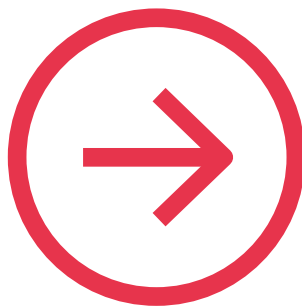


# Further legal documents regarding your securities account at MorgenFund in Luxembourg





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# Special Terms and Conditions for Online Securities Accounts and Electronic Mailboxes

These Special Terms and Conditions for Online Securities Accounts and Electronic Mailboxes (hereinafter referred to as the “Special Terms and Conditions”) apply to Online Securities Accounts kept with MorgenFund GmbH and MorgenFund GmbH, Luxembourg branch (hereinafter also referred to jointly as the “Institution”) via the internet and the MorgenFund App offered by the Institution (“Online Securities Account”) as well as usage of the electronic mailbox (hereinafter referred to as the “Mailbox”).

The following Special Terms and Conditions are applicable in addition to the General Terms and Conditions for Securities Accounts of MorgenFund GmbH or the General Terms and Conditions for Securities Accounts of MorgenFund GmbH, Luxembourg branch (hereinafter referred to as the “General Terms and Conditions”). Unless otherwise stipulated in the present Special Terms and Conditions, the respective General Terms and Conditions applicable to the client shall apply.

## I. General framework conditions

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### 1. Online securities account with mailbox

- (1) The Online Securities Account allows the client and their<sup>1</sup> agent (hereinafter referred to collectively as “Users” unless expressly specified otherwise) inter alia to consult their securities account via the internet and place orders online, etc.
- (2) The Mailbox is integrated into the online application of the Online Securities Account. This is an electronic mailbox in which the Institution saves certain personal notifications, information and documents (hereinafter referred to as “notifications”) for the User in encrypted electronic format and which can be downloaded by the client at any time. The Mailbox is used for communication between the Institution and the User.
- (3) The Institution reserves the right to amend, supplement or further develop the Online Securities Account and Mailbox and any related functionalities, in part or in full, and will inform the User accordingly within a reasonable period of time or update the present Special Terms and Conditions pursuant to section 1 paragraph 2 of the General Terms and Conditions for Securities Accounts of MorgenFund GmbH or the respective provisions contained in the General Terms and Conditions for Securities Accounts of MorgenFund GmbH, Luxembourg branch.

### 2. Activation of the online securities account with mailbox and conclusion of the agreement

- (1) The User requests the Institution to allow access to the Online Securities Account with Mailbox. To do this, the User either installs and uses the MorgenFund App, or uses the website provided by the Institution for this purpose ([www.morgenfund.com](http://www.morgenfund.com)) and requests activation of the Online Securities Account with Mailbox there. The User follows the prescribed steps for this procedure included in the user guidance. Use of the functionalities of the Online Securities Account and the Mailbox also requires the User to agree to application of the present Special Terms and Conditions. As soon as the User actively starts to use the functionalities of the Online Securities Account and the Mailbox, the Institution will assume that the User has agreed to the application of the present Special Terms and Conditions. Additionally, use of the MorgenFund App requires the User to agree to application of the associated Terms of Use for the app.
- (2) The User’s proposal for the enabling of his access to the Online Securities Account and the Mailbox is accepted by the Institution by its activation of access to the Online Securities Account and Mailbox. The User waives the right to a notice of acceptance.

### 3. Requirements for use of the online securities account with mailbox and methods of access

- (1) In order to use the Online Securities Account and the Mailbox, the User requires internet access and an up-to-date, standard web browser.
- (2) In order to place orders through the Online Securities Account, it may also be necessary for the User to download, install or activate an additional app, e.g. to generate or receive transaction numbers (TAN) on their mobile device (authentication app), and to agree to the application of the related terms of use for the app.

<sup>1</sup> For the sake of convenience, male grammatical forms only are used.  
Any such references are intended to apply to people with any sexual identity.

