-cash collateral:
  - cannot be sold, pledged or re-invested;
  - must be issued by an entity independent of the counterparty; and
  - must be diversified to avoid concentration risk in one issue, sector or country.
- (i) If the guarantee is given in the form of cash (cash collateral), such cash should only be:
  - (a) invested as demand deposits with legal entities in accordance with Article 41 (1) f) of the Law of 2010;
  - (b) invested in high-quality government bonds;
  - (c) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and that the Fund, for each Sub-Fund, is able to recall at any time the full amount of cash on accrued basis;

- (d) invested in short-term money market funds as defined in the ESMA's guidelines on a common definition of European money market funds.

Assets other than bank deposits and units or shares of funds acquired by means of reinvestment of cash collateral must be issued by an entity not affiliated to the counterparty.

Assets may not be pledged/given as a guarantee, except when the Sub-Fund has sufficient liquid assets enabling it to return the guarantee by a cash payment.

Short-term bank deposits, money market funds and debt securities referred to above must be eligible investments within the meaning of Article 41(1) of the Law of 2010.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above. Re-investment of cash collateral involves certain risks for the Sub-Fund. Exposures arising from the reinvestment of collateral received by the Sub-Fund shall be taken into account within the diversification limits applicable under the Law of 2010.

If the short-term bank deposits referred to in (a) are likely to expose each Sub-Fund to a credit risk vis-à-vis the trustee, the Fund must take this into consideration for the purpose of the limits on deposits prescribed by Article 43 (1) of the Law of 2010.

The Fund, when receiving collateral for at least 30% of the assets of a Sub-Fund, must have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:

- (a) design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- (b) empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- (c) reporting frequency and limit/loss tolerance threshold; and
- (d) mitigation actions to reduce loss including haircut policy and gap risk protection.

The reinvestment must, in particular if it creates a leverage effect, be taken into account for the calculation of the Fund's global exposure. Any reinvestment of a guarantee provided in the form of cash in financial assets providing a return in excess of the risk free rate, is subject to this requirement.

Reinvestments will be mentioned with their respective value in an appendix to the Annual Report.

The Annual Report will also mention the following information:

- if the collateral received from an issuer has exceeded 20% of the NAV of a Sub-Fund, and/or;
- if a Sub-Fund has been fully collateralised in securities issued or guaranteed by a Member State.

## 6. Use of financial derivative instruments (“FDI”)

### a) General

The Fund, for each Sub-Fund, may use FDI such as options, futures, forwards and swaps or any variation or combination of such instruments, for hedging and/or investment and/or efficient portfolio management purposes, in accordance with the conditions set out in this Appendix 1 to the Prospectus and the investment objective and policy of the Sub-Fund, as set out in Appendix 2. The use of FDI may not, under any circumstances, cause a Sub-Fund to deviate from its investment objective.

FDI used by the Fund, for any Sub-Fund, may include, without limitation, the following categories of instruments.

- (A) Options: an option is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to buy or sell a specified amount of an underlying asset at an agreed price (the strike or exercise price) on or until the expiration of the contract. A call option is an option to buy, and a put option an option to sell.
- (B) Futures contracts: a futures contract is an agreement to buy or sell a stated amount of a security, currency, index (including an eligible commodity index) or other asset at a specific future date and at a pre-agreed price.
- (C) Forward agreements: a forward agreement is a customised, bilateral agreement to exchange an asset or cash flows at a specified future settlement date at a forward price agreed on the trade date. One party to the forward is the buyer (long), who agrees to pay the forward price on the settlement date; the other is the seller (short), who agrees to receive the forward price.
- (D) Interest rate swaps: an interest rate swap is an agreement to exchange interest rate cash flows, calculated on a notional principal amount, at specified intervals (payment dates) during the life of the agreement.
- (E) Swaptions: a swaption is an agreement that gives the buyer, who pays a fee or premium, the right but not the obligation to enter into an interest rate swap at a present interest rate within a specified period of time.
- (F) Credit default swaps: a credit default swap or “CDS” is a credit derivative agreement that gives the buyer protection, usually the full recovery, in case the reference entity or debt obligation defaults or suffers a credit event. In return the seller of the CDS receives from the buyer a regular fee, called the spread.
- (G) Total return swaps: a total return swap or “TRS” is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.

(H) Contracts for differences: a contract for differences or “CFD” is an agreement between two parties to pay the other the change in the price of an underlying asset. Depending on which way the price moves, one party pays the other the difference from the time the contract was agreed to the point in time where it ends. The difference in the settlements is generally made by payment in cash more than by physical delivery of underlying assets.

Each Sub-Fund must hold at any time sufficient liquid assets to cover its financial obligations arising under FDI used.

Investments in FDI shall be in compliance with CSSF Circular 14/592 and may be carried out provided the global risk relating to the financial instruments does not exceed the total net assets of a Sub-Fund.

In such context “global risk relating to FDI does not exceed the total net value of the Sub-Fund” means that the global risk relating to the use of FDI shall not exceed 100% of the net asset value and that the global risk for a Sub-Fund shall not be higher on a long-term basis than 200% of the net asset value. The global risk for the Sub-Fund may be increased by 10% by way of temporary borrowings in such a way that such global risk shall never be higher than 210% of the net asset value.

The risks exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

Short and long positions on the same underlying asset or on assets having an important historical correlation, may be set off.

The exposure of a Sub-Fund to underlying assets referenced by FDI, combined with any direct investment in such assets, may not exceed in aggregate the investment limits set out in this Appendix 1 to the Prospectus. However, to the extent the Fund, for a Sub-Fund, invests in FDI referencing financial indices as described in sub-section f) below, the exposure of the Sub-Fund to the underlying assets of the financial indices do not have to be combined with any direct or indirect investment of the Sub-Fund in such assets for the purposes of the risk-diversification limits set out in this Appendix 1.

When a transferable security or a money market instrument embeds a derivative product, the latter must be taken into account when complying with the risk diversification rules, global exposure limits and information requirements of this Appendix 1 applicable to derivatives.

#### b) OTC derivatives

The Fund, for each Sub-fund, may invest into OTC derivatives including, without limitation, TRS or other FDI with similar characteristics, in accordance with the conditions set out in this Appendix 1 and the investment objective and policy of the Sub-Fund, as set out in Appendix 2.

The counterparties to OTC derivatives transactions or to efficient portfolio management techniques must be establishments:

- authorised by a financial authority,
- subject to prudential supervision,

- and either be located in the EEA or in a country belonging to the Group of ten or have at least an investment grade rating. Considering such criteria, the legal form of the counterparties shall not be relevant.
- specialised in such transactions, and
- in accordance with the standard terms laid down by the International Swaps and Derivatives Association, Inc. ("ISDA").

The identity of the counterparties will be disclosed in the Fund's annual report.

The Management Company uses a process for accurate and independent assessment of the value of OTC derivatives in accordance with applicable laws and regulations.

In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under OTC derivatives, the Sub-Fund may receive cash or other assets as collateral, as further specified in this Appendix 1.

Information on income from TRS and other FDI with similar characteristics, costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the recipients and any affiliation they may have with the Depositary, the Fund Manager or the Management Company, if applicable, may be available in the Fund's annual report and, to the extent relevant and practicable, in Appendix 2.

Assets received under a TRS or other FDI with similar characteristics are held by the Depositary or its delegate in accordance with the section entitled "The Depositary" of this Prospectus.

Sub-Funds will engage in TRS or other FDI with similar characteristics on the market opportunities and in particular depending on the market demand for the securities held in each Sub-Fund's portfolio at any time and the expected revenues of the transaction compared to the market conditions on the investment side. TRS (or other FDI with similar characteristics) to be entered into exclusively aim to generate additional capital or income. As such, there is no restriction on the frequency under which a Sub-Fund may engage into such type of transactions.

The expected and maximum portion of the Net Asset Value of the Sub-Funds that could be subject to TRS or other FDI with similar characteristics are disclosed in Appendix 2.

All revenues arising from TRS or other FDI with similar characteristics, net of any direct or indirect operating costs, shall be returned to the relevant Sub-Fund.

In particular, such type of transactions will be made either directly with the counterparty, or through the use of a broker or intermediary.

