

**FULL PROSPECTUS**

including Contract Terms

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LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST

LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST

LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST

LINGOHR-SYSTEMATIC-LBB-INVEST

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Only the German version of this prospectus is legally binding. Any translations are exclusively for information purposes.

The current prospectus and the General Contract Terms in conjunction with the Special Contract Terms are the legal basis for purchasing investment fund units. No formal statement or information that diverges from the content of this prospectus may be given. The buyer shall bear sole responsibility for any purchase of fund units that is made on the basis of information or formal statements not contained in this prospectus. The information contained in this prospectus is supplemented by the most recent annual report. In the event that the reporting date of the annual report is more than eight months in the past, the purchaser will additionally be provided with the semi-annual report.

Any changes or amendments to the Contract Terms will be published in the electronic version of the Federal Gazette (Bundesanzeiger) and on the website of the Investment Company ([www.lbb-invest.de](http://www.lbb-invest.de)). Major changes to the investment policy within the framework of the current Contract Terms will be explained by the Investment Company on its website under the address given above.

The contractual and the pre-contractual relations between Investment Company and investor shall be based on German law. Pursuant to the relevant General Contract Terms the seat of the Investment Company shall be the place of jurisdiction for any disputes arising from the contractual relationship, unless the investor has a general place of jurisdiction in Germany. Pursuant to section 123 Investmentgesetz (InvG - Investment Act) all offering documents shall be drawn up in German. Furthermore, the Investment Company shall communicate with its investors in German.

The address of Landesbank Berlin Investment GmbH for service of legal notices, the names of Landesbank Berlin Investment GmbH's legal representatives, the commercial register in which Landesbank Berlin Investment GmbH is registered and the registration number are given at the end of this sales prospectus.

In the event of disputes arising from the application of the provisions of the German Civil Code (Bürgerliches Gesetzbuch) concerning the distance selling of financial services effective since 8 December 2004, the parties concerned may contact the conciliation board of Deutsche Bundesbank, Post Box 11 12 32 in 60047 Frankfurt, phone +49 69 2388-1907 or -1906, fax +49 69 2388-1919. This does not affect the right to take legal action.

Date: December 2009

### **Selling restrictions**

Pursuant to US regulatory restrictions, the units described in this Sales Prospectus may not be offered for sale in the United States of America or to US persons (this term covers persons who are US citizens or domiciled in the US and partnerships or corporations which were established under US law or the law of a US federal state, territory or possession). Units are therefore neither offered for sale nor sold in the United States of America or to or for the account of US persons. It is not permitted to transfer units to the United States of America or to US persons.

If the Company learns that a unitholder is a US person or holds the units for the account of a US person, the Company may demand that the units be redeemed immediately at the latest unit price.

This Prospectus may not be distributed in the United States of America or to US persons. The distribution of this Prospectus and any offering or sale of units may be subject to restrictions in other jurisdictions, too.

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## 1. General information

**LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST, LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST, LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST and LINGOHR-SYSTEMATIC-LBB-INVEST** (hereinafter referred to as “the funds” collectively or a “fund” if only one of them is meant) are UCITS III-compliant funds in the meaning of the Investmentgesetz (InvG – Investment Act). They are managed by Landesbank Berlin Investment GmbH, Berlin (hereinafter “LBB-INVEST”, the “Investment Company” or the “Company”). The funds were launched for an unlimited period of time.

The management of a fund consists primarily in investing the capital deposited with the Company by unitholders in assets subject to the principle of risk diversification and separately from the Company's own assets. The funds shall not be part of the Investment Company's bankruptcy estate.

The InvG and the Contract Terms for the individual funds, which govern the legal relationship between the investors and the Company, also determine the assets in which the Company may invest and the provisions it must respect in doing so. The Contract Terms contain both a general and a specific section (General Contract Terms and Special Contract Terms). The application of the Contract Terms to a fund is generally subject to the approval of BaFin. The only exception is the provision in the Special Contract Terms for each fund which governs the fees that can be charged to the fund. For the funds **LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST** and **LINGOHR-SYSTEMATIC-LBB-INVEST** this is section 9 of the Special Contract Terms, for the funds **LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST** and **LINGOHR-ASIAN-SYSTEMATIC-LBB-INVEST** this is section 10 of the Special Contract Terms (for details on fees and claims for reimbursement of expenses please see the chapters “Issue of units – front-end load”, “Redemption of units – exit charge” and “Management fees and other charges”). This provision is not subject to official approval from the Federal Financial Supervisory Authority.

The full and simplified prospectuses, the Contract Terms and the latest annual and semi-annual reports can be obtained for free from LBB-INVEST and Landesbank Berlin AG.

Additional information on the investment restrictions for each fund imposed by the risk management, the risk management methods, and the latest developments of risks and returns of the major asset categories can be obtained from the Company in a written and / or electronic version.

The Contract Terms can be found on p. 17 et seq. of this prospectus.

The Company is entitled to amend the Contract Terms for the individual funds. Changes of the Contract Terms, with exception of the provisions concerning management fees and other charges, shall be subject to approval of BaFin. If the changes refer to the investment principles of the individual funds, they shall also require the prior approval of the Company's supervisory board.

Any changes will be published in the electronic version of the Federal Gazette as well as in an economic or daily newspaper with adequate circulation or on the website of the Company ([www.lbb-invest.de](http://www.lbb-invest.de)).

Changes shall come into effect on the day after publication at the earliest. BaFin may set an earlier date for these to come into effect. Changes in provisions concerning fees and reimbursement of expenses shall come into effect six months after publication at the earliest, provided that no earlier date for their coming into effect was fixed with the approval of BaFin. Changes of the previous investment principles of the fund shall also come into force six months after publication at the earliest and shall only be permitted on the condition that the Investment Company offers investors to swap their units for units in funds with comparable investment principles free of charge, if the Company manages such funds.

## 2. Investment Company

Among other funds, the Company manages the funds described in this prospectus: **LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST** (launched on 29 December 1993 under the name BB-Amerika-Invest), **LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST** (launched on 21 April 1992 under the name BB-Asien-Invest), **LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST** (launched on 1 October 2003) and **LINGOHR-SYSTEMATIC-LBB-INVEST** (launched on 1 October 1996).

LBB-INVEST was established on 20 October 1988 in Berlin and is an investment company in the meaning of the German Investment Act (Investmentgesetz – InvG) in the legal form of a Gesellschaft mit beschränkter Haftung (GmbH – limited liability company). It has been authorised to issue UCITS-III-compliant funds, old-age provision funds, mixed investment funds, other investment funds and specialty funds and to manage investment stock companies managed by third parties under the InvG.

More detailed information about the Company's management, the composition of the supervisory board and the investment committee, if applicable, the shareholder structure and the Company's subscribed and paid-up capital as well as about other funds managed by LBB-INVEST can be found in the list at the end of this prospectus.

## 3. Custodian

The InvG requires the separation of the function of fund management from that of fund safe-keeping. The Investment Company has to authorise a financial institution as custodian for the safe-keeping of the funds' assets.

The custodian shall keep the assets in blocked custody accounts or blocked accounts. In particular it shall provide for the issue and redemption of units and the determination of the unit's value to correspond to the provisions of the InvG and the Contract Terms. Furthermore, it shall ensure that it receives the value of the transactions effected for the funds within the customary periods of time and the use of the funds' income is in line with the provisions of the InvG and the Contract Terms. In addition, the custodian is required to verify if deposits to blocked accounts at other financial institutions comply with the InvG and the relevant Contract Terms. If this is the case, it must consent to the monies being placed in this manner.

The custodian shall determine, in collaboration

with the Company, the value of both the individual funds and their units.

Custodian for the funds described in this prospectus is Landesbank Berlin AG, which has its registered office at Alexanderplatz 2, Berlin (see also the list at the end of this prospectus). The custodian is a financial institution under German law. Its main activities are the clearing, deposit and lending businesses as well as securities operations.

## 4. Advisor

Lingohr & Partner Asset Management GmbH, which is domiciled in Erkrath, acts as advisor for the funds. The advisor regularly informs the Company about developments on the financial markets and drafts proposals for the optimal implementation of the investment policy. In return for these activities the advisor receives a fee from the Company which is drawn from the Company's own assets.

## 5. Legal position of investors - Global certificates / Unit classes -

The unit certificates of the funds are bearer certificates and represent unitholders' claims against LBB-INVEST. As co-owners or creditors, the unitholders shall hold an interest in the assets of the funds proportionate to the number of units held. All units issued carry the same rights. There shall be no unit classes.

The unit certificates for the funds **LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST** and **LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST** are issued in denominations of 1, 10, 100 or 1,000 units. In the interest of the unitholders, LBB-INVEST is entitled to split the unit certificates or combine them into larger denominations. The unit certificates are transferable. The rights vested in each unit certificate are devolved upon transfer. In all cases, LBB-INVEST and/or the custodian shall regard the holder of the unit certificate as the person entitled to those rights.

On 1 January 2006 LBB-INVEST ceased to issue physical certificates, which means that unitholders' rights have been exclusively vested in global certificates since then. Physical certificates for the funds listed above which are on the markets and their coupons shall remain valid. However, no new coupons will be issued in return for the renewal certificate.

Units of the funds **LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST** and **LINGOHR-SYSTEMATIC-LBB-INVEST** have been exclusively issued in the form of global certificates since the launch of the fund. These global certificates are bearer certificates and are issued for any number of units determined by the Company within the framework of the total number of units issued. Units may be acquired only if held in safe custody. **Investors do not have a claim to a delivery of physical certificates.**

## 6. Investment objective and investment principles, investment instruments and investment limits in detail, risk factors, suitability for investors and other information

Depending on its assessment of the overall economic and capital-market situation and the

future market outlook, LBB-INVEST shall acquire or sell the assets permitted under the InvG and the relevant Contract Terms.

Details on the specific investment principles and objectives and the relevant investment limits will be set out below.

- **Investment objective and investment principles**

• **LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST**

The **LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST** fund particularly aims to achieve long-term capital gains. For the **LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST**, LBB-INVEST shall acquire securities as specified in section 47 InvG, money-market instruments as specified in section 48 InvG, bank deposits as specified in section 49 InvG, investment fund units as specified in section 50 InvG, derivatives as specified in section 51 InvG and other securities as specified in section 52 InvG. Securitised derivatives may be acquired if the underlying is one of the securities listed above.

At least 51% of the fund's assets shall be invested in equities of issuers domiciled in the American region. In particular, undervalued equities are permissible. Undervalued equities are equities which, at the time of acquisition, belong to one of the following categories:

- a) equities of companies which, despite above-average dividend yields, trade below the average (as measured by a relevant equity index which is representative for the market as a whole, such as the Morgan Stanley country indices, the STOXX indices, the Standard & Poor's indices or the Dow Jones indices);
- b) equities of companies which due to external factors, such as changing investment preferences, temporarily underperform the market;
- c) equities of companies which due to company-specific factors, such as planned restructuring efforts in the areas of production, organisation or management, can be expected to register a significant improvement in returns or which are likely to be acquired soon so that the equity prices are likely to outperform the market.

• **LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST**

The **LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST** fund particularly aims to achieve long-term capital gains. For the **LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST**, LBB-INVEST shall acquire securities as specified in section 47 InvG, money-market instruments as specified in section 48 InvG, bank deposits as specified in section 49 InvG, investment fund units as specified in section 50 InvG, derivatives as specified in section 51 InvG and other securities as specified in section 52 InvG. Securitised derivatives may be acquired if the underlying is one of the securities listed above.

At least 51% of the assets of the fund are to be invested in equities of Asian issuers which, from the Company's vantage point, are undervalued in relation to the complete range of analysed

equities. Undervalued equities are equities which, at the time of acquisition, belong to one of the following categories:

- a) equities of companies which, despite above-average dividend yields, trade below the average (as measured by a relevant equity index which is representative for the market as a whole, such as the Morgan Stanley country indices, the STOXX indices, the Nikkei index, the Hang-Seng-Index, the ASX All Ordinaries Index or the Standard & Poor's indices);
- b) equities of companies which due to external factors, such as changing investment preferences, temporarily underperform the market;
- c) equities of companies which due to company-specific factors, such as planned restructuring efforts in the areas of production, organisation or management, can be expected to register a significant improvement in returns or which are likely to be acquired soon so that the equity prices are likely to outperform the market.

The proportion of securities issued by Australian issuers may not exceed 25% of the fund's assets.

• **LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST**

The **LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST** fund particularly aims to achieve long-term capital gains. For the **LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST**, LBB-INVEST shall acquire securities as specified in section 47 InvG, money-market instruments as specified in section 48 InvG, bank deposits as specified in section 49 InvG, investment fund units as specified in section 50 InvG, derivatives as specified in section 51 InvG and other securities as specified in section 52 InvG.

At least 51% of the assets of the **LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST** are to be invested in equities of European issuers which, from the Company's vantage point, are undervalued in relation to the complete range of analysed equities. Undervalued equities are equities which, at the time of acquisition, belong to one of the following categories:

- equities of companies which, despite above-average dividend yields and a favourable profit outlook, trade below the average (as measured by a relevant equity index which is representative for the market as a whole, such as the Morgan Stanley country indices, the STOXX indices, the Deutscher Aktienindex or the Standard & Poor's indices) due to market influences;
- equities of companies which due to external factors, such as changing investment preferences, temporarily underperform the market;
- equities of companies which due to company-specific factors, such as planned restructuring efforts in the areas of production, organisation or management, can be expected to register a significant improvement in returns or which are likely to be acquired soon so that the equity prices are likely to outperform the market.

• **LINGOHR-SYSTEMATIC-LBB-INVEST**

The **LINGOHR-SYSTEMATIC-LBB-INVEST** fund particularly aims to achieve long-term capital gains. For the **LINGOHR-SYSTEMATIC-LBB-INVEST**, LBB-INVEST shall acquire securities as specified in section 47 InvG, money-market instruments as specified in section 48 InvG, bank deposits as specified in section 49 InvG, investment fund units as specified in section 50 InvG, derivatives as specified in section 51 InvG and other securities as specified in section 52 InvG.

At least 51% of the assets of the **LINGOHR-SYSTEMATIC-LBB-INVEST** are to be invested in equities of domestic and foreign issuers which, from the Company's vantage point, are undervalued in relation to the complete range of analysed equities. Undervalued equities are equities which, at the time of acquisition, belong to one of the following categories:

- equities of companies which, despite high dividend yields and a favourable profit outlook, trade below the average (as measured by a relevant equity index which is representative for the market as a whole, such as the Morgan Stanley country indices, the Dow Jones indices, the Nikkei index, the Deutscher Aktienindex, the Hang-Seng index or the Standard & Poor's indices) due to market influences;
- equities of companies which due to external factors, such as changing investment preferences, temporarily underperform the market;
- equities of companies which due to company-specific factors, such as planned restructuring efforts in the areas of production, organisation or management, can be expected to register a significant improvement in returns or which are likely to be acquired soon so that the equity prices are likely to outperform the market.

Other investment restrictions for the funds are described below under the heading "Investment instruments and investment limits in detail".

In practice, each of the funds listed above may focus on investing only in some of the assets listed above.

- **Investment instruments and investment limits in detail**

Securities

The securities which may be bought for the funds in line with section 47 InvG include in particular equities, interest-bearing securities, convertible bonds, warrant bonds, profit participation certificates, index certificates, other certificated debt securities and other marketable securities provided they are not money-market securities or derivatives.

While taking into account the investment principles applicable for each of the funds, the Company may acquire on behalf of **LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST**, **LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST**, **LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST** and

**LINGOHR-SYSTEMATIC-LBB-INVEST** securities issued by domestic and foreign issuers

1. if they have been admitted to official trading on a stock exchange in a member state of the European Union, or in another signatory state to the Agreement on the European Economic Area, or admitted to or included in another organised market in one of these countries,
2. if they have been admitted to official trading on a stock exchange approved by BaFin of the fund or admitted to or included in an organised market approved by BaFin.

Securities from new issues may be acquired, if – according to their terms of issue – their admission to one of the stock exchanges or organised markets mentioned in nos. 1 and 2 above must be applied for and their admission or inclusion takes place within one year of issue. In addition, the preconditions set out in section 47 sub-section 1 sentence 2 InvG need to be fulfilled.

Securities may also be purchased in the form of equities if they accrue to the relevant fund from a capital increase out of corporate funds, in the form of units in closed-end funds, which meet the criteria set out in section 47 sub-section 1 no. 7 InvG, in the form of financial instruments, which meet the criteria set out in section 47 sub-section 1 no. 8 InvG, or from the exercising of subscription rights which are held by the fund.

Subscription rights may also be considered as securities if the securities from which the subscription rights arise may be included in the relevant fund's assets.

#### Money-market instruments<sup>1</sup>

Money-market instruments are instruments which are customarily traded in the money-market as well as interest-bearing securities which at the time of purchase for the relevant fund have a maximum (residual) maturity of 397 days. Should the maturity exceed 397 days, interest must be adjusted in line with market rates at regular intervals or at least within 397 days. Instruments whose risk profile is equivalent to the risk profile of such securities are also regarded as money-market instruments.

Money-market instruments may be purchased for each of the funds

1. if they have been admitted to official trading on a stock exchange in a member state of the European Union, or in another signatory state to the Agreement on the European Economic Area or admitted to or included in another organised market in one of these countries;
2. if they have been admitted to official trading on a stock exchange approved by BaFin of the fund or admitted to or included in an organised market approved by BaFin;
3. if they have been issued or guaranteed by the European Communities, the German Federal Government, a Special Fund of the Federal Government, a Federal State (Land), another member state or another central, regional or local authority or the central bank

of a member state of the European Union, the European Central Bank or the European Investment Bank, a third country or, if that third country is a federal state, a federal state of that country or an international public body of which at least one member state of the European Union is a member;

4. if they have been issued by a company whose securities are traded on the markets listed in nos. 1 and 2;
5. if they have been issued or guaranteed by a financial institution which is subject to supervision under the criteria set out by Community law or by a financial institution which is subject to supervisory and regulatory rules which, in the view of BaFin, are equivalent to the rules existing under Community law and complies with these rules, or
6. if they are issued by other issuers, provided that the relevant issuer is
  - a) an enterprise with equity amounting to at least EUR 10 million, preparing and publishing its annual accounts pursuant to the provisions of the Fourth Council Directive 78/660/EEC of 25 July 1978 on the annual accounts of certain types of companies, as amended most recently by Article 49 of the Directive 2006/43/EC of the European Parliament and the Council of 17 May 2006,
  - b) a legal entity which is part of a corporate group that consists of one or more listed companies and is responsible for the funding activities of the group; or
  - c) a legal entity which has the task of financing the securitisation of liabilities by using a credit line provided by the Bank. The securitisation and the credit line provided by a Bank are subject to the provisions of Article 7 of the Directive 2007/16/EC.

Any money-market instruments listed above may be acquired only if they meet the preconditions of Article 4 (1) and (2) of the Directive 2007/16/EC. Money-market instruments within the meaning of sub-section 1 nos. 1 and 2 are also subject to the provisions set out in Article 4 (3) of the Directive 2007/16/EC.

Sufficient deposit and investor protection must be in place for money-market instruments within the meaning of sub-section 1 nos. 3 through 6, for example in the form of an investment grade rating, and such instruments must meet the criteria set out in Article 5 of the Directive 2007/16/EC. Investment grade is defined as a rating of "BBB-" or "Baa3" or better resulting from a rating agency's credit assessment.

Article 5 (2) of the Directive 2007/16/EC regulates the purchase of money-market instruments issued by a regional or local authority of a member state of the European Union or by an international public body within the meaning of sub-section 1 no. 3, but not guaranteed by the member state or, if the member state is a federal state, by a federal state of this country; Article 5 (2) regulates the purchase of money-market instruments listed in sub-section 1 nos. 4 and 6; Article 5 (4) regulates the purchase of all other money-market instruments under sub-section 1 no. 3, except for money-market instruments issued or guaranteed

by the European Central Bank or the central bank of a member state of the European Union. The purchase of money-market instruments under sub-section 1 no. 5 is subject to Article 5 (3) and, if the money-market instruments have been issued or guaranteed by a financial institution which is subject to and compliant with regulatory provisions which, in the opinion of BaFin, are the equivalent of those under Community law, to Article 6 of the Directive 2007/16/EC.