#### **4. Obligation for the user to use a valid email address generally used for communication with third parties**

- (1) In order to use the Online Securities Account and the Mailbox as part of the services offered by the Institution, the User requires a valid email address of the type generally used for communication with third parties (hereinafter referred to as the "reference email address").
- (2) If the existing reference email address is altered or deleted, the User will immediately communicate a new valid reference email address to the Institution.

#### **5. Right of use**

Following successful registration, the User has the right to use the Online Securities Account with Mailbox for their own purposes and in accordance with these terms of use for the period provided for herein.

#### **6. Warranty and liability**

- (1) Unless expressly stated in the present Special Terms and Conditions, the Institution does not offer any specific assurances in relation to the services and/or online applications and does not provide any guarantees of any kind. In particular, no assurances are provided regarding the content, the specific functionalities or their reliability, or the availability or suitability of the services for client purposes.
- (2) In the case of service disruptions, in particular for temporary access restrictions to the Online Securities Account and the Mailbox due to technical issues, the Institution is only liable in the event of gross negligence or wilful deceit, and only makes the latest version of the Online Securities Account and the Mailbox available at any time.
- (3) The Online Securities Account and the Mailbox are available at all times, subject to standard maintenance periods; however, there is no entitlement to such availability. If the Online Securities Account and/or Mailbox is affected by exceptional maintenance work on technical grounds, the Institution will, where possible, inform the User on a timely basis via the Mailbox in the Online Securities Account.
- (4) The User is personally responsible for the technical device used, the internet connection and related network connections on the User side.
- (5) The Institution may use other communication channels (e.g. post or, for general information, also the announcement of this general information on the website [www.morgenfund.com](http://www.morgenfund.com)) for notifications in the event of longer service disruptions.
- (6) The Institution is only liable for damages to the User that arise, irrespective of the cause, from the internet service being unavailable or from data not being properly transferred, if the service is unavailable due to the gross negligence or wilful misconduct of the Institution and the User had no other means to communicate with the Institution during the time the service was unavailable.
- (7) The User is herewith informed that it is technically possible for data to be intercepted and potentially decrypted and read by unauthorised third parties during transfer to the User via internet. The Institution provides no guarantee for the security of the User's network or internet service.

#### **7. Termination of access to the online securities account with mailbox**

- (1) The User may terminate access to the Online Securities Account without providing reasons, at any time, in writing (e.g. by email) to the notified contact person at the Institution.
- (2) The Institution can terminate the User's access to the Online Securities Account subject to a one-month notice period. The right of each party to extraordinary termination for good cause remains unaffected.

#### **8. Consequences of the termination of access to the Online Securities Account**

- (1) The Institution will block access to the Online Securities Account for the User on the effective date of termination. Following termination, the Institution will only accept orders via other channels (e.g. by telephone, in writing) in accordance with the relevant General Terms and Conditions applicable to the User. However, the client may continue to view notifications and information via the online Mailbox even after the Online Securities Account has been terminated and blocked.
- (2) The provisions of section III. no. 5 of the present Special Terms and Conditions remain unaffected.

## **II. Online securities account**

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### **1. Scope of services**

- (1) The User can place/process orders using electronic access media via the Online Securities Account up to the respective level proposed by the Institution. Additionally, the client can consult information from the Institution via the Online Securities Account.
- (2) The Institution provides information on access channels (e.g. an internet address or app) for the technical connection to the Online Securities Account.

- (3) The User can also set up the technical connection to the Online Securities Account via the platforms of other authorised service providers (“third-party providers”), providing this access is authorised or otherwise technically enabled by the Institution, or such access is made via an authorised online interface and the User has agreed to the authentication and transfer of their login details with the third-party provider to the Institution.