When engaging in TRS (or other FDI with similar characteristics) directly with the counterparty (without intermediary/broker), the Investment Manager does not charge any additional costs or fees or receive any additional revenues, so that 100% of the revenues (or losses) generated by their execution are allocated to the Sub-Funds.

Where an intermediary/broker is used, 100% of the revenues (or losses) generated by the execution of the transactions are likewise to be allocated to the Sub-Funds. Indeed in such a case, the Investment Manager does not charge any additional costs or fees or receive any additional revenues in connection with these transactions.

Investors should note that additional costs may be inherent in certain products (e.g. the financing leg on a CFD), these are imposed by the counterparty based on market pricing, form part of the revenues or losses generated by the relevant product, and are allocated 100% to the Sub-Funds.

c) Special limits relating to credit derivatives

Each Sub-Fund, may carry out transactions on credit derivatives:

- whose underlying assets comply with the investment objectives and policy of the Sub-Fund;
- that may be liquidated at any time at their valuation value;
- whose valuation, realized independently, must be reliable and verifiable on a daily basis;
- for hedging purposes or not.

If the credit derivatives are concluded for another purpose than hedging, the following requirements must be fulfilled:

- credit derivatives must be used in the exclusive interest of investors by assuming an interesting return balanced against risks of the Sub-Fund and in accordance with the investment objectives,
- investment restrictions in this Appendix 1 shall apply to the issuer of a CDS and to the risk of the final debtor of the credit derivative (underlying), except if the credit derivative is based on an index,
- the Sub-Fund must ensure an appropriate and permanent covering of the commitments relating to CDS in order to be able at any time to meet the redemption requests from investors.
- claimed strategies relating to credit derivatives are notably the following (which may, as appropriate, be combined):
- to invest quickly the newly subscribed amounts in a fund in the credit market via the sale of credit derivatives,
- in case of positive anticipation on the evolution of spreads, to take a credit exposure (global or targeted) thanks to the sale of credit derivatives,
- in case of negative anticipation on the evolution of spreads, to protect or take actions (globally or targeted) by the purchase of credit derivatives.

d) Special limits relating to equity swaps and index swaps

Each Sub-Fund, may conclude equity swaps and swaps on market index, in accordance with the investment restrictions in this Appendix 1:

- where underlying assets comply with the investment objectives and policy of the Sub-Fund;
- they may be liquidated at any time at their valuation value;
- whose valuation, realized independently, must be reliable and verifiable on a daily basis;
- for hedging purposes or not.

Each index will comply with the classification of “financial index” pursuant to article 9 of the Grand Ducal Regulation of February 8, 2008 relating to certain definition of the Law of 2010 and with CSSF Circular 14/592.

e) Conclusion of “Contracts for Difference”

The Fund, for each Sub-fund, may enter into CFD.

When these CFD transactions are carried out for a different purpose than the one of risk hedging, the risk exposure relating to these transactions, together with the global risk relating to other derivative instruments shall not, at any time, exceed the net asset value of the concerned Sub-Fund.

Particularly, the CFD on transferable securities, on financial index or on swaps shall be used strictly in accordance with the investment policy followed by each Sub-Fund. Each Sub-Fund shall ensure an adequate and permanent coverage of its commitments related to CFDs in order to face the redemption requests of unitholders.

f) Intervention on currency markets

The Fund, for each Sub-fund, may enter into transactions on derivatives on currencies (such as forward exchange, options, futures and swaps) for hedging purpose or intended to take exchange risks within its investment policy without however diverting from its investment objectives.

Moreover, for all Sub-Funds that follow a benchmark, the Fund may also purchase, respectively sell, forward contracts on currencies within an efficient management of its portfolio in order to maintain the same exposure on currencies as the one of the benchmark of each Sub-Fund. These forward contracts on currencies must be within the limits of the benchmark of the Sub-Fund in the way that an exposure in currency other than the reference currency of the Sub-Fund shall not, in principle, be higher than the portion of this currency being part of the benchmark. The use of these forward contracts on currencies shall be made in the best interest of unitholders.

In addition, for all Sub-Funds that follow a benchmark, the Fund may also purchase, respectively sell, forward contracts on currencies in order to protect itself against the risk of exchange rate fluctuation with the view to acquire future investments. The hedging purpose of these transactions presupposes the existence of a direct relationship between them and the future commitments to be covered taking into account the benchmark of the Sub-Funds; consequently, the transactions made in one currency may in principle no exceed the valuation of the aggregate future commitments in that currency nor exceed the presumed period during which such future commitments will be held.

g) Derivatives referencing financial indices

Each Sub-Fund may use derivatives to replicate or gain exposure to one or more financial indices in accordance with its investment objective and policy. The underlying assets of financial indices may comprise eligible assets described in this Appendix 1 and instruments with one or more characteristics of those assets, as well as interest rates, foreign exchange rates or currencies, other financial indices and/or other assets, such as commodities or real estate.



For the purposes of this Prospectus, a 'financial index' is an index which complies, at all times, with the following conditions: the composition of the index is sufficiently diversified (each component of a financial index may represent up to 20% of the index, except that one single component may represent up to 35% of the index where justified by exceptional market conditions), the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner.

When a Sub-Fund uses derivatives on indices, the frequency of the review and rebalancing of the composition of the underlying index of such financial derivative instruments varies per index and could generally be weekly, monthly, quarterly or annually. The rebalancing frequency will have no impact in terms of costs in the context of the performance of the investment objective of the relevant Sub-Fund.

These conditions are further specified in and supplemented by regulations and guidance issued by the CSSF from time to time.

Further information relating to such indices is available from the Management Company on request.

## **7. Risk management procedures**

The Management Company is under obligation to use a risk management procedure that will enable it to monitor and assess at all times the risks associated with its investment positions as well as their contribution to a Sub-Fund's overall risk profile. Where applicable, this procedure shall furthermore permit the accurate and independent assessment of the values of OTC derivatives. The Management Company must notify the CSSF regularly in accordance with this risk management procedure of the types of derivatives held within the Sub-Fund's portfolio, the risks associated with the relevant underlying assets, the investment limits, and the methods used to assess the risks associated with derivative transactions.

### **Article 2: General information on risks**

Potential investors are advised to take notice of the general risks associated with exchange rate fluctuations. Exchange rate fluctuations can cause unit prices to both rise and drop. The use of derivatives and other techniques and instruments is generally associated with a much greater level of risk than traditional types of investments. Please take note of the following risks in particular:

#### **1) Market risks**

All of the assets in the Fund's possession, in particular if directly invested in securities, are subject to the risks of changes in price. The risk of depreciation – just like the potential for value enhancement – is greater for Funds that invest in shares than for those investing in fixed-interest securities or money market instruments, since shares are generally subject to greater exchange rate fluctuations than bonds and money market instruments.

#### **2) Interest rate risk**

Any Fund that invests in interest-bearing securities is subject to the risk of changing interest rates. A rise in market interest rates can cause the market value of the interest-bearing securities held by a Fund to

significantly drop. This applies even more so if the Fund also holds interest-bearing securities with longer maturities and lower nominal interest rates.

### 3) Credit risk

The credit rating (ability and willingness to pay) of the issuers of the securities held by the Fund can drop at any time. This generally causes the exchange rates for these securities to drop well in excess of general market fluctuations.

### 4) Firm-specific risk

The performance of the shares, corporate bonds and money market instruments held by the Fund may also be influenced by firm-specific factors, such as the issuer's economic and business situation. If these firm-specific factors undergo a downturn, the exchange rate of the specific instrument in question may also significantly and permanently drop, possibly even irrespective of an otherwise positive stock exchange trading trend.

### 5) Credit risk

The issuers of securities or the debtors of any claims held by the Fund may become insolvent. This can cause the relevant assets held by the Fund to lose their financial value.

### 6) Currency risk

Any foreign currency assets held by the Fund are subject to currency risk (unless hedged). Any depreciation of this foreign currency in relation to the Fund's base currency will cause the value of assets held in that currency to drop.

### 7) Risk peculiar to the trade

When investing in specific industries, it is generally not possible to distribute the associated investment risks due to the specific investment objective being pursued. Industry-specific investments are affected in particular by the operating profits of a particular or a range of related sectors.

