

**Terms and conditions
for digital asset allocation
and other legal information
of MorgenFund, Luxembourg branch**



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Information concerning the handling of conflicts of interest

1. Introduction

MorgenFund GmbH, Luxembourg branch (hereinafter MorgenFund or the Institution) offers securities services and ancillary securities services to its clients.

It is not always possible to exclude conflicts of interest when providing these services. Conflicts of interest may result in a situation in which MorgenFund does not always act in the client's best interests. The client may suffer a financial loss as a result.

However, MorgenFund endeavours to avoid conflicts of interest and has taken a variety of precautions in order to prevent possible conflicts of interest affecting clients' interests. Nevertheless, the possibility of conflicts of interest arising in specific individual cases cannot be excluded.

In accordance with the provisions of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU and its delegated legal acts ("MiFID II"), you can find information below concerning the various precautions taken by MorgenFund to deal with conflicts of interest.

2. Nature and origin of conflicts of interest

Actual or potential conflicts may arise between on the one hand the interests of the client and on the other hand the interests

- of MorgenFund or its shareholders;
- the members of the Management Board of MorgenFund;
- the employees of MorgenFund or of other persons or parties related to MorgenFund (known as "relevant persons");
- external service providers appointed by MorgenFund;
- distribution partners (brokers) of MorgenFund or their managers.

In addition, conflicts of interest may also arise between different clients in relation to the services offered by MorgenFund. Conflicts of interest and the resulting risk of an impairment of client interests may arise in particular:

- from MorgenFund's own interests (in earning revenues) in the context of investment advice and financial portfolio management, when executing client orders, from clients' sustainability preferences, and when receiving or granting benefits (such as trail commissions/non-cash benefits) from or to third parties (distribution incentives);
- from distribution control measures;
- from the performance-based remuneration of employees and/or distribution partners;
- when granting benefits to employees and/or distribution partners;
- from any relations between issuers of securities and MorgenFund;
- as a result of having access to information that is not in the public domain (insider information);
- from private securities transactions concluded by employees;
- from personal relationships between employees or the management, or persons closely associated

with them, or such persons' membership of supervisory or advisory boards;

- due to differences between the cost structures of the funds available through MorgenFund.

3. General information concerning precautions taken by MorgenFund when handling conflicts of interest

In order to avoid extraneous interests influencing the provision of its services, MorgenFund and its employees and other relevant persons have committed to abiding by stringent ethical standards. MorgenFund expects such persons to act with care and integrity as well as in a lawful and professional manner at all times, to comply with market standards, and in particular to pursue the client's interests in all instances.

MorgenFund has set up an independent Compliance unit; reporting directly to the management, this unit is responsible for monitoring the identification, avoidance and management of conflicts of interest by the business units.

Specifically, MorgenFund takes the following action:

- the creation of an organisational procedure for upholding clients' interests in relation to investment advice and financial portfolio management, e.g. by adopting approval processes for new products, establishing an investment selection process that focuses on client interests, examining and documenting the suitability of personal recommendations or the conduct of monitoring by Compliance;
- the processing of client orders in the order in which they are received by MorgenFund according to the principles of execution set forth in the General Terms & Conditions for Securities Accounts of MorgenFund GmbH, Luxembourg branch;
- the regulation of the employee remuneration system: the remuneration system of MorgenFund envisages a high proportion of fixed remuneration for employees, which creates less of an incentive for employees to take disproportionate risks for clients
- rules on the acceptance and provision of benefits as well as their disclosure and, if the acceptance of a benefit is not permitted by MorgenFund, its passing on to the client;
- rules on distribution specifications and fees: for instance, distribution partners of MorgenFund only receive commissions if these commissions are intended to improve service quality for end clients;
- the creation of confidentiality areas through the establishment of information barriers, the separation of responsibilities and/or geographical separation by rules governing the flow of information between areas (need-to-know principle);
- the operation of watch lists and blacklists in order to monitor sensitive information and to prevent any misuse of insider information;
- the disclosure to the Compliance unit of all transactions falling outside the remit of an employee that are concluded by them in their own right or on behalf of a third party (privately arranged securities transaction) (so-called "employee transactions");
- the provision of regular training to the employees of MorgenFund in order to raise the awareness of employees and other relevant persons about how to deal properly with conflicts of interest;
- the adoption of internal work instructions, compliance guidelines and directives (e.g. directives concerning the provision of hospitality and gifts, guidance concerning employee securities transactions);
- the operation of a whistleblower system that offers employees and clients of MorgenFund the

opportunity to report fraudulent conduct and economic crimes – including on an anonymous basis.

MorgenFund has taken organisational and administrative precautions that, as a rule, ensure that the risk of client interests being impaired can be managed and avoided. MorgenFund will refrain from concluding any transaction that gives rise to a conflict where the action taken to avoid and manage conflicts is not sufficient in order to ensure, according to its reasonable assessment, that it is possible to avoid client interests being impaired.

A disclosure will only be made if there is no other possible way to resolve a conflict of interest. In exceptional cases of this type, MorgenFund will inform the client concerning the general nature and cause of the conflict of interest. In addition, the client will be informed concerning the risks arising as a result, along with the action taken to minimise these risks, before MorgenFund concludes any transactions for the client concerned. This ensures that the client is able to make an informed decision as to whether to accept the service offered. The disclosure will be made in a transparent but anonymised form, as the requirement of business secrecy, and where applicable statutory data protection obligations vis-a-vis other clients, must be upheld.

4. Information concerning the receipt or provision of benefits as well as the waiver of the provision of benefits

In accordance with the rules on the acceptance and provision of benefits (e.g. commissions), MorgenFund informs its clients concerning the following rules and circumstances:

4.1 Monetary benefits

In portfolio management, you as a client have delegated the management and thus also the decision on the purchase and sale of financial instruments to your portfolio manager. Thus, within the framework of the investment guidelines agreed with you, we make the decisions on purchases and sales without obtaining your consent. This constellation can reinforce an existing conflict of interest. We counteract the resulting risks through suitable organisational measures, in particular an investment selection process oriented towards the client's interests.

In connection with portfolio management, MorgenFund does not accept or retain any benefits from third parties or persons acting on behalf of third parties. Monetary inducements accepted by MorgenFund in connection with portfolio management are paid out to the client in full as soon as reasonably possible after receipt. With regard to the manner in which the benefits are paid out, reference is made to letter A., item 8 of the conditions for the MorgenFund Online Investing portfolio management.

4.2 Non-cash benefits

In derogation of the foregoing, MorgenFund accepts minor non-monetary benefits from third parties (e.g. in the form of participation in seminars as well as other educational events and/or marketing subsidies) which are suitable for improving the quality of the portfolio management provided to the client and which are justifiable and proportionate in terms of their scope and nature.

Likewise, MorgenFund may grant such benefits - provided the client is not a direct client of MorgenFund - to the client's intermediary or its sales organisation or its IT service provider, if any.

4.3 Other commissions

MorgenFund has the right to pay introducing partners a fee that is dependent on the number of securities accounts introduced and/or the size of portfolios. This fee may be structured as a fixed or variable fee, and may be paid out on one occasion or as an ongoing fee for the duration of the business relationship. No costs arise for the client as a result of the payment of this fee.

Further information concerning the benefits received and granted by MorgenFund is contained in the standardised cost information and is available from the Institution upon request.

5. Conflicts of interest affecting the broker (where applicable)

Clients who have been introduced to MorgenFund through a broker are informed by the Institution that conflicts of interest may arise or exist in relation to the broker. MorgenFund is unaware whether and to what extent any such conflicts of interest affect the broker, as this may be dependent in particular also on the broker's respective business model. Clients may contact the broker acting for them at any time with any such questions.

Upon request, MorgenFund will provide its clients with further details about how it deals with conflicts of interest. Information about how conflicts of interest are dealt with is available on our website.

Date: September 2022

MorgenFund Online Investing

Pre-contractual information about the MorgenFund Online Investing product

Dear Investor,

before you conclude any contracts with us for distance selling (via the internet, email, fax or letter), we would like to give you some general information about MorgenFund GmbH, Luxembourg branch, the respective financial services offered (custody and discretionary portfolio management) and about concluding distance selling contracts.

This information (as of September 2022) is applicable until further notice and is available in German and English.

A. General information about MorgenFund GmbH, Luxembourg branch

Name and address:	MorgenFund GmbH, Luxembourg branch Parc d'Activite Syrdall 2, 18-20, rue Gabriel Lippmann L-5365 Munsbach, Luxembourg Tel: +352 23645-20 Fax: +352 23645-25 E-Mail: customers.luxembourg@service.morgenfund.lu Internet: www.portfolio.morgenfund.lu
Legally authorised representatives:	Legal representatives of MorgenFund GmbH: - Dr Kai Wilhelm Franzmeyer, - Jean-Philippe Latour, - Sabine Mathis Managing Director of MorgenFund GmbH, Luxembourg branch: - Rudolf Geyer
Main business activity:	The purpose of the company is the management and custody of investment funds and the execution of associated orders of any kind, including advice on investing in investment funds as well as discretionary portfolio management.
Competent Regulatory Body:	Commission de Surveillance du Secteur Financier (CSSF), Route d'Arlon, 283 L-2991 Luxembourg Internet: www.cssf.lu

	<p>As well as: Federal Financial Supervisory Authority Graurheindorfer Str. 108 53117 Bonn and Marie-Curie-Str. 24-28 60439 Frankfurt Internet: www.bafin.de</p>
Entry in commercial register:	<p>Luxembourg Trade and Companies Register, trade register number B269984</p>
Contractual language:	<p>The contractual terms and conditions and this advance information is communicated in English. The language used for communication is English.</p>
Jurisdiction:	<p>The asset management contract with MorgenFund GmbH, Luxembourg branch and the associated MorgenFund custody account as well as the entire business relationship are governed by Luxembourg law.</p>
Extrajudicial settlement of disputes	<p>In the event of a dispute, the parties concerned may contact the Legal Department for Consumer Protection / Financial Crime of the Commission de Surveillance du Secteur Financier at the following address: 283, route d'Arlon, L-2991 Luxembourg, Tel: (+352) 26 251 -2574, (+352) 26, Fax: (+352) 26 25 1 - 2601251 -2904 and by e-mail at reclamation@cssf.lu.</p> <p>The right to bring an action directly before the courts remains unaffected.</p>
Deposit Guarantee Scheme:	<p>The institute is assigned to the Compensatory Fund of Securities Trading Companies (EdW), 10117 Berlin-Mitte (website of the EdW: www.e-d-w.de). There is no voluntary deposit insurance.</p>

B. Key features of a deposit account contract and a discretionary portfolio management contract

1. MorgenFund deposit account contract

Upon application, MorgenFund GmbH, Luxembourg branch (hereinafter "account-holding office" or "MorgenFund LB") will open a MorgenFund deposit account for the investor for investing in investment fund shares. The account-holding office will hold in custody and directly manage the investor's units in the investment fund under the deposit account contract. Furthermore, the account-holding office will provide the services described in the General Terms & Conditions for Securities Accounts of MorgenFund GmbH, Luxembourg branch.

2. Fund-based discretionary portfolio management

As part of MorgenFund Online Investing, MorgenFund LB shall manage the assets invested on behalf of the investor but, however, at his risk, in the investor's deposit account according to the enclosed "Conditions for MorgenFund Online Investing Discretionary Portfolio Management" and the investment guidelines specified therein. The investment guidelines agreed with the investor shall take into account the investment targets communicated to MorgenFund LB and the investor's knowledge and experience in investment matters, financial situation and risk preference. MorgenFund LB shall purchase and sell investment units for the investor as commission agent in its own name but for the account of the investor.

Specifically, the following provisions apply:

2.1 Standardised discretionary portfolio management with different investment strategies

In MorgenFund Online Investing Discretionary Portfolio Management, each investor is allocated one of 38 model portfolios, each with a different investment focus, via an algorithm and based on his details (i.e. a pre-programmed, computer-based process). The 38 model portfolios largely differ in relation to the weighting and composition of the four asset classes "shares", "money market", "bonds" and "alternative investments". For the weighting of the asset classes "shares" and "alternative investments", caps (share (fund) component and alternative component) are specified for each model portfolio.

