3 Banken-Generali
Investment-Gesellschaft m.b.H.

PROSPECTUS

for an investment fund (hereinafter: "the Fund") pursuant to
the 2011 Austrian Investment Fund Act (*Investmentfondsgesetz*, InvFG),
as amended

3 Banken-Generali
Investment-Gesellschaft m.b.H.

Untere Donauände 36
4020 Linz, Austria

CONVERTINVEST Global Convertible Properties

This fund is a UCITS[1] pursuant to § 2 (1) and (2) in conjunction with § 50 InvFG.

ISIN: **AT0000A14J48** (distribution retail tranche)
ISIN: **AT0000A14J55** (accumulation retail tranche)
ISIN: **AT0000A1PE35** (full accumulation retail tranche)

ISIN: **AT0000A14J14** (distribution institutional tranche)
ISIN: **AT0000A14J22** (accumulation institutional tranche)
ISIN: **AT0000A14J30** (full accumulation institutional tranche)

ISIN: **AT0000A1EKN2** (distribution institutional tranche) (F)

This Prospectus was produced in **April 2020** in accordance with the Fund Regulations prepared pursuant to InvFG and was published on April 15, 2020. It should be pointed out that the specified Fund Regulations came into force on **April 15, 2020**.

Since December 10, 2009, notifications pursuant to § 136 InvFG in conjunction with § 10 of the Austrian Capital Market Act (*Kapitalmarktgesetz*, KMG) are now provided in electronic form on the website of the management company. Notifications for investors in the Federal Republic of Germany will appear in the electronic version of the German Federal Gazette (*Bundesanzeiger*) at www.ebundesanzeiger.de.

Investors are to be provided with the key investor information (key investor document, "KID") free of charge in good time prior to an offer to subscribe for units. Upon demand, the currently valid Prospectus and the Fund Regulations will be provided free of charge. They may also be obtained together with the key investor information from the website www.3bg.at. This Prospectus is supplemented by the most recently published annual fund report or semi-annual fund report. The above documents may be provided in paper or electronic form. These documents may also be obtained from the custodian bank and from the distributors listed in the Annex.

[1] UCITS is the abbreviation for "undertaking for collective investment in transferable securities" pursuant to InvFG 2011.

TABLE OF CONTENTS

DISCLAIMER in case of DISTRIBUTION of non-US funds to US clients

Sales restriction

The units issued in this fund may only be publicly offered for sale or sold in countries where such public offering or sale is permitted. Accordingly, unless the management company or a third-party agent has notified and obtained permission from the local supervisory authorities this does not constitute an offer to purchase investment units.

The units have not been and are not registered under the 1933 United States Securities Act, as amended, (hereinafter: “the Act of 1933”) or under the securities legislation of a federal state or political subdivision of the United States of America or its territories, possessions or other areas falling under its jurisdiction, including the Commonwealth of Puerto Rico (hereinafter: “the United States”).

The units may not be publicly offered for sale or sold in the United States or otherwise transferred there. The units are offered for sale and sold by virtue of an exemption from the registration provisions of the Act of 1933, pursuant to Regulation S of this Act. The management company and the fund have not been and are not registered under the 1940 United States Investment Company Act (as amended) or other US federal legislation. Accordingly, the units will not be publicly offered or sold in the United States nor to or for the account of U.S. persons within the meaning of the definitions contained in U.S. federal laws on securities, goods and taxes, including Regulation S of the United States Securities Act of 1933 (hereinafter referred to as “U.S. Persons”). Subsequent transfers of units to the United States or to U.S. Persons are not permitted.

The units have not been admitted to trading by the US Securities and Exchange Commission (hereinafter: “SEC”) or by any other United States supervisory authority and nor has such admission been refused; moreover, neither the SEC nor any other United States supervisory authority has reviewed the accuracy and appropriateness of this Prospectus or the benefits associated with the units. The United States Commodity Futures Trading Commission has not examined or approved this document or any other sales documentation for the management company or the fund.

No one is authorized to submit declarations or assurances which are not provided in this Prospectus or in the documents to which this Prospectus refers. These documents are available to the public at the management company’s registered office.

This Prospectus may not be circulated in the United States.

PART I

INFORMATION CONCERNING THE MANAGEMENT COMPANY

1. **Name and registered office; legal form; date of establishment; place of head office if different from the registered office; details of the register and the management company's entry in the register; applicable law**

   Management company

   The management company of the Fund outlined in this Prospectus is 3 Banken-Generali Investment-Gesellschaft m.b.H., Untere Donaulände 36, 4020 Linz, Austria.

   3 Banken-Generali Investment-Gesellschaft m.b.H. was established on August 24, 1987 as "CA-EA Investment Gesellschaft m.b.H" and was renamed "3 Banken-Generali Investment-Gesellschaft m.b.H" on February 3, 1998.

   3 Banken-Generali Investment-Gesellschaft m.b.H. is a management company within the meaning of the Austrian Federal Act on Investment Funds (Austrian Investment Fund Act, *Investmentfondsgesetz*, InvFG). It has the legal form of a limited liability company (*Gesellschaft mit beschränkter Haftung*, GmbH) under Austrian law and is registered with the Linz companies register court under the companies register number FN 102722 m. 3 Banken-Generali Investment-Gesellschaft m.b.H. has not established any additional branch offices in any other Member State.

   The management company's financial year is the calendar year.

2. **For a list of all of the funds managed by the company, please refer to the Annex to this Prospectus**

3. **and 4. Detailed information on the management board, the composition of the supervisory board and the share capital is provided in the tables at the end of this Prospectus**

5. **Remuneration policy**

   The management company has drawn up a remuneration policy in compliance with applicable statutory provisions. This policy is compatible with an effective risk management system and does not provide any incentives to enter into inappropriate risks. The principles of the management company's remuneration policy are applied in line with its internal structure and its business model and are appropriate in view of the nature, scope and complexity of the transactions. This policy is resolved by the supervisory board which regularly reviews it (at least once a year). No remuneration committee has been established.

   Details of the current remuneration policy (description of the procedure for calculation of remuneration; competent persons) may be found on the management company's website (www.3bg.at). Upon request, a paper version of this document will be provided free of charge.

6. **Details of shareholders (who exercise, or may exercise, a direct or indirect controlling influence)**

   a. **Direct qualifying holdings**

      - Generali Versicherung AG, Vienna
      - Oberbank AG, Linz
      - Bank für Tirol und Vorarlberg Aktiengesellschaft, Innsbruck
      - BKS Bank AG, Klagenfurt

   b. **Indirect qualifying holdings**

      - Generali Beteiligungsverwaltung GmbH, Vienna
      - Generali Beteiligungs- und Vermögensverwaltung GmbH, Vienna
      - Participations Netherlands Holland N.V., Amsterdam
      - Assicurazioni Generali S.p.A., Trieste

7. The management company has delegated the following tasks:

The management company hereby provides notice that it has delegated the following areas of business/fund-specific activities within the meaning of § 28 InvFG to a closely linked undertaking, i.e. a linked undertaking within the meaning of Art. 4 (1) Item 38 of Regulation (EU) No 575/2013:

- Human resources administration services (**Oberbank AG**)
- Management accounting (**Oberbank AG**)
- Internal audit (**BKS Bank AG**)
- Administrative activities:
  - Fund accounting services (**Oberbank AG**)
  - Keeping of records pursuant to § 12 InvFG (recording of portfolio transactions pursuant to § 19 InvFG, recording of subscription and redemption orders pursuant to § 20 InvFG, processing of subscription and redemption orders and notification obligations pursuant to § 31 InvFG) (**BKS Bank AG**)
  - Contract settlement (including sending of certificates) (**BKS Bank AG**)
- Handling of reporting in relation to a trade repository (EMIR) - (**BKS Bank AG**)

The following activities have been delegated to third parties pursuant to § 28 InvFG:

- IT management (**3 Banken IT GmbH**)
- **Fund management:**
  Since December 30, 2013, the management of the Fund has been handled by CONVERTINVEST Financial Services GmbH, Liebermannstrasse F03/401, 2345 Brunn am Gebirge, Austria.

PART II

INFORMATION CONCERNING THE FUND

1. Name of the Fund:

The Fund bears the name **CONVERTINVEST Global Convertible Properties** and is a co-ownership fund pursuant to § 2 (1) and (2) InvFG 2011. The Fund complies with the Directive (EU) 2009/65/EC ("UCITS Directive"). The Fund is licensed in Austria and is regulated by the Austrian Financial Market Authority (*Finanzmarktaufsicht*, FMA).

In compliance with the USA's FATCA ("Foreign Account Tax Compliance Act") tax regulations and the associated fund registration process for this country's Internal Revenue Service, the Fund has been assigned the following GIIN ("Global Intermediary Identification Number"): **U7Z71Q.99999.SL.040**. The Fund is thus "deemed compliant" within the meaning of the above regulations, i.e. it is FATCA-compliant.

2. Date of the establishment of the Fund and duration of the Fund, where time-limited.

CONVERTINVEST Global Convertible Properties was established on December 30, 2013 for an indefinite duration.

3. Office from which the Fund Regulations and the reports required under InvFG may be obtained.

The information mentioned in this Prospectus such as the key investor information ("KID"), the Fund Regulations, annual fund reports and semi-annual fund reports may be obtained from the management company. Upon request, the management company will provide these documents to investors free of charge. These documents may also be obtained from the custodian bank/depositary and from the distributors listed in the Annex.

4. Details of tax treatment

Details of tax regulations applicable to the Fund that are of significance for unitholders. Please refer to the Annex for details of whether deductions are made at source on the investment and other income which the unitholders derive from the Fund.

5. Account settlement date and frequency and form of distribution.

The Fund's accounting year runs from **February 1 to January 31** of the following calendar year. The distribution/payment pursuant to § 58 (2) InvFG *) and pursuant to Article 6 of the Fund Regulations will occur from **April 30** of the following accounting year.

*) not in case of full accumulation funds.

6. Name of the bank auditor pursuant to § 49 (5) InvFG 2011.

The bank auditor is KPMG Austria GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz. Please refer to the relevant annual fund report – which is available from www.3bg.at – for details of the natural persons entrusted with the audit.

7. Conditions under which the winding-up of the Fund may be resolved, and details of its winding-up, particularly in relation to the rights of the unitholders

a. Termination of management

The management company may terminate/discontinue its management of the Fund in the following cases:

a1) with the approval of the Austrian Financial Market Authority, subject to public announcement and a (minimum) notice period of six months. This notice period may be reduced to (a minimum notice period of) 30 days if all of the investors have been demonstrably notified. In such case, the management company may opt not to provide a public announcement. Subject to a price suspension, during the notice period indicated above the unitholders may surrender their units of the Fund against payment of the redemption price.

a2) with immediate effect (date of publication) and subject to simultaneous notification of the Austrian Financial Market Authority if the assets of the Fund fall below EUR 1,150,000.

Termination pursuant to a2) is not permissible concurrently with termination pursuant to a1).

If the Fund's management ends due to termination, the management company has to initiate the winding-up of the Fund. Upon commencement of the winding-up process, the unitholders' right to management will be replaced by a right to due winding-up and their right to repayment of the value of a unit at any time will be replaced by the right to payment of the liquidation proceeds following the end of the winding-up process, whereby a disbursement is also permitted at the request of a Shareholder for illiquid assets, provided that all other Shareholders expressly agree to such pro-rata distribution.

b. Transfer of management

Subject to the approval of the Austrian Financial Market Authority, public announcement and compliance with a (minimum) notice period of 3 months, the management company may transfer the management of the Fund to another management company. This notice period may be reduced to (a minimum notice period of) 30 days if all of the unitholders have been demonstrably notified. In such case, the management company may opt not to provide a public announcement. During the notice period indicated above, the unitholders may surrender their units of the Fund against payment of the redemption price.

c. Merger/combination of the Fund with another investment fund

Subject to compliance with certain preconditions and with the approval of the Austrian Financial Market Authority, the management company may merge/combine the Fund with one or more other investment funds. This merger/combination must be publicly announced (with at least 3 months' notice) and the unitholders must be informed of the details (with at least 30 days' notice). During the notice period indicated above, the unitholders may surrender their units of the Fund against payment of the redemption price or, where appropriate, exchange them for units of another investment fund with a similar investment policy.

In the event of a combination of funds, the unitholders are entitled to have their units exchanged at the applicable rate of exchange as well as being entitled to settlement of any fractional amounts.

d. Split-off of assets of the Fund

Subject to the approval of the Austrian Financial Market Authority and public announcement, the management company may split off securities held in the Fund which have unexpectedly become illiquid. The unitholders will become co-owners of the split-off fund in accordance with their units. The custodian bank will wind up the split-off fund. The proceeds of its winding-up will be paid to the unitholders.

e. Other grounds for the Fund's termination

The management company's right to manage a fund will lapse upon expiry of its investment business license or its license pursuant to the Directive 2009/65/EC, upon resolution of its winding-up or upon withdrawal of its authorization.

If the management ends by the discontinuation of the concession, the custodian bank takes over the provisional administration and has to initiate the liquidation of the fund unless it transfers its management to another management company within six months.

Upon commencement of the winding-up process, the unitholders' right to management will be replaced by a right to due winding-up and their right to repayment of the value of a unit at any time will be replaced by the right to payment of the liquidation proceeds following the end of the winding-up process, whereby a disbursement is also permitted at the request of a Shareholder for illiquid assets, provided that all other Shareholders expressly agree to such pro-rata distribution.

8. Details of the type and main characteristics of the units, in particular:

- **Type of right (in rem, legal claim or other right) which the unit represents**
- **Original deeds or certificates for such deeds, entry in a register or on an account**
- **Characteristics of the units: registered or bearer instruments, details of any denominations which may be provided for**
- **Description of the unitholders' voting right, where applicable.**

Co-ownership of the Fund's assets is divided up into co-ownership interests of equal value. There is no limit to the number of co-ownership interests. The co-ownership interests are embodied in unit certificates that are negotiable instruments, each of which represents a number of units and documents a right in rem. The unit certificates are represented by global certificates for each unit class (§ 24 of the Austrian Safe Custody of Securities Act (*Depotgesetz*, DepotG) and No. 424/1969 of the Austrian Federal Law Gazette (*Bundesgesetzblatt*, BGBl.), as amended in each case).

Each purchaser of a share in a global certificate shall acquire co-ownership of all of the assets of the Fund in the amount of his share of the co-ownership interests documented in this certificate.

With the consent of its supervisory board, the management company may divide up (split) the co-ownership interests and also issue unit certificates to the unitholders or convert the old unit certificates into new ones if it deems a division of the co-ownership interests to be in the interests of the co-owners on account of the calculated unit value. The unit certificates are bearer certificates. No voting rights are associated with the unit certificates.