### 8) Country and transfer risk

The occurrence of economic and political instability in countries in which the Fund invests may mean that it does not receive or does not receive in full any monies it is entitled to despite the relevant security issuer's liquidity. This may be due, for example, to exchange control regulations, restrictions on transfers or other legislative changes.

## 9) Derivatives

The Fund may use derivatives both for hedging purposes and as part of its investment strategy.

These derivative financial instruments may, amongst others, include options, future contracts on financial instruments, as well as options on such contracts, and over-the-counter (“OTC”) swaps for all types of financial instruments, including credit default swaps (“CDS”) and total return swaps (“TRS”) or other derivatives with similar characteristics. The Fund will trade derivatives only within the specified investment limits and in order to both efficiently manage the Fund’s assets as well as the maturity and risks associated with its investments. The Fund will under no circumstances diverge from the investment objectives detailed in the Prospectus with respect to these transactions.

An option comprises the right to buy (buying or call option) or sell (sellers or put option) a particular asset at a specific, pre-defined time or period of time and at a specific pre-defined price. Call and put options are traded at options premiums.

Derivatives such as options are associated in particular with the following risks:

- a) The limited rights acquired under an option may lapse and lose their value or decrease in value.
- b) The risk of loss may not be determinable and may even exceed potential collateral.
- c) Transactions with respect to which these kinds of risks are to be prevented or limited can generally not be conducted at prevailing market prices or only by incurring a loss.
- d) The risk of loss may further increase if the liabilities arising from such transactions or if the asset underlying an option is denominated in a foreign currency.
- e) The leveraging effect of options can have a more significant effect on the value of the Fund’s assets than the direct acquisition of securities or other investments.

In general, there is less government regulation and supervision of transactions in OTC markets than of transactions entered into on organised exchanges. OTC derivatives are executed directly with the counterparty rather than through a recognised exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognised exchanges, such as the performance guarantee of a clearing house.

The principal risk when engaging in OTC derivatives (such as non-exchange traded options, forwards, swaps or contracts for difference) is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations as required by the terms of the instrument. OTC derivatives may expose a Sub-Fund to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not bona fide) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. The value of the collateral may fluctuate, however, and it may be difficult to sell, so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to a Fund.

The Fund may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Central clearing is designed to reduce counterparty risk and increase liquidity compared to

bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely. The central counterparty will require margin from the clearing broker which will in turn require margin from the Fund. There is a risk of loss by a Fund of its initial and variation margin deposits in the event of default of the clearing broker with which the Fund has an open position or if margin is not identified and correctly report to the particular Fund, in particular where margin is held in an omnibus account maintained by the clearing broker with the central counterparty. In the event that the clearing broker becomes insolvent, the Fund may not be able to transfer or "port" its positions to another clearing broker.

EU Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation or EMIR) requires certain eligible OTC derivatives to be submitted for clearing to regulated central clearing counterparties and the reporting of certain details to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivatives which are not subject to mandatory clearing. Ultimately, these requirements are likely to include the exchange and segregation of collateral by the parties, including by the Fund. While some of the obligations under EMIR have come into force, a number of the requirements are subject to phase-in periods and certain key issues have not been finalised by the date of this Prospectus. It is as yet unclear how the OTC derivatives market will adapt to the new regulatory regime. ESMA has published an opinion calling for the UCITS Directive to be amended to reflect the requirements of EMIR and in particular the EMIR clearing obligation. However, it is unclear whether, when and in what form such amendments would take effect. Accordingly, it is difficult to predict the full impact of EMIR on the Fund, which may include an increase in the overall costs of entering into and maintaining OTC derivatives.

Investors should be aware that the regulatory changes arising from EMIR and other applicable laws requiring central clearing of OTC derivatives may in due course adversely affect the ability of the Sub-Funds to adhere to their respective investment policies and achieve their investment objective.

Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the Fund has implemented appropriate valuation procedures to determine and verify the value of OTC derivatives, certain transactions are complex and valuation may only be provided by a limited number of market participants who may also be acting as the counterparty to the transactions. Inaccurate valuation can result in inaccurate recognition of gains or losses and counterparty exposure.

Unlike exchange-traded derivatives, which are standardised with respect to their terms and conditions, OTC derivatives are generally established through negotiation with the other party to the instrument. While this type of arrangement allows greater flexibility to tailor the instrument to the needs of the parties, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the use of industry-standard agreements such as those published by the ISDA.

## 10) Warrants

The Fund may acquire Warrants for securities as part of its investment policy. Warrants are associated with special risks arising from their so-called leverage effect. This leverage is generated as a result of the low capital investments required when buying Warrants as compared to directly buying their underlying assets. The greater this leverage, the greater the drop in the Warrant's market value in the event that the market value of the underlying assets (relative to the purchase price specified in the Warrant agreement) drops. The level of opportunity and risk associated with Warrants is therefore always relative to their leverage potential.

## 11) Futures Contracts

The acquisition and selling of futures for purposes other than hedging is associated with significant potential as well as risk, since it is only ever a fraction of the relevant trading unit (stake) that is due for immediate payment. Market value deviations in either direction can therefore cause serious losses.

## 12) Swaps

Swaps are exchange agreements used to diversify interest-rate and currency risk. They can be used to shorten or extend the maturity structures of the Fund's interest-bearing securities and thus diversify the risks associated with changes in interest rates. Swaps can furthermore be used to lessen the risks associated with currencies when assets are changed into another currency.

The Fund may enter into interest, currency, equity and swap transactions, take out options on the same, and on a combination of these, in line with its investment principles. If the swap transactions listed above are not priced, their price shall be computed on the closing day and every valuation day on the basis of approved pricing models and on the basis of the underlying assets' current market value. The closing date and pricing are documented.

## 13) Liquidity risks associated with derivatives

Derivative related liquidity risks arise if a particular security is difficult to obtain or to sell. In large-volume derivative transactions, or in illiquid markets (e.g. when dealing with a large number of individually negotiated derivatives) it may only be possible to buy, sell, or close a position with just one counterparty and at a price determined by that counterparty.

## 14) Securities lending, repurchase or reverse repurchase and buy-sell back transactions

Securities lending, repurchase or reverse repurchase and buy-sell back transactions involve certain risks and there can be no assurance that the objective sought to be obtained from the use of such techniques will be achieved.

The principal risk when engaging in securities lending, repurchase or reverse repurchase and buy-sell back transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the Fund as required by the terms of the

transaction. Counterparty risk is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, there are certain risks associated with collateral management, including difficulties in selling collateral and/or losses incurred upon realization of collateral, as described below.

Securities lending, repurchase or reverse repurchase and buy-sell back transactions also entail liquidity risks due, inter alia, to locking cash or securities positions in transactions of excessive size or duration relative to the liquidity profile of the Sub-Fund or delays in recovering cash or securities paid to the counterparty. These circumstances may delay or restrict the ability of the Fund to meet redemption requests. The Sub-Fund may also incur operational risks such as, inter alia, non-settlement or delay in settlement of instructions, failure or delays in satisfying delivery obligations under sales of securities, and legal risks related to the documentation used in respect of such transactions.

The Sub-Funds may potentially enter into securities lending, repurchase or reverse repurchase and buy-sell back transactions with other companies in the same group of companies as the Fund Manager, the Management Company or the Depositary. Affiliated counterparties, if any, will perform their obligations under any securities lending, repurchase or reverse repurchase and buy-sell back transactions concluded with a Sub-Fund in a commercially reasonable manner and will at all times have regard to their obligations under applicable laws. In addition, the Fund Manager will select counterparties and enter into transactions in accordance with best execution principles. However, investors should be aware that the Fund Manager may face conflicts between its role and its own interests or that of affiliated counterparties.

#### 15) Collateral Management

Counterparty risk arising from investments in OTC financial derivative instruments and securities lending, repurchase or reverse repurchase and buy-sell back transactions is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, transactions may not be fully collateralised. Fees and returns due to the Sub-Fund may not be collateralised. If a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Sub-Fund could realise a loss due, inter alia, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Sub-Fund to meet redemption requests.