## **2. Requirements for use of the online securities account**

- (1) The User can use the Online Securities Account once authenticated by the Institution.
- (2) Authentication is the specific procedure agreed with the Institution, which enables the Institution to verify the identity of the User or the authorised use of an agreed authentication factor. With the authentication factors agreed for this purpose, the User can identify themselves as an authorised user to the Institution, access information (see II. section 3 of the present Special Terms and Conditions) and place orders (see II. section 4 of the present Special Terms and Conditions).
- (3) Authentication factors are:
- Knowledge factors, i.e. something only the user knows (e.g. a personal identification number (PIN), password);
  - Ownership factors, i.e. something only the User owns (e.g. a device such as a mobile device, where applicable with an authentication app to generate or receive one-time TANs, which prove the ownership of the User); or
  - Inherence factors, i.e. something the User is (e.g. a fingerprint or face data as a biometric identifier for the User).
- (4) User authentication is carried out by the User providing the stipulated knowledge factor and/or proof of the ownership factor and/or proof of the inherence factor to the Institution when prompted by the Institution.
- (5) Depending on the authentication factor, the User may need appropriate hardware and software. Apart from the Institution's range of apps, the User remains personally responsible for sourcing, installing and maintaining this hardware and software.
- (6) If the hardware or software of third-party providers or associated authentication factors are used, the Institution provides no separate warranty and assumes no responsibility for their continuing suitability and availability for use in authentication.

## **3. Access to the online securities account**

- (1) The User is given access to the Online Securities Account of the Institution if:
- They provide their individual user identification (e.g. reference email address or securities account number); and
  - They provide proof of identification using one or more of the authentication factors, as required by the Institution; and
  - Access has not been blocked (see II. sections 7.1 and 8 of the present Special Terms and Conditions).
- (2) Once access to the Online Securities Account has been granted, the User can access information or place orders pursuant to II. section 4 of the present Special Terms and Conditions.
- (3) After it has been activated, the User may also gain access to their Online Securities Account via the platform of a third-party provider. If the User initiates online access via a third-party provider, the Institution is authorised to transmit information regarding the User's securities account to the third-party provider.

## **4. Orders**

- (1) For an order (e.g. purchase of units in investment funds), the User must agree to its effectiveness (authorisation). If so requested, the user shall use authentication factors for this (e.g. input of a TAN as proof of the ownership factor).
- (2) The Institution confirms receipt of the order by electronic media.
- (3) Offers made by the User to conclude a legal transaction are accepted by the Institution executing the trade requested by the User. The user waives the right to a notice of acceptance.

## **5. Order processing by the Institution**

- (1) Orders are processed in accordance with the provisions of part 3 “Rules on the purchase and sale of units” section 5 “Unit price/ time of execution” paragraph 4 “Settlement terms for securities transactions (processing/time of execution/valuation date)” of the respective General Terms and Conditions currently applicable to the User within the ambit of the ordinary course of business. If the order is input after the time specified in the Institution's online application (order acceptance deadline) or on a non-bank business day<sup>2</sup> according to the information contained in the online application, then the order is deemed to have been input on the following bank business day. Processing only begins on the following business day.
- (2) The Institution will execute the order once the following conditions are all met:
- The User has authorised the order (see II section 4 of the present Special Terms and Conditions). The User is authorised to make the specific order type (e.g. an order for the purchase of units in investment funds).
  - The online securities account date format is respected.
  - Any additional execution conditions prescribed in the relevant terms and conditions (e.g. the relevant applicable General Terms and Conditions) for the specific order type are met.

<sup>2</sup> Business days are defined in the General Terms and Conditions for Securities Accounts of MorgenFund GmbH or of MorgenFund GmbH, Luxembourg branch.

If the conditions for execution described in sentence 1 of this paragraph (2) are met, the Institution will execute orders in accordance with the provisions of the General Terms and Conditions applicable to the relevant order type.

- (3) If the conditions for execution described in paragraph 2, sentence 1 of this section (5) are not met, the Institution will not execute the order. The Institution will inform the User of this by electronic media or post, in so far as possible stating the reasons that led to the rejection.