9. Details of the stock exchanges or markets on which the units are listed or dealt in.

The management company has not applied for any stock market listing for this UCITS. The units are issued and redeemed by the depositary (unit certificate transactions).

10. Procedures and terms for the issuance and sale of units.

Issuance of units

There is in principle no limit to the number of issued units and corresponding unit certificates. Units may be purchased from the distributors listed in the Annex. The management company reserves the right to cease issuing units either temporarily or permanently.

The minimum investment amount for the purchase of units in the institutional tranches is EUR 3,000,000.

Subscription fee

For the calculation of the issue price, a subscription fee may be added to the value of a unit by way of settlement of the issuing costs. A subscription fee to cover the issuing costs will amount to **up to 5.00%** of the value of a unit, rounded up or down to the nearest cent. If the investment period is brief, a subscription fee may reduce the return on the investment or even consume it entirely. For this reason, investors are advised to opt for a longer investment horizon if they wish to purchase unit certificates.

Settlement date

The valid issue price for the settlement is the net asset value calculated by the management company for the **next** banking day (excluding Good Friday and New Year's Eve) plus a subscription fee, where applicable. **3:00 p.m.** (CET) on each banking day in Austria is the deadline for the acceptance of orders. The value date on which the purchase price is charged will depend on the distributor's settlement procedure, but is generally 2 value days after the settlement date.

11. Procedures and terms of redemption or repurchase of the units and circumstances under which redemption or repurchase may be suspended.

Redemption of units

Unitholders may request at any time that the distributors listed in the Annex redeem their units, by surrendering their unit certificates or by placing a redemption order. The management company is obliged to redeem the units for the account of the Fund at the current redemption price, which corresponds to the value of a unit rounded up or down to the nearest cent.

Suspension

Under extraordinary circumstances, payment of the redemption price as well as calculation and publication of the redemption price may be temporarily suspended, subject to simultaneous notice being given to the Austrian Financial Market Authority and public announcement, and may be made dependent on the sale of assets of the Fund and receipt of the sale proceeds, if this appears necessary in the circumstances, while considering the legitimate interests of the unitholders. Unitholders shall also be informed of the recommencement of redemption of unit certificates.

Settlement date

The valid redemption price for the settlement is the net asset value calculated by the management company for the **next** banking day (excluding Good Friday and New Year's Eve). **3:00 p.m.** (CET) on each banking day in Austria is the deadline for the acceptance of orders. The value date on which the relevant amount is credited will depend on the distributor's settlement procedure, but is generally 2 value days after the settlement date.

12. Calculation of the units' sale, issue, purchase or redemption prices, in particular:

- **Method and frequency of calculation of these prices**
- **Costs associated with the units' sale, issue, redemption or repurchase**
- **Type, place and frequency of public announcement of these prices**
- **Rules for valuation of assets**

Method and frequency of calculation of these prices

The value of a unit and the issue and redemption prices are calculated by the management company on each Austrian banking day (excluding Good Friday and New Year's Eve). As a rule, the most recently published prices will be consulted in order to calculate the Fund's price. If the most recently announced valuation price manifestly – and not just in individual cases – fails to correspond to the actual values on account of the prevailing political or economic situation, the management company may opt not to implement a price calculation if the Fund has invested 5% or more of its assets in assets for which no fair market prices are available. The issue price is rounded up or down to the nearest cent. The redemption price, which corresponds to the unit value, is rounded up or down to the nearest cent.

Costs associated with the units' sale, issue, redemption or repurchase

The issuance and redemption of the units by one of the distributors listed in the Annex is not subject to any additional costs other than the possible addition of a subscription fee for issuing unit certificates. No redemption fee will be charged at the redemption of unit certificates.

The extent to which additional fees other than a subscription fee (where applicable) are charged for acquiring and redeeming unit certificates depends on the individual agreements between the investor and the custodian bank; the management company thus has no influence over any such additional fees.

Type, place and frequency of public announcement of these prices

The value of a unit and the issue and redemption prices are calculated by the management company each Austrian banking day (excluding Good Friday and New Year's Eve) and published in a business or daily newspaper which is published in Austria and has an adequate circulation (Der Standard). This information will also be published in electronic form on the website of the issuing management company (www.3bg.at).

Rules for valuation of assets

The value of a unit in a given unit class is calculated by dividing the total value of a given unit class, including its income, by the number of units issued in this unit class.

The total value of the Fund shall be calculated by the management company on the basis of the current market prices of the securities, money market instruments and subscription rights held by the Fund plus the value of the Fund's financial assets, cash holdings, credit balances, receivables and other rights, less its liabilities.

The following procedure applies for determination of the market prices of the individual assets:

a) In general, the value of assets listed or dealt in on a stock exchange or on another regulated market will be determined on the basis of the most recently available price.

b) If an asset is not listed or dealt in on a stock exchange or another regulated market or if the price for an asset listed or dealt in on a stock exchange or another regulated market does not appropriately reflect its actual market value, the prices provided by reliable data providers or, alternatively, market prices for equivalent securities or other recognized valuation methods will be used.

c) Units of a UCITS or a UCI will be measured at the most recently available redemption prices or, if their units are dealt in on stock exchanges or regulated markets (e.g. ETFs), at the most recently available closing prices.

d) The liquidation value of futures and options dealt in on a stock exchange or another regulated market will be calculated on the basis of the most recently available settlement price.

13. Description of the rules for determining and applying income and description of the unitholders' entitlements to income.

Income in case of distribution unit certificates

From **April 30**, the income received during the past accounting year (interest and dividends), net of expenses, may be distributed at the discretion of the management company. The distribution of income from the sale of assets of the Fund including subscription rights shall likewise be at the discretion of the management company. A distribution from the fund assets is permissible. Distributions may not in any case cause the assets of the Fund to fall below a level of EUR 1,150,000. These amounts will be distributed to holders of distribution unit certificates, where applicable upon surrender of a coupon. The remainder will be carried forward to new account. The management company is obliged to make a payment to the value of the amount to be determined pursuant to InvFG.

Income in case of accumulation unit certificates with capital gains tax payment

The income received during the accounting year that remains, net of expenses, will not be distributed. For accumulation fund unit certificates, an amount calculated in accordance with InvFG is paid. Such amount is used to cover any investment income tax (*Kapitalertragsteuer*, KESt) due on the dividend-equivalent income for the unit certificate, where applicable.

Income in case of accumulation unit certificates without capital gains tax payment

The income received during the accounting year that remains, net of expenses, will not be distributed. No payment pursuant to InvFG will be made. **April 30** of the following accounting year is the key date pursuant to InvFG in case of non-payment of investment income tax on the Fund's annual income.

The management company must ensure by furnishing proof from the custodian institutions that, at the time of payment, the unit certificates are only held by unitholders who are either not subject to Austrian personal income tax (*Einkommensteuer*, ESt) or corporate income tax (*Körperschaftsteuer*, KÖSt) or who fulfill the requirements for exemption pursuant to § 94 of the Austrian Income Tax Act (*Einkommensteuergesetz*, EStG). If these requirements are not fulfilled as of the time of payment, by way of payment the custodian bank shall credit the amount calculated pursuant to InvFG.

14. Description of the investment objectives of the Fund, including its financial objectives (e.g. capital growth or income growth), its investment policy (e.g. specialization in terms of geographical regions or economic sectors), any restrictions on such investment policy, as well as details of the borrowing powers that may be exercised in managing the Fund.

Notice: The Fund seeks to realize its investment objectives at all times. However, it is not possible to provide any assurance that these objectives will actually be fulfilled. The following description does not consider the investor's individual risk profile. Investors should consider obtaining personal, expert investment advice.

Investment objective

CONVERTINVEST Global Convertible Properties is an actively managed investment fund which pursues the investment objective of regular income and long-term capital growth.

Investment policy

For the investment fund's investments, convertible bonds, warrant-linked bonds and options of issuers in the real estate industry or whose underlying is provided by the real estate industry will be purchased for **not less than 51 per cent** of the assets of the Fund, without any restrictions in relation to currencies, regions or countries. The active management approach of the fund is not influ-enced by a benchmark.

The Scope Group, an international rating and research agency, will provide analyses of the real estate portfolios of the companies featured in the investment universe. Individual securities will be selected on the basis of the results of this analysis.

Within the scope of the Fund's hedging concept which uses derivative instruments, the management company seeks inter alia to hedge as much as possible of the currency risk for foreign-currency investments versus the EUR by means of suitable strategies. In particular, forward exchange transactions, currency futures and currency options are permitted as currency hedging transactions.

As a component of the investment strategy, derivative instruments may account for up to 49 per cent of the assets of the Fund (calculated on the basis of current market prices/valuation prices for derivatives) and may be used for hedging purposes.

Due to the focus of its investments on convertible and warrant-linked bonds from issuers in the real estate industry, the Fund should generally be considered as an addition to a securities portfolio. Accordingly, an investment in CONVERTINVEST Global Convertible Properties should not account for a substantial part of the investment portfolio of an investor and will not necessarily be appropriate for all investors.

15. Techniques and instruments of investment policy.

The Fund invests pursuant to the investment and issuer limits laid down in InvFG in conjunction with the Fund Regulations and while complying with the principle of risk spreading.

1. Securities

Securities are

a) equities and equity-equivalent securities,

b) bonds and other securitized debt securities,

c) all other marketable financial instruments (e.g. subscription rights) that grant the right to purchase financial instruments within the meaning of InvFG by subscription or exchange, with the exception of the techniques and instruments specified in § 73 InvFG.

To qualify as securities, instruments must fulfill the criteria stipulated in § 69 InvFG.

Pursuant to § 69 (2) InvFG, securities also include

1. units of closed-end funds in the form of an investment company or a fund,
2. units of closed-end funds constituted under the law of contract,
3. financial instruments in accordance with § 69 (2) Item 3 InvFG.

The management company may purchase securities which are officially admitted to trading on Austrian or foreign stock exchanges listed in the Annex or dealt in on regulated markets listed in the Annex which operate regularly and are recognized and open to the public. In addition, the management company may purchase securities from new issues whose terms and conditions of issue include an obligation to apply for admission to official listing on a stock exchange or regulated market, subject to their admission within one year of their issuance.

2. *Money market instruments*

Money market instruments are instruments normally dealt in on the money market that are liquid, whose value may be accurately determined at any time and which fulfill the requirements pursuant to § 70 InvFG.

The Fund may purchase for **up to 49 per cent** of the assets of the Fund money market instruments which

1. are admitted to official listing on one of the Austrian or foreign stock exchanges listed in the Annex or are dealt in on regulated markets listed in the Annex which operate regularly and are recognized and open to the public
2. are normally dealt in on the money market and are freely transferable and liquid and have a value which can be accurately determined at any time and for which appropriate information is available, including information enabling an appropriate evaluation of the associated credit risks – even if these instruments are not dealt in on regulated markets – if the issue or issuer of such instruments is itself already regulated for the purpose of protecting investors and savings, provided that they are:
   a) issued or guaranteed by a central, regional or local authority, a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which one or more Member States belong or
   b) issued by an undertaking whose securities are officially admitted to an Austrian or foreign stock exchange listed in the Annex or are dealt in on a regulated market listed in the Annex or
   c) issued or guaranteed by an establishment subject to prudential supervision in accordance with the criteria defined by Community law or by an establishment that is subject to and complies with prudential rules considered by the Austrian Financial Market Authority to be at least as stringent as those laid down by Community law or
   d) issued by other issuers belonging to the categories approved by the Austrian Financial Market Authority, provided that the investments in such instruments are subject to investor protection equivalent to that laid down in Letters a) to c) and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which prepares and publishes its annual financial statements in accordance with Directive 78/660/EEC, or is an entity that, within a group of companies including one or more listed companies, is responsible for the financing of the group or is an entity that, in the form of an undertaking, company or contract, is dedicated to the financing of securitization vehicles that benefit from a banking liquidity line; the banking liquidity line must be secured by a financial institution that itself fulfills the criteria specified in Item 2 c.

<u>Non-listed securities and money market instruments</u>

A maximum of 10 per cent of the assets of the Fund may be invested in securities or money market instruments which are not officially admitted to trading on one of the stock exchanges listed in the Annex to the Fund Regulations or which are not dealt in on one of the regulated markets listed in the Annex to the Fund Regulations or, in case of new issuance of securities, if these securities are not admitted to trading within one year of their issuance.

3. *Units of investment funds (§ 77 InvFG)*

1. The management company may invest **up to 10 per cent** of the assets of the Fund in units of a single fund or a single investment company, provided that these fulfill the provisions of the Directive 2009/65/EC (UCITS funds) and do not for their part invest more than 10 per cent of their fund assets in units of other funds.
2. In addition, the management company may invest **up to 10 per cent** of the assets of the Fund in units of undertakings for collective investment (UCI funds) that do not comply with all of the requirements set out in the Directive 2009/65/EC, provided that

a) such UCI funds do not invest more than 10 per cent of their fund assets in units of other funds and

b) such UCI funds are authorized under laws stipulating that they are subject to supervision considered by the Austrian Financial Market Authority to be equivalent to that laid down in Community law, and cooperation between the authorities is sufficiently ensured,

c) the level of protection afforded the unitholders is equivalent to that afforded the unitholders of funds or investment companies that fulfill the provisions of the Directive 2009/65/EC (UCITS funds) and, in particular, the rules on asset segregation, borrowing, lending and uncovered sales of securities and money market instruments are equivalent to the requirements set out in the Directive 2009/65/EC,

d) the UCI reports on its business in semi-annual and annual reports that enable an assessment to be made of its assets and liabilities as well as its income and operations during the reporting period;

e) and whose sole purpose is to invest publicly procured monies in securities and other liquid financial instruments for joint account and in accordance with the principle of risk spreading and whose units will, at the request of the unitholders, be redeemed or repurchased, directly or indirectly, out of the assets of the Fund.

The criteria specified in § 3 of the FMA Regulation on Information and Determination of Equivalence (*Informationen- und Gleichwertigkeitsfestlegungsverordnung*, IG-FestV), as amended, should be consulted in order to determine the equivalence of protection afforded to unitholders within the meaning of Letter c).

3. The Fund may also purchase units of funds that are managed, directly or indirectly, by the same management company or by a company with which the management company is linked by common management or control or by a substantial direct or indirect holding.

4. Units of UCITS funds and UCI funds may be purchased for **up to 10 per cent** of the assets of the Fund **in aggregate**.

5. **Notice**: Investments may also be made in units of funds, whose investment restrictions or instruments and / or their investment strategy deviate from those of the "CONVERTINVEST Global Convertible Property".