A Sub-Fund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

Collateral received by a Sub-fund will be held by the Depositary or its delegate. In either case, there may be a risk of loss, where such assets are held in custody, resulting from events such as the insolvency or negligence of the Depositary or its delegate.

#### 16) Exchange of information (FATCA and CRS)

Under the terms of the FATCA Law and CRS Law (as defined below), the Fund is likely to be treated as a Reporting (Foreign) Financial Institution. As such, the Fund may require all unitholders to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations.

Should the Fund become subject to a withholding tax and/or penalties as a result of a non-compliance under the FATCA Law and/or penalties as a result of a non-compliance under the CRS Law, the value of the Units held by all unitholders may be materially affected.

Furthermore, the Fund may also be required to withhold tax on certain payments to its unitholders who would not be compliant with FATCA (i.e. the so-called foreign passthru payments withholding tax obligation).

#### 17) Depositary risk (custody risk)

The assets owned by the Fund are held in custody for account of the Fund by a custodian that is also regulated by the CSSF. The Depositary may entrust the safekeeping of the Fund's assets to sub-custodians in the markets where the Fund invests. Luxembourg law provides that the Depositary's liability shall not be affected by the fact that it has entrusted the assets of the Fund to third parties. The CSSF requires that the Depositary ensures that there is legal separation of non-cash assets held under custody and that records are maintained that clearly identify the nature and amount of all assets under custody, the ownership of each asset and where the documents of title to that asset are located. Where the Depositary engages a sub-custodian, the CSSF requires that the Depositary ensures that the sub-custodian maintains these standards and the liability of the Depositary will not be affected by the fact that it has entrusted to a sub-custodian some or all of the assets of the Fund.

However, certain jurisdictions have different rules regarding the ownership and custody of assets generally and the recognition of the interests of a beneficial owner such as a Sub-Fund. There is a risk that in the event the Depositary or sub-custodian becomes insolvent, the relevant Sub-Fund's beneficial ownership of assets may not be recognised in foreign jurisdictions and creditors of the Depositary or sub-custodian may seek to have recourse to the Sub-Fund's assets. In jurisdictions where the relevant Sub-Fund's beneficial ownership is ultimately recognised, the Sub-Fund may suffer a delay in recovering its assets, pending the resolution of the relevant insolvency or bankruptcy proceedings.

In respect of cash assets, the general position is that any cash accounts will be designated to the order of the Depositary for the benefit of the relevant Sub-Fund. However, due to the fungible nature of cash, it will be held on the balance sheet of the bank with whom such cash accounts are held (whether a sub-custodian or a third party bank), and will not be protected from the bankruptcy of such bank. A Sub-Fund will therefore have counterparty exposure risk to such bank. Subject to any applicable government guarantee or insurance arrangements in respect of bank deposits or cash deposits, where a sub-custodian or third party bank holds cash assets and subsequently becomes insolvent, the Sub-Fund would be required to prove the debt along with other unsecured creditors. The Sub-Fund will monitor its exposure in respect of such cash assets on an ongoing basis.

## 18) Sustainability Risk

Sustainability Risk is principally linked to climate-related events resulting from climate change or to the society's response to climate change, which may result in unanticipated losses that could affect the Fund investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behavior, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

This list details only the most frequently occurring risks and does not represent a definitive list of all possible risks.

Risks are duly identified, monitored and minimised in accordance with CSSF Circulars 11/512 and 14/592.

### Article 3: Performance

The performances of the relevant Sub-Funds and unit classes are detailed in the KID and the Fund's regular reports.

### Article 4: Classification of Sub-Funds under CSSF Circular 11/512 (risk transparency)

SUB-FUND DESCRIPTION	Global Exposure Determination Methodology	
	Commitment Approach	Absolute VaR approach
Generali Komfort Balance	Yes	No
Generali Komfort Wachstum	Yes	No
Generali Komfort Dynamik Europa	Yes	No
Generali Komfort Dynamik Global	Yes	No
Generali Komfort Strategie 30	Yes	No
Generali Komfort Strategie 50	Yes	No

### Article 5: Stress testing policy

If a Sub-Fund receives collateral for at least 30% of its assets, the Management Company guarantees that the Sub-Fund concerned will have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy contains the minimum requirements in accordance with Guideline 45 of the Guidelines on ETFs and other UCITS issues, ESMA/2014/937, dated 01/08/2014 and accordingly prescribes at least the following:

- design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- reporting frequency and limit/loss tolerance threshold(s); and
- mitigation actions to reduce loss including haircut policy and gap risk protection.



## APPENDIX 2 TO THE PROSPECTUS

### Investment policy of the relevant Sub-Funds

#### 1. Generali Komfort Balance

##### Article 1: Investment policy

Generali Komfort Balance is a mixed fund. Its objective is aimed primarily at maximising capital appreciation, with a focus on a balanced investment portfolio and capital preservation, and to outperform its Benchmark. The Sub-Fund's assets are primarily invested in equity and bond funds, which may increase and decrease in value depending on the prevailing market situation. It primarily focuses on the economic growth trends within the Euro zone. The Sub-Fund Generali Komfort Balance may also acquire shares in mixed investment funds and money market funds, as well as a range of open-ended commodity funds and funds investing in certificates and, provided these are deemed valid securities, certificates. Depending on the prevailing market situation, the Sub-Fund may also invest all of its assets in one of the above types of funds.

The Sub-Fund Generali Komfort Balance will invest primarily in the shares or units of other UCITS and/or other UCIs in accordance with paragraph 1. 1 e) of Appendix 1. The Sub-Fund should therefore invest its assets to an equal measure in shares or units of both equity and bond funds. Depending on prevailing market trends, the Sub-Fund's assets may also be invested in full in only one of these types of funds. The value of the target fund shares or units must not be less than 51 percent of the value of the Sub-Fund's net assets. The Sub-Fund may not invest more than 20 percent of its net assets in shares or units of a single target fund in accordance with Article 1. 3 i) of Appendix 1. The Sub-Fund or the Fund itself may furthermore not acquire more than a total of 25 percent of all the shares or units issued for one and the same target fund in accordance with Article 3. l), third bullet point, of Appendix 1. Pursuant to Article 1.1. e) of Appendix 1, the Sub-Fund may only acquire shares or units in target funds that may not invest more than 10 percent of their asset value in shares or units of other investment funds. The Sub-Fund may not invest in future funds, venture capital funds or special funds. The Sub-Fund may, however, invest in the open-ended commodity funds and funds investing in certificates mentioned above within the framework of Article 1. 1 e) of Appendix 1, provided these funds meet the conditions outlined under said Article. Certificates that are traded as securities and contain a derivative may only be acquired if there is a guarantee that their underlying assets are permitted investments for a UCITS. The Management Company may only take out loans on the Sub-Fund's account for short periods of time and not exceeding 10 percent of the Sub-Fund's net assets in accordance with Article 1.2. c) of Appendix 1.

The Sub-Fund's assets may be invested in investments denominated in Euro or in other currencies. The Sub-Fund's assets may also comprise investments in a single one of these currencies. Investments that

are not denominated in the Sub-Fund's currency may be hedged with reference to the Sub-Fund's currency in order to reduce currency risk.<sup>5</sup>

The maximum percentage of management fees in the target fund in which the Sub-Fund may invest is 2.0% per target fund.

On ancillary basis, the Sub-Fund may invest up to 30% of its net assets in the shares or units of other UCITS and/or other UCIs managed or advised by group Generali or affiliated parties (Generali Group funds).

The Sub-Fund is actively managed and references a composite benchmark (the "**Benchmark**") by seeking to outperform it.

As part of the investment process, the Investment Manager has full discretion over the composition of the Sub-Fund's portfolio. There are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the ones of the Benchmark.

The Benchmark is composed as follows:

- 50% Euro Stoxx 50 (NR),
- 50% JPM EMU Government all mats (TR).

#### **Cash and cash equivalents**

In order to achieve its investment objective, for treasury purposes and/or in case of unfavourable market conditions, the Sub-Fund may invest in cash equivalents (i.e., bank deposits, money market instruments and/or money market funds) pursuant to the investment restrictions set out in this supplement and/or the Appendix 1 of the Prospectus, as applicable. The Sub-Fund may also hold Ancillary Liquid Assets pursuant to the investment restrictions set out in the Appendix 1 of the Prospectus. Under exceptional market conditions, if the Investment Manager considers it to be in the best interest of the unitholders, on a temporary basis and for defensive purposes, the Sub-Fund may hold Ancillary Liquid Assets and invest in cash equivalents on a principal basis.