#### Other investment instruments

The Company may acquire the following investment instruments for the account of the relevant fund:

- securities which are not admitted to official trading on a stock exchange or admitted to or included in another organised market, but meet the remaining criteria of section 52 sub-section 1 no.1 InvG;
- money-market instruments issued by issuers which do not meet the requirements of section 48 InvG, provided that the money-market instruments meet the requirements of section 52 sub-section 1 no. 2 InvG;
- equities from new issues whose planned admission has not yet taken place,
- borrower's note loans<sup>2</sup> which may be assigned at least twice after their purchase for the relevant fund and were granted to:

a) the German Federal Government, a Special Fund of the Federal Government, a Federal State (Land), the European Communities or a state that is a member of the Organisation for Economic Co-operation and Development;

b) another central, regional or local authority within Germany or a regional government or local authority of another member state of the European Union, or of another signatory state to the Agreement on the European Economic Area for which a zero weighting was notified pursuant to Article 44 of Directive 2000/12/EC of the European Parliament and of the Council of 20 March 2000 relating to the taking up and pursuit of the business of financial institutions,

c) other public corporations or agencies incorporated under public law and domiciled in Germany, or in another member state of the European Union, or another signatory state to the Agreement on the European Economic Area,

d) companies which have issued securities which have been admitted to trading on an organised market within the meaning of section 2 sub-section 5 of the securities trading law or which have been admitted to or included in another organised market which meets the key requirements on organised markets within the meaning of the guidelines set out in section 52 sub-section 1 no. 4 lit. d) InvG, or

<sup>2</sup> Section 7 sub-section 26 of the Special Contract Terms for the funds LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST and LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST gives a limited list of institutions to which the borrower's note loan may be granted in the case of these two funds.

<sup>1</sup> Only money-market instruments denominated in euro or another European currency may be acquired for the LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST fund.

- e) other borrowers, provided interest payments and principal repayment is guaranteed by one of the entities listed under letters a) through c).

#### Investment limits for securities, money-market instruments and other investment instruments

The Company may invest up to 10% of each fund's assets in securities and money-market instruments issued by the same issuer (debtor). However, the total value of the securities and money-market instruments of these issuers (debtors) may not exceed 40% of the relevant fund's assets. In addition, only up to 5% of the fund's assets may be invested in securities and money-market instruments of the same issuer.

The Company may invest up to 35% of each fund's assets in bonds, borrower's note loans and money-market instruments of particular public sector issuers within the meaning of section 60 sub-section 2 sentence 1 InvG.

The Company may invest up to 25% of the fund's assets in collateralised bonds. If more than 5% of the value of the relevant fund's assets are invested in these bonds, the aggregate value of these bonds may not exceed 80% of the fund's value.

The Company may, on behalf of a fund, invest only up to 20% of the value of the fund at one and the same institution in a combination of the following assets:

- securities and money-market instruments issued by the same institution;
- deposits with this institution;
- amounts offset against counterparty risks for transactions with derivatives which are not admitted to trading on a stock exchange or included in another organised market, if such transactions are entered into with this institution. A combination of the assets listed in sentence 1 may not exceed 35% of the fund's assets for particular public sector issuers within the meaning of section 60 sub-section 2 sentence 1 InvG.

The respective individual limits remain unaffected in both cases.

The amounts accounted for by securities and money-market instruments of a single issuer which are included in the above restrictions may be reduced by short transactions in derivatives whose underlying are the securities or money-market instruments of the same issuer. This means that, for account of each fund, securities or money-market instruments of the same issuer may be purchased beyond the above limits, if the thus increased issuer risk is reduced by hedging transactions.

The Company may invest up to 100% of each fund's assets in securities. Money-market instruments may be acquired up to a value of 49% of each fund's assets. Securities and money-market instruments purchased under agreements to resell are included in the calculation of these investment restrictions.

The Company may invest up to 10% of each fund's assets in other investment instruments.

#### Bank deposits

Up to 49% of each fund's assets may be invested in bank deposits, whose term must not exceed 12 months. These deposits must be maintained in blocked accounts with a financial institution domiciled in a member state of the European Union or a signatory state to the Agreement on the European Economic Area. Under the relevant Contract Terms for each fund, these blocked accounts may also be maintained with a financial institution domiciled in a third state and/or be denominated in a foreign currency<sup>1</sup>.

The Company may only invest up to 20% of each fund's assets in bank deposits with any single financial institution. The amounts which have been paid by the Company in its capacity as repo lender shall be included in this figure.

#### Investment fund units

Within the framework of the investment principles for the relevant fund, the Company may invest up to 10%<sup>2</sup> of the fund's assets in units in domestic UCITS-compliant fund units, EU investment fund units, other domestic and foreign investment fund units which are not EU investment fund units and units in investment stock companies (target funds) which, under their Contract Terms or Articles of Association or according to their latest annual and/or semi-annual reports and/or inventories provided by the management company of the fund, invest mainly in equities (equity funds), interest-bearing securities (fixed-income funds) or money-market instruments and/or bank deposits (money-market funds). In the case of the **LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST** only funds which focus on Europe are eligible for investment. These target funds may, pursuant to their Special Contract Terms, only invest up to 10% of their assets in units of other investment funds. Units must be redeemable at any time.

Overall, only up to 10% of the value of each fund's assets may be invested in the units of a single target fund. The Company may not purchase more than 25% of the issued and outstanding units of a target fund for each fund's account.

Investment fund units purchased under agreements to resell are included in the calculation of these investment restrictions.

#### Derivatives

Within the framework of the so-called **qualified approach** for calculating the potential market risk – and provided that an appropriate risk management system is in place – the Company may invest in all derivatives or financial instruments with a derivative component within the meaning of Article 10 (1) of the Directive 2007/16/EC which are derived from assets that may be acquired for the fund or from recognised financial indices within the meaning of Article 9 (1) of the Directive 2007/16/EC, interest rates, exchange rates or currencies. These include in particular options, financial futures and swaps as well as combinations thereof.

The Company may, on account of each fund, enter

into derivatives transactions for the purposes of hedging, efficient portfolio management or generating additional return. The use of derivatives may double the potential market risk of each fund. The market risk is the risk stemming from an unfavourable development of market prices for the assets held by the relevant fund. Any risks related to the use of derivatives shall be managed by a risk management procedure which enables the fund management to monitor and measure the risk entailed by a specific investment and its share in the overall risk profile of the investment portfolio at any time. The potential market risk amount may not exceed twice the potential market risk amount attributable to the comparable fictitious benchmark portfolio.

#### - Options

Within the investment principles for each fund, the Company may participate in options trading for the account of the fund. It may enter into option transactions on securities pursuant to section 47 InvG, on money-market instruments pursuant to section 48 InvG, on investment fund units pursuant to section 50 InvG, on derivatives pursuant to section 51 InvG, on other investment instruments pursuant to section 52 nos. 1 through 3 InvG and on currencies.

Options consist of granting a third party, for a fee (the options premium), the right to demand the delivery or receipt of assets or the payment of a balancing adjustment for a specific period of time or at the end of a specific time period at a price determined in advance (strike price), or to acquire the corresponding option rights. The Company may both buy and sell options.

#### - Futures

Within the investment principles of each fund, the Company may participate in futures buying and selling for the account of the fund. It may enter into futures trading for securities pursuant to section 47 InvG, for money-market instruments pursuant to section 48 InvG, for investment fund units pursuant to section 50 InvG, for derivatives pursuant to section 51 InvG, for other investment instruments pursuant to section 52 nos. 1 through 3 InvG and for currencies.

Futures are mutually binding agreements between two parties to buy or sell, at a specified date, the maturity date, or within a specified period, a specific quantity of a specific underlying security at a price agreed on in advance. In case of futures on securities and money-market instruments the fund has to hold the underlyings in its assets at the time of the transaction if no cash settlement is agreed upon. If a cash settlement is agreed upon, a cover in the form of bank deposits or liquid financial instruments is sufficient.

#### - Swaps

Within the investment principles of each fund, the Company may enter into interest, currency, equity or credit default swaps for the account of the fund.

Swaps are exchange contracts in which the assets or risks underlying the transaction are exchanged between the contractual partners.

#### - Swaptions

Swaptions are options on swaps. A swaption is the right, but not the obligation, to enter into

<sup>1</sup> Bank deposits held for the LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST fund may only be denominated in euro or in another European currency.

<sup>2</sup> In the case of the LINGOHR-SYSTEMATIC-LBB-INVEST only 5% of the fund's assets may be invested in investment fund units.



swaps specified under certain conditions on a specific date or within a specific period of time. In other respects, the principles set out for options apply correspondingly.

#### - Credit default swaps

Credit default swaps are credit derivatives that permit potential credit default amounts to be transferred to third parties. In return for assuming the credit default risk, the seller of the risk pays a premium to the contracting partner.

In other respects, the details for swaps apply correspondingly.

#### - Securitised financial instruments

The Company may also acquire the financial instruments described above if they are securitised. Transactions involving financial instruments may also represent only part of the securities involved (such as in the case of warrant bonds). The statements on opportunities and risks apply to such securitised financial instruments correspondingly, except for the fact that the risk of loss on securitised financial instruments is limited to the value of the security.

#### - OTC derivatives

The Company may enter into both derivatives contracts that are admitted for trading on an exchange or in another organised market and so-called over-the-counter (OTC) transactions.

The Company may only enter into derivatives contracts that are not admitted for trading on an exchange or in another organised market with suitable financial institutions or financial services institutions on the basis of standardised framework agreements. For derivatives traded other than on an exchange, the counterparty risk of a contract party shall be limited to 5% of the value of the fund. If the contract partner is a financial institution that is domiciled in the European Union, the European Economic Area or a third country that has comparable levels of governmental supervision, the counterparty risk may total 10% of the value of the relevant fund. Derivatives contracts purchased other than on an exchange, where the counterparty is the central clearing house of an exchange or another regulated market, are not included when determining counterparty limits if the derivatives are valued daily at market prices with a daily margin settlement.

#### **Important note on the use of derivatives**

**The Investment Company may enter into derivatives transactions for the account of each fund in the framework of the investment strategy or for hedging purposes. If the Investment Company enters into derivatives transactions for investment purposes, the loss risk of the fund may increase at least temporarily.**

**The use of derivatives may double the potential market risk of each fund. The market risk is the risk stemming from an unfavourable development of market prices for the assets held by the relevant fund.**

#### Securities lending operations

The securities held by each fund may be transferred to third parties by way of loans against payment of a consideration in line

with prevailing market rates. If the assets are transferred for an unlimited period of time, the Company shall have the right to call them in at any time. It shall be agreed by contract that assets of the same kind, quality and amount have to be retransferred to the relevant fund after termination of the lending period. It is, however, a prerequisite for the transfer of securities by way of a loan that the relevant fund should be furnished with adequate collateral. This may involve the assigning or pledging of cash deposits or the assigning or pledging of securities. Any income generated by the collateral must be credited to the relevant fund.

The borrower is also obliged to pay to the custodian for the account of the relevant fund, when due, the interest accrued on the securities received by way of a loan. Securities loans granted for a limited time may not exceed 15% of the value of the relevant fund's assets. All securities transferred to a single borrower may not exceed 10 % of the relevant fund's value.

The Company must not grant cash loans to third parties for the account of any fund.

#### Repurchase agreements

The Company may, for the account of each fund, enter into securities repurchase agreements (repos) of a maximum term of twelve months with financial institutions and financial services providers. Repurchase agreements are permitted only in the form of so-called true repurchase agreements. In such transactions the repo lender pledges to return the assets at a specific time or at a time to be determined by the repo borrower.

#### Borrowing

The raising of short-term loans to the value of 10% of the relevant fund's assets for joint account of the investors is permitted, provided that the terms of the loan are customary for the industry and the custodian gives its consent.

#### - Risk factors

When selecting the assets for the funds in line with the fund concepts described above, the aspects described in the investment objectives for each fund take precedence. However, even a careful selection of the investment instruments is no guarantee that the fund will not incur any losses because of issuer defaults. Securities and other assets do not only offer the opportunity of price gains, but also harbour risks, which are described below.

#### General

The prices of the assets in which the Investment Company has invested for the account of any of the funds may rise or fall relative to their purchase price. If investors sell units of a fund at a time when the prices of that fund's assets are lower than at the time of purchase, they will not recover the full amount invested in the fund. There is no guarantee that the investment objectives of any of the funds will be reached. However, the investor's risk is limited to the amount invested. The investor has no obligation to pay more than the invested amount.

While taking into account the investment principles and investment limits set out in the InvG and the relevant Contract Terms, the actual

investment policy of any of the funds may focus on acquiring certain assets or assets from a small number of sectors, markets or countries. Compared to a broad diversification across different assets or numerous different sectors, this focus on specific assets or investment sectors may entail particular opportunities but also entails a high level of risk (e.g. potentially narrow market, large fluctuations during certain economic cycles). The annual or semi-annual reports will give retrospective information about the investment strategy for the previous reporting period in the report of the manager and statement of net assets.

#### Market risk

The (market) price of financial products depends mainly on the performance of the capital markets, which, in turn, are affected by the global economic environment and the economic and political situation in each country (market risk). In general, prices can also be affected by irrational factors such as sentiment, opinions or rumours.

Experience has shown that equities are subject to significant price fluctuations. That is why they offer opportunities of considerable gains, but also harbour equivalent risks in case of price declines. Equity prices are driven above all by company- and industry-specific profit expectations and macroeconomic and political variables that determine expectations in securities markets and thus shape prices.

In addition, in the case of shares in smaller and medium-sized companies (small and mid-cap segment) smaller selling or purchasing orders may, due to the lower market capitalisation, result in significant price fluctuations, so volatility in these segments is elevated. Moreover, these equities are often issued by new, less established companies, whose valuation depends on market participants' confidence in the individual company's business model. Unlike larger companies, which have been traded on the stock exchange for years, are well known and can rely on a solid economic base, new companies may experience major price movements due to minor changes in their outlook. Moreover, supply and demand for these equities may take place in comparatively narrow markets with low turnover so that a small number of purchasing or selling orders may heavily affect the prices.

With regard to convertible bonds or warrant bonds it should be noted that, due to the securitisation of conversion or option rights to the exchange or acquisition of shares, the prices of these bonds also depend on the prices of the shares for which the bonds may be exchanged under the conversion rights or which may be acquired under the option rights. If warrant bonds entitle the issuer to offer, depending on the price of the equities underlying the option right, a previously determined number of shares in place of repayment of the principal at maturity (reverse convertibles), the price of these warrant bonds is particularly dependent on the relevant equity price.

If assets are acquired on markets or issued by issuers domiciled in countries which do not yet meet international standards, the legal framework conditions may provide for less investor protection and information. As a result, the valuation of issuer assets may not follow internationally accepted rules, and this may have an effect on their valuation. Moreover,

investments may be negatively affected if any necessary approvals are granted with a delay or not at all.

#### Interest-rate risk

An important type of market risk is interest rate risk. This is the possibility that the prevailing market interest rate when an interest-bearing security is issued may change. Changes in the economic situation, or the policy of the relevant central bank in response to these, may result in a change in market interest rates. If market interest rates rise in comparison to the level prevailing at the time of issuance, prices of interest-bearing securities usually decline. A fall in market interest rates, however, will trigger a contrasting rise in the price of interest-bearing securities. In each of these cases, price development leads to a yield on interest-bearing securities that roughly corresponds to the market interest rate. However, price volatility varies according to the maturity of interest-bearing securities. As a result, interest-bearing securities with shorter maturities entail lower price risks than those with longer maturities. However, bonds with shorter maturities typically earn lower yields than longer-dated ones.

Money-market instruments tend to be subject to lower price risks due to their shorter maturities of 397 days at most.

#### Currency risk

Another type of market risk is currency risk. If, under the relevant Contract Terms, assets of a fund may be invested in other currencies than the fund currency, the fund will receive any returns, repayments and sales receipts from these investments in the currencies in which the investments have been made. The value of these currencies may fall against the fund currency. This creates a currency risk that may impair the value of the units insofar as the fund invests in currencies other than the fund currency.

Currency hedging transactions, which generally hedge only a portion of the relevant fund's assets and only for a brief period, are used to reduce currency risks. They cannot, however, entirely prevent exchange rate changes having a negative impact on the fund's performance, despite possible hedging transactions. The expense incurred through currency hedges and possible losses resulting from their use reduce the performance of the fund. **Moreover, in case of foreign-currency investments in markets or assets of issuers which are domiciled in countries that do not yet comply with the international standards there is also a risk that currency hedges are not possible or not practicable.**

#### Country or transfer risk

Investments in foreign currencies are subject to so-called country or transfer risks. This covers the risk that a foreign debtor may be able to pay, but nevertheless unable to fulfil its obligations in time or at all because the country in which it is domiciled is unable or unwilling to transfer the money. For example, claims of the fund may default or be met in a currency which is not convertible due to foreign-currency restrictions. **This applies particularly to foreign-currency investments in markets or assets of issuers which are domiciled in countries that do not yet comply with the international standards.**

#### Risk of settlement default / issuer risk

The risk of settlement default (or counterparty / issuer risk) covers the risk that a party's claim may fully or partially default. This applies to all contracts concluded on behalf of any of the funds with other contractual partners.

Moreover, it applies in particular to the issuers of the assets held by each of the funds. The price of an asset is affected both by general capital market trends and by the particular situation of the respective issuer. Even with the most painstaking selection of assets, the possibility of losses caused by a decline in issuers' assets, for example, cannot be ruled out.

It is also possible that an issuer defaults not on all, but only on some of its obligations. For example, even after the most careful selection of assets the possibility cannot be ruled out that the issuer of an interest-bearing security does not pay the interest due at maturity or repays only part of the principal at maturity. In the case of equities an unfavourable development of the issuer's situation may cause it not to pay any dividend to its shareholders and/or affect the equity price to the downside.

In the case of foreign issuers there is also the possibility that political decisions in the country in which the issuer is domiciled prevent it from paying all or part of the interest on its interest-bearing securities or from repaying all or part of the principal.

#### Liquidity risk

Only those assets that can be sold at any time may generally be acquired for a fund. However, during particular periods or in particular market segments, it may be difficult to sell individual assets at the desired point in time. There is also the risk that assets traded in narrower market segments are subject to a high degree of price volatility, i.e. large price fluctuations.

**This is particularly the case if the assets are traded on stock exchanges or organised markets in countries whose development does not yet comply with international standards or whose turnover volumes are still low.**

The same is true for assets which are not admitted to official trading on a stock exchange or included in an organised market. The acquisition of such assets harbours the risk that it may be difficult to sell them later to third parties.

#### Settlement risk

Particularly if assets are acquired that are not listed on a stock exchange or if the settlement is done by a transfer agency there is a risk that the settlement does not take place as expected because a counterparty does not pay for or deliver the assets in time or in line with the agreements.

#### Custodial risk

Custody of assets, in particular abroad, harbours a loss risk which may stem from the insolvency, from negligence or from incorrect behaviour of the custodian or a sub-custodian.

#### Inflation risk

The inflation risk is a devaluation risk which applies to all assets.

#### Legal and tax risk

The legal and tax treatment of funds can change in ways that cannot be foreseen or influenced. A change in falsely determined tax bases for any fund for former financial years (e.g. due to external audits) may result in a correction which is detrimental to investors in terms of their tax debt in that they may have to bear the tax burden resulting from the change for former financial years even though they may not have held units in the fund in these years. In return, it may be the case that an investor does not benefit from a correction for the current or former financial years in which the investor held units in the fund and which would in principle be beneficial for him because he redeems or sells his units before the correction is implemented.

Moreover, taxable returns or tax advantages may be assessed in another period of assessment than that in which they occur due to such a correction, and this may have a negative effect for the individual investor.