2.2 Handling Sustainability Preferences in Accordance with the Amendment Regulation (EU) 2021/1253 in Standardized Asset Management

Information on sustainability preferences and the handling of customer information when recommending a suitable investment strategy is provided to the client by MorgenFund LB on a separate "**Fact Sheet on Sustainability Preferences in Digital Asset Management.**"

If the client wants to have sustainability preferences taken into account, additional information on his or her sustainability preferences is requested on the basis of three regulatory categories:

a) Preference for a financial investment that addresses, specifically reduces or avoids, the principal adverse impacts on sustainability factors under the Disclosure Regulation. The principal adverse impacts on sustainability factors can be divided into the following groups:

- greenhouse gas emissions,
- impacts on biodiversity,
- water pollution,
- hazardous waste, and
- social issues / employee concerns.

The client can choose whether and, if so, how many (quantity) and which (quality) of the principal adverse impacts on sustainability factors are to be taken into account. It is important to note that the groups accounting for adverse impacts on sustainability factors may themselves be composed of various individual factors.

b) Preference for an investment that invests a minimum percentage in sustainable investments in accordance with the Disclosure Regulation (Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019), thereby investing in an economic activity that contributes to the achievement of an environmental objective or a social objective, without significantly compromising any of the objectives designated in the Disclosure Regulation, and applying good corporate governance practices. Here, the minimum percentage of sustainable investments at the level of the model portfolio can be defined by the client.

c) Preference for an investment that invests a minimum percentage in environmentally sustainable investments in accordance with the European Taxonomy Regulation (Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020). Here, the minimum percentage of environmentally sustainable investments at the level of the model portfolio can be defined by the client.

When specifying sustainability preferences, the client can select one, several, or all categories.

Similarly, clients can indicate their basic sustainability preference without providing further details on the three categories. For these clients, all model portfolios located under one, several, or all categories in the target market of MorgenFund LB may be suitable if the other suitability criteria are taken into account.

If the client does not want sustainability preferences to be taken into account, a model portfolio will be assigned without doing so. Nevertheless, MorgenFund LB can offer portfolios that take sustainability aspects into account if they are suitable for the client based on the other suitability criteria.

2.3 Regular investment decisions

Once a quarter, MorgenFund LB (or a Group affiliate, cf. Clause 2.4 below) makes decisions on

- whether the weighting for the investment classes will be revised as part of the contractually agreed cap, and
- whether individual investment funds should be removed from a model portfolio and other investment funds included instead.

Furthermore, individual funds are over- or under-weighted as a result of different performance, in order to rebalance the selected share (fund) component and other risk parameters in accordance with the original model portfolio.

2.4 Extraordinary market fluctuations

In the event of extraordinary market fluctuations the decisions specified in clause 2.2 shall also be taken more frequently than on a quarterly basis.

2.5 Outsourcing the discretionary portfolio management

MorgenFund LB is authorised to outsource the portfolio management to others; currently the portfolio management is outsourced to DWS Investment GmbH.

3. Client online access

The investor accesses his MorgenFund deposit account exclusively via the online platform (www.portfolio.morgenfund.lu). The "Specific Conditions for the MorgenFund Deposit Account as part of Online Discretionary Portfolio Management" shall apply.

4. Notes concerning the risks and price fluctuations of units in investment funds

Investing in investment fund units is associated with risks. The risks may include or be linked to stock market and pension market risks, exchange rate, interest, credit and volatility risks as well as political risks. It is important to note that, although investment products offer opportunities for price increases, they also involve risks. The prices of assets in a fund can rise or fall compared to the acquisition price. If the investor sells units in the investment fund at a time when the prices of the assets held in the fund have fallen compared to the prices at the time that the units were acquired, he may by consequence not get back all or any of the money he has invested in the investment fund. Generally, it is not possible to give any assurance that the investment policy goals of an investment fund or the discretionary portfolio management goals will actually be achieved. In particular, past performance is no guarantee for future results. The general and specific risk warnings are specified in the currently applicable sales prospectus. Copies of the sales prospectuses for the funds acquired as part of discretionary portfolio management may be obtained free of charge from the account-holding office or downloaded at www.portfolio.morgenfund.lu. The "Basic information about securities and other capital investments" gives a general overview of the principles of investing in investment funds.

A minimum investment period of 3 years is recommended, regardless of the chosen investment strategy.

5. Fees for managing the MorgenFund deposit account

For the MorgenFund Online Investing portfolio management, an annual portfolio management fee is charged in the amount of the respective fee agreed individually with the investor upon conclusion of the contract or conclusion of an amendment agreement. The fee is calculated as an (individually agreed) percentage p.a. (incl. statutory VAT) and is based on the net asset value of the client's assets under management.

The management of the MorgenFund custody account Luxembourg is generally free of charge; a fee may be charged by the custodian for additional services (copy of custody account statement, etc.). The respective amount is included in the price list/conditions table of the custodian. The custodian bank may charge additional fees and expenses in accordance with the principles set out in the General Terms and Conditions for MorgenFund Luxembourg Custody Accounts. Upon request, the custodian will provide the investor with an up-to-date price list/condition table at any time. The price list/condition table is available on the Internet at www.portfolio.morgenfund.lu

6. Sales commission

The account-holding office can receive one-time and, if applicable, ongoing payments in connection with transactions made via investment funds. The account-holding office shall pass these on to the investor in accordance with the "Conditions for MorgenFund Discretionary Portfolio Management".

7. Information concerning the taxes and costs to be paid by the investor

Earnings from the investment funds are taxable. If the investor has any questions about this, he should contact his local tax office or his tax advisor. The investor has to bear his own costs in connection with the execution of the contract (e.g. for telephone calls, postage).*

*(Overseas) Tariff according to provider

8. Fulfilment and invoicing

The account-holding office shall forward the purchase, sale or exchange orders generated as part of discretionary portfolio management to the relevant processing agency immediately, or at the latest on the next bank working day after the order is received.

9. Contractual termination provisions for the MorgenFund deposit account

The MorgenFund deposit account is subject to the termination provisions described in the General Terms & Conditions for Securities Accounts of MorgenFund GmbH, Luxembourg branch. When the deposit account contract is terminated, the discretionary portfolio management contract is deemed to have been terminated at the same time and vice-versa. The investor must either notify the account-holding office of the other deposit account into which the purchased investment fund units are to be transferred or he must sell his fund units.

10. Minimum term of the MorgenFund deposit account

No minimum term is agreed for the MorgenFund deposit account and the discretionary portfolio management.

11. Other rights and duties of the account-holding office and the investor

The basic rules for the overall business relationship between the account-holding office and the investor are described in the General Terms & Conditions for Securities Accounts of MorgenFund GmbH, Luxembourg branch of the account-holding office. The use of the online deposit account management facility is also subject to the "Specific Conditions for the MorgenFund Deposit Account as part of Online Discretionary Portfolio Management". If the investor takes advantage of the offer of an electronic mailbox as part of the online MorgenFund deposit account, the Specific Conditions for the electronic mailbox also apply.

C. Information about the conclusion of the distance selling contract

By sending the completed and electronically signed application form to the account-holding office via the online platform, the investor submits an offer to the account-holding office to open a MorgenFund deposit account and to conclude a discretionary portfolio management contract which is binding upon him. The deposit account contract and the discretionary portfolio management contract shall be concluded when the account-holding office confirms to the investor that the application has been accepted, once any necessary identity check has been carried out and the first investment amount has been received by transfer. The client's contractual offer can only be accepted on condition that the account-holding office has received all the necessary documentation - including a confirmation that this information has been received. If the account-holding office (e.g. for legal reasons) refuses to open a deposit account, it will immediately notify the investor accordingly, with or without specifying any reasons for this.

Cancellation policy for distance selling of financial services

The investor has the right to revoke his application to open the MorgenFund deposit account and to conclude a discretionary portfolio management contract within 14 days without specifying any reasons for this by means of a clear declaration. This set period shall run from the time when this instruction has been received in a durable medium, but not before the conclusion of the contract and also not before the fulfilment of the reporting obligations in accordance with Article 246b section 2 paragraph 1 in conjunction with Article 246b section 1 paragraph 1 of the Introductory Act to the German Civil Code. Sending the notice of revocation on time shall be sufficient for observing the deadline if the notice is provided in a durable medium (e.g. letter, fax, email). The revocation should be sent to the account-holding office, i.e. by post to **MorgenFund GmbH, Luxembourg branch**, Parc d'Activite Syrdall 2, 18-20, rue Gabriel Lippmann, 5365 Munsbach, Luxembourg or via E-Mail to customers.luxembourg@service.morgenfund.lu or www.portfolio.morgenfund.lu.

Consequences of revocation

If the investor revokes his application to open the MorgenFund deposit account and to conclude a discretionary portfolio management contract and if he has already purchased units in respect of the opening of the deposit account which are held in custody in said account, he may still proceed with the revocation. In the event of an effective revocation the services received on both sides must be returned and any benefit obtained surrendered. As the investor cannot return the services received, he must pay the account-holding office compensation for the value lost, i.e. the account-holding office may demand a pro rata payment to cover the costs of setting up and managing the MorgenFund deposit account. An obligation to pay for the service (pro rata price) provided by the account-holding office up until the exercise of the right of revocation only applies if the investor has explicitly agreed that the account-holding office should start to execute the contractual services before the end of the revocation period.

End of the cancellation policy

No right of revocation when purchasing investment fund unit

The investor's right of revocation in accordance with the provisions of the distance selling act does not apply in respect of the purchase of investment fund units as the price of these is subject to fluctuations on the financial

market over which the account-holding office has no influence and which may affect the MorgenFund deposit account during the revocation period. If the investor has revoked his application to open the MorgenFund deposit account and to conclude a discretionary portfolio management contract, he must notify the account-holding office of the other deposit account into which the acquired investment fund units are to be transferred. Alternatively, the investor may issue an order to sell the units. Any price losses that arise shall be borne by the investor.

Special instructions for immediate execution of the MorgenFund deposit account contract

The account-holding office shall open a MorgenFund deposit account in the name of the investor as soon as the offer to open a deposit account has been submitted by the investor, provided that the investor has given his explicit consent to this. The account-holding office shall obtain the investor's explicit consent to immediately execute the contract when the contract is signed.

Yours sincerely,

MorgenFund

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Date: September 2022

MorgenFund Online Investing Cost Information

This cost information provides an overview of the costs associated with portfolio management as well as any follow-up costs and presents exemplary information based on an example portfolio. **The figures are estimates based on certain assumptions, which are based on incurred historical costs. Actual costs may differ. Please also note the important explanations in section IV.**

I. Basis data for cost information

Investment strategy / Risk class	5+ / 5
Type of service	Discretionary Portfolio Management
Initial investment amount	5,000€
Monthly investment amount	500€
Investment horizon (assumed runtime)	10
Estimated average net return per year:	2.34%
Reference value for entry costs under II. (Initial investment amount)	5,000€
Reference value for Ongoing costs under II./III. (estimated average portfolio value during the runtime)	39,321.48€
Reference value for exit costs under II. (estimated average portfolio value after investment horizon)	73,642.96€
Reference value for cost sum in first year under III. (estimated average portfolio value after one year)	11,316.48€

II. Cost breakdown (Estimation based on reference values from I.)

	in €	in % (rounded)
Entry costs (one-off)		
Service costs of the expected initial transactions ¹	2€	0.04%
Product costs of the expected initial transactions ⁴	0€	0%
Total ongoing costs during runtime per year	613.42€	1.56%
Discretionary portfolio management fee ¹	471.86€	1.2%
<i>thereof trailer commissions to be paid from portfolio manager to distribution partner²</i>	322.44€	0.82%
Transaction fees on service level ¹	7.86€	0.02%
Total ongoing product costs of invested financial instruments (funds) ⁴	133.69€	0.34%
<i>thereof ongoing costs of funds⁴</i>	82.58€	0.21%
<i>thereof transaction fees of funds⁴</i>	51.12€	0.13%
<i>thereof incidental costs (performance fee of funds)⁴</i>	0€	0%
<i>thereof ongoing inducements (trailer commissions) received by portfolio manager²</i>	0€	0%
<i>thereof current service fees received (grant)</i>	0€	0%
Inducements (trailer commissions) returned from portfolio manager to client via re-investment ³	0€	0%
<i>thereof current service fees received (grant)</i>	0€	0%

Exit costs (one-off)		
Service costs of sale of financial instruments (funds) at the end of investment horizon ¹	29,46€	0.04%
Product costs of sale of financial instruments (funds) at the end of investment horizon ⁴	0€	0%

¹ **Service costs**

² **Service costs (inducements)**

³ **Service costs (reinvestment of inducements)**

⁴ **Product costs**

III. Total costs and impact of costs on performance (estimation)

With an initial investment amount of €5.000 and a monthly investment amount of €500 and an assumed investment horizon of 10 years as well as an estimated average net return per year of 2.34% the following costs of 6,015.93€ arise, (this represents 8.17% of the estimated portfolio value at the end of the runtime):

thereof service costs (This represents 4.17% of the estimated portfolio value at the end of the runtime)	4,711.62€
<i>thereof inducements (adjusted for the inducements returned to clients by re-investment of €35.33) to the amount of</i>	3,198.11€
thereof product costs (adjusted for trailer commissions) (This represents 2.03% of the estimated portfolio value at the end of the runtime)	1,304.31€

Impact of costs on performance (estimation) The estimated total costs impact the performance of the investments as follows:

First year of investment, based on estimated average portfolio value after one year	1.6%
On average from 2nd year to 9th year, based on estimated average portfolio value during the runtime	1,56%
<i>The projected annual costs increase linearly from years 2 to 9 in relation to the assumed increase in the portfolio value.</i>	

In last year of investment including exit costs of sale at the end of runtime, based on estimated average portfolio value after investment horizon	1.6%
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Assuming a performance (return) before costs of 3.9% per year would correspond to a reduction of the average yield by 1.61% per year.