#### **Use of derivatives and efficient portfolio management techniques**

Pursuant to Article 1.1. g) of Appendix 1, the Sub-Fund may use and acquire derivatives, including currency futures and option rights for the acquisition or sale of foreign currency or currency futures or option rights for the settlement of a remaining amount that will be determined by the future performance of foreign currency or currency futures in order to hedge the currency risk associated with the investments held as part of the Sub-Fund's assets.

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<sup>5</sup> Until 11 January 2024 (included): "The Management Company intends to distribute dividends from the Sub-Fund's assets on 15th March each year provided this date is a valuation day. In the event that 15th March of a given year is not a valuation day, the dividends shall be distributed on the next consecutive day that is a valuation day."

The Sub-Fund may furthermore use the derivatives specified under Article 1.1. g) of Appendix 1, and futures contracts on financial indices in particular, to hedge market risk.

In doing so, the Sub-fund shall comply with applicable restrictions and in particular CSSF Circular 14/592 and SFTR.

EMT and TRS may have underlying such as currencies, interest rates, Transferable Securities, a basket of Transferable Securities, indexes, or undertakings for collective investment.

Typically investments in such instruments is made to adjust the portfolio's market exposure in a more cost efficient way.

The Sub-Fund's use of, or investment in, EMT and TRS will be as follows:

Type of transactions	Under normal circumstances, it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's net asset value indicated below. In certain circumstances this proportion may be higher.	The principal amount of the Sub-Fund's assets that can be subject to the transactions may represent up to a maximum of the proportion of the Sub-Fund's net asset value indicated below.
TRS and other FDI with the same characteristics	0%	0%
REPO/Reverse REPO	0%	0%
Sell-buy back transactions	0%	0%
Buy-sell back transactions	0%	0%
Securities Lending	0%	0%

The investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities as per the Regulation (EU) 2020/852 (Taxonomy) on the establishment of a framework to facilitate sustainable investment (the "Taxonomy Regulation"). The Sub-Fund does not consider the adverse impacts of its investment decisions on sustainability factors.

## Article 2: Typical investor profile

The Sub-Fund Generali Komfort Balance is aimed at investors seeking to invest in funds with balanced investment portfolios that comprise a combination of highly stable investments such as the ongoing interest accrual from bond funds and the more opportunistic investments represented by equity funds. The Sub-Fund aims to have a good balance of investments in equity and bond funds. Investors in Generali Komfort Balance aim for a broadly diversified investment portfolio that comprises investments in equity and bond funds of renowned international investment companies.

This Sub-Fund is designed for investors looking to invest for longer periods of time of five or more years.

## 2. Generali Komfort Wachstum

### Article 1: Investment policy

The Sub-Fund Generali Komfort Wachstum is oriented to the opportunities represented by the equity markets, while at the same time making substantial investments in bond funds. Its objective is aimed primarily at maximising capital appreciation and to outperform its Benchmark. It primarily focuses on the economic growth trends within the Euro zone, and tends to – depending on the market situation - invest the greater part of its assets in equity funds rather than bond funds. The Sub-Fund Generali Komfort Wachstum may also acquire shares or units in mixed investment funds and money market funds, as well as a range of open-ended commodity funds and funds investing in certificates and, provided these are deemed valid securities, certificates. Depending on the prevailing market situation, the Sub-Fund may also invest all of its assets in one of the above types of funds.

The Sub-Fund Generali Komfort Wachstum will invest primarily in the shares or units of other UCITS and/or other UCIs in accordance with paragraph 1. 1 e) of Appendix 1. The Sub-Fund should therefore primarily invest its assets in shares or units of equity funds as well as a substantial part in shares or units of bond funds. Depending on prevailing market trends, the Sub-Fund's assets may also be invested in full in equity funds. The value of the target fund shares or units must not be less than 51 percent of the value of the Sub-Fund's net assets. The Sub-Fund may not invest more than 20 percent of its net assets in shares or units of a single target fund in accordance with Article 1. 3. i) of Appendix 1. The Sub-Fund or the Fund itself may furthermore not acquire more than a total of 25 percent of all the shares or units issued for one and the same target fund in accordance with Article 1. 3. l) of Appendix 1. Pursuant to Article 1.1. e) of Appendix 1, the Sub-Fund may only acquire shares or units in target funds that may invest no more than 10 percent of their net asset value in shares or units of other investment funds. The Sub-Fund may not invest in future funds, venture capital funds or special funds. The Sub-Fund may, however, invest in the open-ended commodity funds and funds investing in certificates mentioned above within the framework of Article 1. 1 e) of Appendix 1, provided these funds meet the conditions outlined in this Article.

Certificates that are traded as securities and contain a derivative may only be acquired if there is a guarantee that their underlying assets are permitted investments for a UCITS.

The Management Company may only take out loans on the Sub-Fund's account for short periods of time and not exceeding 10 percent of the Sub-Fund's net assets in accordance with Article 1. 2. c) of Appendix 1.

The Sub-Fund's assets may be invested in securities denominated in Euro or other currencies. The Sub-Fund's assets may also comprise investments in a single one of these currencies. Investments that are not denominated in the Sub-Fund's currency may be hedged with reference to the Sub-Fund's currency in order to reduce currency risk.<sup>6</sup>

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<sup>6</sup> Until 11 January 2024 (included): “The Management Company intends to distribute dividends from the Sub-Fund's assets on 15th March of each year provided this date is a valuation day. In the event that 15th March of a given year is not a valuation day, the dividends shall be distributed on the next consecutive day that is a valuation day.”

The maximum percentage of management fees in the target fund in which the Sub-Fund may invest is 2.0% per target fund.

On ancillary basis, the Sub-Fund may invest up to 30% of its net assets in the shares or units of other UCITS and/or other UCIs managed or advised by group Generali or affiliated parties (Generali Group funds).

The Sub-Fund is actively managed and references a composite benchmark (the "**Benchmark**") by seeking to outperform it.

As part of the investment process, the Investment Manager has full discretion over the composition of the Sub-Fund's portfolio. There are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the ones of the Benchmark.

The Benchmark is composed as follows:

- 70% Euro Stoxx 50 (NR),
- 30% JPM EMU Government all mats (TR).

#### **Cash and cash equivalents**

In order to achieve its investment objective, for treasury purposes and/or in case of unfavourable market conditions, the Sub-Fund may invest in cash equivalents (i.e., bank deposits, money market instruments and/or money market funds) pursuant to the investment restrictions set out in this supplement and/or the Appendix 1 of the Prospectus, as applicable. The Sub-Fund may also hold Ancillary Liquid Assets pursuant to the investment restrictions set out in the Appendix 1 of the Prospectus. Under exceptional market conditions, if the Investment Manager considers it to be in the best interest of the unitholders, on a temporary basis and for defensive purposes, the Sub-Fund may hold Ancillary Liquid Assets and invest in cash equivalents on a principal basis.

#### **Use of derivatives and efficient portfolio management techniques**

Pursuant to Article 1.1. g) of Appendix 1, the Sub-Fund may use and acquire derivatives, including currency futures and option rights, for the acquisition or sale of foreign currency or currency futures or option rights for the settlement of a remaining amount that will be determined by the future performance of foreign currency or currency futures in order to hedge the currency risk associated with the Sub-Fund's holdings.

The Sub-Fund may furthermore use the derivatives specified under Article 1.1. g) of Appendix 1, and future contracts on financial indices in particular, to hedge market risk.

In doing so, the Sub-fund shall comply with applicable restrictions and in particular CSSF Circular 14/592 and SFTR.

EMT and TRS may have underlying such as currencies, interest rates, Transferable Securities, a basket of Transferable Securities, indexes, or undertakings for collective investment.

Typically investments in such instruments is made to adjust the portfolio's market exposure in a more cost efficient way.