4. Derivative financial instruments

<u>Listed and non-listed derivative financial instruments</u>

Derivative financial instruments (derivatives) – including equivalent instruments settled in cash – which are dealt in on one of the regulated markets listed in the Annex or derivative financial instruments which are not quoted on a stock exchange or dealt in on a regulated market (OTC derivatives) may be acquired for the Fund if

1. the underlying instruments are instruments pursuant to § 67 (1) Items 1 to 4 InvFG or financial indices, interest rates, exchange rates or currencies in which the Fund is permitted to invest in accordance with the investment objectives specified in its Fund Regulations,
2. the parties to OTC derivative transactions are institutions subject to supervision of a category that the Austrian Financial Market Authority has authorized through a regulation, and
3. the OTC derivatives are subject to a reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed out by a counter-transaction at fair value at any time at the initiative of the management company.
4. they do not lead to the delivery or transfer of assets other than those specified in § 67 (1) InvFG.

This also includes instruments for the transfer of the credit risk for the above-mentioned assets.

The <u>risk of default in case of transactions of a fund involving OTC derivatives</u> may not exceed:

1. 10 per cent of the assets of the fund if the counterparty is a credit institution within the meaning of § 72 InvFG,
2. otherwise 5 per cent of the assets of the fund.

Investments made by a fund in index-based derivatives are not taken into consideration with regard to the specific investment limits. When a security or a money market instrument embeds a derivative, the latter must be taken into account when complying with the above-mentioned requirements.

Use

The use of derivative instruments for hedging purposes means that they are used on a short-term, tactical basis to reduce specific risks for the Fund (e.g. market risk).

The use of derivative instruments as part of the Fund's investment strategy means that derivative instruments may also be used as an alternative to a direct investment in assets and, in particular, with the goal of income growth.

Where derivative instruments are used for permanent hedging purposes, this involves an attempt to entirely exclude specific risks (e.g. currency risk) by means of derivative instruments (long-term and permanent hedging).

Risk management

The management company must employ a risk management process that enables it to monitor and measure at any time the risk of the positions and their contribution to the aggregate risk profile of the assets of the Fund. The management company must specify, implement and maintain appropriate and documented risk management principles. These risk management principles must include procedures such as are necessary for the evaluation of market, liquidity and counterparty risks as well as other risks, including operational risks.

Commitment approach

The management company applies the commitment approach to calculate the overall level of risk. With this approach, all positions in derivative financial instruments including embedded derivatives within the meaning of § 73 (6) InvFG are converted into the market value of an equivalent position in the underlying instrument of the relevant derivative (underlying instrument equivalent).

Netting and hedging agreements are included in the calculation of the overall level of risk insofar as they consider obvious and significant risks and clearly lead to a reduction in the level of risk.

It is not necessary to include in the calculation positions in derivative financial instruments which do not give rise to any additional risk for the investment fund.

Please refer to the current version of the regulation issued by the Austrian Financial Market Authority (*FMA*) concerning risk calculation and reporting of derivatives for the detailed overall risk calculation procedures in case of use of the commitment approach and the quantitative and qualitative details.

The overall level of risk thus calculated which is associated with derivatives may not exceed the overall net value of the assets of the Fund.

The management company may increase the investment level of this Fund by means of derivatives (leverage). The company may increase this Fund's level of investment by means of derivatives to up to **100 per cent** of the Fund's value.

5. *Demand deposits and callable deposits*

Bank balances in the form of demand deposits or callable deposits with a term not exceeding 12 months may be purchased subject to the following conditions:

1. Demand deposits and callable deposits with a term not exceeding 12 months may be invested with a single credit institution up to an amount of 20 per cent of the assets of the Fund provided that the credit institution
   - is domiciled in a Member State or
   - is domiciled in a non-member state and is subject to prudential rules considered by the Austrian Financial Market Authority to be at least as stringent as those laid down by Community law.

2. Irrespective of any individual upper limits, a fund may not invest more than 20 per cent of its fund assets with a single credit institution in a combination of securities or money market instruments issued by such credit institution and/or deposits held by this credit institution and/or OTC derivatives purchased by this credit institution.

Demand deposits and callable deposits with a term not exceeding 12 months may **in aggregate** amount to **up to 49 per cent** of the assets of the Fund. No minimum bank balance need be maintained.

6. Borrowing

Loans may be temporarily taken out for **up to 10 per cent** of the assets of the Fund. The Fund's level of risk exposure may thus increase to the same extent.

7. Repurchase agreements

Not applicable.

8. Securities lending

Currently not applicable.

Although the Fund's regulations provide for information on securities lending and so therefore the possibility would be provided. The current strategy of the Fund does not provide for this and therefore this investment vehicle will not be used for the time being.

9. Total return swaps

Not applicable.

While the Fund Regulations provide information concerning lending of securities and this option would thus be possible for the Fund, the Fund's current strategy does not envisage the use of this technique. In addition, there is no use of repurchase agreements, total return swaps or comparable derivative transactions within the scope of the investment policy. Accordingly, it will not be used for the time being. It is therefore not necessary to provide any further information regarding collateral management or, pursuant to the Regulation 2015/2365, regarding the transparency of securities financing transactions and of reuse!

16. Risk profile for the Fund

The assets in which the management company invests for account of the Fund entail risks as well as income opportunities. If the investor sells units of the Fund at a time when the prices of the assets have fallen in relation to their level as of their purchase, he will not receive all of the money which he has invested in the Fund. However, the investor's risk is limited to his total investment. There is therefore no commitment to provide further capital.

No assurance can be provided that CONVERTINVEST Global Convertible Properties will achieve its investment objective. The value of the Fund will fluctuate in line with the value of its underlying investments. In case of funds which invest in bonds, the value of the underlying investments will depend on the interest rates and the credit standing of the issuers. Possible risks may thus result for the investor due to changes in interest rates and credit standing. Such fluctuations may primarily be determined by the market risks and the political and economic risks of the relevant issuers. The liquidity of individual investments is also subject to change. This means that the value of the Fund may rise as well as fall and that an investor may not receive the full value of his investment. Accordingly, such an investment is only appropriate for investors who are capable of bearing such risks and who envisage a long-term securities investment.

Due to the implicit rights of conversion into equities, in some cases the price behavior of convertible bonds significantly differs from that of comparable bonds. While in the case of normal bonds the bond price is mainly affected by changes in the substantial quality (= credit standing) of the issuer, interest-rate developments and the market environment, for convertible bonds equity price and volatility trends also play a particularly important risk-relevant role. Due to the large number of influencing factors, the risks associated with an investment in convertible bonds will be strongly diversified but may correlate with one another and should not be underestimated. In certain circumstances, convertible bonds may also be exposed to equity risk, as a specific form of market risk. The price risk relates to the fact that a security's current price may fall below its price at the time of its purchase. As a market price, this price reflects the applicable ratio of supply and demand at the time of its calculation.

Important factors include the financial expectations placed in a stock exchange-listed company as well as the economic environment, political expectations and speculation.

Due to the focus of its investments on convertible and warrant-linked bonds from issuers in the real estate industry, the Fund should generally be considered as an addition to a securities portfolio. Accordingly, an investment in CONVERTINVEST Global Convertible Properties should not account for a substantial part of the investment portfolio of an investor and will not necessarily be appropriate for all investors.

Due to the different characteristics of the individual unit classes, the financial outcome which the investor realizes through his investment may vary, depending on the unit class which the units purchased by him belong to.

The following risks in particular may be significant for this Fund. This list is not exhaustive and the outlined risks may vary in terms of the intensity of their impact on the Fund.

Main risks associated with the Fund:

- Market risk
- Credit risk or issuer risk
- Fulfillment or counterparty risk (counterparty's risk of default)
- Liquidity risk
- Operational risk

The following risks are also significant for this Fund:

- Exchange rate or currency risk
- Custody risk
- Cluster risk or concentration risk
- Performance risk
- Inflation risk
- Capital risk
- Risk of changes to other framework conditions such as tax regulations
- Valuation risk
- Country or transfer risk
- Risk of suspension of redemption
- Risk in case of derivative financial instruments
- Risk for assets deposited as collateral (collateral risk)
- Specific risks associated with subordinated bonds
- Risks associated with asset backed securities (ABS)/mortgage backed securities (MBS)/collateralized debt obligations (CDO)
- Risks associated with structured securities

The management company has established appropriate measures, processes and procedures to measure and monitor the key risks which the investment fund is exposed to. The risk limits are defined in accordance with the risk profile for the investment fund. The investor will be provided with details upon request.

<u>In principle, an investment in funds may entail exposure to the following risks:</u>

16.1. Market risk

The price performance of securities is particularly dependent on the performance of the capital markets, which, for their part, are shaped by the general situation of the world economy and by the economic and political framework in the different countries.

Equity price risk is a specific form of market risk. This relates to the possibility of equities and quasi-equity securities experiencing significant price fluctuations. In particular, the current price of an equity or a quasi-equity security may thus fall below the price at which the security was purchased. As a market price, this price reflects the applicable ratio of supply and demand at the time of its calculation. Economic expectations in relation to individual companies and industries as well as the general economic environment, political expectations, speculation and speculative buying are important factors shaping price trends.

Interest rate risk is an additional specific form of market risk. This refers to the possibility of a change in the market interest rate level applicable upon issuance of a fixed-income security or a money market instrument. Changes to the market interest rate level may result from factors such as changes in the economic climate and policy responses on the part of the relevant central bank. If market interest rates rise, this will normally cause prices of fixed-interest securities or money market instruments to fall. On the other hand, when the market interest rate level falls, this has an inverse effect on fixed-income securities or money market instruments.

In either case, the price trend leads to the yield on the security roughly reflecting the market interest rate. However, price fluctuations vary in accordance with the time to maturity of the fixed-income security. Fixed-income securities with shorter maturities are subject to lower price risk than those having longer maturities. However, fixed-income securities with shorter maturities generally offer lower yields than fixed-income securities with longer maturities.

Negative credit interest rates for cash: Due to market factors, the interest rate risk may also apply for demand deposits and callable deposits in the form of negative credit interest rates or other unfavorable conditions. The latter may be subject to increased fluctuation, both positively and negatively.

In case of **inflation-indexed bonds**, the interest rate-relevant risk factor is the actual market interest rate level, i.e. changes in the actual market interest rate level will result in price changes for inflation-indexed bonds, analogously to the above-mentioned description of the (nominal) market interest rate level. On the other hand, exclusively inflation-related changes in the (nominal) market interest rate level will generally only result in minor price changes for inflation-indexed bonds.

The management company has established appropriate measures, processes and procedures to measure and monitor the level of market risk. Market risk is quantified by means of various indicators and regularly monitored.

In some cases (due to the implicit rights of conversion into equities), the price behavior of **convertible bonds** significantly differs from that of comparable bonds. While in the case of normal bonds the bond price is mainly affected by changes in the substantial quality (credit standing) of the issuer, interest-rate developments and the market environment, for convertible bonds equity price and volatility trends also play a particularly important risk-relevant role. Due to the large number of influencing factors, the risks associated with an investment in convertible bonds will be strongly diversified but may correlate with one another and should not be underestimated. In certain circumstances, convertible bonds may also be exposed to equity risk, as a specific form of market risk. The price risk relates to the fact that a security's current price may fall below its price at the time of its purchase. As a market price, this price reflects the applicable ratio of supply and demand at the time of its calculation.

16.2. Credit risk or issuer risk

Along with general patterns on the capital markets, the price of a security or money market instrument or the value of a bank deposit is also affected by the performance of the specific issuer or credit institution.

The following three key types of credit risk apply:

a. **Default risk:** Even when securities are selected with the utmost care it is not possible to exclude, for example, losses due to the disintegration of the assets of issuers or credit institutions or of the underlying assets behind the security (underlying credit risk).

b. **Credit spread risk**: Increases in the interest rate gap by comparison with risk-free fixed-income securities or money market instruments with a similar maturity and the same credit standing will result in losses of value.

c. **Credit rating migration risk**: Credit rating downgrades by credit rating agencies may result in losses of value.

The management company has established appropriate measures, processes and procedures to measure and monitor the level of credit or issuer risk. The limits stipulated by law are referred to for management of credit and issuer risk.

16.3. Fulfillment or counterparty risk (counterparty's risk of default)

This category includes the risk of a settlement in a transfer system not being performed as expected when a counterparty does not pay or deliver as anticipated or does so subject to a delay.

Settlement risk is the risk of not receiving consideration upon discharge of an obligation in the fulfillment of a transaction.

Especially when purchasing **unlisted financial products** or settling them via a transfer agent, the risk exists that a completed transaction may not be fulfilled as expected due to a counterparty's failure to make payment or delivery, or that losses may result from operational errors during settlement of a transaction.

The management company has established appropriate measures, processes and procedures to measure and monitor the level of fulfillment or counterparty risk. The limits stipulated by law are referred to for management of fulfillment or counterparty risk.

16.4. Liquidity risk

Subject to due consideration of the risks and opportunities associated with investments in securities, the management company will purchase for the Fund in particular securities which are officially admitted to trading on Austrian and foreign stock exchanges or are dealt in on organized markets which operate regularly and are recognized and open to the public.

Funds which do not fulfill these conditions – i.e. which are not officially admitted to trading or are not dealt in on regulated markets (open-end funds) may only be purchased if they have an issue price and/or a redemption price.

Despite this, it may not always be possible to sell specific securities during certain phases or in certain stock exchange segments at the desired moment in time. There is also the risk that stocks traded in a somewhat tight market segment may be subject to considerable price volatility.

Moreover, recently issued securities will be purchased whose terms of issue include an obligation to apply for admission to official listing on a stock exchange or organized market, subject to their admission within one year of their issuance.

The management company may purchase securities that are dealt in on a stock exchange or on a regulated market within the EEA or on one of the stock exchanges or regulated markets listed in the Annex to the Fund Regulations.

The management company has established appropriate measures, processes and procedures to measure and monitor the level of liquidity risk. This is measured by means of the management company's liquidity risk model.

16.5. Operational risk

A loss risk applies for the Fund, resulting from inadequate internal processes, human error or system failure at the management company or due to external events, including legal and documentation risks and risks resulting from the Fund's trading, settlement and valuation procedures.

The management company has established appropriate measures, processes and procedures to measure and monitor the level of operational risks. Further risk management options will be defined on the basis of the regular risk identification and analysis. In some cases, individual risks can be avoided or reduced by means of suitable measures.

16.6. Exchange rate or currency risk

Currency risk is another form of market risk. Unless stipulated otherwise, the assets of a fund may be invested in currencies other than that of the fund in question.

The fund receives income, repayments and proceeds from such investments in the currencies in which it invests. The value of these currencies may fall relative to the fund's currency. Such currency risk may therefore adversely affect the value of the units when the fund invests in currencies other than the fund's currency.

16.7. Custody risk

Keeping the assets of the Fund in custody entails the risk of loss resulting e.g. from insolvency, breaches of duties of care or abusive conduct on the part of the depositary or a sub-depositary.