IV. Additional information about the costs

The present cost information provides an overview of the costs associated with our discretionary portfolio management service as well as follow-up costs. The basis for this are the conditions in the contractual agreement offered. To the extent that costs and follow-up costs depend on data that is not known until later (such as fund performance, allocation decisions), the cost information has been prepared on the basis of assumptions and estimates, which are discussed below. Any applicable personal taxes such as capital gains tax or withholding tax are not included in this cost information.

regarding I. Basis data of the cost information

The cost information was calculated on the basis of the data shown in section I. The cost information is independent of whether subsequently a corresponding contract is signed or executed. All costs are shown in euros since MorgenFund GmbH, Luxemburg branch generally accepts all deposits made by the customer in euros and makes all repayments to the customer in euros.

The calculations are based on the customer's assumed deposits. These may consist of a one-off investment amount and, if applicable, ongoing payments over the term of the discretionary portfolio management agreement.

The reference values of the cost data that are relevant for the percentage disclosure of the costs are defined as follows:

Estimated average portfolio value after one year

Estimated portfolio value in euros at the end of the first year. This value was calculated on the assumption that the estimated average performance (yield estimate) after costs as set out in section I. can be realized.

Estimated average portfolio value after investment horizon

Estimated average portfolio value after selected investment horizon. This value was calculated on the assumption that the estimated average performance (yield estimate) after costs as set out in section I. can be realized.

Estimated average portfolio value during the runtime

Represents the sum of one time investment and estimated portfolio value at the end of the investment horizon divided by two. The value is therefore an average taking into account the estimated performance of the investment.

IMPORTANT NOTE

The yield estimate underlying the above estimated portfolio values is based on forecasts made by the Investment Manager. Actual performance may vary.

regarding II. Cost breakdown (estimation based on reference values from I.)

Section II shows a detailed breakdown of the cost items, broken down by the one-off entry costs, the expected costs during the holding period (ongoing costs) and the one-off costs of the sale (exit costs).

The **one-off entry costs** and the **one-off exit costs** consist of transaction costs. There are two types of transaction costs. On the one hand, exchange-traded ETFs are traded at a spread set by the securities trader who sets binding buy or sell prices (the so-called market maker), which varies depending on the ETF. On the other hand, funds in foreign currencies (e.g. US dollars) incur additional costs in connection with the conversion of foreign currencies into EUR by the commissioned bank in connection with purchases and sales or with payments or repayments, provided the cash settlement is not included in the funds currency but is made via a EUR account.

The **ongoing charges** are incurred during the holding period and are recognized based on the estimated average portfolio value over the term of the contract. Ongoing costs include the service costs of the discretionary portfolio management service, in particular the management fee. The costs of the deposit account management are already included here. The actual ongoing costs are dependent on the future performance of the portfolio and may therefore differ from the listed information. In addition, the provision of the service triggers transaction costs, for example in the quarterly portfolio rebalancing and, if applicable, in the case of ongoing deposits.

In addition, there are **product costs**, such as management fees or administration fees, transaction costs and potential performance fees. Estimates of performance fees are subject to increased uncertainty, as the occurrence of compensation and its amount will depend on the actual performance of the investment in the future. It should also be noted that past performance is not a reliable indicator of future performance. The exact conditions for performance-based compensation may also vary from fund to fund. For details, please refer to the fund's prospectus. The total running costs of the investment fund is estimated by the management company of the respective investment fund and is dependent on the future performance of the product, i.e. they can change during the holding period.

Sales commissions / On-going sales commissions (inducements) are recurring, stock-based compensation paid by the respective management company to MorgenFund GmbH, Luxemburg branch in connection with the acquisition of investment units for clients of the discretionary portfolio management service. These are not retained in the context of portfolio management, but are paid out fully via reinvestment in fund units to the customer. In addition, MorgenFund GmbH, Luxemburg branch pays ongoing distribution fees (inducements) to the distribution partner.

Each cost item has an indicator that refers to the following additional information about the cost element and the terms of payment:

- 1. Service costs:** These are payable by the customer to MorgenFund GmbH, Luxemburg branch and include the fee for discretionary portfolio management including custody account management and including the costs of third party services (e.g. the currency conversion at order of funds in foreign currency or spreads for ETF trading).

- 2. Service costs (inducements):** recurring sales commissions (inducements) are part of the administrative costs of the funds, which the fund management companies pay to MorgenFund GmbH, Luxemburg branch. These are not retained, but are paid out to investors through reinvestment in shares in the fund to the customer (see also n. 3). Further, this also contains sales commissions (inducements) from the management fee granted to the distributor by MorgenFund GmbH, Luxemburg branch.
- 3. Service costs (reinvestment of inducements):** The recurring sales commissions (inducements) paid to MorgenFund GmbH, Luxemburg branch are not withheld, are paid out to investors through reinvestment in shares in the fund to the customer (see also n. 2).
- 4. Product costs:** costs incurred at fund level.

regarding III. Total costs and impact of costs on performance (estimation)

This section presents the **estimated total costs** over the assumed contract runtime and the effects of the costs over time on the performance based on the assumptions listed in section I.

The total costs take into account the entry costs, ongoing costs over the assumed investment horizon as well as the exit costs. The EUR number is the estimated total over the assumed contract runtime. The percentage refers to the estimated average portfolio value at the end of the investment horizon. The assumed contract runtime is in years and corresponds to your selected investment horizon. The total costs are again differentiated according to service costs, including inducements and product costs. All figures are estimates of expected costs under these assumptions. The actual costs depend i.a. on the actual performance of the investment, the actual contract runtime and possible price changes during the contract period.

The calculation of the **impact of the costs on the return** was based on the current yield estimate for the selected investment strategy, which is based on forecasts made by the Investment Manager. Actual performance may vary.

In the first year of the investment, the return of the investment is reduced by the one-off transaction costs for the initial investment and the ongoing costs for the first year. In the following years, the return of the investment is reduced by the running costs per year of the investment. In the year of repayment, the ongoing costs in the last year and the calculated one-off transaction costs for the exit are shown.

Due to the different reference values, the corresponding percentages under section II. Cost breakdown (estimate) cannot be used to calculate the total costs under III.

IMPORTANT NOTE

The information given in this Cost information may differ from the cost information provided by the management company(s) in the sales documents (sales prospectus and key investor information) of the relevant funds. The reason for this can be, on the one hand, that in this cost information, service costs (for example, ongoing distribution fees) are taken into account additionally. In addition, as a result of the implementation of Directive 2014/65 / EU (MiFID 2 Directive) in connection with the provision of investment services from 3 January 2018, there are also new and more far-reaching requirements for the identification of product-level costs. For example, the estimated transaction costs of the funds should be included in this cost information, although under current regulations they are not part of the costs of the relevant funds to be disclosed in the Key Investor Information Document. Similarly, the cost of the product reflected in this cost information may differ from the sales documents of the respective funds due to the changed methodology for the presentation of the costs.

For questions about this cost information, please contact us at:

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MorgenFund online investing

Conditions for the MorgenFund Online Investing Asset Management

(Note: Where reference is made to several investors, the use of the singular form shall encompass all investors, unless otherwise stated).

A. Discretionary Portfolio Management Order

1. Conclusion of the asset management contract

The Investor makes a binding offer to MorgenFund GmbH, Luxembourg branch ("MorgenFund LB") to open a MorgenFund custody account and enter into an asset management agreement by electronically transmitting the completed and electronically signed application form to the custodian via the online platform. The custody agreement and the asset management agreement are concluded when MorgenFund LB confirms the acceptance of the application to the investor by means of a transfer after the legitimation check that may have been required and the receipt of the first investment. The precondition for the acceptance of the contract offer by the customer is that MorgenFund LB agency has received all the necessary documents - including a confirmation of receipt of this information. Insofar as MorgenFund LB (e.g. for legal reasons) refuses to open a custody account, it will immediately inform the investor with or without giving reasons.

2. Scope of the Discretionary Portfolio Management Order

The investor hereby instructs instructs MorgenFund LB to manage the assets according to the best judgement of MorgenFund LB without obtaining any prior instructions from the investor and to take all measures that MorgenFund LB judges expedient as part of managing the assets. In doing so, MorgenFund LB shall comply with the provisions outlined in Section B to these Conditions and the Investment Guidelines agreed between the Parties in Section B III. of these Conditions Annex to these Conditions. The investment guidelines agreed with the investor take into account the information provided to MorgenFund LB regarding the clients' investment objectives, knowledge and experience in investment matters, the financial situation and risk preference.

The investor is asked once a year to review the information he has provided and to update it if necessary. MorgenFund LB checks whether the risk class agreed with the investor is still suitable. If it turns out that the previously agreed risk class is no longer suitable for him, the investor will be informed of the newly recommended risk class. If, based on his new information, a lower risk class than the contractually agreed risk class is suitable for the investor, the investor is requested to agree with MorgenFund LB on the suitable risk class or a lower one. If he does not comply with this request within a reasonable time, MorgenFund LB will reserve the right to terminate the asset management mandate and the custody account. Should it become apparent from the updated information that a higher risk class than the one previously agreed is suitable, MorgenFund LB will make an offer to the investor to agree to a higher risk class.

As part of the discretionary portfolio management mandate, MorgenFund LB is entitled to dispose of the assets. This includes in particular the purchase and sale of units and shares in investment funds as well as their exchange.

The purchase and sale of investment units may take place on the one hand on regulated markets (i.e. stock exchanges), multilateral trading systems (MTFs) (e.g. the open market of German stock exchanges) or organized trading systems (OTFs). The execution principles of MorgenFund LB, on the other hand, also allow for the execution of transactions outside these markets and trading systems.

IMPORTANT

The investor explicitly agrees to these execution principles. The investor further agrees that MorgenFund LB, within the framework of MorgenFund, invests the assets under management in units of MorgenFund LB or other companies of the Deutsche Bank Group.

3. Execution of combined orders (block orders)

MorgenFund LB is authorized, in the interests of the investor, to aggregate buy and sell orders of several investors for execution, including orders executed outside regulated markets, multilateral trading systems and organized trading systems (collective orders or block orders). The allocation to the individual investor accounts is based on an arithmetical average rate to the extent the execution was performed at more than one rate. In some cases this may lead to a disadvantageous execution price for the individual investor compared to the price for a separate order.

4. Power of attorney

MorgenFund LB is entitled to represent the investor in the context of orders. Self-dealing by MorgenFund LB is explicitly allowed. MorgenFund LB is hereby also authorised to conclude orders in its own name on behalf of the investor (for example by acquiring own investment funds as part of discretionary portfolio management).