## 6. The user's duty of care

### 6.1 Protection of the authentication factors

- (1) The User must take all reasonable precautions to protect their authentication factors (see II. section 2 of the present Special Terms and Conditions) against unauthorised access. Otherwise there is a risk that the Online Securities Account could be misused or otherwise used in an unauthorised manner (cf. II sections 3 and 4 of the present Special Terms and Conditions).
- (2) In order to protect the individual authentication factors, it is imperative for the User to ensure that:
- a) Knowledge factors such as the PIN are kept secret. In particular, such factors must not be:
- Transmitted orally (e.g. by telephone or in person);
  - Transmitted in writing (e.g. by email, messenger service) outside of the Online Securities Account;
  - Saved electronically without password protection (e.g. saving the PIN in plain text on the computer or mobile device); and
  - Noted on a device or kept as a copy together with a device that serves as an ownership factor (e.g. a mobile device) or is used to verify an inheritance factor (e.g. a mobile device with the Online Securities Account application and a fingerprint sensor).
- b) Ownership factors such as mobile devices are protected from misuse, in particular:
- Unauthorised persons must not have access to the User's mobile device (e.g. mobile phone);
  - Other persons must not be able to use any apps relating to the Online Securities Account (e.g. the MorgenFund App, the authentication app) on the mobile device (e.g. mobile phone);
  - The app for the Online Securities Account (e.g. the MorgenFund App, the authentication app) on the User's mobile device must be uninstalled before the User relinquishes ownership of this mobile device (e.g. if the mobile phone is sold or disposed of);
  - Proofs of the ownership factor (e.g. TANs) must not be transmitted outside the Online Securities Account orally (e.g. by telephone) or in text format (e.g. by email, messenger service); and
  - After receiving a code to activate the ownership factor (e.g. mobile phone with the Online Securities Account app) from the Institution, the User must protect this code from unauthorised access by other persons; otherwise there is a danger that these other persons could activate their own device as an ownership factor for the User's Online Securities Account.
- c) Inherence factors, such as the fingerprint of the User, can only be used as an authentication factor for the Online Securities Account on the User's mobile device if the inherence factors of other persons are not saved on the mobile device. If the inherence factors of other persons are saved on the mobile device that is used for the Online Securities Account, these persons could potentially gain access, and the knowledge factor (e.g. PIN) provided by the Institution should therefore be used to access the Online Securities Account and not the inherence factor saved on the mobile device.
- (3) Furthermore, when inputting authentication factors, the User must ensure that these are not exposed to other persons.
- (4) The User may not use more than two authentication factors for authorisation (e.g. of an order) or lifting a block.
- (5) The User may not respond to an electronic request (e.g. by email) to input authentication factors on an attached link to a (supposed) Online Securities Account of the Institution.
- (6) Additionally, the User may not answer additional questions regarding authentication factors, other than via the original access channels made available by the Institution or third-party providers.
- (7) Notwithstanding the duty of protection provided for in paragraphs 1 to 6 above, the User may use their authentication factors with a third-party provider to access information via their securities account. In this case, references to the authentication factors used to access the online securities account accordingly also include the authentication factors of the third-party provider. The relevant duty of care for authentication factors also applies analogously to these third-party authentication factors.
- (8) If the User uses the systems or procedures of a third party, such as a third-party provider's platform, to access information via their securities account, the Institution accepts no responsibility for the selection, security or monitoring of these systems or procedures. The User remains responsible for compliance with the requirements and rules contained in the present Special Terms and Conditions when using these third-party systems or procedures.

## **6.2 Security instructions**

- (1) The User must respect the security instructions on the Online Securities Account page or the MorgenFund App or the Institution's online application, in particular, the measures for protecting the hardware and software ("client systems") used.
- (2) Furthermore, it is the user's responsibility to respect any security instructions from the provider of the client systems used (e.g. security updates of systems software on mobile devices). This also includes the security instructions of third-party providers.
- (3) The User must also ensure that prior to accessing the Online Securities Account, standard safety precautions (such as anti-virus programmes and firewalls) are installed on the system used, and that these are also regularly updated.