#### Risk of changes to the investment policy

A change in the investment policy within the investment universe permissible for each fund may result in a change in the fund risks.

#### Risk of changes to the contractual terms: liquidation or merger of the fund

The Company reserves the right in the Contract Terms for each fund to change the Contract Terms (see also "1. General Information"). Moreover, under the applicable Contract Terms the Company may liquidate a fund or merge it with another fund managed by it. This harbours the risk that investors may not be able to hold the fund units for the period they envisioned.

#### Risk of suspension of redemption

In principle, investors shall be entitled to demand the redemption of their units from the Company on any valuation day. However, under exceptional circumstances the Company may temporarily suspend the redemption of units and not redeem the units until later at the price that is valid at this later point in time (for details see "Suspension of the calculation of issue and redemption prices and of redemptions"). This price may be lower than the one registered before the redemption was suspended.

#### Risk of a change in key staff

The success of a fund which performs very well over a certain period of time is partly due to the aptitude of the people handling the investments, i.e. to the good decisions of its management. Nonetheless, the people making up the fund management may change. New decision-makers may then possibly act with less success. The same risks apply to advisors which advise the Company in the selection of assets.

#### Risks in connection with derivatives transactions

The acquisition and sale of options and the conclusion of futures or swaps are subject to the following risks:

- Changes in the price of the underlying may reduce the value of an option or a future to the point of rendering it worthless. Changes in the value of the underlying of a swap may

also entail losses for the fund which is holding it.

- Entering into an offsetting transaction (closing out) may involve costs.
- The leverage effect of options may influence the value of a fund's assets more strongly than the outright purchase of the underlyings would.
- Buying options harbours the risk that the option is not exercised because the prices of the underlyings do not develop as expected. In that case the option premium paid by the fund will lapse. Selling options harbours the risk that the fund agrees to buy assets at a price above the relevant market level or to deliver assets at a price below the relevant market level. In that case the fund will suffer a loss which is equivalent to the price gap minus the received option premium.
- Futures also harbour the risk that the fund may suffer losses at maturity due to unexpected developments in market prices.

OTC transactions harbour the following, additional risks:

- there is no organised market, which may make it difficult to sell the financial instrument acquired in the OTC market to third parties; closing such positions can be difficult or involve significant cost because of the non-standardised nature of the contracts (liquidity risk);
- the economic success of the OTC transaction can be threatened by the default of the counterparty (counterparty risk).

Depending on the position taken by the fund, the risks of the acquisition or sale of options or of entering into futures contracts differ.

Accordingly, a fund's losses may:

- be limited to the price paid for an option or
- far exceed the collateral furnished (e.g. margins) and require additional collateral;
- lead to liabilities for the fund, thereby creating a burden on the relevant fund's assets, a risk that cannot always be quantified in advance.

#### Risks in connection with the purchase of investment fund units (target funds)

The risks entailed by target fund units purchased for a fund are closely linked to the risks entailed by the assets held by these funds or by their investment strategies. However, these risks may be mitigated by a diversified investment policy of the target funds and by diversification within the funds described in this prospectus.

#### Risks in connection with investments in the commodity sector

For funds which invest in the commodity sector it should be noted that the performance of the commodities markets is not necessarily correlated with the performance of other assets; the commodities performance may be independent of the performance of other assets. Moreover, the unequal geographical distribution of commodities entails that the performance

of commodity investments depends to a much larger extent on – sometimes limited – natural events such as natural disasters, war, diseases etc. In addition, commodity investments involve significantly higher political risks, as commodities may be or become subject to export controls of the producer countries, which may try to push through demands on the buying countries or buyers. And finally, volatility is currently higher on the commodities markets than, for example, on the equity or fixed-income markets, as the commodities markets are not as well developed and as there are fewer market participants which might balance supply and demand.

#### - Suitability for investors

Below, LBB-INVEST describes the type of investors for which the funds described in this prospectus are suitable. Investors are classified according to their investment experience as unexperienced, little experienced, experienced and very experienced investors. In addition, they are classified according to their risk appetite as investors who are willing to take low, medium, high or very high risks. The higher the risk of a fund, the better should investors be able to cope with possibly prolonged loss periods. Moreover, the investment horizon of the investors – short, medium-term, longer-term or long-term – is of importance. The assessment of LBB-INVEST is not tantamount to an investment advice, but is only to give investors an idea about whether the fund is in line with their investment experience, their risk propensity and their investment horizons. Individual investment advice can only be given by a qualified investment advisor.

#### • LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST

The LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST fund is suitable for very experienced investors who are willing to accept not only the general risks of the assets in which the fund invests, but also a currency risk. In view of its investment policy the fund is suitable for investors who are willing to accept high risks and who have a long-term investment horizon.

#### • LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST

The LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST fund is suitable for very experienced investors who are willing to accept not only the general risks of the assets in which the fund invests, but also a currency risk. In view of its investment policy the fund is suitable for investors who are willing to accept high risks and who have a long-term investment horizon.

#### • LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST

The LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST fund is suitable for very experienced investors who are willing to accept not only the general risks of the assets in which the fund invests, but also a currency risk. In view of its investment policy the fund is suitable for investors who are willing to accept high risks and who have a long-term investment horizon.

#### • LINGOHR-SYSTEMATIC-LBB-INVEST

The LINGOHR-SYSTEMATIC-LBB-INVEST fund is suitable for very experienced investors who are willing to accept not only the general risks

of the assets in which the fund invests, but also a currency risk. In view of its investment policy the fund is suitable for investors who are willing to accept high risks and who have a long-term investment horizon.

#### **NO ASSURANCE CAN BE GIVEN THAT THE INVESTMENT OBJECTIVES WILL BE ACHIEVED.**

#### - Other information

The Company shall only give orders to carefully selected counterparties. The settlement of transactions on behalf of any of the funds may be outsourced mainly to companies to which the Company is linked via significant shareholdings or which are part of the group to which the Company itself belongs.

#### 7. Elevated volatility

**Owing to their make-up, the funds described in this prospectus may be subject to elevated volatility, i.e. the fund unit prices may be subject to significant fluctuations within short periods of time.**

#### 8. Issue of units - front-end load

Units can be purchased from Landesbank Berlin AG. They are issued by the custodian at the issue price, determined as the net asset value per unit plus a front-end load. Generally, there is no restriction on the number of units that may be issued. LBB-INVEST shall reserve the right to discontinue the issue of units on a temporary or permanent basis if this is deemed to be necessary in the interest of the unitholders.

The front-end load may be passed on in full or in part to intermediaries in order to compensate these intermediaries for their sales efforts.

The front-end load to cover issuing costs currently amounts to 5.0% of the net asset value per unit for the LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST, the LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST, the LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST and the LINGOHR-SYSTEMATIC-LBB-INVEST funds. Under the Special Contract Terms for the LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST and the LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST funds the front-end load may amount to up to 6.0% of the net asset value per unit for these two funds. No additional costs, apart from the front-end load, shall arise from the issuance of the units by LBB-INVEST or the custodian.

The front-end load may reduce or eliminate the performance of the investment in the fund or even lead to a loss in case of a short investment horizon. For this reason it is advisable to view fund units as a longer-term investment. A sale of units via third parties may lead to additional expenses.

#### 9. Redemption of units - exit charge

The unitholders may in principle request the redemption of units at any time by issuing a redemption order to the custodian or to LBB-INVEST. LBB-INVEST must redeem the units for the account of the relevant fund at the current redemption price, which represents the net asset value per unit.

Redemption is performed free of charge at the current net asset value per unit (redemption price). Currently, no exit charge is levied. No additional expenses are incurred for the redemption of units by LBB-INVEST or the custodian. Insofar as units are redeemed via third parties, redemption costs may be incurred.

## 10. Settlement for issue and redemption of units

The issue and redemption of units shall be settled at the latest at the valuation day following the day on which the order for the issue or redemption of units was received in the case of the **LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST** fund and at the latest on the second valuation day after the order for the issue or redemption of units was received in the case of the **LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST**, the **LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST** and the **LINGOHR-SYSTEMATIC-LBB-INVEST** funds.<sup>1</sup> The deadlines shall start to run from the day on which the Company or the custodian received the order.

## 11. Suspension of the calculation of issue and redemption prices and of redemptions

LBB-INVEST may temporarily suspend the calculation of the issue and redemption prices and the redemption of units in extraordinary circumstances under which, in the interest of the investors, such suspension is deemed to be necessary. For example, exceptional circumstances exist if:

- an exchange on which a significant portion of a fund's securities is traded is closed irregularly or trading on the exchange is restricted or suspended;
- assets are not at LBB-INVEST's disposal;
- the transaction value of purchases and/or sales cannot be freely transferred;
- the net asset value cannot be determined properly or significant assets cannot be valued.

In these circumstances or in case of massive redemption orders LBB-INVEST reserves the right to redeem the units at the then-current redemption price only after having promptly, but in a manner safeguarding the interests of all unitholders, sold sufficient fund assets to permit the redemption.

LBB-INVEST shall inform its investors, by publication in the electronic version of the Federal Gazette and in addition in business and daily newspapers with adequate circulations or on its webpage ([www.lbb-invest.de](http://www.lbb-invest.de)), of the suspension and resumption of redemptions. Upon resumption, investors will be paid the then-current redemption price.

<sup>1</sup> Currently: LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST: If the order is received by the Company or the custodian by 12:00, the order is settled at the prices fixed on the same trading day; if the order is received by the Company or the custodian after 12:00, the order is settled at the prices fixed on the next trading day. LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST, LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST und LINGOHR-SYSTEMATIC-LBB-INVEST: If the order is received by the Company or the custodian by 12:00, the order is settled at the prices fixed on the next trading day; if the order is received by the Company or the custodian after 12:00, the order is settled at the prices fixed on the second next trading day.

## 12. Issue and redemption price

In order to determine the issue and redemption prices of the units, the custodian in co-operation with LBB-INVEST calculates, on **every trading day**, the value of the assets held by the relevant fund, less that fund's liabilities (net asset value per unit). The "net asset value per unit" is calculated by dividing the net asset value by the number of units issued.

Neither the Investment Company nor the custodian is obliged to determine the unit value on public holidays that are trading days within the jurisdiction of the Investment Act or on 24 or 31 December. No unit value is currently determined on New Year's Day, Good Friday, Easter, Easter Monday, May Day, Ascension Day, Pentecost, Pentecost Monday, German Unification Day, Christmas Eve, Christmas Day, Boxing Day or New Year's Eve. The Investment Company and the custodian may, however, decide to determine the unit value on these days in the future.

## 13. Exchanges and markets

Units in the funds may be purchased from LBB-INVEST, the custodian or the distribution partners. LBB-INVEST does not plan to apply for the admission to trading on a stock exchange or for the inclusion in an organised market for one of the funds described in this sales prospectus.

However, it is legally possible that a third party, for example a stockbroker, organises or has organised the admission to trading on a stock exchange or the inclusion in an organised market without the knowledge of and without any action by LBB-INVEST. LBB-INVEST neither supports such efforts nor does it check whether such admissions to trading have already taken place. Therefore, it cannot be excluded that units in the funds are traded on other markets.

It should be noted that the market price which forms the basis for exchange or market trading is not determined exclusively by the value of the fund assets, but also by supply and demand. The market price may therefore deviate from the calculated price for one unit.

## 14. Valuation

### • General valuation regulations

#### Assets admitted to trading on a stock exchange / traded in an organised market

Assets which have been admitted to official trading on a stock exchange or admitted to or included in another organised market as well as subscription rights for the relevant fund are valued at the current market price, unless specified otherwise in the special valuation regulations below.

#### Assets not listed on stock exchanges or traded in organised markets or assets without tradeable price

Assets which are neither listed on stock exchanges nor admitted to or included in another organised market or for which no tradeable price is available are valued at the current market value, which on careful assessment is adequate according to suitable valuation models taking into account the current market conditions, unless

specified otherwise in the special valuation regulations below.

### • Special valuation regulations for individual assets

#### Unlisted bonds and borrower's note loans

The valuation of bonds and borrower's note loans not admitted to an official market or admitted to or included in an organised market (e.g. unlisted bonds, commercial paper and bank certificates of deposit), is based on the prices agreed for comparable borrower's note loans and bonds and, where applicable, on the prices quoted for bonds of comparable issuers of matching maturity and coupon, if necessary less a discount for the lower fungibility.

#### Money-market instruments

Money-market instruments are valued at market rates.

#### Option rights and futures contracts

The option rights held by a fund and the option rights sold to third parties for the account of the fund, which are admitted to trading on a stock exchange or included in another organised market, are valued at the most recent prices.

The same applies to receivables and liabilities from futures contracts for account of the relevant fund. Margins deposited on behalf of a fund are counted towards the value of the fund including the valuation gains and valuation losses determined on the trading day.

#### Bank deposits, other assets, time deposits and liabilities

Bank deposits and certain other assets (such as dividend and interest payments due) are as a rule valued at par.

Time deposits are valued at the yield price, if the time deposits may be withdrawn at any time and their realisation value is equal to the yield price. It is determined from case to case what market rate of interest the determination of the yield price is based on. The corresponding interest payments due are also included in the calculation.

Receivables, such as deferred interest, and liabilities are as a rule valued at par.

#### Investment fund units

Fund units are usually stated at their redemption price. Exchange-traded fund units may also be valued at their latest available price.

#### Assets denominated in foreign currencies

Assets denominated in foreign currencies are converted to euro on the same day based on the midday fixing of Reuters AG at 13:30 at the exchange rate determined for the currency.

#### Swaps

Swaps are valued at the market value considered reasonable based on careful assessment and taking all circumstances into account.

#### Securities lending operations

For repayment claims arising from securities

lending, valuation is based on the particular market value of the assets transferred by way of a loan.

#### Repurchase agreements

If assets are sold under agreements to repurchase for the account of the fund, these assets must continue to be included in the valuation. In addition, the sum received for the account of the fund under the repo agreement will be shown under liquid assets (bank deposits). Furthermore, for valuation purposes a liability arising from repo agreements is to be shown at the amount of the discounted repayment obligations.

If assets are purchased under agreements to resell for the account of the fund, these assets are not counted towards the fund's value. Because of the payment made by the fund, for valuation purposes a claim on the party selling the securities, amounting to the discounted repayment claim, is to be shown.

#### Composite assets

Assets consisting of a number of different components will each be valued on a pro-rata basis in accordance with the above principles.

### 15. Publication of issue and redemption prices

The issue prices and redemption prices are available from LBB-INVEST and the custodian. They shall be published regularly in business and daily newspapers with adequate circulation or on the webpage of LBB-INVEST (www.lbb-invest.de).

### 16. Management fees and other charges

LBB-INVEST shall receive an annual management fee of up to 2.0%<sup>1</sup> of the value of the funds for the management of the **LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST**, the **LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST** and the **LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST** funds and an annual management fee of up to 1.65%<sup>2</sup> of the value of the fund for the management of the **LINGOHR-SYSTEMATIC-LBB-INVEST** fund, calculated in every case on the basis of the net asset value of the funds which is determined on every trading day.

The custodian shall receive an annual fee of up to 0.1%<sup>3</sup> of the value of the relevant fund's assets, calculated on the basis of the net asset value determined on every trading day.

The management fee for LBB-INVEST and the fee for the custodian may be withdrawn from the relevant fund on any day on the basis of 1/365 of the rates quoted above, based on the fund's net asset value.

Moreover, further expenses are charged to the funds; these expenses are listed in section 10 of the Special Contract Terms for the **LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST** and the **LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST** funds and in section 9 of the Special Contract Terms for the **LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST** and the **LINGOHR-SYSTEMATIC-**

**LBB-INVEST** funds. Fees and reimbursed expenses paid to the Company, the custodian and third parties from the funds are not subject to the approval of the Federal Financial Supervisory Authority.

All expenses (excluding transaction costs) charged to any of the funds for the management of this fund shall be disclosed in the annual report and reported in relation to the average volume of the fund ("total expense ratio", TER). The TER covers:

- the fee for the management of the fund,
- the custodian fee,
- custodian fees paid to third parties,
- expenses for printing, distributing and publishing annual and semi-annual reports,
- fees for having the fund and the tax declarations audited by the Company's auditors and for the publication of the results,
- other expenses (such as costs incurred by third parties for reclaiming foreign withholding taxes on behalf of a fund),
- other expenses as set out in the cost regulations of the Special Contract Terms for each fund,
- supervisory costs, insofar as they can be allocated to one or the other of the funds.

The TER does not cover ancillary costs and any expenses incurred by and charged to the relevant fund in connection with the purchase or sale of assets.

Units in investment funds managed by LBB-INVEST are usually acquired via third parties, i.e. via banks, financial services providers, brokers or other authorised third parties. In most cases cooperation with these third parties is based on a contractual agreement under which LBB-INVEST pays a trail fee to the third parties for their services as intermediaries and the third parties can claim the front-end load in full or in part. The trail fee is paid by LBB-INVEST from the management fees accruing to it, i.e. from its own assets.

LBB-INVEST shall not receive any refunds for the fees and expenses paid to the Custodian or to any third parties and charged to the relevant fund.

The Company may avail itself of pecuniary benefits such as broker research, financial analyses or other benefits offered to it by counterparties in connection with transactions for any of the funds. The Company shall use the pecuniary benefits listed above in its investment decisions in the best interest of the unitholders. In managing the funds the Company uses the services of an advisor who shall receive a fee from the Company's assets for his efforts. The advisor may also receive the pecuniary benefits listed above, provided he uses them in his advisory work.

#### Particular features of the acquisition of investment fund units (target funds)

In addition to the management fee for the funds, a second management fee is levied by the investment company which manages the target funds whose units are held by the funds.

Any fees, expenses, taxes, commissions and other charges charged to the funds described in this prospectus or incurred by investors who purchase units in any of these funds will also occur for the purchase or redemption of units in target funds and will have to be borne directly or indirectly by the investors in any of the funds.

The front-end loads and redemption charges incurred by any fund for the purchase or redemption of units in target funds will be disclosed in the relevant annual and semi-annual reports. In addition, any management fees will be disclosed which the fund has to pay to a domestic or foreign investment company or to a company with whom the Company is affiliated by virtue of a material direct or indirect interest for the management of the target funds whose units are held by any of the Company's funds.

### 17. Sub-fund

The funds described in this sales prospectus are not sub-funds under an umbrella construction.

### 18. Rules for the calculation and appropriation of income - financial year

The income available for distribution is set out in the statement of income and expenditure for each fund; it comprises interest and dividend receipts, income from investment fund units, considerations from securities loans and securities repurchase agreements (including any interest and dividend receipts, income from investment fund units, considerations from securities loans and securities repurchase agreements which have accrued for the account of the fund, but not yet been paid out) and income from the sale of assets during the financial year which have not been required to defray expenses. In order to calculate the income from the sale of assets, all purchases of a given type of securities are valued at an average price (average or extrapolation method) and any income from the sale of a given type of securities is set off against potential losses from the sale of this type of securities. However, gains and losses from the sale of different types of securities will not be set off against each other.

LBB-INVEST uses an **income equalisation procedure** for the funds. This means that the pro rata share of income which the purchaser of fund units must pay as part of the issue price is continuously offset against that which the seller of units is refunded as part of the redemption price. Incurred expenses are taken into account in calculating the income equalisation.

The income equalisation procedure is used to smooth out fluctuations in the ratio of income to other assets, which is caused by net inflows or net outflows of capital resulting from the issue and redemption of units. If this were not done, every net influx of liquidity would reduce the share of income in the net asset value of a fund and every net outflow would increase it.

The result of income equalisation is that the amount to be distributed or reinvested per unit is not affected by unpredictable fund performance or the number of units in issue. In this context it is accepted that unitholders who, for example, buy units shortly before the distribution date or before the end of the financial year get back that portion of the issue price accounted for by income in the

1 Currently 1.65 %

2 Currently 1.65 %

3 Currently 0.10 %

form of a distribution in case of distributing funds or, in case of reinvesting funds, have to pay tax on the portion of the issue price accounted for by taxable income, even though the capital they invested played no part in generating that income.

