

**ODDO BHF Asset Management GmbH**

Düsseldorf

**Important notice regarding the UCITS Fund**

**ODDO BHF Polaris Moderate CR-EUR**

ISIN: DE000A2JJ1W5

**ODDO BHF Polaris Moderate CI-EUR**

ISIN : DE000A2JJ1S3

**ODDO BHF Polaris Moderate DRW-EUR**

ISIN: DE000A0D95Q0

**ODDO BHF Polaris Moderate CI-CHF**

ISIN: DE000A2JJ1U9

**ODDO BHF Polaris Moderate GC-EUR**

ISIN: DE000A2JJ1T1

**ODDO BHF Polaris Moderate CNW-EUR**

ISIN: DE000A1XDYL9

**ODDO BHF Polaris Moderate CN-EUR**

ISIN: DE000A2JJ1V7

**ODDO BHF Polaris Moderate CPW-CHF**

ISIN: DE000A141W18

**Amendment to the Specific Terms of Investment**

With the approval of the German Federal Financial Supervisory Authority (BaFin) dated 25 October 2019, the Specific Terms of Investment of the aforementioned UCITS Fund will be amended as follows with effect from **1 January 2020**:

- The foreword as well as section 7 (Costs) have been revised. The wording under section 7 (Costs) has been adapted to the current model cost clauses of the BaFin.
- The wording of the performance related remuneration (section 7 (1) (b)) has been revised. However, the amount of remuneration was not changed.
- The Company's remuneration for claims enforced through the courts or out of court has been completely eliminated.
- The remuneration (section 7(1)(c)) for the initiation, arrangement and execution of securities lending and repurchase transactions now amounts to up to one-third of the gross income from these transactions.
- The annual maximum amount that may be withdrawn from the UCITS Fund has been adjusted, as the depositary fee will also be incorporated into the calculation in future.
- The list of issuers has been revised with regard to the "United Kingdom and Northern Ireland".
- Furthermore, various editorial changes have been made for clarification purposes.

The amendments to the Specific Terms of Investment will enter into force on **1 January 2020**.

The full text of the Specific Terms of Investment is provided below.

### **Specific Terms of Investment**

governing the legal relationship between  
the investors and

ODDO BHF Asset Management GmbH, Düsseldorf  
(the "Company")  
with respect to

### **ODDO BHF Polaris Moderate**

a fund managed by the Company in accordance with the UCITS Directive  
applicable solely in conjunction with the  
General Terms of Investment  
drawn up by the Company for this UCITS  
Fund.

## **Investment principles and investment limits**

### **Section 1 Assets**

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

1. Securities as per section 5 of the General Terms of Investment,
2. Money market instruments as per section 6 of the General Terms of Investment,
3. Bank deposits as per section 7 of the General Terms of Investment,
4. Fund units as per section 8 of the General Terms of Investment,
5. Derivatives as per section 9 of the General Terms of Investment,
6. Other Investment Instruments as per section 10 of the General Terms of Investment.

### **Section 2 Investment limits**

1. The company may invest a total of up to 100% of the value of the UCITS Fund in securities in accordance with Section 5 of the General Terms of Investment. Securities held under repurchase contracts are to be included in the total for the purposes of the investment limits as per Section 206(1-3) Investment Code.

2. The Company may invest a total of up to 100% of the value of the UCITS Fund in money market instruments in accordance with section 6 of the General Terms of Investment. Money market instruments held under repurchase contracts are to be included in the total for the purposes of the investment limits as per Section 206(1-3) Investment Code (KAGB).

3. Securities and money market instruments issued by the same issuer may be acquired in excess of the 5% limit up to a total of 10% of the value of the UCITS Fund, provided that the total value of securities and money market instruments issued by such issuers does not exceed 40% of the value of the UCITS Fund.

4. Notwithstanding paragraph 3, the Company may invest more than 35% of the value of the UCITS fund in securities and money market instruments of the issuers listed in the Annex. This is without prejudice to section 11(5) sentence 2 of the General Terms of Investment.

5. The Company may invest a total of up to 100% of the value of the UCITS Fund in bank deposits in accordance with section 7 sentence 1 of the General Terms of Investment.