16.8. Cluster risk or concentration risk

Additional risks may arise if the investment is concentrated in certain assets or markets. **The Fund focuses in its investments on convertible and warrant-linked bonds from issuers in the real estate industry. Accordingly, the Fund should generally be considered as an addition to a securities portfolio.**

16.9. Performance risk

The performance of assets purchased for the Fund may deviate from projections at the time of purchase. A positive performance cannot therefore be guaranteed, except in case of a third-party guarantee.

16.10. Inflexibility risk

The risk of inflexibility may result due to the product itself or on account of restrictions in terms of transferring to other investment funds.

16.11. Inflation risk

The return on an investment may be negatively influenced by the inflation trend. Money invested may decline in purchasing power due to inflation, or the inflation trend may have a direct (negative) impact on the performance of assets.

16.12. Capital risk

Risk relating to the Fund's capital may apply, in particular, if the assets are sold more cheaply than they were purchased. This also covers the risk of erosion in the event of redemption and excessive distributions of investment yields.

16.13. Risk of changes to other framework conditions such as tax regulations

The value of the assets in the Fund may be negatively affected by uncertain factors in countries in which investments are made; these include international political trends, changes in government policies, taxation, restrictions on foreign investment, currency fluctuations and other developments relating to legislation or regulation. In addition, the Fund may trade on stock exchanges that are not as strictly regulated as those in the USA and in the EU countries.

16.14. Valuation risk

Particularly at times where market participants experience liquidity shortages due to financial crises or a general loss of confidence, price determination for certain securities and other financial instruments on capital markets may only be possible to a limited extent, thus hampering their valuation within the scope of the Fund. At such times, if investors redeem large quantities of units at the same time the Fund's management may be forced to sell securities at prices that deviate from the actual valuation prices in order to maintain the Fund's overall liquidity.

16.15. Country or transfer risk

The country risk refers to a situation where a foreign debtor is unable, despite his solvency, to make timely payment or any payment all due to an inability or lack of readiness on the part of his country of residence to make transfers. For example, payments to which the Fund is entitled may not be forthcoming or may be made in a currency which is no longer convertible due to foreign exchange restrictions.

16.16. Risk of suspension of redemption

In principle, unitholders may require the redemption of their units at any time. However, the management company may temporarily suspend redemption of units in case of extraordinary circumstances. The unit price may be lower than prior to suspension of redemption.

16.17. Risks associated with units of investment funds (subfunds)

The risks for the subfunds purchased for the Fund are closely associated with the risks for the assets held in these subfunds and the investment strategies which they pursue.

Since the fund managers of the individual subfunds operate individually of one another, multiple subfunds may pursue the same investment strategies or opposing investment strategies. This may cause existing risks to accumulate and to cancel out possible opportunities.

16.18. Risk in case of derivative instruments

Within the scope of its orderly management, the management company may purchase derivative instruments for a fund subject to certain conditions and restrictions.

Derivative instruments may entail risks such as the following:

a. The time-limited options purchased may expire or suffer a loss of value.
b. The loss risk may not be calculable and may exceed any collateral provided.
c. Transactions which exclude or are intended to limit risks may not be possible or may only be possible at a market price that will result in a loss.
d. The loss risk may increase if the obligation associated with such transactions or the resulting consideration is denominated in a foreign currency.

The following additional risks may apply to transactions involving OTC derivatives:

a. Problems concerning the sale to third parties of financial instruments purchased on the OTC market, as these lack an organized market; settlement of obligations entered into may be difficult due to individual agreements or may entail considerable expenses (liquidity risk);
b. The economic success of the OTC transaction may be jeopardized in case of the counterparty's default (counterparty risk).

16.19. Risk for assets deposited as collateral (collateral risk)

In the event that third parties provide collateral for the Fund, this will be subject to any related investment risks, such as market, credit, exchange rate or counterparty risks.

16.20. Securities lending risk

In the event of the investment fund lending securities, these may be returned late or they may not be returned at all. Due to financial losses suffered by the borrower of securities in particular, the borrower may be unable to fulfill its obligations to the investment fund in this regard.

Insofar as the borrower of securities provides the investment fund with collateral in connection with the securities lending transaction, this is exposed to a collateral risk.

16.21. Commodity risk

Both commodities-related securities – in particular, equities or bonds issued by companies active in the commodities sector – and structured bonds which are collateralized by means of commodities and commodities derivatives or which are linked to their price development and derivative instruments which are tied to the development of commodities indexes or commodities funds (or investment funds with commodity (index) holdings) in which the Fund invests in the form of subfunds are exposed, in particular, to the following risks which are typical of commodity markets and commodity futures markets and which may adversely affect the value of a unit: strong fluctuations in supply and/or demand, government intervention, adverse weather conditions, environmental disasters, (global) political disputes, war and terrorism.

16.22. Specific risks associated with subordinated bonds

Subordinated bonds – in particular, hybrid bonds and bonds with core capital characteristics which are issued by credit institutions or other financial service providers – may have a quasi-equity risk profile in certain circumstances. They are exposed to an increased risk of the issuer being unable to fulfill its interest payment or redemption obligations or of only being able to do so in part or subject to delay. Due to their subordinate status, in case of insolvency, liquidation or similar events relating to the issuer, claims held by creditors of subordinated bonds will be inferior to those of prior creditors. Accordingly, it may not be possible to satisfy their claims or it may only be possible to do so in part. Even within the scope of ongoing business activities, interest payments may not be forthcoming (while not necessarily resulting in an obligation for retrospective payment by the issuer) or may be reduced, postponed or alternatively settled (e.g. in the form of equities), without triggering insolvency proceedings. In addition, the face amount of the subordinated bond may be temporarily or permanently reduced and may thereby undergo conversion, e.g. into equities. Moreover, subordinated bonds frequently lack a maturity ("perpetuals") and a supervisory authority may refuse their redemption or repayment. Subordinated bonds may also be exposed to increased liquidity risks.

16.23. Asset backed securities (ABS)/mortgage backed securities (MBS)/collateralized debt obligations (CDO)

ABS, MBS and CDOs (hereinafter: "ABS") investments are based on the (actual or synthetic) transfer of asset positions (normally a pool of claims on borrowers or lessees; and alternatively, or additionally, securities) to a special purpose vehicle (SPV). The SPV refinances itself by issuing ABS-designated securities whose interest and principal payments are exclusively funded through the assigned pool. The ABS issue is normally "structured", i.e. the pool provides the basis for multiple ABS tranches whose claims will be settled in order of priority in the event of the pool's assets defaulting, with subordinated tranches serving as a loss buffer for prior tranches. Besides principal payments or defaults, with this type of an ABS structure the pool may also be exposed to changes due to transactions undertaken by the entity or entities managing the pool. In addition, features lessening the level of risk may include third-party guarantees or credit insurance.

Due to the variety and complexity of ABS, in individual cases these may be exposed to highly specific risks and thus be incompatible with a universal risk profile. As a general rule, the following risks are frequently particularly significant, but in individual cases the relative significance of specific risks may differ and other risks may also apply.

- Specific features of credit risk: A particular risk for ABS investors is that it may be partially or entirely impossible to settle claims arising from the underlying pool (underlying default risk). Moreover, other interested parties such as guarantors or credit insurers, financial derivatives counterparties, administrators or other parties may not be able to fulfill their obligations in the agreed manner.
- Increased liquidity risk: ABS are normally exposed to a greater risk than conventional bonds with the same credit rating of it not being possible to dispose of them in good time without an above-average markdown on their market value.
- For example, premature principal repayments in the underlying pool are a specific form of market risk and may heighten the interest rate risk.
- Complexity risks due to a frequently multi-layered and intricate structure and the lack of standardization.
- Legal risks, in particular the risk of the nullity of the asset transfer in the event of the insolvency of the original owner (risk of the SPV's insufficient remoteness from bankruptcy).
- Operational risks: Particularly in relation to the activities of the investment manager(s), the custodian(s) and the servicer(s) there is a risk that internal procedures, personnel and systems

may prove to be inadequate or may fail (such as a lack of personnel or IT resources or fraudulent conduct).

16.24. Risks associated with structured products

Structured securities are bonds in which derivatives are embedded. The income and/or capital repayments on such investment products are therefore generally not fixed and will depend on specific future events and developments. As well as the conventional risks associated with bonds, additional risks may arise whose nature and scope will depend on the nature and complexity of the derivative included.

Embedded derivatives may hamper the assessment of the underlying market risk. In addition, structured issues frequently have less liquidity than conventional bond issues.

It is expressly pointed out that the list of risks provided here is only a brief description which is no substitute for personal, expert investment advice!

17. Details of the method, level and calculation of the remuneration payable to the management company, the custodian bank or third parties and charged to the Fund, and the reimbursement of costs to the management company, the custodian bank or third parties by the Fund.

17.1. Management fee

a) Fixed remuneration

For its management activity, the management company receives fixed annual remuneration of up to **1.30 per cent** of the assets of the Fund. This remuneration will be charged as monthly part amounts. The fixed annual remuneration will be calculated on a daily basis and will thus be charged to the Fund's expenses on a daily basis and affect its net asset value.

For the following institutional tranches (minimum investment amount: EUR 3,000,000)

- **AT0000A14J14** (distribution institutional tranche)
- **AT0000A14J22** (accumulation institutional tranche)
- **AT0000A14J30** (full accumulation institutional tranche)

in deviation from Article 7 of the Fund Regulations, annual remuneration of up to **0.80 per cent** of the assets of the Fund will be charged.

b) Performance fee (variable remuneration)

As well as the (fixed) management fee, for the following tranches variable remuneration (performance fee) will also be charged:

- **AT0000A14J48** (distribution retail tranche)
- **AT0000A14J55** (accumulation retail tranche)
- **AT0000A1PE35** (full accumulation retail tranche)
- **AT0000A14J14** (distribution institutional tranche)
- **AT0000A14J22** (accumulation institutional tranche)
- **AT0000A14J30** (full accumulation institutional tranche)

The variable remuneration amounts to **a maximum of 10 per cent** of the fee-relevant increase in the Fund's value. The increase in value in relation to the high-water mark is the fee-relevant increase in value. The high-water mark corresponds to the highest unit value as of the end of a quarter for which performance-related remuneration has been paid out to date.

This variable remuneration will be calculated on a daily basis and will thus be charged to the Fund's expenses on a daily basis and affect its net asset value. During the quarter, items will be credited to and debited from an accrual account in accordance with the Fund's performance; the total debit items during this quarter may not exceed the total credit items. Due to refunds over the course of a quarter, the variable remuneration already charged to the Fund may be reduced to zero, at most. The method developed by Österreichische Kontrollbank AG (OeKB) is used for the calculation of the net asset value and the increase in value. This method assumes reinvestment of any payments or distributions. The Fund will pay the variable remuneration on a quarterly basis after the end of the quarter, as of the last trading day of the following month, with an effect on liquidity.

However, for the additional distribution institutional tranche (F) with the ISIN: AT0000A1EKN2 (minimum investment amount: EUR 3,000,000), **no** variable remuneration (performance fee) will be deducted in addition to the fixed annual remuneration (up to **1.30 per cent** of the assets of the Fund, charged as monthly part amounts).

17.2. Other expenses

Besides the management company's remuneration, the following expenses will be deducted from the Fund:

a) Transaction costs

This refers to those costs associated with the purchase and sale of assets of the Fund that have not already been included in the price as part of the transaction cost settlement. Transaction costs also include the costs for a central counterparty for OTC derivatives (in accordance with the Regulation (EU) No. 648/2012 (EMIR)).

Settlement of transactions

The management company hereby provides notice that it may execute transactions for the Fund through a closely linked undertaking, i.e. a linked undertaking within the meaning of Art. 4 (1) Item 38 of Regulation (EU) No 575/2013.

b) Auditor's fees/costs for determination of the values for tax purposes

The remuneration paid to the auditor is based on the Fund's volume and the investment principles. External costs for the determination of the values for tax purposes – for the preparation of the tax calculation – are also charged to the Fund. This also includes the calculation of the tax details per unit for unitholders who do not have unlimited tax liability in Austria.

c) Publication costs and supervisory costs

- *Publication costs*

These costs include expenses associated with the production and publication of information for unitholders in Austria and elsewhere that is required by law. This also includes the costs for the creation and use of a durable medium (with the exception of cases not permitted by law).

- *Supervisory costs*

Moreover, all costs charged by the supervisory authorities and costs resulting from the fulfillment of statutory distribution requirements in the countries of distribution may be charged, where permitted by law. Costs resulting from notification obligations in compliance with supervisory requirements may also be charged to the Fund.

d) Costs associated with the Fund's cash accounts and securities accounts (custody account fees)

This comprises the standard custody fees charged by the depositary, charges for coupon collection, where applicable including standard charges for custody of foreign securities outside Austria. These costs have already been covered through the management fee. Any external (i.e. charged by third parties) custody or depositary costs (normal bank fees for custody of foreign securities in other countries) may be charged to the Fund.

e) Costs for administrative activities transferred to external entities

This comprises those costs which arise in connection with externally provided fund accounting services (delegation). These costs have already been covered through the management fee.

f) Costs associated with external consultancy firms or investment consultants

Since December 30, 2013, the Fund's management has been handled by CONVERTINVEST Financial Services GmbH, Liebermannstrasse F03/401, 2345 Brunn am Gebirge, Austria. Other than the costs listed under Item 18 (management costs), the unitholder will not incur any further costs for this.

g) *Costs for external reserch*

For the purpose of improving the quality of the management service, the investment fund may also be charged costs for external research obtained for the investmentfund.

You will find the items listed in Letters b) to g) in the “Expenses” sub-item of the “Fund earnings” section of the current annual fund report.

Benefits

The management company provides notice that it will only realize (other) benefits (in money’s worth) resulting from its management activity (e.g. broker research, financial analyses, market and price information systems) for the Fund where these benefits are used in the interests of the unitholders. Kickbacks provided by third parties (by way of commission) will be passed on to the Fund and reported in the annual fund report. The management company will not provide any kickbacks (by way of commission) for this Fund out of the collected management fee.

18. External consultants or investment advisers

Since December 30, 2013, the Fund’s management has been handled by CONVERTINVEST Financial Services GmbH, Liebermannstrasse F03/401, 2345 Brunn am Gebirge, Austria. Other than the costs listed under Item 18 (management costs), the unitholder will not incur any further costs for this.

19. Details of measures implemented for payments to the unitholders, repurchasing or redemption of units and distribution of information concerning the Fund. This information must be provided for the Member State in which the Fund has been authorized. The above information is also required for any further Member State in which the Fund’s units are distributed and must be included in the Prospectus distributed there.

Insofar as the unit certificates are represented by global certificates, the distributions and payments shall be credited by the unitholder’s custodian bank.

Please refer to Item 5 of Annex I for details of the distributors (paying agents and filing agents).