In case of the **LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST** and the **LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST** funds, LBB-INVEST shall generally distribute interest and dividends, income from investment fund units and considerations from securities loans and securities repurchase agreements which have accrued for account of the funds during the financial year and which have not been required to defray expenses. Income from the sale of assets and other income may be eligible for distribution as well. The income equalisation procedure described above will be used in the distributions. If income from the sale of assets is distributed, any losses from the sale of other types of assets will not be taken into account. In the interest of maintaining a fund's assets, income may be partially or, in special cases, completely reinvested in the fund. Up to 15% of a fund's net asset value may be carried over to future financial years for distribution purposes.

The distributions shall take place within four months after the financial-year end. The distribution is made out of the fund's assets, hence on the distribution day (ex day) the net asset value per unit decreases by the amount distributed per unit.

In case of the **LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST** and the **LINGOHR-SYSTEMATIC-LBB-INVEST** funds there will be no distribution of income. LBB-INVEST shall reinvest in the funds interest and dividend payments, income from investment fund units, considerations from securities loans and securities repurchase agreements, income from the sale of assets and any other income which have accrued for account of the funds during the financial year and which have not been required to defray expenses.

The financial year for the **LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST** and the **LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST** funds shall start on 1 April of each year and end on 31 March of the following year, that of the **LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST** and the **LINGOHR-SYSTEMATIC-LBB-INVEST** funds shall start on 1 January and end on 31 December of each year.

## 19. Crediting of distributions, cashing of coupons

LBB-INVEST will credit distributions for the units it holds in custody free of charge. If the securities account is maintained at other banks or savings banks, additional expenses may be charged.

Landesbank Berlin AG currently cashes the coupons for the **LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST** (issued under the name BB-Asien-INVEST) and the **LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST** funds free of charge. If coupons are cashed by other banks, additional charges may be incurred.

## 20. Overview of tax regulations

The following overview over tax regulations applies only to investors who are fully liable to tax in Germany. Foreign investors are recommended

to consult their tax advisors and inform themselves about any tax liabilities they may incur in their country of residence due to their investment in the funds before purchasing units in the funds described in this prospectus.

As special-purpose funds, the funds are exempt from corporation tax and trade tax. However, taxable income from each of the funds is regarded as capital income for income tax purposes at the level of private investors to the extent that this income, together with other capital income, exceeds the tax-free amount for savers of currently EUR 801 (for singles or couples who file their tax returns individually) or EUR 1,602 (for couples who file their tax returns jointly).

Capital income is in principle taxed at a rate of 25% (plus solidarity surcharge and church tax, if applicable). Capital income also covers distributions made by a fund, income equivalent to distributions, interim gains and profits from the purchase and sale of fund units if these fund units were first acquired after 31 December 2008.<sup>1</sup>

This tax is a final withholding tax, so investors usually will not have to include their capital income in their tax returns. The institution maintaining the custody account will usually make loss calculations and offset foreign withholding taxes when it deducts the final withholding tax.

However, the tax will not be a final withholding tax if the investor's personal tax rate is below the withholding tax rate of 25%. In this case, investors may declare their capital income in their income tax returns. The tax office will then use the lower, personal income tax rate and offset the tax already deducted against the investor's personal tax debt.

If no tax has been deducted on capital income (for example in case of profits stemming from the sale of fund units held in a custody account abroad), investors will have to declare this capital income in their tax returns. The capital income will then be subject to the withholding tax rate of 25% or the lower, personal tax rate.

Investors may have to declare their capital income despite the tax deduction and a higher personal tax rate if they want to deduct exceptional expenses or special expenses (for example donations) from their taxable income.

To the extent that the units are held as part of a unitholder's business assets, the income is treated as business income for tax purposes. German tax legislation requires certain distinctions to be made among the individual types of income when determining taxable income and income subject to capital yield tax.

### Units held as personal assets (German residents)

#### Income from sales of securities, income from futures and income from option premiums

Income from the sale of equities, equity-equivalent securities and investment fund units, futures and option premiums generated at the fund level is not taxed at the investor level until it is distributed. Moreover, any profits from the sale of any of the receivables listed in section 1

sub-section 3 sentence 3 no. 1 letters a) through f) InvStG are not taxed at the investor level if they are not distributed.

This includes the following receivables:

- a) receivables with an issue yield,
- b) "normal" bonds and unsecured receivables with a fixed-rate coupon as well as down-rating bonds, floaters and reverse floaters,
- c) risk certificates which reflect the price of an equity or a published index for a number of equities 1:1,
- d) equity bonds and convertible bonds,
- e) profit participation bonds without interest (flat) and participation certificates,
- f) "cum" warrant bonds.

If any profits from the sale of the securities or receivables listed above, income from futures or income from option premiums are distributed, they are taxable and, if the fund units are held in a custody account in Germany, subject to the final withholding tax of 25% (plus solidarity surcharge and church tax, if applicable). However, distributed profits from the sale of securities and income from futures will be tax-exempt if the securities were acquired or the futures transactions entered into before 1 January 2009.

Profits from the sale of receivables which are not included in the list above will be treated like interest income for tax purposes (see below).

#### Interest and similar income and foreign dividends

As a general rule, investors must pay tax on interest and similar income as well as on foreign dividends. This applies regardless of whether the income is reinvested or distributed.

Distributed or reinvested interest and similar income and foreign dividend income of a fund is usually subject to a tax rate of 25% (plus solidarity surcharge and church tax, if applicable).

No tax is levied if the investor is a German resident for tax purposes and an appropriate exemption application (Freistellungsauftrag) has been submitted, provided that the taxable portion of such income does not exceed EUR 801 in the case of individually filed tax returns, or EUR 1,602 in the case of jointly filed tax returns.

The same also applies if a non-assessment note is submitted, or, in the case of foreign investors, if evidence of non-residency is presented.

If the German unitholder's units of distributing funds (as defined by tax law) are held in a German securities account with the investment company or another financial institution (safe custody scenario), the financial institution maintaining the account will not, in its capacity as the paying agent, withhold capital yield tax if it is presented, before the specified distribution date, with an exemption application (completed using official forms) for a sufficient amount, or with a non-assessment note that has been issued by the tax authorities for a period of three years at most. In this case the investor will be credited the total amount of the distribution, with no tax being withheld.

<sup>1</sup> Any profits stemming from the sale of fund units acquired before 1 January 2009 are tax-free at the level of private investors if more than a year has passed between the purchase and the sale.

For funds that are treated as retaining funds for tax purposes the tax of 25% on retained interest and similar income as well as on foreign dividend income of the fund will be withheld and transferred to the tax office by the Investment Company. The tax due at the end of the financial year shall be taken into account when determining the issue and redemption prices of the fund units. Since the Investment Company regularly has no information about its investors, no church tax can be withheld; investors who are liable to church tax will have to make the relevant declarations in their tax returns.

If the investor's units are held in a securities account with the Investment Company or a domestic financial institution, the investor will be credited the tax to their account if they present, before the end of the financial year of the fund, an exemption application (completed using official forms) for a sufficient amount or a non-assessment note to the financial institution.

If the exemption application or the non-assessment note is not submitted or is not submitted on time, the investor will, as a rule, receive a tax certificate from the agent maintaining the custody account, confirming the amount of tax withheld and deducted plus the solidarity surcharge. The investor then has the opportunity to have the tax payment credited against his income tax liability in the income tax assessment.

In the event that units of a distributing fund are not held in a securities account and coupons for these units are presented to a domestic financial institution (own custody), 25% of tax and the solidarity surcharge will be withheld from the income to be paid out.

#### Domestic dividends

In principle, investors are required to pay tax the domestic dividend income distributed or reinvested by the fund.

When income is distributed or retained, the Investment Company will deduct a tax of 25% (plus solidarity surcharge) from the domestic dividend. Moreover, the institution which maintains the custody account may deduct church tax from distributions, if necessary. The investor receives an immediate refund of the 25% tax (plus solidarity surcharge), provided that the units are held with the Investment Company or another domestic financial institution and an exemption application for a sufficient amount or a non-assessment note have been submitted. Otherwise, the 25% tax (plus solidarity surcharge) can be offset against the investor's personal income tax liability by submitting the tax certificate issued by the agent maintaining the custody account.

#### Negative tax income

If, after a netting of negative and positive income of the same type, the tax income of a fund is negative on the whole, this value is carried forward at the level of the fund. It may be offset against future positive tax income of the same type in following financial years at the level of the fund. Negative tax income cannot be directly allocated to the investor. This means that these negative amounts do not have an effect on the investor's income tax until the period of assessment (tax year) in which the financial year of the fund ends, or in which the distribution is

made for the financial year of the fund in which the negative tax income has been offset at the level of the fund. The investor may not make any claims against his income tax prior to this period of assessment.

#### Distributions of capital gains

Distributions of capital gains are not taxable.

However, any distributions of capital gains which the investor has received during the time he held units of the fund need to be added to the taxable income from the sale of the fund units, i.e. they will increase the taxable income.

#### Capital gains at investor level

If a private investor sells units in a fund which he has bought after 31 December 2008, the capital gains will be subject to the final withholding tax of 25%. If the units are held in a German custody account, the agency maintaining the account will withhold the tax. The 25% withholding tax (plus solidarity surcharge and church tax, if applicable) can be avoided by presenting a sufficient exemption application or non-assessment note.

If a private investor sells units in a fund acquired before 1 January 2009 within a year after their purchase (the minimum holding period required to avoid short-term capital yield tax), all income from the sale is subject to taxes as income from a private sale. If total gains from private sales amount to less than EUR 600 during any given calendar year, they are tax free (exemption limit). If the exemption limit is exceeded, all income from private capital gains will be taxed.

If units in a fund acquired before 1 January 2009 are sold outside the minimum holding period, the capital gains will be tax-exempt for private investors.

When determining the income from the sale, the purchase and sales price have to be reduced by the interim profits at the time of purchase and at the time of sale, respectively, so that interim profits are not taxed twice (see below). Moreover, any retained income on which the investor has already paid tax is to be deducted from the sales price so that any double taxation is avoided.

#### Real-estate income

Any income from the sale of fund units acquired after 31 December 2008 is tax-exempt if it is due to income generated during the holding period at the level of the fund which is not yet captured at the investor level and is tax-exempt under a double taxation agreement (real-estate income adjusted for the period for which the fund units are held).

The investment company publishes the income from real-estate investments on every trading day as a percentage of the net asset value of the unit.

#### **Units held as part of business assets (German residents)**

##### Income from sales of securities, income from futures and income from option premiums

Income from the sale of equities, equity-equivalent securities and investment fund units, futures and option premiums generated at the fund level is not taxed at the investor level until it is distributed. Moreover, any profits from the sale of any of the receivables listed in section 1

sub-section 3 sentence 3 no. 1 letters a) through f) InvStG are not taxed at the investor level if they are not distributed.

This includes the following receivables:

- a) receivables with an issue yield,
- b) "normal" bonds and unsecured receivables with a fixed-rate coupon as well as down-rating bonds, floaters and reverse floaters,
- c) risk certificates which reflect the price of an equity or a published index for a number of equities 1:1,
- d) equity bonds and convertible bonds,
- e) profit participation bonds without interest (flat) and participation certificates,
- f) "cum" warrant bonds.

If the income is distributed, it will be taxed at the level of the investor. Income from the disposal of equities is completely tax-free for corporations<sup>1</sup>; in the case of other business investors such as single entrepreneurs, only 40% of this income will be taxed (partial income procedure). In contrast, tax has to be paid on the full amount of income from the disposal of bonds/receivables, from futures or from option premiums.

Profits from the sale of receivables which are not included in the list above will be treated like interest income for tax purposes (see below).

Any distributed income from the sale of securities, from futures or from option premiums is in principle subject to taxation (25% capital gains tax plus solidarity surcharge). This does not apply to income stemming from the sale of securities acquired or futures entered into before 1 January 2009. However, the paying agent will not withhold any tax if the investor is a corporation which is subject to unlimited taxation or if the capital gains are part of the operative income of a domestic firm and the creditor of the capital gains declared this fact to the paying agent in an official form template.

#### Interest and similar income

As a general rule, investors must pay tax on interest and similar income.<sup>2</sup> This applies regardless of whether the income is reinvested or distributed.

The tax can be waived or refunded only if a non-assessment is submitted. In all other cases investors will receive a tax certificate for the tax.

#### Domestic and foreign dividends

Dividends by domestic or foreign corporations which are distributed or reinvested on units held as business assets are not taxable for corporations, apart from dividends under the REITG.<sup>3</sup> Single entrepreneurs will have to pay

1 5% of any income from the sale of equities are treated as non-deductible operative expenses for corporations and are therefore subject to tax.  
2 Pursuant to section 2 sub-section 2a InvStG, taxable interest income has to be taken into account for the limit on deductions of interest expenses set out in section 4h EStG.  
3 5% of any dividend income are treated as non-deductible operative expenses for corporations and are therefore subject to tax.

tax on 60% of such income (partial income procedure).

Domestic dividends are subject to tax (25% capital gains tax plus solidarity surcharge).

Foreign dividends are in principle subject to tax (25% capital gains tax plus solidarity surcharge). However, the paying agent will not withhold any tax if the investor is a corporation which is subject to unlimited taxation (for corporations within the meaning of section 1 sub-section 1 nos. 4 and 5 KStG a certification of the responsible tax office needs to be presented to the paying agent) or if the foreign dividends are part of the operative income of a domestic firm and the creditor of the capital gains declared this fact to the paying agent in an official form template.

If investors are subject to local trade taxes, the tax authorities currently take the stance that dividend income which is partially exempt from income or corporate tax needs to be added to the operative income to obtain the full operative income and not deducted again. At the moment a court is dealing with the question whether dividends from investments form part of the operative income for local trade tax purposes.

#### Negative tax income

If, after a netting of negative and positive income of the same type, the tax income of a fund is negative on the whole, this value is carried forward at the level of the fund. It may be offset against future positive tax income of the same type in following financial years at the level of the fund. Negative tax income cannot be directly allocated to the investor. This means that these negative amounts do not have an effect on the investor's income or corporate tax until the period of assessment (tax year) in which the financial year of the fund ends, or in which the distribution is made for the financial year of the fund in which the negative tax income has been offset at the level of the fund. The unitholder may not make any claims against his income or corporation tax prior to this period of assessment.

#### Distributions of capital gains

Distributions of capital gains are not taxable. This means, for an investor which prepares a balance sheet, that distributions of capital gains need to be included as income in the profit and loss statement, that a passive offsetting item needs to be included in the tax balance as expenses and that the historical purchase price is thus reduced in a tax-neutral way.

#### Capital gains at investor level

Pursuant to section 5 sub-section 2 InvStG, the Investment Company can choose whether it will determine the so-called income from equity investments (i.e. dividends not yet received or not yet regarded as received as well as realised and unrealised profits of the fund from domestic and foreign equities) and real-estate income (i.e. profits not yet captured at the investor level and tax-exempt under double taxation agreements) or not. The Investment Company is bound by the decision it has taken at the time of the launch of the fund. If the Investment Company decides to determine the fund's income from equity investments and the real-estate income, it shall publish this income on every trading day as a percentage of the net asset value of the unit. In that case the tax treatment is as follows:

As a general rule, income from the disposal of units held as business assets are tax-free for corporations to the extent that they are equivalent to the income from equity investments adjusted for the holding period.<sup>1</sup> Single entrepreneurs will have to pay tax on 60% of such income. Moreover, any profits from the disposal of the units are tax-exempt up to the amount of the real-estate income adjusted for the holding period.

#### **Non-Residents**

If a non-resident holds units in distributing funds in a custody account at a German financial institution, tax on interest and similar income, income from the sale of securities, income from futures and income from foreign dividends is waived provided the investor can present evidence of non-residency. The question as to whether or not foreign investors can offset taxes on domestic dividends against their income tax assessments or have it refunded depends on the double taxation agreement between the investor's country of domicile and the Federal Republic of Germany. If the investor's non-resident status is not brought to the attention of the financial institution maintaining the custody account, or if proof of such status is not supplied in time, the foreign investor will have to apply for a refund of the tax pursuant to section 37 sub-section 2 of the German Tax Code (AO). This application has to be sent to the tax office responsible for the financial institution which maintains the custody account.

If a non-resident investor has deposited units of a reinvesting fund with a domestic financial institution, he will have the withheld capital yield tax of 25% (plus solidarity surcharge) refunded once he gives proof of his non-resident status. This does not apply to domestic dividends. In case the refund application is not made in time, a refund pursuant to section 37 sub-section 2 AO may be applied for even after the time of the reinvestment (similar to the procedure that takes place if proof of the non-resident status is not given in time in the event of distributing funds).

#### **Solidarity surcharge**

The tax to be withheld on distributed or reinvested income will be subject to a solidarity surcharge of 5.5%. The solidarity surcharge can be offset against the income and corporate tax liability.

If no tax is withheld or if the tax is refunded in the case of retaining funds (for example due to a sufficient exemption application, a non-assessment note or proof of non-resident status), no solidarity surcharge will be deducted or the deducted solidarity surcharge will be refunded in the case of retaining funds.

#### **Church taxes**

If income tax liabilities are discharged by the tax withheld by the domestic institution which maintains the custody account, church taxes for the religious community to which the investor who is liable to church tax belongs will be levied in addition to the withheld tax. For this purpose, the investor who is liable to church tax will have to declare his religious affiliation to the institution which maintains the custody account. Moreover, married couples will have to declare which share of the total capital gains of the couple accrues to

the husband or wife so that church taxes can be broken down, withheld and deducted accordingly. If spouses do not declare the share of income that accrues to each of them, the total income will be broken down equally.

That church taxes can be deducted as special expenses is taken into account at the time of the withholding.

#### **Foreign withholding tax**

In some cases, withholding tax is levied on a fund's foreign income in the country of origin.

The Investment Company can deduct creditable foreign withholding taxes as income-related expenses from its tax liabilities at the level of the fund. In this case investors can have the foreign withholding tax neither offset against nor deducted from their income tax liabilities.

If the Investment Company does not opt to have foreign withholding taxes deducted at the level of the fund, the creditable foreign withholding tax will be taken into account when the tax is withheld.

#### **Income equalisation**

The pro rata share of income included in the issue price of units which may be used for distribution purposes (income equalisation procedure) is to be treated just as the income which forms this pro rata share of the issue price for tax purposes.

#### **Separate determination, external audit**

The tax base set at fund level must be determined separately. The Investment Company must submit an assessment return ("Feststellungserklärung") to this effect to the tax office in charge. Changes to the assessment returns, for example in the course of an external audit (section 11 sub-section 3 InvStG) by the tax authorities, will take effect in the financial year in which the new assessment becomes final. The new assessment is then allocated to the investor for tax purposes at the end of this financial year or on the day on which distributions are made for this financial year.

This means that any corrections of mistakes will affect those investors who hold units in the relevant fund at the time of the correction. The tax effects may be positive or negative.

#### **Taxation of interim profits**

Interim profits are considerations for received or accrued interest and profits from the sale of receivables not listed in section 1 sub-section 3 sentence 3 no. 1 letters a) through f) InvStG not yet distributed or reinvested by a fund and therefore not taxed at the level of the investor (roughly comparable to accrued interest on fixed-income securities); they are included in the issue or redemption price. Interim profits of a fund are subject to income tax if residents redeem or sell their units. The tax on interim profits is 25% (plus solidarity surcharge and church taxes, if applicable).

Interim profit paid at the time of purchase of units can be deducted from the income tax as negative income in the year of payment. It will be taken into account in the amount which is withheld. If no interim profits are published, 6% p.a. of the redemption or sales price of an investment unit are to be regarded as interim profits.

<sup>1</sup> 5% of any tax-exempt income from sales are treated as non-deductible operative expenses for corporations and are therefore subject to tax.



In addition, interim profits are declared regularly in the settlement confirmations and income statements provided by the banks.