6. The Company may use derivatives in the course of managing the UCITS Fund. The Company shall employ derivatives for the purposes of hedging or efficient portfolio management or to achieve additional returns if and insofar it believes this to be in the interests of investors.

7. The company may invest a total of up to 10% of the value of the Fund in fund units in accordance with section 8 of the General Terms of Investment:

- a) which according to their investment conditions are invested primarily in equities (equity funds),
- b) which according to their investment conditions are invested primarily in interest-bearing securities (bond funds),
- c) which meet the criteria under the Guideline on Specifying Fund Categories pursuant to Section 4(2) Investment Code for money market funds with short maturity structure or for money market funds.

Fund units subject to repurchase agreements shall be included in the total for the purpose of the investment limits as per Sections 207 and 210(3) Investment Code.

### **Section 3 Investment committee**

The Company may take advice from an investment committee when selecting assets to be acquired or disposed of for the UCITS fund.

### **Unit classes**

#### **Section 4 Unit classes**

1. Different unit classes within the meaning of section 16(2) of the General Terms of Investment may be formed for the Fund which may differ in terms of the income distribution policy, the entry charge, the currency of unit values, the use of currency hedging, management fee, Custodian fee, minimum investment amount or a combination of these features. Unit classes may be issued at any time at the Company's discretion.

2. Existing unit classes shall be listed individually both in the Prospectus and in the annual and half-yearly reports. The features defining each unit class (income distribution policy, entry charge, currency of unit values, management fee, custodian fee, minimum investment amount or combination of these features) shall be described in the Prospectus and in the annual and half-yearly report.

3. Currency hedging transactions may be entered into in favour of a single currency unit class. For currency unit classes hedging in favour of the currency of the class (the "reference currency"), the Company may also, notwithstanding section 9 of the General Terms of Investment, make use of currency or exchange rate derivatives (derivatives within the meaning of section 197(1) Investment Code) in order to prevent foreign exchange losses on assets in the UCITS fund denominated in currencies other than the reference currency of the unit class.

4. The unit value shall be calculated separately for each unit class, in the process of which the set-up costs of new unit classes, distributions of income (including any taxes to be paid from the fund's assets), management fees, custodian fees and the gain or loss on currency hedges relating to particular unit classes, including any income equalisation where relevant, shall be exclusively attributed to the unit class in question.

### **Units, issue price, redemption price, unit redemptions, charges**

#### **Section 5 Units**

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

#### **Section 6 Issue and redemption price**

1. The entry charge for each unit class shall be up to 5 per cent of the unit value. The Company is free to charge a lower entry charge or no entry charge at all for one or more unit classes.

2. In variance to section 18(3) of the General Terms of Investment, the settlement date for unit subscriptions and redemption orders shall be no later than the next-but-one valuation day after the unit subscription or redemption order is received.

#### **Section 7 Charges**

1. Fees payable to the Company are as follows:

a) The Company receives an annual fee for the UCITS Fund's management of up to 1.5% of the average value of the UCITS Fund in the accounting period based on the net asset value as determined on each valuation day. It is entitled to charge monthly pro rate advances on this amount. The management fee may be taken from the UCITS Fund at any time. The Company is free to charge a lower management fee for one or more unit classes. The Company shall state the management fee charged in the Prospectus and in the annual and half-yearly reports.

b) Performance-related remuneration

ba) Definition of the performance-related remuneration

For the UCITS Fund's management, in addition to the remuneration referred to in paragraph 1 a), the Company may receive a performance-related remuneration per unit of up to 10% of the amount by which the unit performance exceeds the performance of a money market index used as a comparison index by 200 basis points ("Hurdle Rate") in the accounting period but no more than 5 % of the average net asset value of the UCITS Fund during the accounting period, which is calculated using the values at the end of each month. If the unit value at the beginning of the accounting period is lower than the highest level of the unit value of the UCITS Fund at the end of the five preceding accounting periods (hereinafter referred to as the "High Water Mark"), the High Water Mark shall replace the unit value at the beginning of the accounting period in order to calculate the development of the unit value in accordance with the first sentence. If less

than five previous accounting periods exist for the UCITS fund, all previous accounting periods shall be taken into account for the calculation of the remuneration entitlement.