Please refer to the final page of this Prospectus for details of the distributors for investors in the Federal Republic of Germany.

20. Further investment information

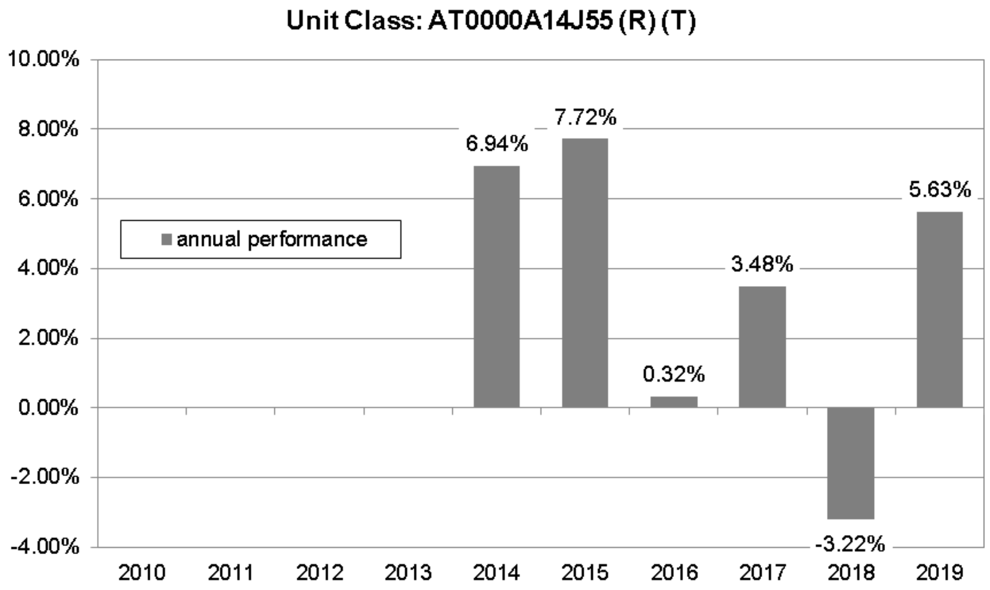
20.1 Results to date for the Fund (where applicable)

This information refers to the Fund’s performance up to the indicated cut-off date. For the latest performance details, please see www.3bg.at.

Cumulative gross performance of the accumulation retail tranche (as of December 30, 2019):

Performance over a period of 3 years p.a.:	1.90%
Performance over a period of 5 years p.a.:	2.71%
Performance over a period of 10 years p.a.:	N.A.

Gross performance per calendar year in % (accumulation retail tranche)

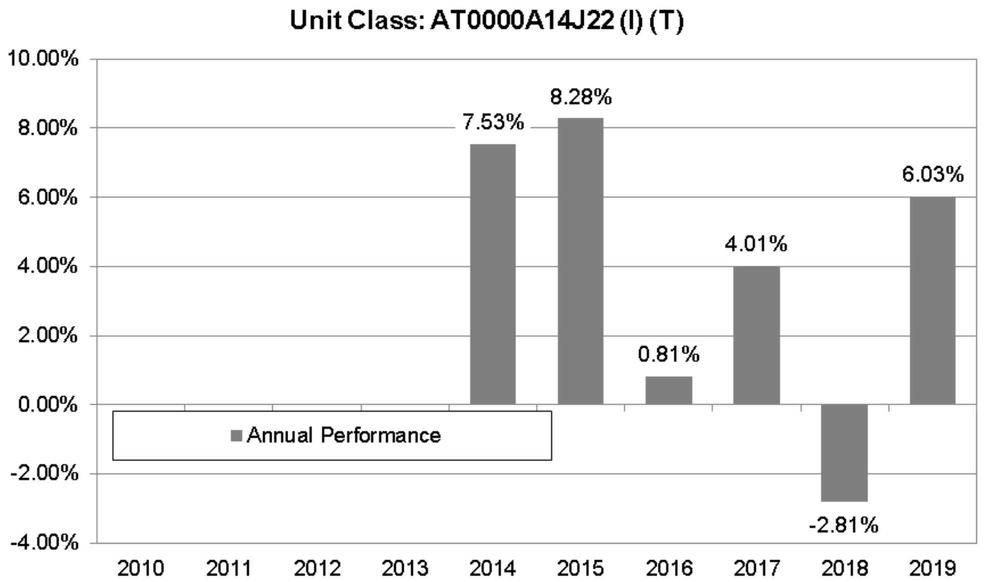


The indicated performance refers to the accumulation retail unit class and is representative of all of the retail unit classes.

Cumulative gross performance of the accumulation institutional tranche (as of December 30, 2019):

Performance over a period of 3 years p.a.:	2.34%
Performance over a period of 5 years p.a.:	3.19%
Performance over a period of 10 years p.a.:	N.A.

Gross performance per calendar year in % (accumulation institutional tranche)

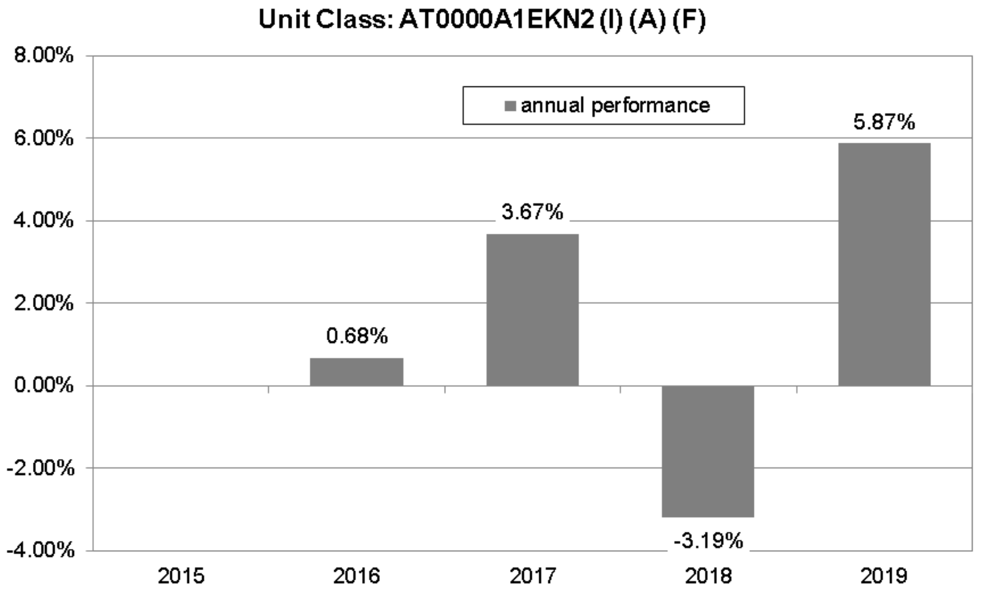


The indicated performance refers to the accumulation institutional unit class and is representative of the two other institutional unit classes (ISIN: AT0000A14J14 and AT0000A14J30).

Cumulative gross performance of the distribution institutional tranche excl. performance fee (as of December 30, 2019):

Performance over a period of 3 years p.a.:	2.04%
Performance over a period of 5 years p.a.:	N.A.
Performance over a period of 10 years p.a.:	N.A.

Gross performance per calendar year in % (distribution institutional tranche excl. performance fee)



The performance calculation is based on the OeKB method and is implemented by Österreichische Kontrollbank AG. The performance calculation does not take into consideration the one-off subscription fee in the amount of 5.00% of the customer-specific account and custody fees or fund taxes but does include any fees which are directly charged to the Fund. For the latest performance details, please see www.3bg.at.

20.2. Profile of the typical investor for whom the Fund is designed.

Please refer to the "key investor information ("KID")".

20.3. Brief description of the strategies for the exercise of voting rights in relation to investments

Please refer to the "Principles governing the exercise of voting rights" section in the Annex.

20.4. Principles governing the best execution of trading decisions

Please refer to the "Best execution policy" section in the Annex.

20.5. Investors' complaints

3 Banken-Generali Investment-Gesellschaft m.b.H. has established a complaints management system with dedicated personnel and technical resources. These systemic measures will be implemented in response to any dissatisfaction expressed by an investor and are intended to ensure that the complaint in question is dealt with immediately and satisfactorily. Investments may submit complaints by e-mail to beschwerde@3bg.at.

21. Any other costs or fees – excluding the costs listed under Item 17 – broken down into those to be paid by the unitholder and those to be paid out of the portfolio of assets of the Fund.

The fees for custody of the unit certificates are based on the agreement concluded between the unitholder and the custodian institution. Costs may be incurred at the redemption of unit certificates if they are surrendered through third parties.

No further costs other than those indicated in Items 10, 11 and 17 will apply.

PART III

INFORMATION ON THE CUSTODIAN BANK/DEPOSITARY

1. **Identity of the UCITS' depositary and description of its obligations as well as any conflicts of interest which may arise**

   BKS Bank AG, St. Veiter Ring 43, 9020 Klagenfurt, Austria, is the custodian bank/depositary. Companies register number: FN 91810 s. Companies register court: Klagenfurt Regional Court (as a commercial court). The custodian bank/depositary is a credit institution under Austrian law. Its principal areas of business are current accounts, deposits, lending and securities.

   BKS Bank AG, Klagenfurt was appointed the custodian bank/depositary on the basis of the notice issued by the Austrian Financial Market Authority as of December 16, 2013, ref. no. FMA-IF25 5258/0001-INV/2013.

   The Austrian Financial Market Authority must approve any appointment or replacement of the custodian bank. This approval may only be granted if it may be assumed that the relevant credit institute will perform the tasks required of a custodian bank. The appointment or replacement of the custodian bank must be publicly announced, with this public announcement including a reference to the official notice of approval.

   Under InvFG 2011, the custodian bank is responsible for custody of eligible assets of the Fund and for maintenance of the accounts and securities accounts of the Fund. It is also responsible for custody of the unit certificates for the funds managed by the management company (§ 39 (2) InvFG 2011). It must ensure, in particular, that it receives without delay the proceeds of transactions relating to the Fund's assets and that the Fund's income is appropriated pursuant to the provisions of InvFG 2011 and the Fund Regulations.

   The tasks of the custodian bank/depositary are defined in § 42 InvFG. Detailed information regarding the (additional) obligations of the depositary/custodian bank by law and pursuant to the depositary contract will be provided upon request. Moreover, further activities have been delegated to the depositary within the framework of a transfer under InvFG – please refer to Part I, Item 7 for details of these delegations.

   Out of the accounts which it holds for the Fund, the custodian bank will pay the management company any remuneration to which it is entitled under the Fund Regulations for its management of the Fund and reimburse any expenses associated with the Fund's management. The custodian bank may charge the Fund the fees payable to it for its custody of the Fund's securities and for its keeping of the accounts. In doing so, the custodian bank may only act on the basis of instructions from the management company.

   Possible conflicts of interest:

   The depositary is an undertaking which is closely linked with the management company, i.e. a linked undertaking within the meaning of Art. 4 (1) Item 38 of Regulation (EU) No 575/2013. This may result in fees which are higher than normal. Appropriate measures will be implemented to prevent any disadvantage for unitholders or a potential conflict of interest resulting due to a higher burden of charges. For further details, please refer to the internal conflict of interest policy at www.3bg.at.

2. **Description of any custody functions transferred by the depositary, list of delegates and sub-delegates and details of any conflicts of interest which may result from the transfer of tasks**

   The depositary makes use of the services of third parties (sub-depositaries) for its tasks within the scope of its custody of assets, while complying with § 42a InvFG.

   The sub-depositaries of the custodian bank indicated in the following (general) list are for all of the funds managed by the management company. Accordingly, these sub-depositaries will not necessarily all be responsible for custody of assets of this Fund.

2.1. Fund units

- **Austrian fund units (collective safekeeping)**

  OeKB CSD GmbH, Bank für Tirol und Vorarlberg Aktiengesellschaft, Oberbank AG, Raiffeisen Bank International AG.

- **Foreign fund units/ETFs (safekeeping of securities abroad)**

  Euroclear SA/NV Belgium, Raiffeisen Bank International AG, Attrax Luxemburg S.A., State Street Bank Luxemburg S.A., Caceis Bank S.A. Germany Branch.

2.2. Bonds (collective safekeeping/safekeeping of securities abroad)

OeKB CSD GmbH, Euroclear SA/NV Belgium, Caceis Bank S.A. Germany Branch.

2.3. Equities, warrants, participation certificates, index certificates (collective safekeeping/safekeeping of securities abroad)

OeKB CSD GmbH, Euroclear SA/NV Belgium, Raiffeisen Bank International AG, Caceis Bank S.A. Germany Branch, UBS Group AG.

2.4. Derivatives (options, futures etc.)

Oberbank AG, Erste Group Bank AG Wien, Caceis Bank S.A. Germany Branch.

No conflicts of interest resulting from the assignment of tasks to third parties have been identified.

Upon request, the custodian bank/depositary will provide the investors in the Fund with an up-to-date version of the above information.

3 Banken-Generali Investment-Gesellschaft m.b.H

Alois Wögerbauer, CIIA Managing Director	**Mag. Dietmar Baumgartner** Managing Director

Signed electronically

ANNEX I

1. Details of the management board

- Alois Wögerbauer, CIIA; Untere Donaulände 36, 4020 Linz
- Mag. Dietmar Baumgartner, Untere Donaulände 36, 4020 Linz
  (other positions: member of the board of the private foundation of Oberbank AG)
- Gerhard Schum, Hoher Markt 3, 1010 Vienna

2. Supervisory board, share capital

- Erich Stadlberger, MBA, Chairman
  (other positions: director of 3-Banken Wohnbaubank AG, head of private banking & asset management at Oberbank AG)
- Axel Sima, Deputy Chairman
  (other positions: director of Generali Versicherung AG, chief investment officer of the Generali Group, Austria, member of the management board of B.V. Algemene Holding en Financierings Maatschappij, Amsterdam, Netherlands, chairman of the supervisory board of Generali 3Banken Holding AG)
- Dr. Gottfried Wulz, Member
  (other positions: member of the boards of the private foundations Soprano Privatstiftung, Vescovo Privatstiftung and Azelia Privatstiftung)
- Dr. Nikolaus Mitterer, Member
  (other positions: head of the Group legal department at Generali Versicherung AG, director of Generali 3Banken Holding AG, managing director of NHM Beteiligungsverwaltung GmbH, managing director of Generali Beteiligungs- und Vermögensverwaltung GmbH, managing director of Generali Immobilien GmbH)
- Mag. Paul Hoheneder, Member
  (other positions: head of accounting, Generali Versicherung AG)

The Company's paid-in share capital amounts to EUR 2,600,000.