5. Accountability/Reference value/Threshold limit for specific notification/reporting obligation

5.1 Reporting frequency/reporting period

MorgenFund LB shall produce a report on the discretionary portfolio management progress at the end of each calendar quarter; the investor shall also receive a market report at the end of each calendar quarter.

MorgenFund LB shall provide information about the individual transactions in separate statements in accordance with clauses 16.2 and 16.3.

5.2 Benchmark for reporting

If MorgenFund LB specifies a reference for the performance of a benchmark in the investment principles or as part of an accountability report, this is provided for information reporting purposes only. MorgenFund LB shall in no case make any statement concerning the probability of achieving such a benchmark or any statement of any kind whatsoever as to the performance of the assets being managed. MorgenFund LB is authorized to change or revise the benchmark over time if the new benchmark is appropriate for the investment strategy.

MorgenFund LB will inform the investor in advance of any such change. If the event that the investor wishes to change strategy during a reporting period and agrees this with MorgenFund LB, then MorgenFund LB shall already use any revised benchmark issued by MorgenFund LB from this point in time until the end of the current reporting period.

5.3 Special notification in the event of losses

MorgenFund LB will inform the investor of losses exceeding 10% on assets under management and further losses in steps of 10% via a specific notification. The valuation of the losses of 10% and further losses in 10% steps is performed in relation to the total value of the existing portfolio at the beginning of the respective reporting period. The reporting periods are described in section 5.1.

IMPORTANT

Due to the specific nature of the assets, the specific notification – deviating from the regulation – will not take place on the business day¹ on which the losses occurred, but on the next business day in Luxembourg and Frankfurt am Main due to the valuation of the assets after the close of business, the notification is made by notice in the electronic mailbox of the investor.

6. Investment process

6.1 Standardised Discretionary Portfolio Management

In MorgenFund Discretionary Portfolio Management, each investor is allocated one of 38 model portfolios, each with a different investment focus, via an algorithm and based on his details (i.e. a pre-programmed, computer-based process).

The 38 model portfolios largely differ in relation to the weighting and composition of the four asset classes “shares”, “money market”, “bonds” and “alternative investments”. For the weighting of the asset classes “shares” and “alternative investments”, caps (share (fund) component and alternative component) are specified for each model portfolio.

MorgenFund LB is a fund-based portfolio management service. Only units and shares in investment funds that meet the requirements of the UCITS Directive are used. Shares in actively managed investment funds are used as well as in exchange-traded investment funds, so-called "exchange traded funds" (hereinafter referred to as "ETFs"). Both physically replicating as well as synthetically replicating ETFs are selected. The customer's assets may - within the framework of the agreed investment strategy - be invested by MorgenFund LB at its discretion in investment instruments of all currencies, even if currency risks are incurred that are not or not fully hedged.²

¹ Business days are all working days except Saturday, December 24 and 31 and public holidays of the Grand Duchy of Luxembourg.

² UCITS Directive means Directive 2009/65 / EC of the European Parliament and of the Council of July 13, 2009 on the coordination of laws, regulations and administrative provisions relating to certain undertakings for collective investment in transferable securities (UCITS).

6.2 Regular investment decisions

Once every quarter, MorgenFund LB (or the outsourced company, cf. clause 6.4 below) makes decisions on

- i. whether the weighting for the investment classes will be revised as part of the contractually agreed cap, and
- ii. whether individual investment funds should be removed from a model portfolio and other investment funds included instead.

Furthermore, individual funds are over- or under-weighted as a result of different performance, in order to rebalance the selected share (fund) component and other risk parameters in accordance with the original model portfolio.

6.3 Extraordinary market fluctuations

In the event of extraordinary market fluctuations the decisions specified in clause 6.2 shall also be taken more frequently than on a quarterly basis.

6.4 Outsourcing the Discretionary Portfolio Management

MorgenFund LB is authorised to outsource the portfolio management to another company; currently the portfolio management is outsourced to DWS Investment GmbH.

7. Fee

The investor shall pay the fee to MorgenFund LB agreed separately in section C to this order.

8. Payment of trailer fees / Repayment of parts of the fund management fee

8.1 Trailer fee

As far as MorgenFund LB receives inducements (trailer fees) investment companies, MorgenFund LB deviates from the provisions of clause 12 of the General Terms and Conditions for Securities Accounts of MorgenFund GmbH, Luxembourg branch and, if the investor has given his express consent to do so, until the reinvestment (see clause 9 below), will invest it in the selected Fixed income fund that invests primarily in short-term bonds, on account of the investor in accordance with paragraphs 8 and 9 of the General Terms and Conditions for Securities Accounts of MorgenFund GmbH, Luxembourg branch.

8.2 Repayment of parts of the fund management fee

As far as MorgenFund LB invests in its own actively managed funds, the investor will receive a share of the management fee in the amount of the average inducements (sales commissions) typically paid to third party distributors. This shall be calculated according to the company's best judgement.

If the investor has given his express consent to this, the amount also shall be paid out via investment for the account of the investor in fixed income fund that invests primarily in short-term bonds, specified in clause 8.1.

8.3 Calculation basis

The amounts to be paid out to the investor in accordance with the preceding clauses in each case are calculated on the basis of the holdings in the deposit account on the 20th day of a particular month. The amounts are paid out on the 15th of the following month.

8.4 Disclosure in earnings statement

The amounts paid out to the investor under this clause are detailed in the annual earnings statement for the investor. They may be subject to tax in the investor's home country.

9. Reinvestment of earnings and paid out commission shares

If the investor has given his express consent to this, the amounts paid out in accordance with clause 8 above, together with any dividend payments for the fund held in the portfolio, will be reinvested on a quarterly basis in funds in accordance with the investment guidelines after an interim investment in a fixed income fund that invests primarily in short-term bonds.

10. Execution principles

As part of discretionary portfolio management for private investors, MorgenFund LB places great emphasis on the most cost-effective execution. Therefore the following execution principles apply for the purchase of investment funds as part of discretionary portfolio management:

Units in actively managed investment funds will be purchased in each case by the custodian bank/transfer agent.

For ETF the investment is performed by Commerzbank AG as intermediary: MorgenFund LB compiles the total of buy and sell orders for ETF up until 14.30 (Central European Time) on each trading day. Subsequently, MorgenFund LB transmits a buy and sell order to Commerzbank AG, as market maker. Commerzbank AG has the right, in accordance with its own binding execution principles, to forward the orders to the Frankfurt Stock Exchange (XETRA) or to fulfil them itself over the counter as market maker.

Upon request, the investor will be informed of the execution principles of Commerzbank AG.

The investor agrees to this form of order execution.

11. Access to the deposit account

The investor accesses his MorgenFund LB deposit account exclusively via the online platform (www.portfolio.morgenfund.lu). Only orders to buy and sell investment fund units which have been placed via this transmission method shall be accepted.

12. Treatment of deposits and withdrawals

When making a deposit to the MorgenFund deposit account, the deposit amount will be invested on the basis of the current model portfolio allocation. When making a withdrawal the withdrawal amount will be distributed according to the actual allocation so that the respective holdings are sold on a pro rata basis.

13. Death of the investor

This order and the power of attorney shall remain in force even after the death of the investor. If there are a number of heirs or executors, MorgenFund LB is only obliged to engage in correspondence with a joint representative of the heirs or executors. The withdrawal of one or more heirs or of an executor shall result in the expiry of the order and the power of attorney for all heirs.

14. Information to be provided by the investor

The investor will notify MorgenFund LB immediately through the online portal about changes in the investment objectives, including risk tolerance significant changes in his financial situation that may affect the digital portfolio management.

15. Termination

The contract is concluded for an indefinite period. The investor has the right to terminate this order with immediate effect in writing at any time; where there are a number of deposit account holders, each individual holder shall benefit from this right with effect for all.

MorgenFund LB may terminate this order by giving one month's notice. MorgenFund LB's right to immediately terminate this contract for good cause remains unaffected.

The consequences of termination are based on the General Terms & Conditions for Securities Accounts of MorgenFund GmbH, Luxembourg branch.

16. Service agreement

16.1 Earnings statement

MorgenFund LB shall provide the investor with an earnings statement in German format in his electronic mailbox once a year. If the investor should move his permanent domicile outside Germany, MorgenFund LB is not obliged to issue an earnings statement in the format of the tax country in question.

16.2 Order for the collection of securities statements

As part of the discretionary portfolio management order the investor instructs MorgenFund LB to purchase and sell investment units as his representative.

Normally, MorgenFund LB will notify the investor immediately after each purchase and sale transaction by sending a statement.

16.3 Order to provide all information concerning discretionary portfolio management in electronic form

All information concerning discretionary portfolio management shall be sent to the electronic mailbox. This includes inter alia the purchase and sale invoice statements, the quarterly discretionary portfolio management report and the annual custody account report, including the suitability report.

17. Changes to these discretionary portfolio management terms and conditions

Changes to these terms and conditions for portfolio management, which include the Discretionary portfolio management Mandate (A.), investment Strategy (B.), management service fee (C.) and deviations from the General Terms & Conditions for Securities Accounts of MorgenFund GmbH, Luxembourg branch (D.), will be offered to the investor in text form no later than one month before the proposed effective date. They can be offered to them by placing them in their postbox and notifying them via email notification. The investor can either approve or reject the changes before the proposed effective date. The investor's consent is deemed to have been given if he has not notified his rejection in writing (e.g. letter, fax, email) before the proposed effective date of the changes. MorgenFund LB will particularly point out this effect of deemed approval in its offer.

B. Investment strategy (individual arrangement)

I. Sustainability preferences in the suitability test as of 08/02/2022:

As of August 2, 2022, MorgenFund LB, as a portfolio manager, is required by law to ask its customers about their so-called sustainability preferences, i.e. whether ecological or social aspects as well as criteria of good corporate governance are important to them when investing. Please also see the separate document "Sustainability information sheet", which is now part of your pre-contractual documents.

In order to find a suitable model portfolio for you, we first ask you about your personal details, your financial circumstances, your investment goals including the investment horizon, and your knowledge and experience with investments and financial services.

In a second step, we will therefore ask you to specify your sustainability preferences. To do this, we will first ask you whether your sustainability preferences should generally be included in your investment. If this is the case, we will then ask for more detailed information about your sustainability preferences.

We will evaluate your sustainability preferences in the process of selecting a suitable model portfolio following the evaluation of your knowledge and experience, your financial circumstances and your investment objectives, so that we can also recommend a suitable model portfolio for your sustainability preferences.

If you have not provided any information on your sustainability preferences, the suitability test will be conducted without accounting for sustainability preferences. We can offer you an investment strategy with or without sustainability aspects, as long as they are otherwise suitable for you.

If you indicate in your sustainability preferences that you want a minimum percentage of sustainable investments as defined by the SFDR to be accounted for, we will recommend an investment strategy that makes environmentally and/or socially sustainable investments as defined by the SFDR. Due to a lack of detailed information from product manufacturers, MorgenFund LB is currently unable to distinguish between products with environmentally or socially sustainable investments.

If you specify "Account for PAIs" as a sustainability preference, MorgenFund LB will check this choice at the level of the investment strategy using the thematic PAI groups or PAI families. A PAI family is regarded as fulfilled if one or more PAI indicators falling under this family have been taken into account at the level of the investment strategy.

When selecting an investment strategy for customers with sustainability preferences, MorgenFund LB uses the manufacturer information provided in this respect for the underlying investment funds.

I. Overview of risk classes and model portfolios

Risk Class	Deutsche Invest model portfolio *	Description
1	1 1+	Minimise losses - the investor does not want to risk incurring any capital losses and accepts that avoiding losses will reduce the potential return.
2	2- 2 2+	Very security-oriented - stability in the portfolio is more important to the investor than the yield potential.
3	3- 3 3+	Security-oriented - the investor would like to take advantage of some yield potential, but prefers to have a certain amount of stability in the portfolio.
4	4- 4 4+	Balance between security and yield - to achieve growth and yield in the long term, the investor is prepared to invest a certain share in higher-risk investments.
5	5- 5 5+	Yield oriented - the investor is aiming to realise higher returns in the long term. The investor is also prepared to accept limited losses in the short term.
6	6- 6 6+	Very yield-oriented - the investor agrees with a high share of high-yield and therefore, higher-risk investments in order to achieve higher gains. He is prepared to accept losses.
7	7- 7	Optimise yield - to achieve higher profits, the investor is prepared to risk higher losses.