The Sub-Fund's use of, or investment in, EMT and TRS will be as follows:

Type of transactions	Under normal circumstances, it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's net asset value indicated below. In certain circumstances this proportion may be higher.	The principal amount of the Sub-Fund's assets that can be subject to the transactions may represent up to a maximum of the proportion of the Sub-Fund's net asset value indicated below.
TRS and other FDI with the same characteristics	0%	0%
REPO/Reverse REPO	0%	0%
Sell-buy back transactions	0%	0%
Buy-sell back transactions	0%	0%
Securities Lending	0%	0%

The investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities as per the Regulation (EU) 2020/852 (Taxonomy) on the establishment of a framework to facilitate sustainable investment (the "Taxonomy Regulation"). The Sub-Fund does not consider the adverse impacts of its investment decisions on sustainability factors.

**Article 2: Typical investor profile**

This Sub-Fund is designed for investors seeking a growth-oriented investment that combines the yield opportunities associated with investing in equity funds with the stability and ongoing interest accruals derived from investments in bond funds. This Sub-Fund tends to invest the larger part of its assets in equity funds and the smaller part in bond funds. Investors investing in this fund furthermore seek to invest in a fund with a broadly diversified portfolio comprising investments in the bond and equity funds of renowned international investment companies. Investors seeking to invest in this Sub-Fund must take note of the potential risk of price fluctuations inherent to investments in equity funds, which will comprise the larger part of this Sub-Fund's investments.

This Sub-Fund is designed for investors looking to invest for longer periods of time of five or more years.

### 3. Generali Komfort Dynamik Europa

#### Article 1: Investment policy

The Sub-Fund Generali Komfort Dynamik Europa primarily invests in European equity funds and seeks to maximise its capital appreciation and to outperform its Benchmark. It primarily does so by exploiting the opportunities presented by the European financial markets, and by focusing in particular on European equity funds that profit from growth. Generali Komfort Dynamik Europa may also acquire shares or units in bond funds, mixed investment funds and money market funds, as well as open-ended commodity funds and funds investing in certificates and, provided these are deemed valid securities, certificates. Depending on the prevailing market situation, the Sub-Fund may also invest all of its assets in one of the above types of funds.

The Sub-Fund Generali Komfort Dynamik Europa will invest primarily in shares or units of other UCITS and/or other UCIs in accordance with Article 1. 1 e) of Appendix 1. The Sub-Fund should therefore primarily invest its assets in equity funds that invest in European assets. Depending on prevailing market trends, the Sub-Fund may also invest all of its assets in the above type of funds. The value of the target fund shares or units must not be less than 51 percent of the value of the Sub-Fund's net assets. The Sub-Fund may not invest more than 20 percent of its net assets in shares or units of a single target fund in accordance with Article 1. 3. i) of Appendix 1. The Sub-Fund or the Fund itself may furthermore not acquire more than a total of 25 percent of all of the shares or units issued for one and the same target fund in accordance with Article 1. 3. l) of Appendix 1. Pursuant to Article 1.1. e) of Appendix 1, the Sub-Fund may only acquire shares or units in target funds that may invest no more than 10 percent of their net asset value in shares or units of other investment funds. The Sub-Fund may not invest in future funds, venture capital funds or special funds. The Sub-Fund may, however, invest in the open-ended commodity funds and funds investing in certificates mentioned above within the framework of Article 1. °1°e) of Appendix 1, provided these funds meet the conditions outlined in this Article.

Certificates that are traded as securities and contain a derivative may only be acquired if there is a guarantee that their underlying assets are permitted investments for a UCITS.

The Management Company may only take out loans on the Sub-Fund's account for short periods of time and not exceeding 10 percent of the Sub-Fund's net assets in accordance with Article 1. 2. c) of Appendix 1.

The Sub-Fund's assets may be invested in securities denominated in Euro or in other currencies. The Sub-Fund's assets may also comprise investments in a single one of these currencies. Investments that are not denominated in the Sub-Fund's currency may be hedged with reference to the Sub-Fund's currency in order to reduce currency risk.<sup>7</sup>

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<sup>7</sup> Until 11 January 2024 (included): “The Management Company intends to distribute dividends from the Sub-Fund's assets on 15th March each year provided this date is a valuation day. In the event that 15th March of a given year is not a valuation day, the dividends shall be distributed on the next consecutive day that is a valuation day.”

The maximum percentage of management fees in the target fund in which the Sub-Fund may invest is 2.0% per target fund.

On ancillary basis, the Sub-Fund may invest up to 30 % of its net assets in the shares or units of other UCITS and/or other UCIs managed or advised by group Generali or affiliated parties (Generali Group funds).

The Sub-Fund is actively managed and references Stoxx Europe 50 (NR) (the “**Benchmark**”) by seeking to outperform it.

As part of the investment process, the Investment Manager has full discretion over the composition of the Sub-Fund’s portfolio. There are no restrictions on the extent to which the Sub-Fund’s portfolio and performance may deviate from the ones of the Benchmark.

### **Cash and cash equivalents**

In order to achieve its investment objective, for treasury purposes and/or in case of unfavourable market conditions, the Sub-Fund may invest in cash equivalents (i.e., bank deposits, money market instruments and/or money market funds) pursuant to the investment restrictions set out in this supplement and/or the Appendix 1 of the Prospectus, as applicable. The Sub-Fund may also hold Ancillary Liquid Assets pursuant to the investment restrictions set out in the Appendix 1 of the Prospectus. Under exceptional market conditions, if the Investment Manager considers it to be in the best interest of the unitholders, on a temporary basis and for defensive purposes, the Sub-Fund may hold Ancillary Liquid Assets and invest in cash equivalents on a principal basis.

### **Use of derivatives and efficient portfolio management techniques**

Pursuant to Article 1.1. g) of Appendix 1, the Sub-Fund may use and acquire derivatives, including currency futures and option rights, for the acquisition or sale of foreign currency or currency futures or option rights for the settlement of a remaining amount that will be determined by the future performance of foreign currency or currency futures in order to hedge the currency risk associated with the Sub-Fund’s holdings.

The Sub-Fund may furthermore use the derivatives specified under Article 1.1. g) of Appendix 1, and futures contracts on financial indices in particular, to hedge market risk.

In doing so, the Sub-fund shall comply with applicable restrictions and in particular CSSF Circular 14/592 and SFTR.

EMT and TRS may have underlying such as currencies, interest rates, Transferable Securities, a basket of Transferable Securities, indexes, or undertakings for collective investment.

Typically investments in such instruments is made to adjust the portfolio’s market exposure in a more cost efficient way.

The Sub-Fund’s use of, or investment in, EMT and TRS will be as follows:



Type of transactions	Under normal circumstances, it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's net asset value indicated below. In certain circumstances this proportion may be higher.	The principal amount of the Sub-Fund's assets that can be subject to the transactions may represent up to a maximum of the proportion of the Sub-Fund's net asset value indicated below.
TRS and other FDI with the same characteristics	0%	0%
REPO/Reverse REPO	0%	0%
Sell-buy back transactions	0%	0%
Buy-sell back transactions	0%	0%
Securities Lending	5%	20%

The investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities as per the Regulation (EU) 2020/852 (Taxonomy) on the establishment of a framework to facilitate sustainable investment (the "Taxonomy Regulation"). The Sub-Fund does not consider the adverse impacts of its investment decisions on sustainability factors.

**Article 2: Typical investor profile**

This Sub-Fund is designed for investors seeking to profit from the opportunities presented by the expanding European area as well as global growth trends through investments in European financial markets. Since this Sub-Fund primarily invests in European equity funds, potential investors must take note of the potential risks associated with these types of opportunistic investments with respect to potential price fluctuations.

This Sub-Fund is designed for investors looking to invest for longer periods of time of between five and ten or more years, and into a fund with a broadly diversified portfolio comprising shares or units of a range of promising funds from renowned international companies.

#### 4. Generali Komfort Dynamik Global

##### Article 1: Investment policy

The Sub-Fund Generali Komfort Dynamik Global is designed to profit from the opportunities presented by the international equity markets. Its objective is to increase its value through investing in international funds that successfully utilise new prospects and trends and invest in the relevant leading international companies and to outperform its Benchmark. The Generali Komfort Dynamik Global Sub-Fund may also acquire shares or units in bond funds, mixed investment funds and money market funds in addition to open-ended commodity funds and funds investing in certificates and, where these are deemed valid securities, certificates. Depending on prevailing market trends, the Sub-Fund may also invest all of its assets in the above types of funds.