## **6.3 Review of order data by the User according to the data displayed by the Institution**

The Institution sends the User the order details it has received from the User (e.g. amount, securities identification number, ISIN) via the device agreed upon with the User (e.g. mobile device). Before confirming the order, the User must check the data displayed to ensure that they are complete and accurate as well as consistent with the order.

## **7. Disclosure and notification duties**

### **7.1 Stop notice**

- (1) If the User becomes aware of:
  - The loss or theft of an ownership factor for authentication (e.g. mobile device); or
  - The misuse or otherwise unauthorised use of an authentication factor, including any such incident in connection with access via third-party providers, the User must inform the Institution immediately (stop notice). The User may also make such a stop notice at any time via the specific communication channels notified (e.g. by telephone).
- (2) The User must report any theft or misuse of an authentication factor immediately to the police.
- (3) If the User suspects that there has been unauthorised or fraudulent use of one of their authentication factors, including in connection with access via a third-party provider, they must submit a stop notice to the Institution immediately.

### **7.2 Notification of unauthorised orders or incorrect order execution**

The User must inform the Institution immediately following the discovery of an unauthorised order or incorrect order execution.

## **8. Usage block**

### **8.1 Block at the instigation of the user**

At the instigation of the User, in particular in the event of a stop notice pursuant to II. section 7.1 of the present Special Terms and Conditions, the Institution will block:

- Access to the online securities account; and/or
- The user's authentication factors for the online securities account.

### **8.2 Block at the instigation of the Institution**

- (1) The Institution may block a user's access to the Online Securities Account if:
  - It is authorised to cancel access to the Online Securities Account according to the present Special Terms and Conditions for good cause;
  - This is justified by objective factors in connection with the security of the authentication factors of the user; or
  - Unauthorised or fraudulent use of an authentication factor is suspected.
- (2) The Institution will inform the User via the agreed channels, providing details of the relevant reasons, if possible prior to imposing the block on access to the Online Securities Account and at the latest immediately after the block. The Institution may withhold reasons if providing these would mean violating any legal obligations.

### **8.3 Lifting the block**

The Institution will lift a block or exchange the relevant authentication factors if the grounds for the block cease to apply. The Institution will inform the User concerning it immediately.

### **8.4 Access block for third-party providers**

The Institution may refuse access to the User's Online Securities Account to a third-party provider, if this is justified by objective and duly substantiated grounds in connection with unauthorised or fraudulent access by the third-party provider to the Online Securities Account, including the unauthorised or fraudulent initiation of an order. The Institution will inform the User of any such access block via the agreed channels. Where possible, notification will be prior to the refusal of access, or at the latest immediately thereafter. The Institution may withhold reasons if providing these would mean violating any legal obligations. Once the grounds for refusing access cease to exist, the Institution will lift the access block. The Institution will inform the User concerning it immediately.



## 9. Liability

### 9.1 Liability of the Institution for the execution of an unauthorised order, the incorrect or late execution of an order, or the failure to execute an order

The liability of the Institution for the execution of an unauthorised order, the incorrect or late execution of an order, or the failure to execute an order depends on the conditions (e.g. the General Terms and Conditions) agreed for the relevant order type.

### 9.2 Liability of the user for the misuse of their authentication factors

#### 9.2.1 Liability of the User for unauthorised orders prior to the stop notice

(1) The User and Institution are liable in accordance with the principles of contributory negligence for unauthorised orders (e.g. purchase of units in an investment fund) based on the use of a lost or stolen authentication factor prior to the stop notice or on other misuse of the authentication factor that result in damages for the Institution.