### Consequences of the merger of funds

If all assets of a fund are transferred to another fund pursuant to section 40 InvG, hidden reserves are revealed neither at the level of the investors nor at the level of the participating funds; i.e. the merger is tax-neutral. The same applies to the transfer of all assets of a fund to a subsidiary fund of an investment stock corporation managed by the same investment company.

### Transparent, semitransparent and intransparent taxation

The tax regulations described above (so-called transparent taxation) apply only if all tax bases defined in section 5 sub-section 1 InvStG are publicly disclosed (disclosure duty). This is also true if a fund purchases units in other German funds and investment stock companies, EU investment fund units and units in foreign investment vehicles which are no EU fund units (target funds as defined by section 10 InvStG) and these funds disclose their tax bases.

The investment company will make every effort to disclose any tax base available to it.

However, this disclosure cannot be guaranteed, in particular not if a fund has bought shares in target funds which do not perform their disclosure duties. In this case distributions and interim profits of the target fund and 70% of the value the target fund has gained over the past calendar year (but at least 6% of the redemption price) are determined to be taxable income at the level of the fund.

In addition, the Investment Company aims to publish tax bases not included in section 5 sub-section 1 InvStG (in particular income from equity investments, real-estate income and interim profits).

### EU Savings Tax Directive / Interest Information Regulation

The Interest Information Regulation (ZIV), which implements the Directive 2003/48/EC of the Council of 3 June 2003, Official Journal of the EU No. L 157, p. 38, is to ensure the effective cross-border taxation of interest income of individuals within the EU area. The EU has concluded agreements with several third countries (in particular with Switzerland, Liechtenstein, the Channel Islands, Monaco, and Andorra) which are largely equivalent to the EU Savings Tax Directive.

In principle, a German financial institution (who acts as paying agent in this respect) notifies the German tax authorities - and ultimately the tax authorities of the individual's country of residence - of any interest income it has credited to an individual who is resident in another European country or in one of certain third countries.

In return, the German tax authorities are ultimately notified by foreign banks of any interest income an individual resident in Germany receives from a foreign bank in another European country or in one of certain third countries. Alternatively, some countries have introduced a withholding tax; any tax withheld can be deducted from the tax liability in Germany.

These regulations therefore affect private investors who are resident within the European Union or in one of the third countries that have agreed to apply the Savings Tax Directive and who have a deposit or account in another EU country, where they receive interest income.

Luxembourg and Switzerland, among others, have agreed to withhold a withholding tax of 20% on all interest income (from 1 July 2011: 35%). Investors will receive, in the framework of the tax documentation, a confirmation of the tax withheld, which they can use to deduct the withheld taxes from their income tax liabilities.

Alternatively, investors may opt to authorise the foreign bank to disclose their interest income to the tax authorities. In this case the foreign bank will not withhold withholding taxes, but report the interest income to the responsible tax authorities.

Under the Interest Information Regulation, the Investment Company has to declare for each domestic or foreign fund whether it is within the scope or out of the scope of the Regulation.

The Regulation provides two important investment limits for this distinction:

If the proportion of claims within the meaning of the Regulation does not exceed 15% of a fund's total assets, the paying agents, which ultimately rely on the data provided by the Investment Company, do not have to notify the German tax authority. If, however, the 15% limit is exceeded, the paying agents have to report the share of interest income in the total distribution to the German tax authorities.

If the 40% limit is exceeded, the share of interest income included in the redemption or sale of the fund units has to be reported. In case of a distributing fund the share of interest income in any distribution must be reported to the German tax authorities as well. In case of a reinvesting fund, a notification is only necessary if units in a fund are redeemed or sold.

### Information on the cases "Manninen" and "Meilicke"

Concerning direct investments in equities, the European Court of Justice has decided in the "Manninen" case – a Finnish-Swedish case – that rejecting to offset foreign corporate taxes on foreign dividends against income taxes (a procedure foreseen by Finnish law) runs counter to European law.

In Germany, the so-called offsetting procedure (usually until the end of the tax period 2000) foresaw that only corporate taxes paid on domestic dividends, but not foreign corporate taxes were offset against an investor's tax liability. This unequal treatment of domestic and foreign dividends was rejected by the European Court of Justice in its judgement dated 6 March 2007 (case "Meilicke"); the court did not include any time limitation concerning the effect of the judgement. The national legal rules are still unclear, in particular for fund investments. In order to maintain possible rights it may be useful to contact a tax advisor, particularly with a view to keeping open the validity of tax assessments.

### Note:

The tax information presented here is based on current legislation. It is intended for persons with

unlimited income tax or unlimited corporation tax liability in Germany. However, we do not guarantee that the tax situation does not change due to legal changes, court decisions or decrees by the tax authorities. Changes may be introduced in retrospective and have a negative effect on the tax situation described above.

The tax information is not exhaustive. We recommend that investors consult a tax advisor concerning the tax effects of the purchase, holding or sale of fund units.

Details of the taxation of each fund are published in the annual reports.

## 21. Annual and semi-annual report

At the end of the financial years for the **LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST** and the **LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST** funds (31 March) and at the end of the financial years for the **LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST** and the **LINGOHR-SYSTEMATIC-LBB-INVEST** funds (31 December) LBB-INVEST shall present a comprehensive annual report to the investors. This report shall include a comprehensive overview of the investment portfolio, the statement of income and expenditure and information on the taxation of profits. LBB-INVEST shall draw up a semi-annual report towards the middle of the financial years for the **LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST** and the **LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST** funds (as of 30 September) and the **LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST** and the **LINGOHR-SYSTEMATIC-LBB-INVEST** funds (as of 30 June).

PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Berlin, is appointed to audit the funds and the annual reports.

The reports and the sales prospectus can be obtained for free from LBB-INVEST and Landesbank Berlin AG.

## 22. Payments to unitholders / distribution of reports and other information

The appointment of the custodian ensures that the investors receive the distributions and that units are redeemed. The investor information mentioned in this prospectus may be obtained as described in section 1 (General information) of this prospectus.

## 23. Liquidation or transfer of a fund

The investors are not entitled to demand the liquidation of a fund. However, LBB-INVEST may terminate the management of a fund by making an announcement to this effect in the electronic version of the Federal Gazette and also in the annual or semi-annual report at least six months in advance.

Moreover, LBB-INVEST's right to manage funds will lapse if bankruptcy proceedings have been opened against its assets or if a petition for bankruptcy has been rejected for lack of assets pursuant to section 26 of the German Insolvency Act (Insolvenzordnung). In these cases the right to manage the fund or funds is transferred to the custodian who shall then liquidate the fund or funds or, after having obtained an approval by

BaFin to this effect, transfer the management to another investment company.

#### Procedure for liquidation of a fund

The issue and redemption of units is discontinued.

Any receipts from the sale of the assets of a fund less the expenses to be charged to the fund and the liquidation-related expenses shall be distributed among the investors, with the latter being entitled to receive distributions from the liquidation revenues according to the number of units they have held in the fund.

The custodian shall be entitled to deposit unclaimed liquidation proceeds after one year at the local court responsible for the Company.

The Company shall draw up a liquidation report for the date at which its right to manage the fund lapses. The liquidation report shall comply with all requirements on an annual report. No later than three months after the liquidation date of the fund the liquidation report shall be published in the electronic version of the Federal Gazette.

#### Transfer of all assets of a fund

All assets of a fund may be transferred to another fund at the end of the financial year (transfer date). Another transfer date may be chosen with the approval of BaFin. Moreover, all assets of another fund may be transferred to one of the funds described in this prospectus at the end of the other fund's financial year.

The other fund must be managed by LBB-INVEST as well. Its investment principles and limits, its front-end load and exit charges and the fees to be paid to the investment company and the Custodian must not deviate materially from those of the fund to be transferred.

LBB-INVEST shall publish a transfer decision in the electronic version of the Federal Gazette as well as in an economic or daily newspaper with adequate circulation or on the website of LBB-INVEST ([www.lbb-invest.de](http://www.lbb-invest.de)). The transfer shall take place three months after the publication at the earliest, provided that no earlier transfer date is set with the approval of BaFin.

#### Procedure for the transfer of funds

At the transfer date the value of the receiving and of the transferring fund shall be calculated, the exchange ratio shall be fixed and the complete transaction shall be examined by the auditor. The exchange ratio shall be calculated on the basis of the net asset value of the transferring and of the receiving funds at the time of the transfer. Investors shall receive units in the new fund according to the value of the units they held in the transferred fund.

The transfer of all assets of one fund to another is subject to the approval of BaFin.

## **24. Outsourcing**

The Company has outsourced the following tasks to another company (outsourcing company) on a contractual basis and declared this outsourcing to BaFin in line with sec. 16 sub-section 5 of the Investment Act:

- Tasks stemming from the securities trading law and the employee guidelines of BaFin and the assessment of market adequacy of transactions on the basis of minimum requirements on the risk management and any ancillary services were outsourced to the Corporate Center Compliance of Landesbank Berlin AG.
- Tasks concerning risk assessment in line with the derivatives ordinance adopted under section 51 sub-section 3 InvG were outsourced to the risk controlling department of Landesbank Berlin AG.
- Controlling tasks of the Company were partially outsourced to the controlling department of Landesbank Berlin AG.
- Tasks in the framework of information management and commercial services in connection with fund accounting, the management of INVEST accounts and archiving were partially outsourced to Landesbank Berlin AG.
- Establishing and maintaining a central account database for providing automatized account information to BaFin in line with section 24c KWG was outsourced to T-Systems Enterprise Services GmbH.

equivalent to the value of the paid units on the day after receipt of the letter of revocation.

5. The right to revocation may not be waived.
6. The provisions of sub-sections 1 to 5 apply accordingly to any sale of the units by the investor.

## **25. Notice pursuant to section 126 InvG (door-to-door sales)**

1. If anyone buying units was induced, through oral negotiations outside the permanent business premises of the party who sold or arranged the sale of the units, to make a declaration indicating his intent to purchase, they will be bound by this declaration only if they do not revoke it by so advising the Company in writing within a period of two weeks; the foregoing will apply even if the party selling or arranging the sale of the units has no permanent business premises.
2. The deadline will be deemed to have been met if the revocation was mailed within the time allowed. The revocation period does not commence until the buyer has been provided with a copy of the offer to make a contract or with a purchase invoice and if these documents include a notice about the right of revocation which meets the requirements set out in section 355 sub-section 2 sentence one of the German Civil Code (Bürgerliches Gesetzbuch, BGB). In the event of any dispute as to whether or not the purchaser was provided with a copy of the offer to make a contract or with a purchase invoice, and if so when, the burden of proof lies with the seller.
3. The purchaser will have no right of revocation if the seller proves that the purchaser acquired the units within the scope of his trade or business or that he visited the purchaser for the negotiations which resulted in the sale of the units by prior appointment (section 55 sub-section 1 of the Trade Code [*Gewerbeordnung - GewO*]).
4. If the sale has been revoked and the purchaser has already made payments, the investment company is required to repay to the purchaser (simultaneously with the retransfer of the purchased units if applicable) the expenses paid plus an amount

## General Contract Terms

to regulate the legal relationship between the investors and **Landesbank Berlin Investment GmbH**, Berlin, (hereinafter the "Company") for the UCITS-compliant funds launched by the Company. These General Contract Terms are only applicable in conjunction with the Special Contract Terms for each of the funds.

### § 1 General information

1. The Company is an investment company subject to the provisions of the Investment Act (*Investmentgesetz – InvG*).
2. The Company invests the capital deposited with it on its own behalf, for the joint account of the investors, in assets that are permissible under the InvG. These assets are subject to the principle of risk diversification and remain separate from the Company's own assets in the form of investment funds. The resulting rights of investors are vested in certificates (unit certificates) issued to the investors.
3. The legal relationship between the Company and the investors is governed by these Contract Terms and the InvG.

### § 2 Custodian

1. The Company shall appoint a financial institution as custodian bank (hereinafter, "Custodian"). The Custodian shall act independently of the Company and exclusively in the interest of the investors.
2. The custodian is responsible for performing the tasks pursuant to the InvG and these Contract Terms.

### § 3 Fund management

1. With the diligence of a prudent businessman, the Company shall acquire and manage the assets on its own behalf and for joint account of the investors. When performing its duties, it shall act independently of the custodian and exclusively in the interest of the investors and the integrity of the market.
2. The Company shall be entitled to use the funds invested by the investors to acquire assets, dispose of such assets, and invest the proceeds otherwise; the Company shall also be authorised to perform any other legal actions resulting from the management of the assets.
3. For the joint account of investors, the Company may neither grant monetary loans nor assume obligations arising from a contract of guarantee; furthermore, it may not sell any assets pursuant to sections 47, 48 and 50 of the InvG that do not form part of the fund at the time of the respective transaction. Section 51 InvG shall remain unaffected.

### § 4 Investment principles

The Company shall only acquire assets on behalf of the fund from which income and/or growth can be expected. The Company shall specify in the Contract Terms which assets may be acquired for the fund.

## § 5 Securities

Provided the Special Contract Terms do not contain any further restrictions and subject to section 52 InvG, the Company may only acquire securities if

- a) they have been admitted to trading on a stock exchange in a member state of the European Union, or in another signatory state to the Agreement on the European Economic Area or admitted to or included in another organised market in one of these countries,
- b) they have been admitted to trading only on a stock exchange in a state outside the European Union, or outside the signatory states to the Agreement on the European Economic Area or admitted to or included in another organised market in one of these countries, provided that the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) has approved the choice of this stock exchange or organised market<sup>1</sup>,
- c) their admission to trading on one of the stock exchanges in a member state of the European Union or another signatory state to the Agreement on the European Economic Area or their admission to or inclusion in an organised market in a member state of the European Union or another signatory state to the Agreement on the European Economic Area has to be applied for under the offering terms, and such admission or inclusion is effected within one year of their issue,
- d) their admission to trading on one of the stock exchanges in a state outside the European Union or outside the signatory states to the Agreement on the European Economic Area or their admission to or inclusion in an organised market in a state outside the European Union or outside the signatory states to the Agreement on the European Economic Area has to be applied for under the offering terms, provided that the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) has approved the choice of this stock exchange or organised market and such admission or inclusion is effected within one year of their issue,
- e) they are equities attributable to the fund as a result of a capital increase from corporate funds,
- f) they are acquired by exercising subscription rights which are held by the fund,
- g) they are units in closed-end funds which meet the criteria set out in section 47 sub-section 1 sentence 1 no. 7 InvG,
- h) they are financial instruments which meet the criteria set out in section 47 sub-section 1 sentence 1 no. 8 InvG.

The securities listed in sentence 1 letters

a) through d) may be acquired only if the preconditions set out in section 47 sub-section 1 sentence 1 InvG are met as well.

1,2 The list of stock exchanges is published on the BaFin website ([www.bafin.de](http://www.bafin.de)).

## § 6 Money-market instruments

1. Provided the Special Contract Terms do not contain any further restrictions and subject to section 52 of the InvG, the Company may acquire - for the account of the fund - financial instruments normally traded on the money-markets as well as interest-bearing securities, which at the time of purchase have a maximum residual maturity of 397 days and whose interest is adjusted in line with market rates at regular intervals or at least once within 397 days throughout their maturity, pursuant to their terms of issue, or whose risk profile is equivalent to the risk profile of such securities (money-market instruments). Money-market instruments may only be acquired if they
  - a) have been admitted to trading on a stock exchange in a member state of the European Union, or in another signatory state to the Agreement on the European Economic Area or admitted to or included in another organised market in one of these countries;
  - b) have been admitted to trading only on a stock exchange in a state outside the European Union, or outside the signatory states to the Agreement on the European Economic Area or admitted to or included in another organised market in one of these countries, provided that the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) has approved the choice of this stock exchange or organised market<sup>2</sup>;
  - c) have been issued or guaranteed by the European Communities, the German Federal Government, a Special Fund of the Federal Government, a Federal State (Land), another member state or another central, regional or local authority or the central bank of a member state of the European Union, the European Central Bank or the European Investment Bank, a third country or, if that third country is a federal state, a federal state of that country or an international public body of which at least one member state of the European Union is a member;
  - d) have been issued by a company whose securities are traded on the markets listed under a) and b);
  - e) have been issued or guaranteed by a financial institution which is subject to supervision under the criteria set out by Community law or by a financial institution which is subject to supervisory and regulatory rules which, in the view of BaFin, are equivalent to the rules existing under Community law and complies with these rules, or
  - f) have been issued by other issuers and meet the requirements set out in section 48 sub-section 1 sentence 1 no. 6 InvG.
2. Money-market instruments as defined in sub-section 1 may be acquired only if they meet the preconditions specified in section 48 sub-sections 2 and 3 InvG.

## § 7 Bank deposits

For the account of a fund, the Company may maintain bank deposits with a term to maturity of no longer than twelve months. The bank deposits, which must be held in blocked accounts, may be maintained with a financial institution domiciled in a Member State of the European Union or another signatory state to the Agreement on the European Economic Area. The bank deposits may also be held with a financial institution domiciled in a non-EEA state, whose regulatory provisions, in the opinion of BaFin, are the equivalent of those under Community law. Unless otherwise provided for in the Special Contract Terms, bank deposits may also be denominated in foreign currencies.

## § 8 Investment fund units

1. Unless otherwise provided for in the Special Contract Terms, the Company may acquire units, for the account of a fund, in German UCITS-compliant funds and investment stock corporations and EU investment fund units, within the meaning of the InvG. Units in other German funds and investment stock corporations and foreign investment units that are not EU investment units may be acquired if they meet the preconditions set out in section 50 sub-section 1 sentence 2 InvG.
2. The Company may only acquire units in German funds and investment stock corporations, EU investment units and foreign investment units if under the Contract Terms or the articles/memorandum of association of the investment company, investment stock corporation or the foreign investment company, no more than 10 percent of the value of its assets may be invested in units of other German funds, investment stock corporations or foreign investment funds within the meaning of section 50 of the InvG.

## § 9 Derivatives

1. Unless otherwise provided for in the Special Contract Terms, the Company may use derivatives within the meaning of section 51 sub-section 1 sentence 1 InvG or financial instruments with a derivative component within the meaning of section 51 sub-section 1 sentence 2 InvG for the management of the fund. Depending on the type and volume of the derivatives or financial instruments with a derivative component employed, the Company may use either the simplified or qualified method, within the meaning of the Derivative Ordinance (Derivateverordnung – DerivateV), to determine whether the market risk limit for the use of derivatives or financial instruments with a derivative component as specified in section 51 sub-section 2 of the InvG has been reached; more details can be found in the sales prospectus.
2. If the Company uses the simplified method, it may use only the following basic types of derivatives and financial instruments with a derivative component, combinations from these derivatives and financial instruments with a derivative component or combinations of underlyings which are permitted under section 51 sub-section 1 sentence 1 InvG for the fund. The allocable value relating to an investment fund's interest rate and equity price risk or currency risk, to be calculated in

accordance with section 16 of the DerivateV may at no time exceed twice the net asset value of the investment fund.

- a) Futures contracts on the underlyings listed in section 51 sub-section 1 InvG, apart from investment units pursuant to section 50 InvG;
  - b) options or warrants on the underlyings listed in section 51 sub-section 1 InvG, apart from investment units pursuant to section 50 InvG and futures contracts within the meaning of a) above, provided that they have the following characteristics:
    - aa) they can be exercised either during the entire term or at maturity, and
    - bb) the option value has a linear dependence on the positive or negative difference between the strike price and the market price of the underlying at the exercise date, and is zero if this difference turns negative or positive, respectively;
  - c) interest rate swaps, currency swaps and cross-currency interest rate swaps;
  - d) options on swaps within the meaning of item c), provided that they exhibit the characteristics described in item b) under items aa) and bb) (swaptions);
  - e) credit default swaps, provided that these serve exclusively and justifiably to hedge the credit risk of clearly specified assets of the fund.
3. If the Company uses the qualified method, it may – subject to an appropriate risk management system – invest in all financial instruments with a derivative component and derivatives which are based on an underlying that is permitted under section 51 sub-section 1 sentence 1 InvG.