3. Shareholders

- Generali Versicherung AG, Vienna
- Oberbank AG, Linz
- Bank für Tirol und Vorarlberg Aktiengesellschaft, Innsbruck
- BKS Bank AG, Klagenfurt

4. List of all of the funds managed by the company

A list of all of the funds managed by the management company is available on the website www.3bg.at and will also be provided in paper form or electronically upon request.

5. Distributors

- BKS Bank AG, St. Veiter Ring 43, 9020 Klagenfurt, Austria,

and its branch offices.

ANNEX II

TAX TREATMENT FOR INVESTORS WITH UNLIMITED TAX LIABILITY IN AUSTRIA

Legal notice

The following tax comments reflect the current understanding of the legal situation. The tax assessment may change due to legislation, court rulings or other legal instruments of the fiscal authorities. It may be advisable to seek advice from a tax expert.

The annual fund reports contain details of the tax treatment of fund distributions and dividend-equivalent income.

The following comments mainly apply to securities accounts held in Austria and to investors with unlimited tax liability in Austria.

Calculation of income at fund level

A fund's income mainly comprises ordinary and extraordinary income. Ordinary income largely consists of interest and dividend income. The fund's expenses (e.g. management fees, auditor's costs) will reduce its ordinary income.

Extraordinary income comprises profits from the realization of securities (mainly equities, debt securities and the related derivatives), offset against realized losses. Loss carryovers and a possible expenditure overhang will also reduce the fund's current profits. A possible loss overhang may be offset against the fund's ordinary income. Losses which have not been offset may be carried forward for an indefinite period.

Private assets

Full tax settlement (taxation at source), no requirement for inclusion in investor's tax return

Insofar as distributions (interim distribution) by a fund to its unitholders derive from investment income subject to investment income tax and the recipient of the distribution is liable for investment income tax, the Austrian agent paying a coupon will withhold investment income tax from the sums distributed in the amount prescribed by law for such income. Under the same circumstances, notional redemptions for accumulation funds will be withheld as investment income tax for the dividend-equivalent income included in the value of a unit (except in case of full accumulation funds).

As a rule, a private investor is not required to include the income in question in his tax return. All tax obligations of the investor will have been discharged upon deduction of investment income tax. The deduction of investment income tax will entail full taxation at source in respect of income tax.

Exemptions from taxation at source

Taxation at source is excluded:

a) for schedule II investment income tax-exempt debt securities included in the assets of the fund (so-called "old issues", "Altemissionen"), unless the investor has opted for investment income tax to be withheld. Such income must still be declared in a tax return;

b) for securities included in the assets of a fund for which Austria does not have a sovereign right of taxation if the investor has claimed benefits under double taxation agreements. Income from such securities must be declared in the income tax return under the column headed "Neben den angeführten Einkünften wurden Einkünfte bezogen, für die das Besteuerungsrecht aufgrund von Doppelbesteuerungsabkommen einem anderen Staat zusteht" ("Income other than the income listed that is taxable by another country under double taxation agreements").

However, the deducted investment income tax may in such case be offset or reclaimed pursuant to § 240 of the Austrian Federal Tax Code (*Bundesabgabenordnung*, BAO).

Taxation at fund level

The fund's ordinary income (interest, dividends) will attract investment income tax at a rate of 25% after deduction of expenses (for taxable income from January 1, 2016: 27.5%). Realized price losses (after offsetting against realized price gains) and new loss carryovers (losses from financial years beginning in 2013) will likewise reduce the fund's ordinary income.

At least 60% of all extraordinary income realized – whether distributed or accumulated – will likewise attract investment income tax at a rate of 25% (for taxable income from January 1, 2016: 27.5%). Where realized capital gains are distributed, they will be fully taxable (e.g. if 100% are distributed, 100% will be taxable; if 75% are distributed, 75% will be taxable).

Taxation at the level of unit certificate holders

- **Sale of fund units**

The one-year speculation period will remain applicable for fund units acquired prior to January 1, 2011 (old units) (§ 30 of the Austrian Income Tax Act (*Einkommensteuergesetz*, EStG), in the version applicable prior to the 2011 Austrian Budget Accessory Act (*Budgetbegleitgesetz*, BudgetbegleitG)). From today's point of view, these units are no longer liable for tax.

Fund units acquired on or after January 1, 2011 (new units) will be taxed according to the increase in value realized upon their sale, irrespective of their holding period. The custodian institution deducts investment income tax, at a rate of 25%, on the difference between the sales proceeds and the acquisition value (adjusted for tax purposes) (dividend-equivalent income is added to acquisition costs, while tax-free distributions are deducted from acquisition costs) (for sales on or after January 1, 2016: 27.5%).

- **Compensation for losses at the level of the unit certificate holder's securities account:**

From April 1, 2012, the custodian bank must offset price gains and price losses and also income (with the exceptions of coupons on existing positions, interest income on bank deposits and savings deposits) resulting from any types of securities which an individual investor holds with a credit institution in any securities accounts within a given calendar year ("compensation for losses"). The maximum creditable amount is the investment income tax already paid. If 25% of the realized losses exceed the investment income tax already paid, the remaining loss will be registered up to the end of the calendar year for future offsettable profits and income. Any further losses not offset against (further) profits or income during the calendar year will no longer be considered. It is not possible to transfer losses from one calendar year to the next.

Investors whose income tax rate is less than 25% (or, from January 1, 2016, less than 27.5%) may opt in their income tax return for any investment income subject to the tax rate of 25% or 27.5% to be taxed at their lower income tax rate (standard taxation option). It will not be possible to deduct income-related expenses (e.g. securities account fees). Previously withheld investment income tax will be reimbursable within the scope of the investor's tax return. If the taxpayer only desires compensation for losses in relation to capital income subject to a tax rate of 25% (for taxable income from January 1, 2016: 27.5% rate of investment income tax), separately from the standard taxation option he may select the loss compensation option. The same applies in cases where taxpayers are entitled to claim tax relief under DTA. It is not necessary to disclose all investment income which is eligible for taxation at source for this purpose.

Business assets

Taxation and tax settlement for units held in the business assets of natural persons

For natural persons deriving income from capital assets or a business enterprise (sole proprietors, co-entrepreneurs), income tax on income liable for investment income tax (interest on debt securities, Austrian and foreign dividends and other ordinary income) will be deemed to have been settled upon deduction of investment income tax:

For financial years beginning in 2012, distributions (interim distributions) of capital gains from Austrian funds and dividend-equivalent capital gains from foreign subfunds were taxable in accordance with the applicable tax scale. Thereafter the special tax rate of 25% came into effect for the tax assessment (for taxable income from January 1, 2016: 27.5%).

For financial years of the fund beginning after December 31, 2012, all price gains realized within the scope of the assets of the fund will be taxable immediately (i.e. tax-free accumulation of capital gains will no longer be possible). However, the 25% (or, from January 1, 2016, 27.5%) investment income tax deducted does not entail taxation at source. It is merely a prepayment on the special income tax rate within the scope of the tax assessment.

In principle, profits from the sale of a fund unit will also be subject to the 25% (or, from January 1, 2016: 27.5%) investment income tax rate. This investment income tax deduction is itself only a prepayment on the special income tax rate levied within the scope of the tax assessment, in the amount of 25% or, from January 1, 2016, 27.5% (profit = difference between the sales proceeds and the acquisition costs; the dividend-equivalent income on which tax has already been paid during the holding period or as of the date of sale must be deducted from this; dividend-equivalent income must be accounted for off-balance sheet throughout the holding period of the fund unit, in the form of a "nominal amount" for tax purposes. Write-downs on the unit in the fund under company law will accordingly reduce the dividend-equivalent income for the respective year).

In case of securities accounts held within the scope of business assets, the bank is not permitted to implement the loss compensation procedure. In this case, offsetting will only be permitted within the scope of the investor's tax return.

Taxation of units held in the business assets of legal entities

In principle, the fund's ordinary income (e.g. interest, dividends) will be taxable.

However, the following proceeds will be tax-free:

- Austrian dividends (the investment income tax withheld upon the accrual of these dividends to the fund is reimbursable)
- Profit shares from investments in EU corporate bodies
- Profit shares from investments in foreign corporate bodies which are comparable with an Austrian corporate body within the scope of § 7 (3) of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*, KStG) and with whose country of residence Austria maintains comprehensive administrative assistance arrangements.

However, profit shares from foreign corporate bodies are not exempt if this foreign corporate body is not subject to any tax analogous to Austrian corporate income tax (this will be the case if the foreign tax is more than 10% lower than the Austrian corporate income tax or if the foreign corporate body is granted a personal or objective exemption outside Austria). Dividends originating in other countries are liable for corporate income tax.

For financial years of the fund beginning after December 31, 2012, all price gains realized within the scope of the assets of the fund will be taxable immediately (i.e. tax-free accumulation of capital gains will no longer be possible).

Unless a declaration of exemption pursuant to § 94 Item 5 EStG has been presented, the paying agent will also withhold from any distribution investment income tax on units held as part of business assets or will transfer to the tax authorities as investment income tax payments from accumulation funds. Investment income tax which has been deducted and paid over to the tax authorities may be offset against assessed corporate income tax or reimbursed.

Profits from the sale of a fund unit will be subject to the 25% corporate income tax rate. Price losses and impairment losses are immediately tax deductible.

Corporate bodies with income from capital assets

In case of corporate bodies (e.g. associations) which derive income from capital assets, corporate income tax will be deemed to have been settled through the tax deduction. Investment income tax levied on tax-free dividends is reimbursable.

For income received on or after January 1, 2016, the investment income tax rate will increase from 25% to 27.5%. However, for corporate bodies with income deriving from capital assets the 25% corporate income tax rate will continue to apply for this income.

If the office redeeming a coupon does not continue to apply the 25% investment income tax rate for these taxpayers, the individual taxpayer may reclaim from the tax office the excess amount of investment income tax withheld.

As a rule, private foundations will be subject to interim tax at a rate of 25% on the income generated in the fund. However, Austrian dividends are tax-free (the investment income tax withheld upon accrual of these dividends to the fund is reimbursable), and so too are profit shares from investments in EU corporate bodies and from investments in foreign corporate bodies which are comparable with an Austrian corporate body within the scope of § 7 (3) KStG and with whose country of residence Austria maintains comprehensive administrative assistance arrangements.

However, profit shares from foreign corporate bodies are not exempt if this foreign corporate body is not subject to any tax analogous to Austrian corporate income tax (this will be the case if the foreign tax is more than 10% lower than the Austrian corporate income tax or if the foreign corporate body is granted a personal or objective exemption outside Austria). Dividends originating in other countries are liable for corporate income tax.

At least 60% of all capital gains (price gains from realized equities and equity derivatives and from bonds and bond derivatives) realized – whether distributed or accumulated – will likewise be subject to interim tax at a rate of 25%. Where realized capital gains are distributed, they will be fully taxable (e.g. if 100% are distributed, 100% will be taxable; if 75% are distributed, 75% will be taxable).

Fund units purchased on or after January 1, 2011 will be taxed for the increase in value realized as of their sale. The assessment basis for taxation is the difference between the sales proceeds and the acquisition value (adjusted for tax purposes) of the units of the fund. Within the scope of the calculation of this acquisition value (adjusted for tax purposes), income which is taxed during the holding period will increase the acquisition costs for the unit certificate, while distributions made or investment income tax paid out will reduce these acquisition costs.

ANNEX III

Fund Regulations pursuant to InvFG 2011
CONVERTINVEST Global Convertible Properties
A co-ownership fund pursuant to § 2 (1) and (2) InvFG

The Austrian Financial Market Authority (FMA) has approved the Fund Regulations for the investment fund **CONVERTINVEST Global Convertible Properties**, a co-ownership fund pursuant to the **2011 Austrian Investment Fund Act, as amended** (InvFG).

The investment fund is an undertaking for collective investment in transferable securities (UCITS) and is managed by 3 Banken-Generali Investment-Gesellschaft m.b.H. (hereinafter: the "management company") which is headquartered in Linz.

Article 1 Co-ownership interests

The co-ownership interests are embodied in unit certificates that are negotiable instruments which are issued to bearer. The unit certificates are represented by global certificates for each unit class. Therefore, actual securities cannot be issued.

Article 2 Custodian bank (depositary)

The investment fund's custodian bank (depositary) is BKS Bank AG, Klagenfurt. The custodian bank (depositary) and other paying agents referred to in the Prospectus are the paying agents for unit certificates.

Article 3 Investment instruments and principles

The following assets may be selected for the investment fund, as stipulated in InvFG*:*

For the investment fund's investments, convertible bonds, warrant-linked bonds and options of issuers in the real estate industry or whose underlying is provided by the real estate industry will be purchased for **not less than 51 per cent** of the assets of the Fund, without any restrictions in relation to currencies, regions or countries. The Fund acquires its investments in the form of directly purchased individual securities. Its investments are thus not held directly or indirectly through investment funds or derivatives.

The following investment instruments are purchased for the assets of the Fund, subject to compliance with the above-mentioned investment focus.

Securities

Securities (including securities featuring embedded derivative instruments) will be purchased to the **extent permitted by law.**

Money market instruments

Money market instruments may be purchased for **up to 49 per cent** of the assets of the Fund.

Securities and money market instruments

- Not fully paid-in securities or money market instruments and subscription rights for such instruments or other not fully paid-in financial instruments may be purchased.
- Securities and money market instruments may be purchased where they comply with the criteria for listing and trading on a regulated market or a stock exchange pursuant to InvFG.
- Securities and money market instruments which do not fulfill the criteria laid down in the above paragraph may be purchased for **up to 10 per cent** of the assets of the Fund in aggregate.

Units of investment funds

- Units of investment funds (UCITS, UCIs) may **each** be purchased for **up to 10 per cent** of the assets of the Fund – and **up to 10 per cent** of the assets of the Fund **in aggregate** – insofar as these UCITS or UCIs do not for their part invest more than 10 per cent of their fund assets in units of other investment funds.

Derivative instruments

Derivative instruments may account for **up to 49 per cent** of the assets of the Fund within the framework of the investment fund's strategy and for hedging purposes.

Investment fund's risk measurement method:

The investment fund uses the following risk measurement method:

Commitment approach: The commitment value is calculated pursuant to the 3rd chapter of the 4th Austrian Derivatives Risk Calculation and Reporting Ordinance (*Derivate-Risikoberechnungs- und Meldeverordnung,* DeRiMV), as amended.

Demand deposits and callable deposits

- Demand deposits and callable deposits with a term not exceeding 12 months may amount to **up to 49 per cent** of the assets of the Fund. No minimum bank balance need be maintained.
- In case of restructuring of the Fund's portfolio and/or a legitimate assumption of impending losses for securities, the investment fund may hold a lesser volume of securities and a higher volume of demand deposits or callable deposits with a term not exceeding 12 months.

Short-term loans

- The management company may take up short-term loans of **up to 10 per cent** of the assets of the Fund for account of the investment fund.