NOTE

There are up to three model portfolios for each of the seven risk classes. A model portfolio with the suffix "+" represents a more dynamic version and one with the suffix "-" represents a more conservative version within the respective risk class.

The allocation to the respective model portfolios within the selected risk class is made on the basis of the information on "financial circumstances" and the resulting risk-bearing capacity detailed under point II.

II. Personal details, financial circumstances and knowledge and experience of the investor

The information provided by you at the time of the conclusion of the contract or at a later point in time shall apply here.

C. Management service fee

For the management of the assets held in the MorgenFund LB deposit account, MorgenFund LB charges a general fee (DPM fee) which already includes the account management costs and is calculated as follows:

The DPM fee is charged in the amount of the fee agreed individually with the investor at the time of the conclusion of the contract or the conclusion of an amendment agreement. The fee is calculated as an (individually agreed) percentage share p.a. (incl. statutory value added tax) and is based on the net asset value of the client's assets under management.

The exact amount of your individual fee remains as agreed. It is calculated pro rata for each quarter based on full months and the average number of units held in the deposit account on the 20th day of a specific month. The fee is charged to the investor on the 20th day of the last month of each quarter

The fee is settled through the discretionary sale of funds by MorgenFund LB in the following order: fixed income fund that invests primarily in short-term bonds, pension funds, share funds, ETFs.

The DPM fee does not include the management fee for funds and ETFs, however. These are calculated separately in the active funds and ETFs based on the NAV and are thus indirectly borne by the investor.

D. Deviations from General Terms & Conditions for Securities Accounts of MorgenFund GmbH, Luxembourg branch

1. Owing to the special features of discretionary portfolio management, many provisions of the General Terms & Conditions for MorgenFund GmbH, Luxembourg branch Deposit Accounts (hereinafter: GTC) do not apply to the legal relationship between the investor and MorgenFund LB.

These are the Section 3 (Rules on the purchase and sale of units) Paragraphs 2 and 3, Section 8 (Statements of account and securities account statement/reversals and corrections), Section 4 (Execution policies for the purchase/sale of investment fund units and ETFs), Section 3 (Rules on the purchase and sale of units) Paragraph 5(4), Section 9 Joint securities accounts/securities accounts for minors/powers of disposal on the death of a client/powers of attorney) Paragraph 3 (Powers of disposal on the death of a client) Paragraphs 1 and 2, Section 12 (Information concerning the receipt or provision of benefits as well as the waiver of the provision of benefits), Section 3 (Rules on the purchase and sale of units) Clause 11 and Section 3 (Rules on the purchase and sale of units) Clause 10 (Reference bank account/external bank account) of the General Terms & Conditions for Securities Accounts of MorgenFund GmbH, Luxembourg branch and, in addition, all provisions which have as their object the investment advice provided by MorgenFund LB or the purchase or sale of individual investment funds.

2. If the investor wishes to withdraw part of his invested cash, he can issue a corresponding withdrawal request via the online platform. This order will be executed immediately subject to any restructuring that may have taken place. Of the investor's total holdings in the deposit account, units from all investment funds held will be sold on a pro rata basis. It is not possible to issue specific sale orders for individual investment funds.

E. Specific conditions for the MorgenFund Deposit Account as part of online discretionary portfolio management

Specific conditions for accessing the MorgenFund deposit account via the internet (online MorgenFund Luxembourg deposit account) at MorgenFund GmbH, Luxembourg branch (hereinafter "MorgenFund LB").

The following Specific Conditions for the MorgenFund Deposit Account as part of online discretionary portfolio management ("Specific Conditions") supplement the General Terms & Conditions for Securities Accounts of MorgenFund GmbH, Luxembourg branch ("General Terms & Conditions"). Unless otherwise stipulated in these Specific Conditions, the General Terms & Conditions shall apply.

1. Scope of services

The investor can issue orders via the internet within the scope offered by the MorgenFund LB. If the MorgenFund LB provides information about the funds that are not managed by the MorgenFund LB, this information originates from the respective investment companies or from other providers.

2. Access

The investor applies for access to his online MorgenFund deposit account by issuing the activation order. The MorgenFund LB accepts the application by activating the online MorgenFund deposit account.

After it has been activated, the investor is granted access to his online MorgenFund deposit account via the internet application used by the MorgenFund LB office once he has entered the PIN he has chosen and has acknowledged the Specific Conditions. The security features for the online MorgenFund deposit account currently consist of the PIN for access and a block of transaction numbers (TAN) for approving transactions. The MorgenFund LB may introduce further security features at any time or replace existing security features with other features. In such a case, the account-holding office shall notify the investor of the change(s) in good time.

The investor is granted access to his online MorgenFund deposit account by entering his deposit account number and the PIN. The TAN block is sent to the investor by post. Normally, the internet application used by the MorgenFund LB will enable the investor to access to his online MorgenFund deposit account 24/7. The MorgenFund LB will provide notification of any temporary access restriction, e.g. for maintenance work, via the internet application unless the access restriction has been triggered by an unforeseen event. The above notwithstanding, the MorgenFund LB may block access to the online MorgenFund deposit account at any time. Where possible, it will provide notification of this in good time.

A deposit account may only be transferred to another deposit account held in the name of the MorgenFund deposit account holder.

Setting up or changing a reference account in the MorgenFund LB portal also requires access which will be activated when a payment is made from the respective account to the MorgenFund deposit account. Cash deposits will only be accepted from this reference account and cash can only be paid out from the MorgenFund deposit account to this reference account. The MorgenFund LB will only accept an application from the investor to set up or change a reference account if the reference account in question is in the name of the investor and is held at a bank in Germany, France, Belgium, the Netherlands or Luxembourg.

3. Approval of orders

Orders of any kind shall be deemed to have been issued if they are subsequently approved for transmission to the MorgenFund LB. In the case of purchase or sale orders, this is done via approval using a TAN. A TAN may no longer be used once it has been approved for transmission to the bank.

4. Cancellation or amendment of orders

Orders that have already been approved may be cancelled online if and insofar as the MorgenFund LB has specified that they may be terminated. Orders can only be cancelled online by using a different TAN.

5. Proceeds from sales orders

For reasons of security, the countervalue of executed sales orders may only be transferred to a reference account that has been previously specified by the investor. The investor may only change the reference account by specifying a different reference account via PIN and TAN.

6. Confidentiality of security features

The investor must ensure that no other person gains knowledge of his PIN and TAN. Any person who knows the PIN and TAN may access the online MorgenFund deposit account at any time via the internet and issue orders that are charged to the investor. In particular, the following instructions must be observed in order to maintain the confidentiality of the PIN and TAN.

- PIN and TAN must not be stored electronically or recorded in any other form;
- the TAN block provided to the investor must be stored securely;
- it is important to ensure that no third parties can see you entering the PIN and TAN.

If the investor establishes that another person has gained knowledge of his PIN and/or TAN or if he suspects that they have been misused, he is obliged to immediately change his PIN or to block the TAN that has not yet been used or to notify the MorgenFund LB accordingly without delay. In such a case the MorgenFund LB shall immediately block internet access to the investor's online MorgenFund LB deposit account. If the security features have been misused, the investor must immediately report this to the police.

7. Changing the PIN/new TAN

The investor may change his PIN. The investor should change the PIN from time to time. Any change of PIN must also be confirmed by entering a TAN. Once the PIN has been changed, the previous PIN is no longer valid.

Before the investor has used up the available TAN in the TAN block, he will automatically receive a new TAN block from the MorgenFund LB. The investor will also receive a new TAN block if he has applied to the MorgenFund LB for this or if the old TAN block is blocked for further use. Once a new TAN block has been activated, the MorgenFund LB blocks the old TAN block. The MorgenFund LB may block a TAN block if it suspects that it is being misused.

8. Liability, contributory negligence

The MorgenFund LB shall not be liable for damage caused by the investor which, irrespective of the cause, arises from the non-availability of the internet service, unless this non-availability is due to gross negligence or wilful misconduct on the part of the MorgenFund LB and the investor also had no other possibility of communicating with the MorgenFund LB during the period of non-availability.

The MorgenFund LB shall only be liable for the completeness, clarity and accuracy of documents relating to funds that are not managed by it insofar as it is guilty of wilful intent or gross negligence. Although the MorgenFund LB will only transmit data to the investor directly and in encrypted form, the investor acknowledges that the MorgenFund LB cannot provide any guarantee that the data cannot be intercepted and decrypted by third parties during online transfer to the investor.

Contributory negligence on the part of the investor in accordance with the General Terms & Conditions shall pertain under these Specific Conditions, in particular, if the investor has breached his duty of confidentiality as specified in No. 6 of these Specific Conditions.

9. Blocking internet access

The MorgenFund LB will block access to the online MorgenFund deposit account if an incorrect PIN is entered on several occasions. The number of unsuccessful attempts allowed is specified by the system. It is only possible to reactivate the online account access if the investor requests a new PIN outside the internet application. The online MorgenFund deposit account shall be reactivated using the new PIN in the same way as the initial activation.

10. Communication between discretionary portfolio manager MorgenFund LB and investor/termination of internet access to the deposit account

10.1 For contractual purposes, the investor agrees to receive electronic communication from MorgenFund LB and agrees that all consents, notifications, publications and other communication sent to him by MorgenFund LB by electronic means do not have to be in writing, unless statutory provisions explicitly stipulate a different form of communication. Terminations and complaints may also be sent by post (not via email or fax).

10.2 It is not possible to terminate these Specific Conditions and access to the deposit account via the internet. If the investor no longer wishes to access the account online, he must terminate the overall account management and discretionary portfolio management.

11. Changes to these specific conditions for the MorgenFund LB Deposit Account as part of discretionary portfolio management

Changes to the specific conditions for the MorgenFund LB Deposit Account as part of discretionary portfolio management will be offered to the investor in text form no later than one month before the proposed effective date. They can be offered to them by placing them in their postbox and notifying them via email notification. The investor can either approve or reject the changes before the proposed effective date. The investor's consent is deemed to have been given if he has not notified his refusal in writing (e.g. letter, fax, email) before the proposed effective date of the changes. MorgenFund LB will particularly point out this effect of deemed approval in its offer.

12. Applicable law

This contract is governed by the law of the Grand Duchy of Luxembourg.

13. Jurisdiction

All disputes arising out of or relating to this Agreement shall be subject to the exclusive jurisdiction of the courts of Luxembourg City, Grand Duchy of Luxembourg, unless MorgenFund LB initiates proceedings before the courts of another State, which are competent under general jurisdiction rules, in particular the relevant European regulations or other conventions.

Date: September 2022

Data protection and privacy

The following data protection information provides an overview of the collection and processing of your data.

Respect for our customers' and partners' right to privacy is one of our most important principles. The trust you place in us obliges us to treat your data confidentially and to do everything possible to protect this data from improper use. Of course, the same also applies to the handling of data from your visit to the Internet.

With the following information we would like to give you an overview of the processing of your personal data by us and your rights under data protection law. Which data are processed and how they are used depends to a large extent on the requested or agreed services. Please also provide the information to current and future authorized representatives and beneficial owners. This includes, for example, beneficiaries in case of death or authorized signatories.

1. Who is responsible for data processing and to whom can I contact?

Responsible body is:

MorgenFund GmbH, Luxembourg branch
Parc d'Activite Syrdall 2
18 – 20, rue Gabriel Lippmann
L-5365 Munsbach
Luxembourg
Phone: +352 23645 - 20
Fax: +352 23645 - 25
E-Mail address: customers.luxembourg@service.morgenfund.lu

You can contact our data protection officer at:

MorgenFund GmbH, Luxembourg branch
Parc d'Activite Syrdall 2
18 – 20, rue Gabriel Lippmann
L-5365 Munsbach
Luxembourg
Phone: +352 23645 - 20
Fax: +352 23645 - 25
E-Mail address: customers.luxembourg@service.morgenfund.lu

2. What sources and data do we use?

We process personal data that we receive from our customers in the course of our business relationship. In addition, to the extent necessary for the provision of our services, we process personal data which we may legitimately obtain and process from publicly accessible sources (e.g. debtor registers, land registers, commercial and association registers, press, media) or which are legitimately transmitted (e.g. for the execution of orders, for the fulfilment of contracts or on the basis of a consent given by you) to us by companies of Deutsche Bank Group or by other third parties (e.g. a credit agency).