The costs charged to the UCITS Fund may not be deducted from the comparison index performance before the comparison.

EONIA OIS (Euro Overnight Index Swap Average) has been designated as the comparison index.

#### bb) Definition of the accounting period

The accounting period begins on 1 January and ends on 31 December of each calendar year. The first accounting period will begin when this section 7(1)(b) comes into force and end on 31 December 2019.

#### bc) Calculation of unit performance

Unit performance will be calculated according to the BVI method<sup>1</sup>.

#### bd) Provisions

Based on the outcome of a daily calculation, any performance-related remuneration incurred is set aside within the UCITS Fund per unit issued or a previous booked provision is written back accordingly. Written back provisions revert to the UCITS Fund. A performance-related remuneration can only be withdrawn if corresponding provisions have already been built up.

c) Where the Company initiates, arranges and executes securities lending and repurchase transactions for account of the UCITS Fund, the Company receives a customary market fee of up to one-third of the gross income from these transactions. Costs arising in connection with the preparation and execution of such transactions, including fees payable to third parties, are borne by the Company

#### 2. Fees payable to third parties are as follows:

a) The Company pays an annual fee from the UCITS Fund for market risk and liquidity risk measurement as per the German Derivatives Regulation (Derivateverordnung) of no more than 0.1% of the average value of the UCITS Fund in the accounting period based on the net asset value as determined each valuation day.

b) The Company pays an annual fee from the UCITS Fund for the employment of a collateral manager ("collateral manager fee") of up to 0.2% of the average value of the UCITS Fund in the accounting period based on the net asset value as determined each valuation day. The Company is entitled to charge monthly pro rata advances on this amount. The Company is free to charge a lower fee or no fee at all.

#### 3. Depositary

The Depositary receives an annual fee from the UCITS Fund for its services of up to 0.1% of the average value of the UCITS Fund in the accounting period based on the net asset value as determined each valuation day, subject to a minimum of EUR 9,800 p.a. It is entitled to charge monthly pro rata advances on this amount. The depositary fee may be withdrawn from the UCITS Fund at any time. The Depositary is free to charge a lower fee for one or more unit classes. The Company shall state the depositary fee charged in the Prospectus and in the annual and half-yearly reports.

#### 4. Annual maximum amount permitted as per paragraphs 1(a), 2, 3 and 5(l)

The total amount withdrawn annually from the UCITS Fund pursuant to paragraphs 1(a), 2 and 3 by way of fees and pursuant to paragraph 5(l) for reimbursement of expenses may be up to 2 % of the average value of the UCITS Fund in the accounting period based on the net asset value as determined each valuation day.

#### 5. In addition to the above fees, the following expenses are borne by the UCITS Fund:

a) normal bank charges for custody accounts and bank accounts, including where relevant normal bank charges for the custody of foreign assets abroad;

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<sup>1</sup> An explanation of the BVI method is published on the website of BVI Bundesverband Investment und Asset Management e.V. ([www.bvi.de](http://www.bvi.de))

- b) the costs of printing and distributing the legally prescribed marketing documents intended for the investors (annual and half-yearly reports, prospectuses, Key Investor Information);
- c) the costs of publicising the annual and half-yearly reports, the issue and redemption prices and, where applicable, any distributions or income reinvestments and the winding-up report;
- d) the costs of the audit of the UCITS Fund performed by the UCITS Fund's auditor;
- e) the costs of the assertion and enforcement by the Company of legal claims for the account of the UCITS Fund and of defence by the Company against claims made against the Company to the detriment of the UCITS Fund;
- f) fees and charges levied by government bodies in relation to the UCITS Fund;
- g) the costs of legal and tax advice with regard to the UCITS Fund;
- h) costs and any fees that may be incurred in connection with the acquisition and/or use or setting of a benchmark or benchmark index;
- i) the costs of appointing proxy voters;
- j) costs for the analysis by third parties of the UCITS Fund's investment performance;
- k) the costs of creating and using a durable medium, except in the case of notices about mergers of investment funds or notices about measures in connection with breaches of investment limits or calculation errors in the determination of unit values;
- l) the costs of the provision by third parties of analysis material or services in relation to one or more financial instruments or other assets or in relation to the issuers or potential issuers of financial instruments or in close connection with a particular industry or market, up to an amount of 0.05 % p.a. of the average value of the UCITS Fund in the accounting period based on the net asset value as determined each valuation day;
- m) taxes incurred in connection with the fees payable to the Company, the Depositary and third parties, in connection with the above expenses and in connection with management and custody.