The potential amount at risk due to market circumstances ("potential market risk amount") attributable to an investment fund shall at no time exceed twice the potential market risk amount attributable to the comparable fictitious benchmark fund pursuant to section 9 of the DerivateV.

4. Under no circumstances may the Company deviate from the investment objectives and investment restrictions given in the General and Special Contract Terms or in the sales prospectus in relation to these transactions.
5. The Company will employ derivatives and financial instruments with a derivative component for the purposes of hedging, efficient portfolio management and generating additional return, if and provided that it believes this is in the best interest of the investors.
6. The Company may switch from the simplified to the qualified method, within the meaning of section 7 of the DerivateV, when determining the market risk limit for the use of derivatives and financial instruments with a derivative component. Although switching to the qualified method does not require the approval of BaFin, the Company must nonetheless report the switch to

BaFin without delay and disclose it in the subsequent semi-annual or annual report.

7. In employing derivatives and financial instruments with a derivative component, the Company shall observe the Ordinance on Risk Management and Risk Assessment in Investment Funds (DerivateV), issued pursuant to section 51 sub-section 3 InvG.

## § 10 Other investment instruments

Unless otherwise provided for in the Special Contract Terms, the Company may acquire other investment instruments within the meaning of section 52 InvG for the account of a fund up to a limit of 10% on the fund's asset.

## § 11 Issuer limits and investment restrictions

1. As far as the management of the fund is concerned, the Company shall observe the limits and restrictions pursuant to the InvG and the DerivateV and stipulated in the Contract Terms.
2. In the case of each particular fund, securities and money-market instruments, including securities and money-market instruments purchased under agreements to resell of the same issuer (debtor), may be acquired in excess of 5% up to a maximum of 10% of the fund's assets, provided that the total value of securities and money-market instruments of such issuers (debtors) does not exceed 40% of the fund's assets.
3. The Company may invest up to 35% of the value of the fund, respectively, in bonds, borrower's note loans and money-market instruments which are issued or guaranteed by the German Federal Government, a German Federal State, the European Communities, a member state of the European Union or one of its local authorities, another a signatory state to the Agreement on the European Economic Area, a third country or an international public body of which at least one member state of the European Union is a member. The Company may invest up to 25% of the fund's value in *Pfandbriefe*, municipal bonds and bonds, which have been issued by financial institutions domiciled in a member state of the European Union or another signatory state to the Agreement on the European Economic Area, if the financial institutions are subject to special regulatory supervision on the basis of statutory provisions that serve to protect holders of such bonds and the monies raised from the bond issue are invested under statutory rules in assets, which during the entire term of the bonds cover any liabilities arising therefrom and with respect to which any claims relating to repayments of principal and interest payments shall be accorded priority if the issuer defaults. If the Company invests more than 5% of the value of the fund's assets in bonds issued by one and the same issuer, as provided in sentence 2, the aggregate value of these bonds may not exceed 80% of the fund's value.
4. Pursuant to section 60 sub-section 2 sentence 1 InvG, the restrictions under sub-section 3 sentence 1 above may be exceeded with respect to the securities and money-market instruments of the same issuer, where this

is provided for in the Special Contract Terms with reference to such issuers. In such cases, the securities and money-market instruments held for account of the fund must stem from at least six different issues, and no more than 30% of the fund's assets may be invested in any one issue.

5. The Company may only invest up to 20% of the value of the fund in bank deposits, as described in section 49 InvG, at any single financial institution.
6. The Company has to make sure that a combination of
  - a) securities and money-market instruments issued by the same institution,
  - b) deposits with this institution,
  - c) amounts offset against counterparty risks for transactions with derivatives which are not admitted to trading on a stock exchange or included in another organised market, if such transactions are entered into with this institution

does not exceed 20% of the value of a fund's assets. Sentence 1 applies to the issuers and guarantors listed in sub-section 3 to the effect that the Company has to make sure that a combination of the assets and offsetting amounts listed in sentence 1 does not exceed 35% of the value of the fund's assets. The respective individual limits remain unaffected in both cases.

7. The bonds, borrower's note loans and money market instruments listed in sub-section 3 above are not included in the 40% limit described in sub-section 2. In derogation of sub-section 6, the limits set forth in sub-sections 2 and 3 and sub-sections 5 and 6 may not be aggregated.
8. The Company may invest no more than 20% of the fund's value in the units of a single investment fund as defined in section 8 subsection 1. The Company may, in total, invest no more than 30% of the fund's value in units of an investment fund as defined in section 8 sub-section 1 sentence 2. The Company may not purchase for a fund's account more than 25% of the issued and outstanding units of another domestic or foreign investment fund.

## § 12 Transfer of all of the fund's assets to another fund

1. The Company may transfer all of this fund's assets to another fund or all of another fund's assets to this fund, if
  - a) both of the funds are managed by the Company,
  - b) there is no material discrepancy between the investment principles and investment restrictions for the two funds according to the respective Contract Terms,
  - c) there is no material discrepancy between the fees to be paid to the Company and the custodian, and the front-end loads and redemption fees,

d) the transfer of all a fund's assets is carried out to the end of the fiscal year of the transferring fund (transfer date), the values of the acquiring and the transferring funds are calculated on the transfer date, the exchange ratio is established, the assets and liabilities are acquired and the entire transfer procedure is reviewed by an auditor, and BaFin has approved the asset transfer, whereby the investors' interests must be sufficiently protected. Another transfer date may be chosen with the approval of BaFin; section 44 sub-sections 3 and 6 InvG apply accordingly.

2. The exchange ratio shall be calculated on the basis of the net asset value of the transferring and of the receiving funds at the time of the transfer. The Company's decision to transfer all assets of a fund to another fund needs to be published; section 43 sub-section 5 sentence 1 InvG will apply accordingly. The transfer may not take place until at least three months have elapsed after its publication, unless an earlier date is fixed with the approval of BaFin. For investors in the transferring fund, the new units of the acquiring fund are deemed issued as of the start of the day immediately following the transfer date.
3. Sub-section 1 letter c) does not apply in the case of the consolidation of several separate funds into a single fund with various unit classes. In this case, the percentage breakdown of the unit classes within the fund will be computed instead of the exchange ratio described in sub-section 2 sentence 1. The issue of new units to the investors in the transferring fund is not equivalent to an exchange. The newly issued units replace the units in the transferring fund.

## § 13 Securities lending

1. The Company may, for account of the fund and for a fixed or indefinite period of time, grant securities loans to a securities borrower against payment of a consideration in line with prevailing market rates and on provision of sufficient collateral, provided that the price of the securities to be lent, combined with the price of those securities already lent to the same securities borrower for account of the fund, does not exceed 10% of the value of the fund's assets. The price of the securities to be lent for a fixed period of time, combined with the price of those securities already lent for account of the fund for a fixed period of time, may not exceed 15% of the value of the fund's assets.
2. In the event that the collateral for the transferred securities is provided by a securities borrower in the form of deposits, the Company may invest these deposits in money-market instruments, within the meaning of section 48 InvG, in the currency of the deposits. Any income generated by the collateral must be credited to the fund.
3. The Company may, for the brokerage and settlement of securities loans, use the clearing system organised by a central securities depository or by another of the companies mentioned in the Special Contract Terms, whose business activity comprises the settlement of cross-border securities

transactions for third parties. Such a system may differ from the requirements set forth in sections 54 and 55 InvG, provided that the rules of the system are in the best interests of the investors.

4. Unless otherwise provided for in the Special Contract Terms, the Company may also grant securities loans for money-market instruments, bank deposits and investment units, provided that these assets may be acquired for the fund. The provisions of this section 13 apply accordingly.

## § 14 Repurchase agreements

1. For account of the fund, and in return for a consideration, the Company may enter into securities repurchase agreements as defined by section 340b sub-section 2 of the German Commercial Code (*Handelsgesetzbuch - HGB*), with banks or financial services institutions.
2. Such repurchase transactions shall only involve securities which may be acquired on behalf of the fund under the Contract Terms.
3. The term for these repurchase agreements may not exceed 12 months.
4. Unless otherwise provided for in the Special Contract Terms, the Company may also enter into repurchase transactions for money-market instruments, bank deposits and investment units, provided that these assets may be acquired for the fund. The provisions of this section 14 apply accordingly.

## § 15 Borrowing

The Company may, for joint account of the investors, raise short-term loans to the value of 10% of the fund's assets, provided that the terms of the loan are customary for the industry and the custodian gives its consent. Any amounts received by the Company in its capacity as borrower within the framework of the repurchase agreement shall be included in this figure.

## § 16 Unit certificates

1. The unit certificates shall be bearer certificates, each of them representing one or more investment units.
2. The units may carry different rights, in particular as regards appropriation of income, front-end load, exit charge, currency of the unit value, management fees, the minimum investment amount or any combination of these (unit classes). Details are stated in the Special Contract Terms.
3. The unit certificates shall bear at least the hand-written or facsimile signatures of the Company and the custodian. In addition, they shall bear the hand-written signature of a custodian supervisor.
4. The units are transferable. The rights vested in each unit certificate are devolved upon transfer. In all cases, the Company shall regard the holder of the unit certificate as the person entitled to those rights.

- Where the rights of investors when establishing the fund or the rights of the investors of a unit class when it is introduced are not to be vested exclusively in a global certificate, rather in individual unit certificates or multiple certificates, this shall be specified accordingly in the Special Contract Terms.

#### **§ 17 Issue and redemption of unit certificates, suspension of redemption**

- Generally, there is no restriction on the number of units and unit certificates that may be issued. The Company reserves the right to temporarily or permanently discontinue the issue of units.
- Units can be purchased from the Company, the custodian, or through the intermediation of third parties.
- Investors shall be entitled to demand the redemption of their units from the Company. The Company shall be obliged to redeem the units for account of the fund at the prevailing redemption price. The redemption agent shall be the custodian.
- However, the Company reserves the right to suspend the redemption of units pursuant to section 37 InvG in extraordinary circumstances, where, in the interest of the investors, such suspension is deemed to be necessary.

#### **§ 18 Issue and redemption prices**

- For the calculation of the issue and redemption price of the units, the value of the assets comprising the fund (net asset value) shall be determined on the dates mentioned in sub-section 4, and shall be divided by the number of units in circulation (net asset value per unit). If, pursuant to section 16 sub-section 2, different unit classes are introduced for the fund, the unit value as well as the front-end load and exit charge are to be determined separately for each unit class.

The assets shall be valued in accordance with section 36 InvG or an ordinance issued on the basis of section 36 InvG.

- The issue price equates to the unit value plus any front-end load specified in the Special Contract Terms. The redemption price equates to the unit value minus any exit charge specified in the Special Contract Terms. Where costs other than the front-end load or exit charge are to be paid, the amount and the calculation method shall be specified in the Special Contract Terms.
- The settlement date for unit subscriptions and redemption orders shall be at the latest the valuation date following the receipt of the respective unit subscription or redemption order, unless otherwise provided for in the Special Contract Terms.
- The issue and redemption prices shall be calculated every trading day. Neither the Company nor the custodian is obliged to determine such prices on public holidays that fall on trading days or on 24 and 31 December; more details can be found in the prospectus.

#### **§ 19 Charges**

The fees due to the Company, to the custodian and to third parties, as well as other expenses chargeable to the fund are listed in the Special Contract Terms. As regards the fees specified in sentence 1, the Special Contract Terms should provide details of payment method, payment level and calculation method.

#### **§ 20 Accounting**

- No later than four months after the end of the fund's financial year, the Company shall publish an annual report including a statement of income and expenditure, in accordance with section 44 sub-section 1 InvG.
- No later than two months after the end of the first half-year, the Company shall publish a semi-annual report in accordance with section 44 sub-section 2 InvG.
- If the right to manage the fund has been transferred to another investment company during a financial year, then the Company must issue an interim report as of the transfer date, which must meet the requirements of an annual report as defined in section 44 sub-section 1 InvG.
- The reports can be obtained from the Company and the Custodian as well as other agents to be listed in the sales prospectus; furthermore, they shall be announced in the electronic Federal Official Gazette.

#### **§ 21 Termination and liquidation of the fund**

- Giving at least six months' notice, the Company may terminate its management of the fund by announcement in the electronic version of the Federal Gazette and in the annual or semi-annual report.
- The Company's right to manage the fund shall lapse when the termination becomes effective. In this case, the right of disposal over the fund shall devolve to the custodian, which shall liquidate it and distribute the proceeds to the investors. The custodian shall be entitled to claim the fee due to the Company during the liquidation period. With the approval of BaFin, the custodian may, instead of conducting such liquidation and distribution activities, transfer fund management to another investment company, according to the existing Contract Terms.
- On the date that its right to manage the fund expires in accordance with section 38 InvG, the Company must prepare a dissolution report that meets the requirements of an annual report as defined in section 44 sub-section 1 InvG.

#### **§ 22 Amendments to the Contract Terms**

- The Company is entitled to amend the Contract Terms.
- Amendments to these Contract Terms, except for the provisions concerning the fees due to the Company, the custodian and to third parties, as well as further expenses

chargeable to the fund (section 41 sub-section 1 sentence 1 InvG), shall require the prior approval of BaFin. Insofar as the amendments described in sentence 1 impact the investment principles of the fund, they must be subject to prior approval by the Company's supervisory board.

- All planned amendments shall be announced in the electronic version of the Federal Gazette and by publication in a business or daily newspaper with adequate circulation or via electronic information media specified in the prospectus, and, with the exception of amendments made pursuant to sub-sections 4 and 5, shall become effective no earlier than on the day after their announcement in the electronic version of the Federal Gazette. The planned amendments and their entry into force need to be included in any publication made under sentence 1 above.
- Amendments to the provisions concerning the expenses and fees due to the Company, to the custodian or to third parties (section 41 sub-section 1 sentence 1 InvG) shall become effective six months after their announcement at the earliest, unless an earlier date is specified with the approval of BaFin. The announcement shall be made pursuant to sub-section 3 sentence 2.
- Amendments to existing investment principles for the fund take effect six months after their announcement. The announcement shall be made pursuant to sub-section 3 sentence 2. In addition, the Company has to offer investors the opportunity to exchange their units for units in funds with comparable investment principles for free.

#### **§ 23 Place of performance / place of jurisdiction**

- The place of performance shall be the registered office of the Company.
- If the investor has no general place of jurisdiction within Germany, then the registered office of the Company shall be the place of jurisdiction.

## Special Contract Terms

to regulate the legal relationship between the investors and **Landesbank Berlin Investment GmbH, Berlin**, (hereinafter the "Company") for the UCITS-compliant fund launched by the Company **LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST**. These Special Contract Terms are only applicable in conjunction with the General Contract Terms for the fund.

### INVESTMENT PRINCIPLES

#### § 1 Assets

The Company may acquire the following assets for the fund:

1. Securities as specified in section 47 of the Investment Act (*Investmentgesetz - InvG*),
2. money-market instruments as specified in section 48 InvG,
3. bank deposits as specified in section 49 InvG,
4. investment fund units as specified in section 50 InvG,
5. derivatives as specified in section 51 InvG,
6. other investment instruments as specified in section 52 InvG.

### INVESTMENT RESTRICTIONS

#### § 2 Securities

1. Up to 100% of the fund's value may be invested in securities within the meaning of section 5 of the General Contract Terms, section 1 no. 1. The securities pledged under repurchase agreements must be accounted for when applying the investment restrictions set forth in section 60 sub-section 1 and 2 of the InvG.
2. For at least 51% of the fund's assets, the Company shall acquire equities of issuers domiciled in the American region which, from the Company's vantage point, are undervalued in comparison to the entire range of stocks under observation. Undervalued equities are equities which, at the time of acquisition, belong to one of the following categories:
  - a) Equities of companies which, despite high dividend yields and a favourable profit outlook, trade below the average (as measured by a relevant equity index which is representative for the market as a whole, such as the Morgan Stanley country indices, the STOXX indices, the Deutscher Aktienindex or the Standard & Poor's indices) due to market influences;
  - b) equities of companies which due to external factors, such as changing investment preferences, temporarily underperform the market;
  - c) equities of companies which due to company-specific factors, such as planned restructuring efforts in the areas of production, organisation or management, can be expected to register a significant improvement in returns or which are likely

to be acquired soon so that the equity prices are likely to outperform the market.

#### § 3 Money-market instruments

Up to 49% of the fund's value may be invested in money-market instruments within the meaning of section 6 of the General Contract Terms, section 1 no. 2. The money-market instruments pledged under repurchase agreements must be accounted for when applying the investment restrictions set forth in section 60 sub-section 1 and 2 of the InvG.

#### § 4 Bank deposits

Up to 49% of the fund's value may be invested in bank deposits within the meaning of section 7 sentence 1 of the General Contract Terms, section 1 no. 3. Any amounts which have been paid by the Company in its capacity as repo lender shall be included in this figure.

#### § 5 Investment fund units

1. Up to 10% of the fund's assets may be invested in investment fund units within the meaning of section 8 of the General Contract Terms, section 1 no. 4, i.e. in units in domestic UCITS-compliant funds, EU investment fund units, other domestic and foreign investment fund units which are not EU investment fund units and units in investment stock companies which, under their Contract Terms or Articles of Association or according to their latest annual and/or semi-annual reports and/or inventories provided by the management company of the fund, invest mainly in equities (equity funds), interest-bearing securities (fixed-income funds) or money-market instruments and/or bank deposits (money-market funds). The investment units pledged under repurchase agreements must be accounted for when applying the investment restrictions set forth in section 61 and 64 sub-section 3 of the InvG.
2. If the preconditions for a purchase set out in sub-section 1 are no longer in place, the Company shall sell the fund units within an adequate period of time while taking care to protect investors' interests.

#### § 6 Other investment instruments

The Company may invest up to 10% of the fund's assets in other investment instruments within the meaning of section 10 of the General Contract Terms, section 1 no. 6 if the loan was granted to

- an American state which is a member state of the Organisation for Economic Cooperation and Development,
- other borrowers, provided that interest payments and repayment are guaranteed by one of the above-mentioned bodies; or
- companies domiciled in America which have issued securities which are admitted to official trading on a domestic or foreign stock exchange.

### § 7 Derivatives

When calculating the market risk limit for the use of derivatives, the Company shall apply the qualified method within the meaning of the DerivateV (see Section 9 of the General Contract Terms).

### UNIT CLASSES AND UNIT CERTIFICATES

#### § 8 Unit classes and unit certificates

1. All units carry the same rights; there shall be no unit classes pursuant to section 16 sub-section 2 of the General Contract Terms.
2. As from 1 January 2006, the rights of the unitholders are represented exclusively by global certificates. Unitholders do not have a claim to delivery of individual unit certificates. The rights of the existing unitholders shall remain unaffected. Their unit certificates and the existing coupons shall remain valid. No new coupons will be issued.
3. As co-owners, the investors shall hold an interest in the respective assets of the fund proportionate to the number of units held.

### ISSUE PRICE, REDEMPTION PRICE, REDEMPTION OF UNITS AND CHARGES

#### § 9 Issue and redemption price

1. The front-end load shall amount to 6% of the unit value. The Company may, however, charge a lower front-end load.<sup>1</sup> A redemption fee shall not be levied.
2. In derogation of section 18 sub-section 3 of the General Contract Terms the settlement date for unit subscriptions and redemption orders shall be at the latest the second valuation date following the receipt of the respective unit subscription or redemption order.<sup>2</sup>

#### § 10 Charges<sup>3</sup>

1. The Company shall be paid an annual management fee of up to 2.0% of the value of the fund's assets<sup>4</sup>. This is calculated on the basis of the net asset value, which is determined every trading day.
2. The custodian shall receive an annual fee of up to 0.1% of the value of the fund's assets<sup>5</sup>, calculated on the basis of the net asset value determined on every trading day.
3. The management fee and the fee for the custodian may be withdrawn from the fund on any day on the basis of 1/365 of the rates quoted above, based on the fund's net asset value.