The Sub-Fund will invest primarily in the shares or units of other UCITS and/or other UCIs in accordance with Article 1.1. e) of Appendix 1. It therefore aims to predominantly acquire shares or units from equity funds that invest in international securities. Depending on prevailing market trends, the Sub-Fund may also invest all of its assets in the above types of funds. The value of the target fund shares or units must not be less than 51 percent of the value of the Sub-Fund's net assets. The Sub-Fund may not invest more than 20 percent of its net assets in shares or units of a single target fund in accordance with Article 1.3. i) of Appendix 1. The Sub-Fund or the Fund itself may furthermore not acquire more than a total of 25 percent of all shares or units issued for one and the same target fund in accordance with Article 1.3. l) of Appendix 1. Pursuant to Article 1.1. e) of Appendix 1, the Sub-Fund may only acquire shares or units in target funds that may invest no more than 10 percent of their net asset value in shares or units of other investment funds. The Sub-Fund may not invest in future funds, venture capital funds or special funds. The Sub-Fund may, however, invest in the open-ended commodity funds and funds investing in certificates mentioned above within the framework of Article 1.1°e) of Appendix 1, provided these funds meet the conditions outlined in this Article.

Certificates that are traded as securities and contain a derivative may only be acquired if there is a guarantee that their underlying assets are permitted investments for a UCITS.

The Management Company may only take out loans on the Sub-Fund's account for short periods of time and not exceeding 10 percent of the Sub-Fund's net assets in accordance with Article 1.2. c) of Appendix 1.

The Sub-Fund's assets may be invested in securities denominated in Euro or other currencies. The Sub-Fund's assets may also comprise investments in a single one of these currencies. Investments that are not denominated in the Sub-Fund's currency may be hedged with reference to the Sub-Fund's currency in order to reduce currency risk.<sup>8</sup>

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<sup>8</sup> Until 11 January 2024 (included): The Management Company intends to distribute dividends from the Sub-Fund's assets on 15th March each year provided this date is a valuation day. In the event that 15th March of a given year is not a valuation day, the dividends shall be distributed on the next consecutive day that is a valuation day.

The maximum percentage of management fees in the target fund in which the Sub-Fund may invest is 2.0% per target fund.

On ancillary basis, the Sub-Fund may invest up to 30 % of its net assets in the shares or units of other UCITS and/or other UCIs managed or advised by group Generali or affiliated parties (Generali Group funds).

The Sub-Fund is actively managed and references MSCI World (NR) (converted in EUR) (the “**Benchmark**”) by seeking to outperform it.

As part of the investment process, the Investment Manager has full discretion over the composition of the Sub-Fund’s portfolio. There are no restrictions on the extent to which the Sub-Fund’s portfolio and performance may deviate from the ones of the Benchmark.

### **Cash and cash equivalents**

In order to achieve its investment objective, for treasury purposes and/or in case of unfavourable market conditions, the Sub-Fund may invest in cash equivalents (i.e., bank deposits, money market instruments and/or money market funds) pursuant to the investment restrictions set out in this supplement and/or the Appendix 1 of the Prospectus, as applicable. The Sub-Fund may also hold Ancillary Liquid Assets pursuant to the investment restrictions set out in the Appendix 1 of the Prospectus. Under exceptional market conditions, if the Investment Manager considers it to be in the best interest of the unitholders, on a temporary basis and for defensive purposes, the Sub-Fund may hold Ancillary Liquid Assets and invest in cash equivalents on a principal basis.

### **Use of derivatives and efficient portfolio management techniques**

Pursuant to Article 1.1. g) of Appendix 1, the Sub-Fund may furthermore use and acquire derivatives, including currency futures and option rights, for the acquisition or sale of foreign currency or currency futures or option rights for the settlement of a remaining amount that will be determined by the future performance of foreign currency or currency futures in order to hedge the currency risk associated with the Sub-Fund’s holdings.

The Sub-Fund may furthermore use the derivatives specified under Article 1.1. g) of Appendix 1, and futures contracts on financial indices in particular, to hedge market risk.

In doing so, the Sub-fund shall comply with applicable restrictions and in particular CSSF Circular 14/592 and SFTR.

EMT and TRS may have underlying such as currencies, interest rates, Transferable Securities, a basket of Transferable Securities, indexes, or undertakings for collective investment.

Typically investments in such instruments is made to adjust the portfolio’s market exposure in a more cost efficient way. The Sub-Fund’s use of, or investment in, EMT and TRS will be as follows:

Type of transactions	Under normal circumstances, it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's net asset value indicated below. In certain circumstances this proportion may be higher.	The principal amount of the Sub-Fund's assets that can be subject to the transactions may represent up to a maximum of the proportion of the Sub-Fund's net asset value indicated below.
TRS and other FDI with the same characteristics	0%	0%
REPO/Reverse REPO	0%	0%
Sell-buy back transactions	0%	0%
Buy-sell back transactions	0%	0%
Securities Lending	0%	0%

The investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities as per the Regulation (EU) 2020/852 (Taxonomy) on the establishment of a framework to facilitate sustainable investment (the "Taxonomy Regulation"). The Sub-Fund does not consider the adverse impacts of its investment decisions on sustainability factors.

#### **Article 2: Typical investor profile**

This Sub-Fund is aimed at investors seeking to profit from the global opportunities presented by the major growth trends and international equity markets. Investors in this Sub-Fund should be aware of the risks associated with the opportunistic investment in equity funds due to the value fluctuations associated with such investments. This Sub-Fund is designed for investors looking to invest for longer periods of time of between five and ten or more years, and into a fund with a broadly diversified portfolio comprising shares or units of a range of promising funds from renowned international companies.

## 5. Generali Komfort Strategie 30

### Article 1: Investment policy

The primary aim of the investment policy pursued by the mixed Sub-Fund Generali Komfort Strategie 30 is to generate the highest possible increase in value while preserving its capital and to outperform its Benchmark.

To do so, it invests its assets in shares and government bonds, which are always weighted in accordance with the relevant prevailing market conditions.

This Sub-Fund may invest directly in securities as well as in shares or units of equity and bond funds, mixed security funds, money market funds, and open-ended commodity funds and funds investing in certificates, for diversity, and acquire certificates if these are deemed valid securities. The Sub-Fund may invest in the above open-ended commodity funds and funds investing in certificates within the framework of Article 1. 1 e) of Appendix 1, provided these funds meet the conditions specified therein.

The Sub-Fund may only invest in certificates that are traded as securities and include a derivative if it has been assured that the underlying assets are permitted investment for a UCITS.

Due to its defensive character, it is expected that this Sub-Fund shall have an allocation of 30 percent equities, without, however, any intention of this being restrictive, and may therefore, depending on market conditions, have an equity or bond exposure between 0 and 100 percent.

The Sub-Fund may invest both in assets issued in Euro and other currencies. The Sub-Funds' assets may also comprise investments in a single one of these currencies. The Sub-Fund may reduce the currency risk of assets not issued in the Sub-Fund's currency by hedging them against the Sub-Fund's currency.

The maximum percentage of management fees in the target funds in which the Sub-Fund may invest is 2.0% per target fund.

On ancillary basis, the Sub-Fund may invest up to 30% of its net assets in the shares or units of other UCITS and/or other UCIs managed or advised by group Generali or affiliated parties (Generali Group funds).

The Sub-Fund is actively managed and references a composite benchmark (the "**Benchmark**") by seeking to outperform it.

As part of the investment process, the Investment Manager has full discretion over the composition of the Sub-Fund's portfolio. There are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the ones of the Benchmark.

The Benchmark is composed as follows:

- 70% JPM EMU Government all mats (TR),
- 30% Euro Stoxx 50 (NR).