Relevant personal data are identity data (e.g. name, address and other contact data, birthday and place and nationality FATCA status, gender, marital status, occupational group key,/partner type (employed/self-employed)), identification data (e.g. identity card data) and authentication data (e.g. electronic specimen signature), tax ID.

FATCA data in the prospecting process status. In addition, this may also include order data (e.g. order to open a custody account), data from the fulfilment of our contractual obligations (e.g. securities account turnover), information on your financial situation (e.g. income, asset origin), advertising and sales data (including advertising scores), documentation data (e.g. individual agreement in the conditions for asset management) and other data comparable to the categories mentioned above.

In addition to the aforementioned data, further personal data may be collected, processed and stored when concluding and using products/services from the product categories listed below. These essentially include:

Securities transaction/MorgenFund Depot

Current or relevant previous occupation, detailed information on knowledge and/or experience with securities (MiFID status), investment behaviour/strategy (scope, frequency, willingness to take risks), financial situation (assets, liabilities, income from employed/self-employed/commercial activity, expenses), foreseeable changes in the financial circumstances (e.g. Retirement age), tax information (e.g. information on church tax liability), documentation data (e.g. consultation minutes).

Customer contact information

During the business initiation phase and during the business relationship, in particular through personal, telephone or written contacts, initiated by you or by the company, further personal data, e.g. information on contact channel, date, occasion and result; (electronic) copies of correspondence and information on participation in direct marketing measures.

Digital Services

With regard to the data processed when using digital service products, reference is made to further information on data protection in connection with the respective digital service (e.g. processing of personal data for identification purposes when using the MorgenFund App or MorgenFund Secure Tan App applications).

3. What do we process your data for (purpose of processing) and on what legal basis?

We process the listed personal data in accordance with the provisions of the European Data Protection Ordinance (DSGVO) and current Luxembourgish data protection law:

3.1 To fulfil contractual obligations (Art. 6 para. 1 b DSGVO)

The processing of person-related data takes place for the provision of financial services and business within the framework of the execution of our contracts with our customers or for the execution of pre-contractual measures which take place on your request. The purposes of data processing are primarily based on the specific product, in this case the offer and procurement of fund-based asset management, selection of a suitable portfolio as part of the legal suitability test and the opening and execution of securities accounts and the reporting of transactions. Further details on data processing purposes can be found in the relevant contractual documents and terms and conditions.

3.2 In the context of balancing interests (Art. 6 para. 1 f DSGVO)

If necessary, we process your data beyond the actual fulfilment of the contract to protect the legitimate interests of us or third parties.

Example:

- Examination and optimization of procedures for needs analysis for the purpose of direct customer approach,
- Review and optimization of the tools and software of our online investment portal,
- Enforcement of legal claims and defence in legal disputes,
- Ensuring IT security and operation of our online investment portal,
- Prevention and investigation of criminal offences,
- Measures for business management and further development of services and products
- Advertising or market and opinion research, insofar as you have not objected to the use of your data
- Video surveillance to protect the right of access to the premises, to Collection of evidence in the case of robberies and fraud offences
- Measures for the security of buildings and facilities (e.g. access controls)
- Measures to ensure domiciliary rights
- Risk management in the company

3.3 On the basis of your consent (Art. 6 para. 1 a DSGVO)

If you have given us your consent to process personal data for specific purposes (e.g. transfer of data to the Intermediary or sales organisation and, if applicable, their IT service provider, evaluation of custody account data for marketing purposes and for measures for business management and further development of services and products), the consent serves as the legal basis for processing your personal data. Consent given can be revoked at any time for the future (see section 11 for further information).

This also applies to the revocation of declarations of consent that were issued before the EU General Data Protection Regulation came into force, i.e. before 25 May 2018. Please note that the revocation only takes effect for the future. Processing that took place before the revocation are not affected by this. You can view a status overview of your consent can be requested from us at any time. request it from us at any time.

3.4 Due to legal requirements (Art. 6 para. 1 c DSGVO) or in the public interest (Art. 6 para. 1 e DSGVO)

In addition, as a securities institute we are subject to various legal obligations, i.e. legal requirements of the respective jurisdictions (e.g. Securities Institutions Act, Money Laundering Act, Securities Trading Act, tax laws) and regulatory requirements (e.g. the European Securities and Market Supervisory Authority, the Commission de Surveillance de Secteur Financier (Federal Financial Supervisory Authority)). The purposes of the processing include, among other things, suitability testing, identity verification, fraud and money laundering prevention, compliance with tax control and reporting obligations, and the assessment and management of risks in the company.

4. Who gets my data?

Within MorgenFund GmbH, Luxembourg branch, those entities that need access to your data in order to fulfil our contractual and legal obligations are granted access to it. Service providers and vicarious agents used by us may also receive data for these purposes if they comply with the confidentiality and the rules and regulations of the DSGVO. These are among others in the categories financial services, IT services, telecommunications as well as sales and marketing.

With regard to the disclosure of data to recipients outside the company, it should first be noted that, as a branch of a securities institution, we are obliged to maintain confidentiality about all customer-related facts and evaluations of which we become aware.

We may only disclose information about you if required to do so by law, if you have given your consent or if we are authorized or obliged to provide such information and/or processors commissioned by us guarantee compliance with confidentiality and the provisions of the EU General Data Protection Regulation/Federal Data Protection Act in the same way. Under these conditions, recipients of personal data may be, for example:

- Public bodies and institutions (e.g. Deutsche Bundesbank, Caisse de Consignation, CSSF, Federal Financial Supervisory Authority, European Banking Authority, European Central Bank, financial authorities,) in the event of a legal or regulatory obligation.
- Other credit and financial services institutions or comparable institutions to which we transmit personal data in order to conduct the business relationship with you (e.g. correspondent banks, custodian banks, stock exchanges depending on the contract).
- In detail for the handling of support/maintenance of IT applications, archiving, call centre services, compliance services, controlling, data screening for anti-money laundering purposes, data destruction, customer administration, marketing, research, risk controlling, video legitimation, website management, investment services, share register, fund administration, auditing services, payment transactions, sales organisations and intermediaries and, if applicable, their IT service providers.
- Other recipients of data may be those entities for which you have given your consent to the transfer of data or for which you have exempted us from banking secrecy.
- Other companies required to provide services to you (e.g. DocuSign)
- Members of certain regulated professions such as lawyers, notaries or auditors.

5. Is data transferred to a third country or an international organisation?

Data is only transferred to countries outside the EU or the EEA (so-called third countries) if this is necessary to execute your orders (e.g. payment and securities orders), if it is required by law (e.g. tax reporting obligations), if you have given us a request to do so, or if it is necessary for the execution of your orders (e.g. reporting obligations under tax law), you have given us your consent or within the scope of commissioned data processing. If service providers in third third country, they are obliged to comply with the level of data protection in Europe by agreeing to the EU standard contractual clauses in addition to written instructions. Furthermore, additional protective measures can be taken if this is necessary after a transfer impact assessment has been carried out.

6. How long will my data be stored?

We process and store your personal data as long as it is necessary for the fulfilment of our contractual and legal obligations.

If the data is no longer required for the fulfilment of contractual or statutory no longer required for the fulfilment of contractual or legal obligations deleted, unless their further processing - for a limited period - is necessary for the following purposes:

- Fulfilment of retention periods under commercial and tax law retention periods: these include the German Commercial Code, the German the German Fiscal Code (Abgabenordnung), the German Securities Money Laundering Act and the Securities Trading Act. The periods specified there for storage or documentation are two to three years. Documentation are two to ten years.
- Preservation of evidence under the statute of limitations. Pursuant to §§ 195 et seq. of the Civil Code (BGB), if applicable, these periods of limitation can be up to 30 years, whereby the regular limitation period is three years. is three years.

7. What data protection rights do I have?

Any data subject shall have the right of access under Article 15 DSGVO, the right to correction under Article 16 DSGVO, the right to cancellation under Article 17 DSGVO, the right to limitation of processing under Article 18 DSGVO, the right to opposition under Article 21 DSGVO and the right to data transfer under Article 20 DSGVO. In addition, there is a right of appeal to a competent data protection supervisory authority (Article 77 DSGVO).

You can revoke your consent to the processing of personal data at any time. This also applies to the revocation of declarations of consent issued to us prior to the validity of the basic data protection regulation, i.e. before 25 May 2018. Please note that the revocation only takes effect for the future. Processing that took place before the revocation is not affected by this.

8. Is there an obligation for me to provide data?

Within the framework of our business relationship, you must provide those personal data which are necessary for the establishment and execution of a business relationship and the fulfilment of the associated contractual obligations or which we are legally obliged to collect. Without this information we will usually not be able to conclude or execute the contract with you.

In particular, under the provisions of money laundering law, we are obliged to identify you before establishing the business relationship and to collect and record your name, place of birth, date of birth, nationality, address and identity card data. To enable us to comply with this legal obligation, you must provide us or third parties used by us for this purpose with the necessary information and, if applicable, documents and notify us immediately of any changes arising in the course of the business relationship. If you do not provide us with the necessary information and documents, we may not establish or continue the business relationship you have requested.

9. To what extent is there automated decision making?

In principle, we do not use fully automated decision making according to Article 22 DSGVO for the establishment and implementation of the business relationship. Should we use these procedures in individual cases, we will

inform you separately, insofar as this is required by law.

10. Is profiling taking place?

We process some of your data automatically with the aim of evaluating certain personal aspects (profiling). For example, we use profiling in the following cases:

- Due to legal and regulatory requirements, we are obliged to combat money laundering, terrorist financing and asset-polluting crimes. Data is also evaluated (for example, in payment transactions). These measures also serve to protect you.
- In order to be able to inform and advise you specifically about products, we use evaluation instruments. These enable demand-oriented communication and advertising, including market and opinion research, and for the continuous improvement of our services.
- We use scoring methods to assess suitability. The calculation may include, for example, income, expenditure, existing liabilities or occupation. Scoring is based on a mathematic-statistically recognized and proven procedure. The calculated score values support us in decision-making within the scope of product contracts and are included in ongoing risk management.

11. Right of objection

Information on your right of objection under Article 21 EU Data Protection Regulation (DSGVO)

Right to object on a case-by-case basis

You have the right to object at any time for reasons arising from your particular situation to the processing of personal data concerning you under Article 6 (1) (e) DSGVO (data processing in the public interest) and Article 6 (1) (f) DSGVO (data processing on the basis of a balance of interests), including profiling based on this provision within the meaning of Article 4 (4) DSGVO.

If you object, we will no longer process your personal data, unless we can prove compelling reasons worthy of protection for the processing, which outweigh your interests, rights and freedoms, or the processing serves to assert, exercise or defend legal claims.

Right of objection to the processing of data for marketing purposes

In individual cases we process your personal data for direct marketing purposes. You have the right to object at any time to the processing of personal data concerning you for the purpose of such advertising; this also applies to profiling insofar as it is connected with such direct advertising.

If you object to the processing for direct advertising purposes, we will no longer process your personal data for these purposes.

The objection can be made form-free and should be addressed to the responsible body if possible:

MorgenFund GmbH, Luxembourg branch

Parc d'Activite Syrdall 2

18 – 20, rue Gabriel Lippmann

L-5365 Munsbach

Luxembourg

Phone: +352 23645 - 20

Fax: +352 23645 - 25

E-Mail-Address: customers.luxembourg@service.morgenfund.lu

Date: September 2022

Pre-contractual Information about the integration of sustainability risks by MorgenFund GmbH, Luxembourg branch („MorgenFund LB“) in digital discretionary portfolio management

Dear Investor,

This section contains a description of how MorgenFund LB takes sustainability risks into account, as required by the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (Disclosure Regulation) that comes into force on March 10, 2021, in its investment decisions within the scope of financial portfolio as well as on the results of the assessment of the likely impacts of sustainability risks on the returns in relation to the offered financial portfolio management mandate.

1.1 Definition of sustainability risks

Sustainability risk means an environmental, social, or governance event or condition, that, if it occurs, could potentially or actually cause a negative material impact on the value of a financial instrument or an investment. Sustainability risk can either represent a risk on its own or have an impact on other risks and contribute significantly to the risk, such as market risks, liquidity risks counterparty risks or operational risks.