<sup>1</sup> Currently 5.0 %

<sup>2</sup> Currently: If the order is received by the Company or the custodian by 12:00, the order is settled at the prices fixed at the next trading day; if the order is received by the Company or the custodian after 12:00, the order is settled at the prices fixed on the second-next trading day

<sup>3</sup> These terms are not subject to official approval from the Federal Financial Supervisory Authority.

<sup>4</sup> Currently 1.65 %

<sup>5</sup> Currently 0.10 %

4. Over and above the fees charged to the Company, the custodian and third parties, if any, the following expenses shall be chargeable to the fund:
- a) costs incurred in connection with the purchase and sale of assets;
  - b) custodian fees in line with current banking practice, including any fees charged in line with current banking practices for the custody of foreign securities abroad;
  - c) costs for the printing and dispatch of annual and semi-annual reports intended for the investors;
  - d) costs for the publication and announcement of annual and semi-annual reports, issue and redemption prices, distributions, if any, and possibly the liquidation report;
  - e) costs for having the fund inspected by the Company's auditors;
  - f) any costs for the cashing of coupons;
  - g) taxes which may be incurred in connection with management and custody costs;
  - h) costs for the assertion and enforcement of claims of the fund;
  - i) expenses for calculating, determining and publishing the tax base of the fund and for the certificate stating that all tax data complies with the regulations of German tax law;
  - j) any costs for the review of other tax information according to the Investment Tax Act (*Investmentsteuergesetz, InvStG*).

In addition, the following expenses shall be chargeable to the fund from 1 July 2010:

- k) all costs incurred in connection with fulfilling the preconditions for and subsequent obligations from the sale of the units in other countries;
- l) costs for the preparation or adaptation, translation, deposition, printing and distribution of sales prospectuses in the countries in which the units are sold;
- m) administrative fees and reimbursements for government agencies;
- n) legal and tax advisory expenses related to the fund;
- o) costs for appointing proxies;
- p) expenses for having the performance analysed by third parties;
- q) costs for having the fund's creditworthiness assessed by nationally or internationally recognised rating agencies;
- r) costs for amendments of the Contract Terms.

5. The Company must disclose, in the annual and semi-annual report, the sum charged to the fund as front-end loads or exit charges for

the acquisition and redemption of investment units as defined in section 50 of the InvG, within the reporting period. In the case of acquisitions of units that are managed, directly or indirectly, by the Company itself or another company with whom the Company is affiliated by virtue of a material direct or indirect interest, neither the Company nor the other company may charge front-end loads or exit charges for the acquisitions or redemptions. The Company must disclose, in the annual and semi-annual report, the management fee charged to the fund by the Company itself, by another investment company, an investment stock corporation or another company with whom the Company is affiliated by virtue of a material direct or indirect interest or a foreign investment company including its management company, for the units held in the fund.

## DISTRIBUTION AND FINANCIAL YEAR

### § 11 Distribution

1. Subject to the requisite equalisation of income, the Company shall generally distribute interest, dividends and income from investment fund units as well as considerations from securities loans and securities repurchase agreements which have accrued for account of the fund during the financial year and which have not been required to defray expenses. Disposal gains and other income – after allowing for income equalisation – may also be distributed.
2. Income available for distribution under subsection 1 above may be carried over to future financial years for distribution purposes, provided that the total income carried over does not exceed 15% of the value of the fund's assets by the end of the financial year. Income from abridged financial years may be carried forward in full.
3. In the interest of maintaining the fund's assets, income may be partially or, in special cases, completely reinvested in the fund.
4. Distribution shall be effected annually within four months after the end of each financial year.

### § 12 Financial year

The fund's financial year begins on 1 April and ends on 31 March of the following year.

### § 13 Name of the fund

The rights of unitholders who hold unit certificates with the original name "BB-Amerika-INVEST" are unaffected; the unit certificates shall remain valid. The change of the company name to "Landesbank Berlin Investment GmbH" and the addition of the advisor's name to the name of the fund shall not affect the legal position of investors in the fund.



## Special Contract Terms

to regulate the legal relationship between the investors and **Landesbank Berlin Investment GmbH, Berlin**, (hereinafter the "Company") for the UCITS-compliant fund launched by the Company **LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST**.

These Special Contract Terms are only applicable in conjunction with the General Contract Terms for the fund.

### INVESTMENT PRINCIPLES

#### § 1 Assets

The Company may acquire the following assets for the fund:

1. Securities as specified in section 47 of the Investment Act (*Investmentgesetz - InvG*),
2. money-market instruments as specified in section 48 InvG,
3. bank deposits as specified in section 49 InvG,
4. investment fund units as specified in section 50 InvG,
5. derivatives as specified in section 51 InvG,
6. other investment instruments as specified in section 52 InvG.

### INVESTMENT RESTRICTIONS

#### § 2 Securities

1. Up to 100% of the fund's value may be invested in securities within the meaning of section 5 of the General Contract Terms, section 1 no. 1. The securities pledged under repurchase agreements must be accounted for when applying the investment restrictions set forth in section 60 sub-section 1 and 2 of the InvG.
2. At least 51% of the assets of the fund are to be invested in equities of Asian issuers which, from the Company's vantage point, are undervalued in relation to the complete range of analysed equities. Undervalued equities are equities which, at the time of acquisition, belong to one of the following categories:
  - a) Equities of companies which, despite high dividend yields and a favourable profit outlook, trade below the average (as measured by a relevant equity index which is representative for the market as a whole, such as the Morgan Stanley country indices, the STOXX indices, the Deutscher Aktienindex or the Standard & Poor's indices) due to market influences;
  - b) equities of companies which due to external factors, such as changing investment preferences, temporarily underperform the market;
  - c) equities of companies which due to company-specific factors, such as planned restructuring efforts in the areas of production, organisation or management, can be expected to register a significant improvement in returns or which are likely to be acquired soon so that the equity prices are likely to outperform the market.

3. The proportion of securities issued by Australian issuers may not exceed 25% of the fund's assets.

#### § 3 Money-market instruments

Up to 49% of the fund's value may be invested in money-market instruments within the meaning of section 6 of the General Contract Terms, section 1 no. 2. The money-market instruments pledged under repurchase agreements must be accounted for when applying the investment restrictions set forth in section 60 sub-section 1 and 2 of the InvG.

#### § 4 Bank deposits

Up to 49% of the fund's value may be invested in bank deposits within the meaning of section 7 sentence 1 of the General Contract Terms, section 1 no. 3. Any amounts which have been paid by the Company in its capacity as repo lender shall be included in this figure.

#### § 5 Investment fund units

1. Up to 10% of the fund's assets may be invested in investment fund units within the meaning of section 8 of the General Contract Terms, section 1 no. 4, i.e. in units in domestic UCITS-compliant funds, EU investment fund units, other domestic and foreign investment fund units which are not EU investment fund units and units in investment stock companies which, under their Contract Terms or Articles of Association or according to their latest annual and/or semi-annual reports and/or inventories provided by the management company of the fund, invest mainly in equities (equity funds), interest-bearing securities (fixed-income funds) or money-market instruments and/or bank deposits (money-market funds). The investment units pledged under repurchase agreements must be accounted for when applying the investment restrictions set forth in section 61 and 64 sub-section 3 of the InvG.
2. If the preconditions for a purchase set out in sub-section 1 are no longer in place, the Company shall sell the fund units within an adequate period of time while taking care to protect investors' interests.

#### § 6 Other investment instruments

The Company may invest up to 10% of the fund's assets in other investment instruments within the meaning of section 10 of the General Contract Terms, section 1 no. 6, if the loan was granted to

- an Asian or Australian state which is a member state of the Organisation for Economic Cooperation and Development,
- other borrowers, provided that interest payments and repayment are guaranteed by one of the above-mentioned bodies; or
- companies domiciled in Asia or Australia which have issued securities which are admitted to official trading on a domestic or foreign stock exchange.

### § 7 Derivatives

When calculating the market risk limit for the use of derivatives, the Company shall apply the qualified method within the meaning of the DerivateV (see Section 9 of the General Contract Terms).

### UNIT CLASSES AND UNIT CERTIFICATES

#### § 8 Unit classes and unit certificates

1. All units carry the same rights; there shall be no unit classes pursuant to section 16 sub-section 2 of the General Contract Terms.
2. As from 1 January 2006, the rights of the unitholders are represented exclusively by global certificates. Unitholders do not have a claim to delivery of individual unit certificates. The rights of the existing unitholders shall remain unaffected. Their unit certificates and the existing coupons shall remain valid. No new coupons will be issued.
3. As co-owners, the investors shall hold an interest in the respective assets of the fund proportionate to the number of units held.

### ISSUE PRICE, REDEMPTION PRICE, REDEMPTION OF UNITS AND CHARGES

#### § 9 Issue and redemption price

1. The front-end load shall amount to 6% of the unit value. The Company may, however, charge a lower front-end load.<sup>1</sup> A redemption fee shall not be levied.
2. In derogation of section 18 sub-section 3 of the General Contract Terms the settlement date for unit subscriptions and redemption orders shall be at the latest the second valuation date following the receipt of the respective unit subscription or redemption order.<sup>2</sup>

#### § 10 Charges<sup>3</sup>

1. The Company shall be paid an annual management fee of up to 2.0% of the value of the fund's assets<sup>4</sup>. This is calculated on the basis of the net asset value, which is determined every trading day.
2. The custodian shall receive an annual fee of up to 0.1% of the value of the fund's assets<sup>5</sup>, calculated on the basis of the net asset value determined on every trading day.
3. The management fee and the fee for the custodian may be withdrawn from the fund on any day on the basis of 1/365 of the rates quoted above, based on the fund's net asset value.

<sup>1</sup> Currently 5.0 %

<sup>2</sup> Currently: If the order is received by the Company or the custodian by 12:00, the order is settled at the prices fixed at the next trading day; if the order is received by the Company or the custodian after 12:00, the order is settled at the prices fixed on the second-next trading day.

<sup>3</sup> These terms are not subject to official approval from the Federal Financial Supervisory Authority.

<sup>4</sup> Currently 1.65 %

<sup>5</sup> Currently 0.10 %

4. Over and above the fees charged to the Company, the custodian and third parties, if any, the following expenses shall be chargeable to the fund:
- a) costs incurred in connection with the purchase and sale of assets;
  - b) custodian fees in line with current banking practice, including any fees charged in line with current banking practices for the custody of foreign securities abroad;
  - c) costs for the printing and dispatch of annual and semi-annual reports intended for the investors;
  - d) costs for the publication and announcement of annual and semi-annual reports, issue and redemption prices, distributions, if any, and possibly the liquidation report;
  - e) costs for having the fund inspected by the Company's auditors;
  - f) any costs for the cashing of coupons;
  - g) taxes which may be incurred in connection with management and custody costs;
  - h) costs for the assertion and enforcement of claims of the fund;
  - i) expenses for calculating, determining and publishing the tax base of the fund and for the certificate stating that all tax data complies with the regulations of German tax law;
  - j) any costs for the review of other tax information according to the Investment Tax Act (*Investmentsteuergesetz, InvStG*).

In addition, the following expenses shall be chargeable to the fund from 1 July 2010:

- k) all costs incurred in connection with fulfilling the preconditions for and subsequent obligations from the sale of the units in other countries;
- l) costs for the preparation or adaptation, translation, deposition, printing and distribution of sales prospectuses in the countries in which the units are sold;
- m) administrative fees and reimbursements for government agencies;
- n) legal and tax advisory expenses related to the fund;
- o) costs for appointing proxies;
- p) expenses for having the performance analysed by third parties;
- q) costs for having the fund's creditworthiness assessed by nationally or internationally recognised rating agencies;
- r) costs for amendments of the Contract Terms.

5. The Company must disclose, in the annual and semi-annual report, the sum charged to the fund as front-end loads or exit charges for

the acquisition and redemption of investment units as defined in section 50 of the InvG, within the reporting period. In the case of acquisitions of units that are managed, directly or indirectly, by the Company itself or another company with whom the Company is affiliated by virtue of a material direct or indirect interest, neither the Company nor the other company may charge front-end loads or exit charges for the acquisitions or redemptions. The Company must disclose, in the annual and semi-annual report, the management fee charged to the fund by the Company itself, by another investment company, an investment stock corporation or another company with whom the Company is affiliated by virtue of a material direct or indirect interest or a foreign investment company including its management company, for the units held in the fund.

## DISTRIBUTION AND FINANCIAL YEAR

### § 11 Distribution

1. Subject to the requisite equalisation of income, the Company shall generally distribute interest, dividends and income from investment fund units as well as considerations from securities loans and securities repurchase agreements which have accrued for account of the fund during the financial year and which have not been required to defray expenses. Disposal gains and other income – after allowing for income equalisation – may also be distributed.
2. Income available for distribution under subsection 1 above may be carried over to future financial years for distribution purposes, provided that the total income carried over does not exceed 15% of the value of the fund's assets by the end of the financial year. Income from abridged financial years may be carried forward in full.
3. In the interest of maintaining the fund's assets, income may be partially or, in special cases, completely reinvested in the fund.
4. Distribution shall be effected annually within four months after the end of each financial year.

### § 12 Financial year

The fund's financial year begins on 1 April and ends on 31 March of the following year.

### § 13 Name of the fund

The rights of unitholders who hold unit certificates with the original names "BB-Asien-INVEST" or "LINGOHR-ASIEN-SYSTEMATIC-BB-INVEST" are unaffected; the unit certificates shall remain valid. The change of the company name to "Landesbank Berlin Investment GmbH" shall not affect the legal position of investors in the fund.

## Special Contract Terms

to regulate the legal relationship between the investors and **Landesbank Berlin Investment GmbH, Berlin**, (hereinafter the "Company") for the UCITS-compliant fund launched by the Company **LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST**. These Special Contract Terms are only applicable in conjunction with the General Contract Terms for the fund.

## INVESTMENT PRINCIPLES

### § 1 Assets

The Company may acquire the following assets for the fund:

1. Securities as specified in section 47 of the Investment Act (*Investmentgesetz - InvG*),
2. money-market instruments as specified in section 48 InvG,
3. bank deposits as specified in section 49 InvG,
4. investment fund units as specified in section 50 InvG,
5. derivatives as specified in section 51 InvG,
6. other investment instruments as specified in section 52 InvG.

## INVESTMENT RESTRICTIONS

### § 2 Securities

1. The Company may invest up to 100% of the fund's value in securities within the meaning of section 5 of the General Contract Terms, section 1 no. 1. The securities pledged under repurchase agreements must be accounted for when applying the investment restrictions set forth in section 60 sub-section 1 and 2 of the InvG.
2. For at least 51% of the fund's assets, the Company shall acquire equities of European issuers which, from the Company's vantage point, are undervalued in comparison to the entire range of stocks under observation. Undervalued equities are equities which, at the time of acquisition, belong to one of the following categories:
  - a) equities of companies which, despite high dividend yields and a favourable profit outlook, trade below the average (as measured by a relevant equity index which is representative for the market as a whole, such as the Morgan Stanley country indices, the STOXX indices, the Deutscher Aktienindex or the Standard & Poor's indices) due to market influences;
  - b) equities of companies which due to external factors, such as changing investment preferences, temporarily underperform the market;
  - c) equities of companies which due to company-specific factors, such as planned restructuring efforts in the areas of production, organisation or management, can be expected to register a significant

improvement in returns or which are likely to be acquired soon so that the equity prices are likely to outperform the market.

### § 3 Money-market instruments

Up to 49% of the fund's value may be invested in money-market instruments within the meaning of section 6 of the General Contract Terms, section 1 no. 2, provided these money-market instruments are denominated in euro or another European currency. The money-market instruments pledged under repurchase agreements must be accounted for when applying the investment restrictions set forth in section 60 sub-section 1 and 2 of the InvG.

### § 4 Bank deposits

Up to 49% of the fund's value may be invested in bank deposits within the meaning of section 7 sentence 1 of the General Contract Terms, section 1 no. 3, provided these bank deposits are denominated in euro or another European currency. Any amounts which have been paid by the Company in its capacity as repo lender shall be included in this figure.

### § 5 Investment fund units

1. Up to 10% of the fund's assets may be invested in investment fund units within the meaning of section 8 of the General Contract Terms, section 1 no. 4, i.e. in units in domestic UCITS-compliant funds, EU investment fund units, other domestic and foreign investment fund units which are not EU investment fund units and units in investment stock companies which, according to their latest annual and/or semi-annual reports and/or inventories provided by the management company of the fund, invest mainly in equities (equity funds), interest-bearing securities (fixed-income funds) or money-market instruments (money-market funds) and focus on Europe in their investment policies. The investment units pledged under repurchase agreements must be accounted for when applying the investment restrictions set forth in section 61 and 64 sub-section 3 of the InvG.
2. If the preconditions for a purchase set out in sub-section 1 are no longer in place, the Company shall sell the fund units within an adequate period of time while taking care to protect investors' interests.

### § 6 Derivatives

When calculating the market risk limit for the use of derivatives, the Company shall apply the qualified method within the meaning of the DerivateV (see Section 9 of the General Contract Terms).

## UNIT CLASSES AND UNIT CERTIFICATES

### § 7 Unit classes and unit certificates

1. All units carry the same rights; there shall be no unit classes pursuant to section 16 sub-section 2 of the General Contract Terms.
2. As co-owners, the investors shall hold an interest in the respective assets of the fund proportionate to the number of units held.

## ISSUE PRICE, REDEMPTION PRICE, REDEMPTION OF UNITS AND CHARGES

### § 8 Issue and redemption price<sup>1</sup>

The front-end load shall amount to 5% of the unit value. The Company may, however, charge a lower front-end load.<sup>2</sup> A redemption fee shall not be levied.

### § 9 Charges<sup>3</sup>

1. The Company shall be paid an annual management fee of up to 2.00% of the value of the fund's assets<sup>4</sup>. This is calculated on the basis of the net asset value, which is determined every trading day.
2. The custodian shall receive an annual fee of up to 0.1% of the value of the fund's assets<sup>5</sup>, calculated on the basis of the net asset value determined on every trading day.
3. The management fee and the fee for the custodian may be withdrawn from the fund on any day on the basis of 1/365 of the rates quoted above, based on the fund's net asset value.
4. Over and above the fees charged to the Company, the custodian and third parties, if any, the following expenses shall be chargeable to the fund:
  - a) costs incurred in connection with the purchase and sale of assets;
  - b) custodian fees in line with current banking practice, including any fees charged in line with current banking practices for the custody of foreign securities abroad;
  - c) costs for the printing and dispatch of annual and semi-annual reports intended for the investors;
  - d) costs for the publication and announcement of annual and semi-annual reports, issue and redemption prices, distributions, if any, and possibly the liquidation report;
  - e) costs for having the fund inspected by the Company's auditors;
  - f) taxes which may be incurred in connection with management and custody costs;
  - g) costs for the assertion and enforcement of claims of the fund;
  - h) expenses for calculating, determining and publishing the tax base of the fund and for the certificate stating that all tax data complies with the regulations of German tax law;
  - i) any costs for the review of other tax information according to the Investment Tax Act (*Investmentsteuergesetz, InvStG*).

<sup>1</sup> Currently: If the order is received by the Company or the custodian by 12:00, the order is settled at the prices fixed on the same trading day; if the order is received by the Company or the custodian after 12:00, the order is settled at the prices fixed on the next trading day.

<sup>2</sup> Currently 5.0 %

<sup>3</sup> These terms are not subject to official approval from the Federal Financial Supervisory Authority.