## 6. Transaction costs

In addition to the fees and expenses above, costs arising in connection with the acquisition and disposal of assets are charged to the UCITS Fund.

## 7. Acquisition of investment fund units

The Company must disclose in the annual and half-yearly report the entry charge and exit charge amounts that were charged to the UCITS Fund in the period under review for the subscription and redemption of units within the meaning of section 1(4). For the acquisition of units managed directly or indirectly by the Company itself or another company with which the Company is associated by way of a substantial direct or indirect holding, the Company or the other company may not charge any entry or exit charges for subscription and redemption. The Company must disclose in the annual and half-yearly report the fee that was charged to the UCITS Fund by the Company itself, by another (investment) management Company or another company with which the Company is associated by way of a substantial direct or indirect holding for managing the units held in the UCITS Fund.

## **Income distribution policy and financial year**

### **Section 8 Income distribution policy**

#### **Distribution**

1. For unit classes that distribute their income, the Company generally distributes all interest, dividends and other income earned for the account of the UCITS Fund during the financial year, minus expenses and taking account of the income equalisation process. Realised gains on disposals may also be distributed pro rata, taking account of the income equalisation process.

2. Distributable income as per paragraph 1 may be carried forward for distribution in later financial years, provided that the total income carried forward does not exceed 15% of the value of the UCITS Fund at the end of the financial year. Income from short accounting periods may be carried forward in full.
3. Income may be partially carried forward, and in exceptional circumstances carried forward in full, for reinvestment in the UCITS Fund in the interests of preserving capital.
4. Distributions are made annually within four months of the end of the financial year.
5. Interim distributions are permitted.

### **Accumulation**

For unit classes which accumulate their income, the Company reinvests all interest, dividends and other income earned for the account of the UCITS Fund, minus expenses and taking account of the income equalisation process, as well as realised gains on disposal for the unit classes in question, allocating the reinvested income proportionately to each unit.

### **Section 9 – Financial year**

The financial year of the UCITS Fund begins on 1 January and ends on 31 December.

### **Annex**

In accordance with Section 208 Investment Code, more than 35 % of the value of the UCITS Fund may be invested in securities and money market instruments of the following issuers, provided that the Terms of Investment allow this and specify the issuers concerned.

#### **- Federal Republic of Germany**

##### **- The German federal states:**

- Baden-Württemberg
- Bavaria
- Berlin
- Brandenburg
- Bremen
- Hamburg
- Hessen
- Mecklenburg-West Pomerania
- Lower Saxony
- North Rhine-Westphalia
- Rhineland-Palatinate
- Saarland
- Saxony
- Saxony-Anhalt
- Schleswig-Holstein
- Thuringia

##### **- European Union**

##### **- As EU Member States:**

- Austria
- Belgium
- Bulgaria
- Croatia
- Czech Republic
- Denmark
- Estonia
- Finland

- France
- Greece
- Hungary
- Republic of Ireland
- Italy
- Latvia
- Lithuania
- Luxembourg
- Malta
- Netherlands
- Poland
- Portugal
- Republic of Cyprus
- Romania
- Slovakia
- Slovenia
- Spain
- Sweden
- United Kingdom of Great Britain and Northern Ireland (as long as the United Kingdom is an EU Member State)

**- As signatory states to the Agreement on the European Economic Area:**

- Iceland
- Liechtenstein
- Norway

**- As member states of the Organisation for Economic Co-Operation and Development (excluding EEA states)**

- Australia
- Canada
- Chile
- Israel
- Japan
- Mexiko
- New Zealand
- South Korea
- Switzerland
- Turkey
- United States of America
- United Kingdom of Great Britain and Northern Ireland (as long as the United Kingdom is an EU Member State)

**- As an international organisation to which at least one EU Member State belongs:**

- EURATOM

**Düsseldorf, November 2019**

**ODDO BHF Asset Management GmbH**

**The Management Board**