These events or conditions are split into "Environment, Social, and Governance" (ESG), and relate, among other things, to the following topics:

Environment

- Climate mitigation
- Adjustment to climate change
- Protection of biodiversity
- Sustainable use and protection of water and maritime resources
- Transition to a circular economy, avoidance of waste, and recycling
- The avoidance and reduction of environmental pollution
- Protection of healthy ecosystems
- Sustainable land use

Social affairs

- Compliance with recognized labour law standards (no child and forced labour, no discrimination)
- Compliance with employment safety and health protection
- Appropriate remuneration, fair working conditions, diversity, and training and development opportunities
- Trade union rights and freedom of assembly
- Guarantee of adequate product safety, including health protection
- Application of the same requirements to entities in the supply chain
- Inclusive projects or consideration of the interests of communities and social minorities

Corporate Governance

- Tax honesty
- Anti-corruption measures
- Sustainability management by the board
- Board remuneration based on sustainability criteria
- The facilitation of whistleblowing
- Employee rights guarantees
- Data protection guarantees
- Disclosure of information

As part of the consideration of environmental issues, the company considers especially the following aspects related to climate change:

Physical climate events or conditions

- Extreme weather events
 - Heat waves
 - Droughts
 - Floods
 - Storms
 - Hailstorms
 - Forest fires
 - Avalanches
- Long-term climate change
 - Decreasing amounts of snow
 - Changed precipitation frequency and volumes
 - Unstable weather conditions
 - Rising sea levels
 - Changes in ocean currents
 - Changes in winds
 - Changes in land and soil productivity
 - Reduced water availability (water risk)
 - Ocean acidification
 - Global warming including regional extremes

Transition events or conditions

- Bans and restrictions
- Phasing out of fossil fuels
- Other political measures related to the transition to a low-carbon economy
- Technological change linked to the transition to a low-carbon economy
- Changes in customer preferences and behaviour

2. How sustainability risks are incorporated into portfolio management

2.1 Consideration of sustainability risks in financial portfolio management

In its investment decisions, MorgenFund LB considers sustainability risks of the ETFs or investment funds to be invested in addition to usual financial data. This consideration applies in particular to the analysis, selection and ultimate investment in the ETFs and investment funds.

In addition, ESG criteria are integrated throughout investment research. The research process includes the identification of global sustainability trends, financially relevant ESG issues and challenges.

Furthermore, risks that may result from the consequences of climate change or risks that arise due to the violation of internationally recognized guidelines are subjected to special scrutiny by the investment research team. Internationally recognized guidelines include, in particular, the ten principles of the United Nations Global Compact, ILO core labour standards and the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.

In order to take ESG criteria of the ETFs and investment funds used in the portfolios into account, MorgenFund LB primarily uses a database-based software solution into which ESG data from other research companies as well as the MorgenFund research results flow.

If an investment is made in an ETF or investment fund after the ESG-integrated analysis, these investments are also monitored further from an ESG perspective.

Information on the effects of sustainability risks on returns can be found in the following chapter.

3. Impact of sustainability risks on returns

Sustainability risks can lead to a significant deterioration in the financial profile, liquidity, profitability or reputation of an investment.

Unless already anticipated and factored into the valuations of the investments, sustainability risks may have a material adverse effect on the expected/estimated market price and/or liquidity of the investment and thus on the return of an investment or portfolio.

3.1 Market risk in connection with sustainability risks

Sustainability risks can have an impact on the market price. For example, market prices can change if companies do not act sustainably and do not make investments in sustainable changes. Similarly, strategic orientations of companies that do not take sustainability into account can have a negative impact on the share price.

The reputational risk arising from non-sustainable actions by companies can also have a negative impact on the market price.

Last but not least, physical damage caused by climate change or measures to shift to a low- carbon economy can also have a negative impact on the market price.

3.2 Risks from natural disasters and lack of attention to sustainability

An investment can be damaged and suffer losses due to external events such as natural disasters. These events can be caused or exacerbated by a lack of attention to sustainability.

4 Glossary

Term	Definition
ESG	Environmental, social and governance - refers to the three key factors in measuring the sustainability and social impact of an investment in a business or company. These criteria help to better determine the future financial performance of companies. The term "ESG" is used as a collective term referring to all aspects that are conducive to sustainability.
ETF	An exchange-traded fund is an investment fund that is continuously traded on an exchange. It is normally not acquired and sold via the issuing investment company, but via the stock exchange on the secondary market.
ILO	The International Labour Standards on Occupational Safety and Health, also called core conventions of the International Labour Organisation, are social standards within the framework of the world trade order that are intended to ensure decent working conditions and adequate protection. https://www.ilo.org/global/standards/subjects-covered-by-international-labour-standards/occupational-safety-and-health/lang--en/index.htm
Investment funds	An investment fund in accordance with the UCITS Directive (see below).
OECD	Organisation for Economic Co-operation and Development (OECD)
United Nations (UN)	The United Nations Organisation, or UNO, is an intergovernmental association of 193 states and, as a global international organisation, a fully recognised subject of international law.
UCITS	UCITS The UCITS Directive, long name Council Directive 85/611/EEC of 20 December 1985 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), is a European directive that defines specific requirements for funds and their management companies.

Date: September 2022

Pre-contractual fact sheet of MorgenFund GmbH, Luxembourg branch (“MorgenFund LB”) on sustainability- related disclosure obligations within the meaning of Regulation (EU) 2019/2088

This fact sheet provides information on whether the model portfolios currently available for selection advertise environmental or social characteristics or strive for sustainable investments.

If any of the financial portfolio management mandates listed advertises environmental or social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088 (Regulation on sustainability-related disclosure requirements in the financial services sector) or strives for sustainable investments within the meaning of Article 9 of Regulation (EU) 2019/2088, the information required by law will be provided to you in each case in a separate fact sheet (“Pre- contractual information of MorgenFund LB on a financial product that advertises environmental and/or social characteristics”).

Classification of Model Portfolios in Accordance with Regulation (EU) 2019/2088 The following model portfolios are financial products within the meaning of Article 6 of Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector.

Note According to Art. 7 of Regulation (EU) 2020/852 (Taxonomy) The investments on which these model portfolios are based do not take into account the EU criteria for environmentally sustainable economic activities.

Risk Class	Model portfolio *	Description
1	1 1+	Minimise losses - the investor does not want to risk incurring any capital losses and accepts that avoiding losses will reduce the potential return.
2	2- 2 2+	Very security-oriented - stability in the portfolio is more important to the investor than the yield potential.
3	3- 3 3+	Security-oriented - the investor would like to take advantage of some yield potential, but prefers to have a certain amount of stability in the portfolio.
4	4- 4 4+	Balance between security and yield - to achieve growth and yield in the long term, the investor is prepared to invest a certain share in higher-risk investments.
5	5- 5 5+	Yield oriented - the investor is aiming to realise higher returns in the long term. The investor is also prepared to accept limited losses in the short term.
6	6- 6 6+	Very yield-oriented - the investor agrees with a high share of high-yield and therefore, higher-risk investments in order to achieve higher gains. He is prepared to accept losses.

7	7- 7	Optimise yield - to achieve higher profits, the investor is prepared to risk higher losses.
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Classification of Model Portfolios in Accordance with Regulation (EU) 2019/2088 The following model portfolios

are financial products within the meaning of Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector.

These model portfolios advertise environmental and social characteristics and qualify under Article 8 (1) of Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector (“SFDR”). Although the model portfolios do not have sustainable investment objectives, they do invest a minimum percentage of assets in sustainable investments according to Article 2 (17) of the SFDR.

Note According to Art. 7 of Regulation (EU) 2020/852 (Taxonomy) The investments on which these model portfolios are based do not take into account the EU criteria for environmentally sustainable economic activities.

Risk Class	Open Architecture ETF ESG Model Portfolio *	Description	PAI indicators	SFDR Minimum Quota	Taxonomy Minimum Quota
1	1 1+	Minimise losses - the investor does not want to risk incurring any capital losses and accepts that avoiding losses will reduce the potential return.	Greenhouse gas emissions Social issues and employee concerns	10%	0%
2	2- 2 2+	Very security-oriented - stability in the portfolio is more important to the investor than the yield potential.	Greenhouse gas emissions Social issues and employee concerns	10%	0%
3	3- 3 3+	Security-oriented - the investor would like to take advantage of some yield potential, but prefers to have a certain amount of stability in the portfolio.	Greenhouse gas emissions Social issues and employee concerns	10%	0%

4	4- 4 4+	Balance between security and yield - to achieve growth and yield in the long term, the investor is prepared to invest a certain share in higher-risk investments.	Greenhouse gas emissions Social issues and employee concerns	10%	0%
5	5- 5 5+	Yield oriented - the investor is aiming to realise higher returns in the long term. The investor is also prepared to accept limited losses in the short term.	Greenhouse gas emissions Social issues and employee concerns	10%	0%
6	6- 6 6+	Very yield-oriented - the investor agrees with a high share of high-yield and therefore, higher-risk investments in order to achieve higher gains. He is prepared to accept losses.	Greenhouse gas emissions Social issues and employee concerns	10%	0%
7	7- 7	Optimise yield - to achieve higher profits, the investor is prepared to risk higher losses.	Greenhouse gas emissions Social issues and employee concerns	10%	0%

Date: September 2022

Information Sheet on Sustainability Preferences in Digital Asset Management

As of 08/02/2022, Digital Asset Management is legally obligated to ask its clients whether environmental or social aspects and good corporate governance criteria are important to them for cash investments (sustainability preferences).

In order for our clients to better understand the new legal requirements, determine their sustainability preferences, and subsequently be recommended a suitable investment strategy, MorgenFund GmbH, Luxembourg branch is looking to achieve the following with this information sheet:

- provide an overview of environmental (“E”) and social (“S”) aspects and governance (“G”) criteria, together referred to as “ESG,” which may be relevant for sustainable cash investments (**section A**),
- explain the different forms of sustainability portfolios that are generally available to clients with sustainability preferences under the new statutory requirements (**section B**), and
- explain the inclusion of sustainability preferences in the suitability test by Digital Asset Management as of 08/02./2022 (**section C**).

Note:

The individual sustainability preferences of the respective Digital Asset Management client are requested as part of the extended suitability test by MorgenFund Digital Asset Management and compared with the investment guidelines of the model portfolios.

A What are ESG aspects of a cash investment?

Environmental and social aspects and good corporate governance criteria are often referred to collectively with the English abbreviation ESG (Environmental, Social, and Governance).

1. Environmental Aspects (“E” for Environmental)

The “E” in ESG refers to environmental aspects. The first thing that comes to mind for many is climate protection, such as by reducing greenhouse gas emissions or energy consumption.

However, “E” also includes other things:

- Adaptation to climate change
- Biodiversity protection
- Sustainable use and protection of water and marine resources
- Transition to a circular economy, waste prevention, and recycling
- Pollution prevention and control
- Protection of intact ecosystems
- Sustainable land use

2. Social Aspects (“S” for Social)

The “S” in ESG refers to social aspects. For example:

- Compliance with recognized labor law standards (prohibition of child and forced labor)
- Compliance with occupational safety and health protection
- Appropriate remuneration, fair conditions at the workplace, diversity, and training and development opportunities
- Freedom for trade unions and assembly
- Ensuring sufficient product safety, including health protection
- Equal requirements for companies in the supply chain
- Includes projects and consideration for the needs of communities and social minorities

3. Principles of Good Corporate Governance (“G” for Governance)

The “G” for governance stands for corporate management and long-term, sustainable corporate development. It concerns the distribution of rights and responsibilities among the various parties involved in a company – including the Executive Board, managers, owners, and other stakeholders. Governance aspects include:

- Tax honesty
- Measures to prevent corruption
- Sustainability management by the management body
- Compensation of Executive Board members based on sustainability criteria
- Enabling of whistleblowing
- Guarantee of employee rights
- Guarantee of data protection

B. Digital Asset Management's Product Offering for Clients with Sustainability Preferences

In the future, clients will be able to decide whether and to what extent MorgenFund GmbH, Luxembourg branch should or should not take their sustainability preferences into account when designing the investment strategy and selecting investment funds for the respective model portfolio as part of asset management.