(2) The User is solely liable for all damages incurred as a result of unauthorised orders prior to the stop notice if the User acted with fraudulent intent or neglected the duties of care or notification pursuant to the present Special Terms and Conditions due to wilful intent or gross negligence. In particular, gross negligence on the part of the user is assumed by failure to respect the duty of care pursuant to:

- II. Section 6.1 paragraphs 2 to 6;
- II. Section 6.1 paragraph 7 sentence 3;
- II. Section 6.2 paragraph 3;
- II. Section 6.3; or
- II. Section 7.1 paragraph 1 and

has violated section 3 of the present Special Terms and Conditions.

Use of an authentication factor by the User vis-à-vis a third-party provider (see II. section 1 paragraph 3 of the present Special Terms and Conditions) in order to access information does not constitute culpable behaviour.

(3) The User is not obliged to repair damages pursuant to paragraphs 1 and 2 if the User was unable to report the stop notice pursuant to II. section 7.1 of the present Special Terms and Conditions because the Institution had not ensured that it was possible to receive the stop notice.

(4) Paragraph 3 shall not apply if the User acted with fraudulent intent.

#### 9.2.2 Liability from the time of the stop notice

As soon as the Institution receives a stop notice from a User, it assumes all damages arising thereafter for the User from unauthorised Online Securities Account orders. This shall not apply if the User acted with fraudulent intent.

### 9.3 Disclaimer

Liability claims are excluded if the circumstances leading to a claim are based on an unusual and unpredictable event, on which the parties invoking this event have no influence, and the consequences of which could not have been avoided despite use of the requisite care.

## III. Mailbox

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### 1. Mailbox set-up

- (1) As a general rule – unless agreed otherwise below – Mailbox set-up requires access to the Online Securities Account. Use of the functionalities of the Mailbox further requires the User to have agreed to the application of the present Special Terms and Conditions for the Online Securities Account.
- (2) All notifications for the User regarding management of the securities account (e.g. account statements, securities statements, cost reports, contract notifications) will be posted to the Mailbox in electronic format.
- (3) The User can consult, download, save and delete notifications online throughout the full period of use of the Online Securities Account or the Mailbox as part of an existing securities account relationship. Only the user can delete notifications, and these cannot be subsequently reinstated.
- (4) The User will be informed by the Institution of the receipt of any notifications in the Mailbox by a message to the reference email address provided by them.
- (5) Use of the Mailbox is reserved solely for the User.

## **2. Posting notifications**

- (1) The Institution fulfils its duty to transmit, provide information regarding, or make available notifications on a durable medium by posting the notifications in the Mailbox.
- (2) Pursuant to the present Special Terms and Conditions, by setting up the Mailbox, the User expressly agrees that notifications and information posted in the Mailbox will not be sent by letter. This includes notifications and information for both current and future services chosen by the client and specifically includes those required in text format. The provision under section 1.1 (3) remains unaffected.
- (3) In addition, the Institution may send a User copies of individual or all notifications and information posted in the Mailbox by letter or some other means, provided it believes that this is required by legal provisions or the Institution considers this appropriate with regards to the User's interests or at the express request of the User.
- (4) Notifications are sent to the User at the latest one day after the Institution has posted them to the Mailbox and sent an email to the User informing them of this.
- (5) If the email cannot be delivered, for instance on the grounds that the reference email address is no longer valid, the Institution may contact the User through an alternative channel. The notifications may be made available for instance in paper format. Where applicable, the related costs can be found in the respective Fee and Service Schedule of the Institution.

## **3. Saving notifications posted to the mailbox**

- (1) Where legally permissible, the Institution saves the notifications for the full period of use of the Online Securities Account and the Mailbox by the User as part of an existing securities account relationship.
- (2) The Institution ensures that notifications posted to and saved in the Mailbox as part of a securities account relationship cannot be changed.
- (3) At all times during the legally required retention periods, the Institution is able to make paper copies of these notifications available to the User upon request. Where applicable, the related costs can be found in the respective Fee and Service Schedule of the Institution.