Repurchase agreements

Not applicable.

Securities lending

- Securities lending transactions may account for **up to 30 per cent** of the assets of the Fund.

Investment instruments may only be acquired uniformly for the entire investment fund, not for an individual unit class or for a group of unit classes.

However, this does not apply for currency hedging transactions. These transactions may only be entered into in relation to a single unit class. Expenses and income resulting from a currency hedging transaction shall exclusively be allocated to the relevant unit class.

Article 4 Issuance and redemption procedures

The unit value shall be calculated in the currency of the unit class. The value of units will be calculated on each Austrian banking day (excluding Good Friday and New Year's Eve).

Issuance and subscription fee

The issue price is the unit value plus a fee per unit of **up to 5 per cent** to cover the management company's issuing costs, rounded up or down to the nearest equivalent subunit.

Issuance of the units shall not be limited in principle; however, the management company reserves the right to cease issuing unit certificates either temporarily or permanently.

The management company shall be entitled to introduce a graduated subscription fee.

Redemption and redemption fee

The redemption price corresponds to the unit value, rounded up or down to the nearest equivalent subunit.
No redemption fee will be charged. At the request of a unitholder, his unit shall be redeemed out of the investment fund at the applicable redemption price against surrender of the unit certificate.

Article 5 Accounting year

The investment fund's accounting year is the period from February 1 to January 31.

Article 6 Unit classes and appropriation of income

Distribution unit certificates and/or accumulation unit certificates with capital gains tax payment and/or accumulation unit certificates without capital gains tax payment may be issued for the investment fund.

Various classes of unit certificates may be issued for this investment fund. The establishment of unit classes and issuance of units in a given unit class are at the discretion of the management company.

Appropriation of income in case of distribution unit certificates (income distribution)

The income received during the past accounting year (interest and dividends), net of expenses, may be distributed at the discretion of the management company. The management company may opt not to make any distribution, subject to due consideration of the interests of the unitholders. The distribution of income from the sale of assets of the investment fund, including subscription rights, is likewise at the discretion of the management company. The fund assets may be distributed. Interim distributions are permitted. The assets of the Fund may not, as a result of distributions, fall below the minimum volume for a termination which is stipulated by law.

These amounts will be distributed to holders of distribution unit certificates from April 30 of the following accounting year, where applicable upon surrender of a coupon. The remainder will be carried forward to new account.

In any case, from April 30 the amount calculated pursuant to InvFG shall be paid out, to be used where applicable to meet any investment income tax commitments on the dividend-equivalent income for those unit certificates.

Appropriation of income in case of accumulation unit certificates with capital gains tax payment (income accumulation)

The income received during the accounting year that remains, net of expenses, will not be distributed. From April 30, the amount calculated pursuant to InvFG shall be paid out on accumulation unit certificates to be used, where applicable, to meet any investment income tax commitments on the dividend-equivalent income for those unit certificates.

Appropriation of income in case of accumulation unit certificates without capital gains tax payment (full income accumulation, Austrian and foreign tranches)

The income received during the accounting year that remains, net of expenses, will not be distributed. No payment pursuant to InvFG will be made. April 30 of the following accounting year shall be the key date pursuant to InvFG in case of non-payment of investment income tax on the annual income.

The management company must ensure, by furnishing proof from the custodian institutions, that at the time of payment, the unit certificates are only held by unitholders who are either not subject to Austrian personal or corporate income tax or who fulfill the requirements for exemption pursuant to § 94 of the Austrian Income Tax Act or for an investment income tax exemption.

If these preconditions have not been met as of the payment date, the amount calculated pursuant to InvFG shall be paid out by the custodian bank in the form of credit.

Article 7 Management fee, reimbursement of expenses, winding-up fee

For its management activity, the management company receives fixed annual remuneration of up to **1.30 per cent** of the assets of the Fund. This remuneration will be charged as monthly part amounts. The fixed annual remuneration will be calculated on a daily basis and will thus be charged to the Fund's expenses on a daily basis and affect its net asset value.

The management company shall be entitled to introduce a graduated management fee.

The variable component (performance fee) will amount to **up to 10 per cent** of the Fund's increase in value, subject to application of the high-water mark method. This remuneration will be calculated on a daily basis and will thus be charged to the Fund's expenses on a daily basis and affect its net asset value. The overall economic performance will be determined quarterly at the end of each calendar quarter, and the settlement will be calculated on this basis.

The management company is entitled to reimbursement of all expenses associated with its management activities.

The costs arising at the introduction of new unit classes for existing asset portfolios shall be deducted from the unit prices of the new unit classes.

At the winding-up of the investment fund, the managing agency shall receive remuneration amounting to **0.50 per cent** of the assets of the Fund.

Please refer to the Prospectus for further information regarding this investment fund.

Annex

List of stock exchanges with official trading and organized markets

1. Stock exchanges with official trading and organized markets in the Member States of the EEA as well as stock exchanges in European countries outside the member states of the EEA , which are equivalent to orgnanized markets

Each Member State is required to maintain an updated list of markets authorized by it. Such list is to be made available to the other Member States and to the European Commission.

Pursuant to the Directive, the European Commission is obliged to publish once per year a list of the regulated markets of which it has received notice.

Due to increasing deregulation and to trading segment specialization, the list of "regulated markets" is undergoing great changes. The European Commission will therefore provide an updated version on its official internet site in addition to annual publication of the list in the Official Journal of the European Communities.

1.1. The current list of regulated markets is available at:

https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_upreg [2]

1.2. The following stock exchanges are included in the list of *regulated markets*:

1.2.1.	Luxembourg	Euro MTF Luxembourg
1.2.2.	Switzerland	SIX Swiss Exchange AG, BX Swiss AG[3]

1.3. Recognized markets in the EEA pursuant to § 67 (2) Item 2 InvFG:

Markets in the EEA classified as recognized markets by the relevant supervisory authorities.

2. Stock exchanges in European countries that are not Member States of the EEA

2.1.	Bosnia & Herzegovina:	Sarajevo, Banja Luka
2.2.	Montenegro:	Podgorica
2.3.	Russia:	Moscow (RTS Stock Exchange); Moscow Interbank Currency Exchange (MICEX)
2.4.	Serbia:	Belgrade
2.5.	Turkey:	Istanbul (for Stock Market, "National Market" only)

3. Stock exchanges in non-European countries

3.1.	Australia:	Sydney, Hobart, Melbourne, Perth
3.2.	Argentina:	Buenos Aires
3.3.	Brazil:	Rio de Janeiro, Sao Paulo
3.4.	Chile:	Santiago
3.5.	China:	Shanghai Stock Exchange, Shenzhen Stock Exchange
3.6.	Hong Kong:	Hong Kong Stock Exchange
3.7.	India:	Mumbai
3.8.	Indonesia:	Jakarta
3.9.	Israel:	Tel Aviv
3.10.	Japan:	Tokyo, Osaka, Nagoya, Kyoto, Fukuoka, Niigata, Sapporo, Hiroshima
3.11.	Canada:	Toronto, Vancouver, Montreal
3.12	Colombia:	Bolsa de Valores de Colombia
3.13.	Korea:	Korea Exchange (Seoul, Busan)
3.14.	Malaysia:	Kuala Lumpur, Bursa Malaysia Berhad
3.15.	Mexico:	Mexico City
3.16.	New Zealand:	Wellington, Christchurch/Invercargill, Auckland
3.17.	Peru	Bolsa de Valores de Lima
3.18.	Philippines:	Manila
3.19.	Singapore:	Singapore Stock Exchange
3.20.	South Africa:	Johannesburg
3.21.	Taiwan:	Taipei

[2] To open the list, click on the left hand column under "Entity Type" and choose the restriction "Regulated market", click "Search" (or rather "Show table columns" and "Update"). The link may be modified by ESMA.

[3] In the event of the expiry of exchange equivalence for Switzerland, SIX Swiss Exchange AG and BX Swiss AG are to be subsumed under Point 2) "Stock exchanges in European countries that are not Member States of the EEA" until further notice.

3.22.	Thailand:	Bangkok
3.23.	USA:	New York, NYCE American, New York Stock Exchange (NYSE), Philadelphia, Chicago, Boston, Cincinnati
3.24.	Venezuela:	Caracas
3.25.	United Arab Emirates:	Abu Dhabi Securities Exchange (ADX)

4. Organized markets in countries that are not Member States of the European Community

4.1.	Japan:	Over the Counter Market
4.2.	Canada:	Over the Counter Market
4.3.	Korea:	Over the Counter Market
4.4.	Switzerland:	Over the Counter Market of the members of the International Capital Market Association (ICMA), Zurich
4.5.	USA:	Over the Counter Market (under the supevision, for instance of SEC, FINRA)

5. Stock exchanges with futures and options markets

5.1.	Argentina:	Bolsa de Comercio de Buenos Aires
5.2.	Australia:	Australian Options Market, Australian Securities Exchange (ASX)
5.3.	Brazil:	Bolsa Brasiliera de Futuros, Bolsa de Mercadorias & Futuros, Rio de Janeiro Stock Exchange, Sao Paulo Stock Exchange
5.4.	Hong Kong:	Hong Kong Futures Exchange Ltd.
5.5.	Japan:	Osaka Securities Exchange, Tokyo International Financial Futures Exchange, Tokyo Stock Exchange
5.6.	Canada:	Montreal Exchange, Toronto Futures Exchange
5.7.	Korea:	Korea Exchange (KRX)
5.8.	Mexico:	Mercado Mexicano de Derivados
5.9.	New Zealand:	New Zealand Futures & Options Exchange
5.10.	Philippines:	Manila International Futures Exchange
5.11.	Singapore:	The Singapore Exchange Limited (SGX)
5.12.	Slovakia:	RM-System Slovakia
5.13.	South Africa:	Johannesburg Stock Exchange (JSE), South African Futures Exchange (SAFEX)
5.14.	Switzerland:	EUREX
5.15.	Turkey:	TurkDEX
5.16.	USA:	NYCE American, Chicago Board Options Exchange, Chicago, Board of Trade, Chicago Mercantile Exchange, Comex, FINEX, ICE Future US Inc. New York, NASDAQ PHLX New York Stock Exchange, Boston Options Exchange (BOX)

REF. NO. FMA-IF25 5258/0001-INV/2013 of December 16, 2013
REF. NO. FMA-IF25 5258/0002-INV/2014 of April 9, 2014
REF.NO: FMA-IF25 5100/0074-INV/2018 of January 07, 2019
REF.NO: FMA-IF25 5100/0080-INV/2019 of January 08, 2020

With the expected withdrawal of the United Kingdom of Great Britain and Northern Ireland (GB) from the EU, GB will lose its status as an EEA member state and subsequently the stock exchanges / regulated markets located there will also lose their status as EEA stock exchanges / regulated markets. In this case, please note that the stock exchanges and regulated markets domiciled in the GB:

Cboe Europe Equities Regulated Market - Integrated Book Segment, London Metal Exchange, Cboe Europe Equities Regulated Market - Reference Price Book Segment, Cboe Europe Equities Regulated Market - Off-Book Segment, London Stock Exchange Regulated Market (derivatives), NEX Exchange Main Board (non-equity), London Stock Exchange Regulated Market, NEX Exchange Main Board (equity), Euronext London Regulated Market, ICE FUTURES EUROPE, ICE FUTURES EUROPE - AGRICULTURAL PRODUCTS DIVISION, ICE FUTURES EUROPE - FINANCIAL PRODUCTS DIVISION, ICE FUTURES EUROPE - EQUITY PRODUCTS DIVISION and Gibraltar Stock Exchange

are deemed to be stock exchanges or recognised regulated markets of a third country expressly provided for in these fund regulations within the meaning of the InvFG 2011 or the UCITS Directive.

ANNEX IV

PRINCIPLES FOR THE EXERCISE OF VOTING RIGHTS FOR THE INVESTMENT FUNDS MANAGED BY 3 BANKEN-GENERALI INVESTMENT-GESELLSCHAFT M.B.H.

In accordance with applicable provisions of investment fund legislation, 3 Banken-Generali Investment-Gesellschaft m.b.H. has established effective and appropriate strategies in order to determine when and how the voting rights associated with the individual financial instruments will be exercised, so that the relevant investment fund alone benefits from this. On grounds of efficiency, a voting right will be exercised whenever a significant share is held in a stock corporation's market capitalization. In the opinion of 3 Banken-Generali Investment-Gesellschaft m.b.H., this significant share is applicable whenever at least 3.0% of the voting rights are held at the level of the overall company. However, in individual cases voting rights may also be exercised if significantly lower interests are held but this appears necessary in order to safeguard the interests of the investors.

The principles for the exercise of voting rights are intended to enable the greatest possible degree of flexibility in voting decisions, with consideration of all relevant factors, so as to enable an individual decision in the interest of the unitholder. The objective is to be able to ensure that the interests of the unitholders in the specific fund are represented independently and as fully as possible at general meetings. The defined principles will be reviewed at least once a year in terms of whether they are up-to-date and will be adapted where appropriate, and immediately if necessary.

The following guidelines have been agreed with binding effect in relation to the exercise of voting rights:

a) **Shareholder rights:** 3 Banken-Generali Investment-Gesellschaft m.b.H. will strictly reject any measures which result in limitations of the rights of shareholders.

b) **Annual report and annual financial statements**: The highest possible level of transparency is required in relation to reporting. Should 3 Banken-Generali Investment-Gesellschaft m.b.H. consider financial reporting to be inadequate, delayed or unlawful, it will either abstain or vote against this.

c) **Auditor**: The auditor must be independent and carry out an objective audit of the company in question. If these preconditions would not be met, 3 Banken-Generali Investment-Gesellschaft m.b.H. will vote against the appointment of the auditor in question.

d) **Management board/supervisory board**: Consent will only be provided for the appointment of supervisory board members subject to appropriate technical qualifications and impartiality – otherwise, 3 Banken-Generali Investment-Gesellschaft m.b.H. will abstain. In regard to remuneration, remuneration models are supported which are linked to the company's positive long-term performance. This remuneration must be appropriate in view of the size and complexity of the relevant stock corporation. 3 Banken-Generali Investment-Gesellschaft m.b.H. will refuse to grant discharge to members of the management and supervisory boards in case of considerable doubts in relation to their performance or the company's repeatedly poor business performance by comparison with other companies in its industry.

e) **Application of the net income for the year/dividend**: The dividend policy must give balanced consideration to the interests of shareholders as well as the long-term stability of the stock corporation, while weighing up all of the relevant factors (profit for the year, structure of own resources etc.). A distribution may not in any circumstances weaken the company's assets.

f) **Corporate actions**: 3 Banken-Generali Investment-Gesellschaft m.b.H. will only agree to capital increases if this improves the company's long-term profit outlook and safeguards the subscription rights of existing shareholders. It will only provide its consent for share buyback programs if this buyback is in the best interests of the shareholders, but not for the sole purpose of strengthening the management's position or by way of defensive measures.