The new statutory regulations on sustainability in asset management¹ include certain requirements for the design of financial instruments, such as the investment funds underlying the model portfolios, which are generally eligible for clients with sustainability preferences.

Therefore, as of 08/02/2022, the universe of Digital Asset Management model portfolios for clients with sustainability preferences consists of model portfolios with one or more of the following three sustainability emphases.

Important notice:

In order to determine the appropriate model portfolio for clients with sustainability preferences, MorgenFund GmbH, Luxembourg branch must rely on information provided by product manufacturers to determine the extent to which these requirements exist at the product level. However, the legal requirements for disclosure and reporting on sustainability for products will not yet have taken effect completely when the new legal requirements for the inclusion of sustainability preferences in asset management come into force; this will not occur until January 1, 2023. If we do not have sufficient data for an investment fund on individual product characteristics that are important for including sustainability preferences, we do not regard it as being fulfilled for the respective product.

Therefore, the offer of model portfolios for customers with sustainability preferences may initially be limited.






1. Accounting for the principal adverse impacts (PAIs) on sustainability factors

The first type of products for investors with sustainability preferences includes financial instruments that take into account principal adverse impacts (PAIs) on sustainability factors in the investors' investment strategy, in particular by avoiding or reducing adverse impacts through their investment strategy.


¹ Delegated Regulation (EU) 2021/1253 amending Delegated Regulation (EU) 2017/565 with regard to the inclusion of sustainability factors, risks, and preferences in certain organizational requirements and conditions for investment firm activities of April 21, 2021.

a) Sustainability Indicators

The PAIs refer to different indicators of investments in companies and include the following

	<p>Greenhouse gas emissions</p>
<ul style="list-style-type: none"> • Greenhouse gas emissions • CO₂ footprint • Greenhouse gas intensity of the invested companies • Involvement in fossil fuel companies • Percentage of energy consumed and generated from non-renewable sources • Intensity of energy consumption by climate-intensive sector 	
	<p>Biodiversity</p>
<ul style="list-style-type: none"> • Activities that adversely affect areas with biodiversity in need of protection 	
	<p>Water pollution</p>
<ul style="list-style-type: none"> • Water pollution 	
	<p>Hazardous Waste</p>
<ul style="list-style-type: none"> • Percentage of hazardous and radioactive waste 	
	<p>Social Issues and Employee Concerns</p>
<ul style="list-style-type: none"> • Violations of the United Nations Global Compact Principles (UNGC Principles) and the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises • Lack of processes and compliance mechanisms for monitoring adherence to UNGC principles and OECD Guidelines for Multinational Enterprises • Unadjusted gender pay gap • Gender diversity in management and control bodies • Participation in controversial weapons (anti-personnel landmines, cluster ammunition, chemical weapons, and biological weapons) 	

The indicators of investments in real estate include the following indicators grouped by theme:

	Energy Efficiency and Fossil Fuels
<ul style="list-style-type: none">• Involvement in fossil fuels through real estate investments• Involvement in real estate with poor energy performance <p>Note: This PAI is not offered in digital asset management as no real estate investments are included.</p>	

b) Accounting for PAIs in the Investment Strategy

In particular, PAIs on sustainability factors can be avoided or reduced in various ways within the context of an investment fund:

One approach is to exclude investments in certain sectors or companies, such as based on specific sales thresholds. For example, such companies include those that manufacture tobacco, alcohol, or weapons, those that extract or convert fossil fuels, or those in the gambling industry.

Other options include proxy voting and corporate governance participation. Both aim to represent the sustainability interests of investors through active voting at general meetings. For example, with regard to PAIs, this allows specific CO₂-reduction targets, energy efficiency measures, or even employee concerns to be addressed in dialog with companies in which a financial instrument is invested and – if necessary – specific measures to be defined.

Another way is a best-in-class approach specifically designed to avoid or reduce PAIs. A best-in-class approach consists of excluding companies that, when it comes to individual sustainability indicators, have worse sustainability scores than comparable companies in the respective industry, not only in absolute terms but also in relative terms.

Note:

Not all adverse sustainability impacts are accounted for equally for all financial instruments. Instead, for each product in the investment strategy, the product manufacturer specifies an individual approach to account for adverse sustainability impacts on individual sustainability factors relevant to that product.

2. Minimum Percentage of Sustainable Investments in Accordance with the Disclosure Regulation²

The second category includes products with a minimum percentage of investments in sustainable economic activities to be determined by the client in accordance with the requirements of the Sustainable Finance Disclosure Regulation (“SFDR”). These economic activities form the investment objects for sustainable investments within the meaning of the Sustainable Finance Disclosure Regulation, e.g., via investment funds.

a) What Is the SFDR?

The SFDR introduces sustainability-related disclosure requirements in the financial services sector. It obligates manufacturers and distributors of certain financial instruments to provide information on sustainability in connection with production and distribution. Investors are to be informed concerning the extent to which environmental and social criteria and standards of good corporate governance are observed.

b) What Is a Sustainable Investment under the SFDR?

First of all, the SFDR covers environmentally sustainable investments. Investments in economic activities that contribute to the achievement of an environmental objective are regarded as environmentally sustainable under the SFDR. For example, this positive contribution is measured by key indicators for

- resource efficiency in the use of energy, renewable energy, raw materials, water, and soil,
- waste generation and greenhouse gas emissions, or
- impacts on biodiversity and the circular economy.

While the EU taxonomy currently focuses only on environmental aspects, social economic activities can also be sustainable as defined by the SFDR. Investments in economic activities that contribute to the achievement of a social objective are regarded as socially sustainable. For example, this positive contribution is measured by key indicators for

- addressing inequalities,
- promoting social cohesion, or
- investments in human capital or investments for the benefit of economically or socially disadvantaged populations.

Furthermore, for both environmentally and socially sustainable investments, it is necessary that they do not significantly compromise any environmental or social objective at the same time.

Significant impairment is determined based on an assessment of principal adverse impacts (PAIs) on sustainability factors. What PAIs are and how they are measured is described in section 1.

² Regulation (EC) No. 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosure requirements in the financial services sector

Finally, for investments in companies to be classified as sustainable, good governance practices must be applied, particularly with respect to sound management structures, relations with employees, employee compensation, and compliance with tax regulations.

Note:

Unlike the Taxonomy Regulation, the SFDR does not establish uniform technical evaluation criteria for sustainable investments.

The existence of a positive contribution to an environmental or social objective is often measured against the 17 Sustainable Development Goals (SDGs) of the United Nations. For example, this involves determining whether and to what extent a company's sales can be allocated to one or more of these goals. The goals are the following:

Basic needs



Green planet



Sustainable company



Equal opportunity



3. Minimum Percentage of Environmentally Sustainable Investments in Accordance with the Taxonomy Regulation³

The third category of products for customers with sustainability preferences consists of products with a minimum percentage of sustainable investments determined by the client in accordance with the Taxonomy Regulation.

a) What Is the Taxonomy Regulation?

The purpose of the Taxonomy Regulation is to establish a uniform classification system for environmentally sustainable economic activities within the European Union. It arises from the EU Commission's March 2018 Action Plan for Financing Sustainable Growth. Among other things, it aims to steer investors' capital flows more toward sustainable investments. The Taxonomy Regulation therefore sets out six environmental objectives, based on which the environmental sustainability of an economic activity is determined. These economic activities form the investment objects for sustainable investments within the meaning of the Taxonomy Regulation, e.g., via investment funds.

The six environmental objectives of the Taxonomy Regulation are:

- climate protection,
- adaptation to climate change,
- sustainable use of water and marine resources,
- transition to a circular economy,
- prevention and reduction of environmental pollution (e.g., with regard to air, water, and soil quality), and
- protection and restoration of biodiversity and ecosystems (e.g., sustainable land use and management, sustainable forest management).

b) What Is an Environmentally Sustainable Investment under the Taxonomy Regulation?

First, an investment must make a significant contribution to achieving one of the six environmental objectives of the Taxonomy Regulation. The existence of a significant contribution to one or more of the six environmental objectives of the Taxonomy Regulation is determined for individual economic activities on the basis of legally defined technical assessment criteria. Second, to be classified as an environmentally sustainable activity, the economic activity must not significantly affect any of the other environmental objectives of the Taxonomy Regulation. For example, an activity that aims to protect the climate but at the same time negatively affects biodiversity is not sustainable within the meaning of the Taxonomy Regulation. This is also determined on the basis of legally defined technical evaluation criteria. Finally, the third requirement for classification as environmentally sustainable is that the economic activity must be carried out in compliance with a minimum level of protection for occupational safety and human rights, such as those set out in the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights and the International Bill of Human Rights.

³ Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020, on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.

Note:

The classification of economic activities as sustainable within the meaning of the Taxonomy Regulation is still being developed. As such, technical evaluation criteria for the two climate goals of the Taxonomy Regulation were first developed and published on December 9, 2021. The other goals are still being developed, however.

In addition, the technical evaluation criteria were initially developed only for economic sectors identified as particularly relevant for achieving the European Union's climate goals. For example, they include the energy sector, forestry, manufacturing / goods producers, transport, construction, and real estate. Other sectors of the economy will follow. After all, the first official company reports showing the percentage of environmentally sustainable economic activities within the meaning of the Taxonomy Regulation will not be available until 2023. The percentage of environmentally sustainable economic activities of a financial product within the meaning of the Taxonomy Regulation will therefore be rather low at first.

C. Requesting Sustainability Preferences and Recommending Suitable Model Portfolios

To determine your sustainability preferences, we will ask you in our application section whether sustainability preferences are to be factored in to your investment.

If this is the case, we will ask for more detailed information about your sustainability preferences in a second step. In this step, you can provide us with a combination of the three types of sustainable products – PAI indicators, SFDR, and the minimum taxonomy quota.

We will take the information on your sustainability preferences into account when selecting a suitable model portfolio after analyzing your information on your knowledge and experience, your financial circumstances, and your investment objectives so that we can also recommend suitable model portfolios for your sustainability preferences.

When doing so, we will apply the following principles:

- If you do not specify your sustainability preferences, we will choose from investment strategies both with a sustainability focus as well as those without a sustainability focus.
- If you do not provide any further information on the type of your sustainability preferences, investment strategies of all three sustainability types will be considered (minimum percentage of sustainable investments within the meaning of the Taxonomy Regulation, minimum percentage of sustainable investments within the meaning of the Sustainable Finance Disclosure Regulation, and accounting for PAIs on sustainability factors).
- If you specify “Account for PAIs” as a sustainability preference, Digital Asset Management will check this choice at the product level using the thematic PAI groups or PAI families. A PAI family is regarded as fulfilled if one or more PAI indicators falling under this family have been taken into account at the product level.
- If you indicate in your sustainability preferences that you want a product with a minimum percentage of sustainable investments as defined by the SFDR, we will recommend an investment strategy that makes environmentally and/or socially sustainable investments as defined by the SFDR. Due to a lack of detailed information from product manufacturers, Digital Asset Management is currently unable to distinguish between products with environmentally or socially sustainable investments.
- If you specify “Sustainable investments within the meaning of the Taxonomy Regulation” and/or

“Sustainable investments within the meaning of the SFDR” as your sustainability preference but do not select a percentage range, products that meet the lower percentage range of the respective minimum quota will be considered for the investment recommendation.

4. Repeating the Process and Adjusting Your Sustainability Preferences

If you have provided basic sustainability preferences, Digital Asset Management will analyze them and recommend an investment strategy that fits your sustainability preferences.

If we are unable to recommend an investment strategy that meets your basic sustainability preferences, you will be advised accordingly in the advice section. You will then be asked if you would like to review your sustainability preferences and possibly change them for this specific investment.

If you adjust your sustainability preferences the second time, we will document both the original and revised sustainability preferences and recommend a suitable investment strategy – if any – that matches your updated sustainability preferences.

In the suitability statement, which is part of your asset management contract, we will document your sustainability preferences and our recommendation together with the justification for this, along with information on your knowledge and experience, your financial circumstances, and your investment objectives.

If we are unable to identify an investment strategy suitable for your sustainability preferences even after you change your sustainability preferences, we will unfortunately be unable to make you an offer.

Date: September 2022