### Cash and cash equivalents

In order to achieve its investment objective, for treasury purposes and/or in case of unfavourable market conditions, the Sub-Fund may invest in cash equivalents (i.e., bank deposits, money market instruments and/or money market funds) pursuant to the investment restrictions set out in this supplement and/or the Appendix 1 of the Prospectus, as applicable. The Sub-Fund may also hold Ancillary Liquid Assets pursuant to the investment restrictions set out in the Appendix 1 of the Prospectus. Under exceptional market conditions, if the Investment Manager considers it to be in the best interest of the unitholders, on a temporary basis and for defensive purposes, the Sub-Fund may hold Ancillary Liquid Assets and invest in cash equivalents on a principal basis.

### Use of derivatives and efficient portfolio management techniques

In order to hedge the currency risk associated with its assets, the Sub-Fund may use or acquire derivatives, including futures contracts on foreign currencies and options on the acquisition or sale of foreign currencies.

The Sub-Fund may employ any of the derivatives listed under Article 1. g) of Appendix 1, and futures on financial indexes in particular, to hedge out market risk.

In doing so, the Sub-fund shall comply with applicable restrictions and in particular CSSF Circular 14/592 and SFTR.

EMT and TRS may have underlying such as currencies, interest rates, Transferable Securities, a basket of Transferable Securities, indexes, or undertakings for collective investment.

Typically investments in such instruments is made to adjust the portfolio's market exposure in a more cost efficient way.

The Sub-Fund's use of, or investment in, EMT and TRS will be as follows:

Type of transactions	Under normal circumstances, it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's net asset value indicated below. In certain circumstances this proportion may be higher.	The principal amount of the Sub-Fund's assets that can be subject to the transactions may represent up to a maximum of the proportion of the Sub-Fund's net asset value indicated below.
TRS and other FDI with the same characteristics	0%	0%
REPO/Reverse REPO	0%	0%
Sell-buy back transactions	0%	0%

Buy-sell back transactions	0%	0%
Securities Lending	0%	0%

The investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities as per the Regulation (EU) 2020/852 (Taxonomy) on the establishment of a framework to facilitate sustainable investment (the “Taxonomy Regulation”). The Sub-Fund does not consider the adverse impacts of its investment decisions on sustainability factors.

**Article 2: Dividend policy<sup>9</sup>**

The Management Company intends to distribute dividends from the Sub-Fund’s assets on 15<sup>th</sup> March of every year, provided this date is a valuation day. If the 15<sup>th</sup> March of a year is not a valuation day, dividends shall be paid on the next consecutive day that is a valuation day.<sup>10</sup>

**Article 3: Typical investor profile**

This Sub-Fund is designed for investors whose primary concern is to preserve their investment but who would still like to profit from the opportunities inherent in the major global growth trends and international equity markets. Investors in this Sub-Fund are aware of the risks associated with investing part of this Sub-Fund’s assets in equity funds, which are generally subject to value fluctuations.

This Sub-Fund is designed for investors looking to invest for longer periods of time of between five to ten or more years, and who are looking to invest in a fund with a broadly diversified portfolio comprising shares or units of a range of promising funds from renowned international investment companies.

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<sup>9</sup> Only until 11 January 2024 (included)

<sup>10</sup> Only until 11 January 2024 (included)

## 6. Generali Komfort Strategie 50

### Article 1: Investment policy

The primary aim of the investment policy pursued by the mixed Sub-Fund Generali Komfort Strategie 50 is to generate the highest possible increase in value while preserving its capital and maintaining a diversified portfolio and to outperform its Benchmark.

To do so, it invests its assets in shares and government bonds, which are always weighted in accordance with the relevant prevailing market conditions.

This Sub-Fund may invest directly in securities as well as in shares or units of equity and bond funds, mixed security funds, money market funds, and open-ended commodity funds and funds investing in certificates, for diversity, and acquire certificates if these are deemed valid securities. The Sub-Fund may invest in the above open-ended commodity funds and funds investing in certificates within the framework of Article 1. 1 e) of Appendix 1, provided these funds meet the conditions specified therein.

The Sub-Fund may only invest in certificates that are traded as securities and include a derivative if it has been assured that the underlying assets are permitted investment for a UCITS.

It is expected that this Sub-Fund shall have an allocation of approx. 50 percent equities, without, however, any intention of this being restrictive, and may therefore, depending on market conditions, have an equity or bond exposure between 0 and 100 percent.

The Sub-Fund may invest both in assets issued in Euro and other currencies. The Sub-Funds' assets may also comprise investments in a single one of these currencies. The Sub-Fund may reduce the currency risk of assets not issued in the Sub-Fund's currency by hedging them against the Sub-Fund's currency.<sup>11</sup>

The maximum percentage of management fees in the target funds in which the Sub-Fund may invest is 2.0% per target fund.

On ancillary basis, the Sub-Fund may invest up to 30 % of its net assets in the shares or units of other UCITS and/or other UCIs managed or advised by group Generali or affiliated parties (Generali Group funds).

The Sub-Fund is actively managed and references a composite benchmark (the "**Benchmark**") by seeking to outperform it.

As part of the investment process, the Investment Manager has full discretion over the composition of the Sub-Fund's portfolio. There are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the ones of the Benchmark.

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<sup>11</sup> Until 11 January 2024 (included): "The Management Company intends to distribute dividends from the Sub-Fund's assets on 15th March of every year, provided this date is a valuation day. If the 15th March of a year is not a valuation day, the dividends shall be distributed on the next consecutive day that is a valuation day."



The Benchmark is composed as follows:

- 50% JPM EMU Government all mats (TR),
- 50% Euro Stoxx 50 (NR).

#### **Cash and cash equivalents**

In order to achieve its investment objective, for treasury purposes and/or in case of unfavourable market conditions, the Sub-Fund may invest in cash equivalents (i.e., bank deposits, money market instruments and/or money market funds) pursuant to the investment restrictions set out in this supplement and/or the Appendix 1 of the Prospectus, as applicable. The Sub-Fund may also hold Ancillary Liquid Assets pursuant to the investment restrictions set out in the Appendix 1 of the Prospectus. Under exceptional market conditions, if the Investment Manager considers it to be in the best interest of the unitholders, on a temporary basis and for defensive purposes, the Sub-Fund may hold Ancillary Liquid Assets and invest in cash equivalents on a principal basis.

#### **Use of derivatives and efficient portfolio management techniques**

In order to hedge the currency risk associated with its assets, the Sub-Fund may use or acquire derivatives, including futures contracts on foreign currencies and options on the acquisition or sale of foreign currencies.

The Sub-Fund may employ any of the derivatives listed under Article 1. g) of Appendix 1, and futures on financial indexes in particular, to hedge out market risk.

In doing so, the Sub-fund shall comply with applicable restrictions and in particular CSSF Circular 14/592 and SFTR.

EMT and TRS may have underlying such as currencies, interest rates, Transferable Securities, a basket of Transferable Securities, indexes, or undertakings for collective investment.

Typically investments in such instruments is made to adjust the portfolio's market exposure in a more cost efficient way.

The Sub-Fund's use of, or investment in, EMT and TRS will be as follows:

Type of transactions	Under normal circumstances, it is generally expected that the principal amount of such transactions will not exceed a proportion of the Sub-Fund's net asset value indicated below. In certain circumstances this proportion may be higher.	The principal amount of the Sub-Fund's assets that can be subject to the transactions may represent up to a maximum of the proportion of the Sub-Fund's net asset value indicated below.
TRS and other derivatives with the same characteristics	0%	0%
REPO/Reverse REPO	0%	0%
Sell-buy back transactions	0%	0%
Buy-sell back transactions	0%	0%
Securities Lending	0%	0%

The investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities as per the Regulation (EU) 2020/852 (Taxonomy) on the establishment of a framework to facilitate sustainable investment (the "Taxonomy Regulation"). The Sub-Fund does not consider the adverse impacts of its investment decisions on sustainability factors.

**Article 2: Typical investor profile**

This Sub-Fund is designed for investors who would like to profit from the opportunities inherent in the major global growth trends and international equity markets, but who prefer pursuing a well-balanced investment policy. Investors in this Sub-Fund are aware of the risks associated with the opportunistic investment in equity funds, which are generally subject to value fluctuations.

This Sub-Fund is designed for investors looking to invest for longer periods of time of between five to ten or more years, and who are looking to invest in a fund with a broadly diversified portfolio comprising shares or units of a range of promising funds from renowned international investment companies.