- **g) Mergers/acquisitions**: 3 Banken-Generali Investment-Gesellschaft m.b.H. will decide on how to vote on a case-by-case basis and assumes that all shareholders will be treated fairly and equally. 3 Banken-Generali Investment-Gesellschaft m.b.H. will only provide its consent if the price offered is in keeping with the fair value and there is a promising long-term strategy for this merger/acquisition or if this will provide added value through increased efficiency.
- **h) Amendment/supplementation of the articles of incorporation**: 3 Banken-Generali Investment-Gesellschaft m.b.H. will only provide its consent if this will meaningfully strengthen the rights of the shareholders and will not jeopardize the equal treatment of shareholders.

3 Banken-Generali Investment-Gesellschaft m.b.H. will exercise its voting right while taking into consideration the investment objectives of the fund in question. For instance, the exercise of voting rights for an investment fund which invests sustainably requires consideration of ethical, social and ecological criteria.

3 Banken-Generali Investment-Gesellschaft m.b.H. may call upon external advice in making its independent decision on how to exercise its voting right, but this may not give rise to additional costs for the unitholders.

Even in case of **mandates which have been delegated to third parties**, as a rule 3 Banken-Generali Investment-Gesellschaft m.b.H. alone will exercise its voting right. However, in justified individual cases this may be contractually transferred to the externally managed mandate.

3 Banken-Generali Investment-Gesellschaft m.b.H. will document its voting behavior in an internal written report.

ANNEX V

BEST EXECUTION POLICY OF 3 BANKEN-GENERALI INVESTMENT-GESELLSCHAFT M.B.H.

1. PREAMBLE

In compliance with the relevant provisions of InvFG 2011, the Austrian Alternative Investment Funds Manager Act (*Alternative Investmentfonds Manager-Gesetz*, AIFMG) and the Delegated Regulation (EU) No 231/2013, 3 Banken-Generali Investment-Gesellschaft m.b.H. has established appropriate measures for best execution of trading decisions, in order to achieve the optimal outcome for the investment funds (UCITS and AIFs) under its management.

3 Banken-Generali Investment-Gesellschaft m.b.H. complies with its obligation to ensure **best execution** of orders by selecting the counterpart through which transactions are executed for the funds under its management on the basis of objective criteria and while exclusively safeguarding the interests of investors and the integrity of the market, with the level of care required for orderly and reliable management.

2. CRITERIA FOR THE EXECUTION OF ORDERS/EXECUTION VENUES

3 Banken-Generali Investment-Gesellschaft m.b.H. has implemented effective measures in order to achieve the optimal outcome when executing orders within the scope of the implementation of investment decisions. For this purpose, various criteria have been determined for the execution of orders and the relevant execution venues:

- **Price**

The price is mainly determined by quantitative criteria: Depending on the nature of the order (buy or sell order), the transaction will be implemented at the lowest possible price (in case of a purchase) or the highest possible price (in case of a sale). In addition, the price quality of the execution venue in question is relevant. This may be determined on the basis of liquidity as well as additional execution venue criteria (e.g. binding quotes supplied by market makers).

While the price is generally a key factor, implementation of transactions may be influenced by the following additional criteria:

- **Market influence**

This criterion refers to the price effect of a given transaction. The greater the market depth of a security on the relevant trading venue (i.e. the greater the number and volume of buy and sell orders on the stock exchange in question), the lower the expected effect of a transaction on the price.

- **Transaction costs**

Costs means all expenses directly associated with the execution of a transaction (including execution venue fees, clearing and settlement fees as well as fees paid to third parties involved in the execution of the order (e.g. brokers' charges)).

- **Nature and scope (size) of the order**

The *nature of an order* refers to all of the possible types of order which may be submitted at the relevant trading venues (e.g. orders limited in terms of their amount, time-limited orders, stop-loss orders etc.).

- **Speed of execution**

This criterion refers to the period of time from the receipt of orders up to their theoretical executability through a broker or a trading venue.

- **Probability of execution and settlement**

The *probability of order execution* on an execution venue crucially depends on the liquidity of this execution venue and can be assessed on the basis of the order book situation as of the time of execution. The probability of settlement will depend on the risks associated with settlement of the individual purchases or sales, which may impair the delivery of financial instruments (settlement reliability at the relevant execution venue).

Achievement of the optimal outcome is mainly determined on the basis of the overall charge, which includes the price of the financial instrument as well as the costs associated with the execution of the order. The relative significance of the relevant criteria will depend on the nature of the financial instrument traded as well as the characteristics of the order and of the execution venues.

3. PRINCIPLES FOR BEST EXECUTION OF ORDERS

It should be noted that the following principles exclusively apply for those fund mandates for which 3 Banken-Generali Investment-Gesellschaft m.b.H. independently performs the asset management function, i.e. for which it has not delegated asset management to external partners.

3.1. PRINCIPLES FOR OPTIMAL EXECUTION OF ORDERS FOR EQUITIES, QUASI-EQUITY SECURITIES (INDEX CERTIFICATES ETC.), EXCHANGE TRADED FUNDS AND DERIVATIVES

3 Banken-Generali Investment-Gesellschaft m.b.H. places orders for equities, quasi-equity securities, exchange traded funds (ETFs) and standardized derivatives either

- on stock exchanges with official trading and on organized markets, at the currently applicable market price. As a rule, the orders are directly forwarded to the relevant stock markets and executed there by means of the trading systems of the relevant depositary.
  Or alternatively:
- with counterparts (brokers) which are able to execute transactions on regulated markets, on multilateral trading facilities or over the counter. Counterparts are selected according to objective criteria and exclusively in the interests of the investors and the integrity of the market, with the level of care required of an orderly and reliable manager. The depositary which executes the settlement (clearing) of transactions is responsible for coordinating the execution and settlement details with the relevant brokers and has the necessary personnel and technical resources for this purpose.

Over-the-counter derivatives (OTC derivatives) are concluded with the relevant counterpart on the basis of standardized master agreements. Due to the potential level of complexity of such financial instruments as well as the trading partner’s risk of default, as well as the price in particular a high level of flexibility and the credit standing and probity of the trading partner play a crucial role. OTC derivatives are mainly traded in the form of forward exchange transactions which are concluded, as a rule, with the relevant trading departments of funds’ depositaries.

3.2. PRINCIPLES FOR OPTIMAL EXECUTION OF BOND ORDERS

As a rule, 3 Banken-Generali Investment-Gesellschaft m.b.H. places orders for bonds with counterparts (**brokers**) which mainly execute transactions over the counter (OTC). Most bonds are traded on the basis of bilateral negotiations with a counterparty. In most cases, these trades are not executed on regulated markets. The depositary which executes the settlement (clearing) of transactions is responsible for coordinating the execution and settlement details with the relevant brokers and has the necessary personnel and technical resources for this purpose. However, in exceptional cases bonds may also be dealt in on stock exchanges with official trading and on organized markets, at the currently applicable market price.

The OTC markets which are shaped by own account transactions are decentralized and fragmented, with only a limited level of pre-trade transparency, since the counterparties do not generally provide a broad market with their quoted prices, which are negotiated with these counterparties on a bilateral basis. Such counterparties frequently maintain proprietary positions in the instruments for which they quote a price.

Unlike in the case of the stock markets, the choice of counterparties for bonds is frequently limited. In some cases, the products are only offered by a very small number of counterparties, which entails a limited level of transparency for the product in terms of the level of liquidity and its price. In volatile and non-transparent markets, it may be necessary to accept the first price offered, without being able to obtain or request further prices.

If multiple counterparties for a given instrument are known of as active market participants, various market bids can be obtained. Due to the passage of time or the market trend in the bond segment especially, a particularly important consideration is that the quoted price may be withdrawn or may change very rapidly.

It should also be noted for bonds with low levels of liquidity especially that, in general, only one counterparty or just a few counterparties will be available and that it may only be possible to settle a certain volume of order through a single counterparty. Accordingly, in such cases it will not be possible to obtain a second offer for the purpose of comparison. In an effort to execute an order for a fair price, in principle appropriate measures and proprietary methods of analysis will be used, so as to be able to determine a fair market value.

In the bonds segment, orders are generally placed with affiliates of 3 Banken-Generali Investment-Gesellschaft m.b.H. as brokers since, on the basis of an in-depth review, these entities are known to comply with the provisions which ensure best execution of orders and these affiliates can also document that they have in place appropriate execution standards for the type of order in question. 3 Banken-Generali Investment-Gesellschaft m.b.H. will apply an extraordinary level of care in case of such transactions.

Counterparts are selected according to objective criteria and exclusively in the interests of the investors and the integrity of the market, with the level of care required of an orderly and reliable manager. Best execution of orders is ensured by selecting the most appropriate execution route, while taking into consideration the above-mentioned criteria and on the basis of the trading experience of 3 Banken-Generali Investment-Gesellschaft m.b.H.

3.3. PRINCIPLES FOR BEST EXECUTION OF ORDERS FOR UNITS OF INVESTMENT FUNDS (UCITS, UCIS, AIFS ETC.)

As a rule, 3 Banken-Generali Investment-Gesellschaft m.b.H. places orders for units of other investment funds issued by third parties with a central fund platform. The settlement procedures and cut-off times defined in the relevant prospectuses will be strictly complied with.

In case of funds which cannot be traded via this fund platform, as a rule the order will be submitted to the relevant management company. Here too, orders will be executed in accordance with the settlement procedures defined for the fund in question. For funds dealt in on the stock exchange, please see the best execution practice for equities outlined above.

4. SELECTION OF INDIVIDUAL BROKERS

Individual transactions will be assigned in accordance with the principle of best execution. In the event that, following a review of the above-mentioned criteria, multiple brokers are suitable for the execution of an order, the quality of their research services will be considered as an additional criterion.

For the execution of orders through a broker, the issue of whether the execution principles prescribed by 3 Banken-Generali Investment-Gesellschaft m.b.H. are complied with will be taken into consideration, i.e. whether the “best execution” principle is followed and all of the criteria deemed relevant in order to achieve the best possible outcome are taken into account.

3 Banken-Generali Investment-Gesellschaft m.b.H. maintains a list of counterparts (list of brokers) with which optimal results are continuously realized. This list is regularly evaluated in order to ensure an improved level of comparability and a more objective assessment of the individual brokers. Each broker’s range of services is monitored on the basis of standardized criteria and its execution assessed accordingly.

This regular evaluation includes brokers drawn from 3 Banken-Generali Investment-Gesellschaft m.b.H.'s group of affiliates. An extraordinary level of care is applied in case of the settlement of transactions through affiliates.

5. EXCURSUS: BEST EXECUTION IN CASE OF DELEGATION OF ASSET MANAGEMENT

3 Banken-Generali Investment-Gesellschaft m.b.H. has delegated asset management to external partners for various investment funds under its management. Due to the transfer of control over these assets, the external partner will also be responsible for executing trading decisions. These decisions will be executed in accordance with the best execution policy of the external partner, which will always seek to achieve the optimal outcome for the managed investment fund in question. This third party's execution policy for best execution of trading decisions must comply with applicable rules and regulations and may not conflict with the principles of the best execution policy of 3 Banken-Generali Investment-Gesellschaft m.b.H. outlined above.

6. EVALUATION OF BEST EXECUTION POLICY

3 Banken-Generali Investment-Gesellschaft m.b.H. reviews its best execution policy regularly, but at least once a year, and adjusts this policy where necessary. It also carries out a review in case of a significant change (e.g. a significant change in the market environment) which might interfere with the objective of achieving an optimal outcome.

ANNEX VI

ADAPTIONS (SUPPLEMENT TO THE PROSPECTUS)

In accordance with the provisions of section 131 (6) InvFG, the Management Company refers to the following changes to the information in the prospectus:

- **Change on March 4, 2019**: various formal changes
- **Chage on May 8, 2019**: adaption of the prospectus according point 12 (changing the calculation for the net asset value from exchange trading day to banking day), and other formal changes; inceptions of fund regulations.
- **Change on Apri 6, 2020**: adaption of the prospectus according point 17.2 (other expenses): charging of costs for research for the future and various formal changes.

ADDITIONAL INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY

The German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, BaFin) has been notified of the distribution of units in accordance with § 310 of the German Capital Investment Code (*Kapitalanlagegesetzbuch*, KAGB).

Paying agent and information office in Germany

Oberbank AG, German branch office, Oskar-von-Miller-Ring 38, 80333 Munich, Germany, and its offices.

Redemption requests for the units of the fund "CONVERTINVEST Global Convertible Properties" may be submitted to the German paying agent, and the German paying agent will pay over to the unitholders the redemption proceeds, any distributions and other payments at their request in cash.

Investors may also obtain all of the necessary information free of charge from the German paying agent:

- the fund regulations *
- the prospectus and the key investor information ("KID") *
- the annual and semi-annual fund reports * and
- the issue and redemption prices.

* These documents must be offered and provided to potential investors, free of charge and without them requesting this, prior to the conclusion of any contract.

In addition to the above-mentioned documents, the paying agent and distributor agreement concluded between 3 Banken-Generali Investment-Gesellschaft m.b.H., Linz, and Oberbank AG, German branch office, Munich, is available for inspection on the premises of the German paying agent.

Notifications

The issue and redemption prices for the units will be published on the management company's website, www.3bg.at. All other information will appear in the electronic version of the German Federal Gazette (*Bundesanzeiger*). Moreover, for the actions stipulated in § 298 (2) KAGB the investors will be notified by means of a durable medium.

Distributor for Germany

Oberbank AG, German branch office, Oskar-von-Miller-Ring 38, 80333 Munich, Germany.

Tax information for Germany

The tax information will be appropriately prepared and the reports required by law will be submitted to the competent entities. Any data of relevance for tax purposes will be published on the management company's website, www.3bg.at/infomaterial.

German securities identification no. (*Wertpapierkennnummer*):

A1W9B3 (distribution retail tranche)
A1W9B4 (accumulation retail tranche)

A1W9B0 (distribution institutional tranche)
A14S66 (distribution institutional tranche) (F)
A1W9B1 (accumulation institutional tranche)
A1W9B2 (full accumulation institutional tranche)

The following tranche is not authorized for distribution in Germany. Accordingly, no tax information will be prepared and published for Germany:

ISIN: AT0000A1PE35 (full accumulation retail tranche)

ADDITIONAL INFORMATION FOR PROFESSIONAL INVESTORS IN ITALY

Following tranches are approved for an exclusive distribution to professional clients in Italy:

ISIN: **AT0000A14J14** (distribution institutional tranche)
ISIN: **AT0000A14J22** (accumulation institutional tranche)
ISIN: **AT0000A14J30** (full accumulation institutional tranche)