<sup>4</sup> Currently 1.65 %

<sup>5</sup> Currently 0.10 %

In addition, the following expenses shall be chargeable to the fund from 1 July 2010:

- j) all costs incurred in connection with fulfilling the preconditions for and subsequent obligations from the sale of the units in other countries;
  - k) costs for the preparation or adaptation, translation, deposition, printing and distribution of sales prospectuses in the countries in which the units are sold;
  - l) administrative fees and reimbursements for government agencies;
  - m) legal and tax advisory expenses related to the fund;
  - n) costs for appointing proxies;
  - o) expenses for having the performance analysed by third parties;
  - p) costs for having the fund's creditworthiness assessed by nationally or internationally recognised rating agencies;
  - q) costs for amendments of the Contract Terms.
5. The Company must disclose, in the annual and semi-annual report, the sum charged to the fund as front-end loads or exit charges for the acquisition and redemption of investment units as defined in section 50 of the InvG, within the reporting period. In the case of acquisitions of units that are managed, directly or indirectly, by the Company itself or another company with whom the Company is affiliated by virtue of a material direct or indirect interest, neither the Company nor the other company may charge front-end loads or exit charges for the acquisitions or redemptions. The Company must disclose, in the annual and semi-annual report, the management fee charged to the fund by the Company itself, by another investment company, an investment stock corporation or another company with whom the Company is affiliated by virtue of a material direct or indirect interest or a foreign investment company including its management company, for the units held in the fund.

unit certificates shall remain valid. The change of the company name to "Landesbank Berlin Investment GmbH" shall not affect the legal position of investors in the fund.

## REINVESTMENT AND FINANCIAL YEAR

### § 10 Reinvestment

Subject to the requisite equalisation of income, the Company shall reinvest into the fund the interest income, dividends and other income as well as disposal gains which have accrued for account of the fund during the financial year and which have not been required to defray expenses.

### § 11 Financial year

The fund's financial year begins on 1 January and ends on 31 December.

### § 12 Name of the fund

The rights of unitholders who hold unit certificates with the original name "LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST" are unaffected; the

## Special Contract Terms

to regulate the legal relationship between the investors and **Landesbank Berlin Investment GmbH, Berlin**, (hereinafter the "Company") for the UCITS-compliant fund launched by the Company **LINGOHR-SYSTEMATIC-LBB-INVEST**. These Special Contract Terms are only applicable in conjunction with the General Contract Terms for the fund.

## INVESTMENT PRINCIPLES

### § 1 Assets

The Company may acquire the following assets for the fund:

1. Securities as specified in section 47 of the Investment Act (*Investmentgesetz - InvG*),
2. money-market instruments as specified in section 48 InvG,
3. bank deposits as specified in section 49 InvG,
4. investment fund units as specified in section 50 InvG,
5. derivatives as specified in section 51 InvG,
6. other investment instruments as specified in section 52 InvG.

## INVESTMENT RESTRICTIONS

### § 2 Securities

1. Up to 100% of the fund's value may be invested in securities within the meaning of section 5 of the General Contract Terms, section 1 no. 1. The securities pledged under repurchase agreements must be accounted for when applying the investment restrictions set forth in section 60 sub-section 1 and 2 of the InvG.
2. For at least 51% of the fund's assets, the Company shall acquire equities of domestic and foreign issuers which, from the Company's vantage point, are undervalued in comparison to the entire range of stocks under observation. Undervalued equities are equities which, at the time of acquisition, belong to one of the following categories:
  - a) equities of companies which, despite high dividend yields and a favourable profit outlook, trade below the average (as measured by a relevant equity index which is representative for the market as a whole, such as the Morgan Stanley country indices, the Dow Jones indices, the Nikkei index, the Deutscher Aktienindex, the Hang-Seng index or the Standard & Poor's indices) due to market influences;
  - b) equities of companies which due to external factors, such as changing investment preferences, temporarily underperform the market;
  - c) equities of companies which due to company-specific factors, such as planned restructuring efforts in the areas of production, organisation or management, can be expected to register a significant

improvement in returns or which are likely to be acquired soon so that the equity prices are likely to outperform the market.

### § 3 Money-market instruments

Up to 49% of the fund's value may be invested in money-market instruments within the meaning of section 6 of the General Contract Terms, section 1 no. 2. The money-market instruments pledged under repurchase agreements must be accounted for when applying the investment restrictions set forth in section 60 sub-section 1 and 2 of the InvG.

### § 4 Bank deposits

Up to 49% of the fund's value may be invested in bank deposits within the meaning of section 7 sentence 1 of the General Contract Terms, section 1 no. 3. Any amounts which have been paid by the Company in its capacity as repo lender shall be included in this figure.

### § 5 Investment fund units

1. Up to 5% of the fund's assets may be invested in investment fund units within the meaning of section 8 of the General Contract Terms, section 1 no. 4, i.e. in units in domestic UCITS-compliant funds, EU investment fund units, other domestic and foreign investment fund units which are not EU investment fund units and units in investment stock companies which, according to their latest annual and/or semi-annual reports and/or inventories provided by the management company of the fund, invest mainly in equities (equity funds), interest-bearing securities (fixed-income funds) or money-market instruments (money-market funds). The investment units pledged under repurchase agreements must be accounted for when applying the investment restrictions set forth in section 61 and 64 sub-section 3 of the InvG.
2. If the preconditions for a purchase set out in sub-section 1 are no longer in place, the Company shall sell the fund units within an adequate period of time while taking care to protect investors' interests.

### § 6 Derivatives

When calculating the market risk limit for the use of derivatives, the Company shall apply the qualified method within the meaning of the DerivateV (see Section 9 of the General Contract Terms).

## UNIT CLASSES AND UNIT CERTIFICATES

### § 7 Unit classes and unit certificates

1. All units carry the same rights; there shall be no unit classes pursuant to section 16 sub-section 2 of the General Contract Terms.
2. As co-owners, the investors shall hold an interest in the respective assets of the fund proportionate to the number of units held.

## ISSUE PRICE, REDEMPTION PRICE, REDEMPTION OF UNITS AND CHARGES

### § 8 Issue and redemption price

1. The front-end load shall amount to 5% of the unit value. The Company may, however, charge a lower front-end load.<sup>1</sup> A redemption fee shall not be levied.
2. In derogation of section 18 sub-section 3 of the General Contract Terms the settlement date for unit subscriptions and redemption orders shall be at the latest the second valuation date following the receipt of the respective unit subscription or redemption order.<sup>2</sup>

### § 9 Charges<sup>3</sup>

1. The Company shall be paid an annual management fee of up to 1.65% of the value of the fund's assets<sup>4</sup>. This is calculated on the basis of the net asset value, which is determined every trading day.
2. The custodian shall receive an annual fee of up to 0.1% of the value of the fund's assets<sup>5</sup>, calculated on the basis of the net asset value determined on every trading day.
3. The management fee and the fee for the custodian may be withdrawn from the fund on any day on the basis of 1/365 of the rates quoted above, based on the fund's net asset value.
4. Over and above the fees charged to the Company, the custodian and third parties, if any, the following expenses shall be chargeable to the fund:
  - a) costs incurred in connection with the purchase and sale of assets;
  - b) custodian fees in line with current banking practice, including any fees charged in line with current banking practices for the custody of foreign securities abroad;
  - c) costs for the printing and dispatch of annual and semi-annual reports intended for the investors;
  - d) costs for the publication and announcement of annual and semi-annual reports, issue and redemption prices, distributions, if any, and possibly the liquidation report;
  - e) costs for having the fund inspected by the Company's auditors;
  - f) expenses for calculating, determining and publishing the tax base of the fund and for the certificate stating that all tax data complies with the regulations of German tax law;

<sup>1</sup> Currently 5.0 %

<sup>2</sup> Currently: If the order is received by the Company or the custodian by 12:00, the order is settled at the prices fixed on the next trading day; if the order is received by the Company or the custodian after 12:00, the order is settled at the prices fixed on the second-next trading day.

<sup>3</sup> These terms are not subject to official approval from the Federal Financial Supervisory Authority.

<sup>4</sup> Currently 1.65 %

<sup>5</sup> Currently 0.10 %

- g) any costs for the review of other tax information according to the Investment Tax Act (*Investmentsteuergesetz, InvStG*);
- h) taxes which may be incurred in connection with management and custody costs;
- i) costs for the assertion and enforcement of claims of the fund.

In addition, the following expenses shall be chargeable to the fund from 1 July 2010:

- j) all costs incurred in connection with fulfilling the preconditions for and subsequent obligations from the sale of the units in other countries;
  - k) costs for the preparation or adaptation, translation, deposition, printing and distribution of sales prospectuses in the countries in which the units are sold;
  - l) administrative fees and reimbursements for government agencies;
  - m) legal and tax advisory expenses related to the fund;
  - n) costs for appointing proxies;
  - o) expenses for having the performance analysed by third parties;
  - p) costs for having the fund's creditworthiness assessed by nationally or internationally recognised rating agencies;
  - q) costs for amendments of the Contract Terms.
5. The Company must disclose, in the annual and semi-annual report, the sum charged to the fund as front-end loads or exit charges for the acquisition and redemption of investment units as defined in section 50 of the InvG, within the reporting period. In the case of acquisitions of units that are managed, directly or indirectly, by the Company itself or another company with whom the Company is affiliated by virtue of a material direct or indirect interest, neither the Company nor the other company may charge front-end loads or exit charges for the acquisitions or redemptions. The Company must disclose, in the annual and semi-annual report, the management fee charged to the fund by the Company itself, by another investment company, an investment stock corporation or another company with whom the Company is affiliated by virtue of a material direct or indirect interest or a foreign investment company including its management company, for the units held in the fund.

## § 11 Financial year

The fund's financial year begins on 1 January and ends on 31 December.

## § 12 Name of the fund

The rights of unitholders who hold unit certificates with the original name "LINGOHR-SYSTEMATIC-BB-INVEST" are unaffected; the unit certificates shall remain valid. The change of the company name to "Landesbank Berlin Investment GmbH" shall not affect the legal position of investors in the fund.

## REINVESTMENT AND FINANCIAL YEAR

### § 10 Reinvestment

Subject to the requisite equalisation of income, the Company shall reinvest into the fund the interest income, dividends and other income as well as disposal gains which have accrued for account of the fund during the financial year and which have not been required to defray expenses.

## 27. Performance

This is an overview over the performance of the funds during the period indicated in each case (calculation according to the BVI method):

The average performance of the **LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST** fund between the launch of the fund (29 December 1993) and 31 October 2009 was 4.86 % p.a. (calculated according to the BVI method).

The average performance of the **LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST** fund between the launch of the fund (21 April 1992) and 31 October 2009 was 3.48 % p.a. (calculated according to the BVI method).

The average performance of the **LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST** fund between the launch of the fund (1 October 2003) and 31 October 2009 was 4.96 % p.a. (calculated according to the BVI method).

The average performance of the **LINGOHR-SYSTEMATIC-LBB-INVEST** fund between the launch of the fund (1 October 1996) and 31 October 2009 was 7.96 % p.a. (calculated according to the BVI method).

**The funds' performance in the past does not permit any forecast for the future.**

# Landesbank Berlin Investment GmbH, Berlin

## Landesbank Berlin Investment GmbH

Kapitalanlagegesellschaft  
Kurfürstendamm 201  
10719 Berlin  
Postfach 11 08 09  
10838 Berlin

Telephone: 0 30 / 2 45-6 45 00  
Fax: 0 30 / 2 45-6 45 45

Internet: [www.lbb-invest.de](http://www.lbb-invest.de)  
E-mail: [direct@lbb-invest.de](mailto:direct@lbb-invest.de)

**Commercial register** (Handelsregister):  
Local Court (Amtsgericht) Berlin-Charlottenburg

**Registration number:**  
HRB 29 288

**Legal form:**  
Limited liability company (Gesellschaft mit  
beschränkter Haftung)

**Subscribed and paid-in capital:**  
EUR 10.2 million  
**Liable capital:** EUR 10.5 million  
(As of 31 December 2008)

**Shareholder**  
Landesbank Berlin Holding AG, Berlin

**Custodian**  
Landesbank Berlin AG  
Alexanderplatz 2  
10178 Berlin  
Subscribed and paid-in capital: EUR 1,200.0 million  
Liable capital: EUR 3,239.6 million  
(As of 30 June 2009)

**Auditor**  
PricewaterhouseCoopers AG  
Wirtschaftsprüfungsgesellschaft, Berlin

**Advisor**  
Lingohr & Partner Asset Management GmbH,  
Erkrath

## **Supervisory board**

**Serge Demolière**  
Member of the Board of  
Landesbank Berlin AG, Berlin  
- Chairman -

**Dr. Johannes Evers**  
Chairman of the Boards of  
Landesbank Berlin AG, Berlin  
Landesbank Berlin Holding AG, Berlin  
- Vice-chairman -

**Dr. Michael Endres**  
Former Member of the Board of  
Deutsche Bank AG, Frankfurt/Main,  
Chairman of the Board of  
Gemeinnützige Hertie-Stiftung, Frankfurt/Main

**Frank Gilly**  
Member of the Board of  
Berliner Bank AG & Co. KG, Berlin

**Hans Jürgen Kulartz**  
Member of the Board of  
Landesbank Berlin AG, Berlin

**Dr. Thomas Veit**  
Member of the Boards of  
Landesbank Berlin AG, Berlin,  
Landesbank Berlin Holding AG, Berlin

## **Managing Directors**

**Joachim F. Mädler**, Berlin  
(Speaker)

**Andreas Heß**, Berlin

**Dyrk Vieten**, Berlin

LBB-INVEST currently manages the following  
retail funds:

### 1. UCITS-III-compliant funds

#### a) Equity funds

Deutschland-INVEST  
WKN 847 928  
ISIN DE0008479288  
(launched on 12 November 1990 under the name  
BB-Deutschland-INVEST)

Europa-INVEST  
WKN 847 924  
ISIN DE0008479247  
(launched on 31 October 1989 under the name BB-  
Europa-INVEST)

GO EAST-INVEST  
WKN 977 017  
ISIN DE0009770172  
(launched on 1 December 1995 under the name  
BB-Tschechien-INVEST and continued from 1  
April 2004 under the name BB-GO EAST-INVEST)

Keppler-Emerging Markets-LBB-INVEST  
WKN A0ERYQ  
ISIN DE000A0ERYQ0  
(launched on 30 August 2006)

Keppler-Global Alpha-LBB-INVEST  
WKN A0JKNY  
ISIN DE000A0JKNY1  
(launched on 10 December 2007)

Keppler-Global Value-LBB-INVEST  
WKN A0JKNP  
ISIN DE000A0JKNP9  
(launched on 2 July 2007)

LINGOHR-ALPHA-SYSTEMATIC-LBB-INVEST  
WKN A0ERYR  
ISIN DE000A0ERYR8  
(launched on 15 August 2006)

LINGOHR-AMERIKA-SYSTEMATIC-LBB-INVEST  
WKN 847 943  
ISIN DE0008479437  
(launched on 29 December 1993 under the name  
BB-Amerika-INVEST)

LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST  
WKN 847 938  
ISIN DE0008479387  
(launched on 21 April 1992 under the name BB-  
Asien-INVEST and continued from 1 April 2004  
under the name LINGOHR-ASIEN-SYSTEMATIC-  
BB-INVEST)

LINGOHR-EUROPA-SYSTEMATIC-LBB-INVEST  
WKN 532 009  
ISIN DE0005320097  
(launched on 1 October 2003 under the name  
LINGOHR-EUROPA-SYSTEMATIC-BB-INVEST)

LINGOHR-SYSTEMATIC-LBB-INVEST  
WKN 977 479  
ISIN DE0009774794  
(launched on 1 October 1996 under the name  
LINGOHR-SYSTEMATIC-BB-INVEST)

Private Banking Struktur  
WKN A0DNG7  
ISIN DE000A0DNG73  
(launched on 1 June 2005)

TopPortfolio-INVEST  
WKN 977 494  
ISIN DE0009774943  
(launched on 2 March 1998 under the name BB-  
TopPortfolio-INVEST)

WachstumGlobal-INVEST  
WKN 979 906  
ISIN DE0009799064  
(launched on 1 November 1999 under the name  
BB-Millennium-INVEST and continued from 1 July  
2006 under the name Millennium-INVEST)

### b) Fixed-income funds

EuroRent-INVEST  
WKN 847 925  
ISIN DE0008479254  
(launched on 27 December 1989 under the name  
BB-DMrent-INVEST and continued from 1 Octo-  
ber 2000 under the name BB-EuroRent-INVEST)

FlexBond-Plus-INVEST  
WKN A0ERYN  
ISIN DE000A0ERYN7  
(launched on 3 July 2006)

FlexBond-Vario-INVEST  
WKN A0ERYP  
ISIN DE000A0ERYP2  
(launched on 3 July 2006)

Führ-Corporate Bond-LBB-INVEST  
WKN A0M6J9  
ISIN DE000A0M6J90  
(launched on 1 April 2009)

Multirent-INVEST  
WKN 847 921  
ISIN DE0008479213  
(launched on 31 January 1989 under the name  
BB-Multirent-INVEST)

Multizins-INVEST  
WKN 978 606  
ISIN DE0009786061  
(launched on 1 February 1999 under the name BB-  
Multizins-INVEST)



# Landesbank Berlin Investment GmbH, Berlin

Private Banking FlexBond  
WKN A0M6J7  
ISIN DE000A0M6J74  
(launched on 3 March 2008)

Private Banking Bond Timing  
WKN A0ERYJ  
ISIN DE000A0ERYJ5  
(launched on 2 October 2006)

## c) Mixed funds

Gothaer-Global-LBB-INVEST  
WKN 977 015  
ISIN DE0009770156  
(launched on 3 August 1995 under the name Gothaer-Global-BB-INVEST)

UC Multimanager Global - LBB-INVEST  
WKN 979 915  
ISIN DE0009799155  
(launched on 22 September 2004 under the name UC Multimanager Global - BB-INVEST)

WeltKap-INVEST  
WKN 977 483  
ISIN DE0009774836  
(launched on 2 January 1997 under the name BB-WeltKap-INVEST)

## d) Money-market funds

EuroGeldmarkt-INVEST  
WKN 977 008  
ISIN DE0009770081  
(launched on 31 October 1994 under the name BB-DMGeldmarkt-INVEST and continued from 1 April 2001 under the name BB-EuroGeldmarkt-INVEST)

## e) Umbrella funds

Best-INVEST 100  
WKN 531 982  
ISIN DE0005319826  
(launched on 18 September 2000)

Best-INVEST Bond Satellite  
WKN 531 990  
ISIN DE0005319909  
(launched on 1 December 2003)

Private Banking Premium Aktiendachfonds  
WKN 532 002  
ISIN DE0005320022  
(launched on 1 April 2003)

## 2. Mixed funds

### a) Umbrella funds

Best-INVEST 30  
WKN 531 980  
ISIN DE0005319800  
(launched on 18 September 2000)

Best-INVEST 50  
WKN 531 981  
ISIN DE0005319818  
(launched on 18 September 2000)

Private Banking Premium Rentendachfonds  
WKN 532 003  
ISIN DE0005320030  
(launched on 1 April 2003)

### b) Mixed funds

Stratego Grund  
WKN A0ERSF  
ISIN DE000A0ERSF5  
(launched on 1 September 2005)

Stratego Ertrag  
WKN A0DNG5  
ISIN DE000A0DNG57  
(launched on 1 April 2005)

Stratego Konservativ  
WKN 531 992  
ISIN DE0005319925  
(launched on 1 April 2005)

Stratego Wachstum  
WKN A0DNG1  
ISIN DE000A0DNG16  
(launched on 1 April 2005)

Stratego Chance  
WKN A0DNG2  
ISIN DE000A0DNG24  
(launched on 1 April 2005)

Stratego Offensiv  
WKN A0DNG6  
ISIN DE000A0DNG65  
(launched on 1 April 2005)

VermögensStruktur Konservativ  
WKN A0M6J4  
ISIN DE000A0M6J41  
(launched on 2 January 2008)

VermögensStruktur Wachstum  
WKN A0M6J5  
ISIN DE000A0M6J58  
(launched on 2 January 2008)

VermögensStruktur Chance  
WKN A0M6J6  
ISIN DE000A0M6J66  
(launched on 2 January 2008)

46 specialty funds are managed as well  
(as of 1 November 2009).

Information of material importance as set out in section 42 sub-section 5 InvG (such as the subscribed and paid-in capital, the composition of the board of managing directors, the supervisory board and, if applicable, the investment committee) is updated on a regular basis in the annual and semi-annual reports and can be gleaned from these reports.

Date: December 2009