## **4. The user's duties of cooperation regarding notifications in their mailbox**

The User must regularly check whether the Institution has posted notifications to the Mailbox. The user verifies the accuracy and completeness of notifications posted to the mailbox. They must submit any objections immediately to the Institution.

## **5. Consequences of the termination of access to the Online Securities Account or the business relationship**

- (1) After the termination of access to the Online Securities Account, the Institution will send notifications intended for the Mailbox to the User by an agreed means, or by means to be agreed. Where applicable, the related costs can be found in the respective Fee and Service Schedule of the Institution.
- (2) Upon termination of access to the Online Securities Account and/or of the business relationship, any electronic notifications posted to the Mailbox up to this time and not already deleted by the User will remain available to the User via access to the Online Securities Account for a period of 10 years. Should this occur, the User shall remain subject to the obligations applicable to him under the present Special Terms and Conditions for the period during which access to the Mailbox is provided, in particular as regards the duties of care incumbent upon him. This period begins when the termination of access to the Online Securities Account or the business relationship, or the closure of the securities account, takes effect.

## **6. Recognition by the financial authorities (only relevant for users who are resident in Germany)**

- (1) The Institution provides no guarantee that the financial authorities will recognise the notifications saved in the Mailbox. The user should seek advice in advance on this issue from their tax office.
- (2) In the opinion of the German tax authorities, the notifications made available in the Mailbox, e.g. the electronic securities account statement, do not fulfil the requirements of the retention duties for tax purposes pursuant to section 147 of the German Fiscal Code (Abgabenordnung – AO) as currently applicable or of an invoice within the meaning of the German Value Added Tax Act (Umsatzsteuergesetz – UStG).
- (3) These notifications and information are therefore only used in the private banking area and are only recognised for Users who are not obliged to keep accounting records within the meaning of sections 145 et seq. AO.

Valid from: September 2022

# Data protection information under the EU General Data Protection Regulation (GDPR) for “natural persons”

The following information gives you an overview of how we process your personal data and also sets out your rights under data protection law. The specific data we process, and the way we use it, is largely governed by the services requested or agreed.

Please pass this information on to current and future authorised representatives and economic beneficiaries. They include beneficiaries in the event of your death as well as authorised signatories.

## 1. Who is the data controller, and whom can you contact regarding data processing?

The data controller is:

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  
Email address: [customers.luxembourg@service.morgenfund.lu](mailto:customers.luxembourg@service.morgenfund.lu)

Our internal Data Protection Officer can be reached at:

MorgenFund GmbH, Luxembourg branch  
Data Protection Officer  
Parc d'Activite Syrdall 2  
18–20, rue Gabriel Lippmann  
L-5365 Munsbach  
Luxembourg  
Tel.: +352 23645-20  
Email address: [customers.luxembourg@service.morgenfund.lu](mailto:customers.luxembourg@service.morgenfund.lu)

## 2. What sources and what type of data do we use?

We process personal data that we receive from **our clients** in the course of our business relationship. Where necessary in order to provide our service, we also process personal data that we lawfully received from MorgenFund GmbH (e.g. to execute orders, to perform contracts, or on the basis of your consent). Furthermore, we process personal data that we lawfully collected from public sources (e.g. register of companies, register of associations, press, media, internet) and are permitted to process.

The following personal data may be relevant in the client acquisition process, for creating a master data record, in the course of authorisation (securities account authority) or as another person with authority of disposal over a securities account/contract:

name, address/other contact data (telephone, email address), date and place of birth, gender, nationality, marital status, legal capacity, professional group key/type of partner (employed/self-employed), verification data (e.g. identity card data), authentication data (e.g. specimen signature), tax ID, FATCA status.

When transacting and using products/services from the product categories listed below, other personal data may be collected, processed and stored in addition to the aforementioned data. These mainly comprise:

### Trading/securities account

Current or relevant previous occupation, detailed information on knowledge and/or experience in securities (MiFID status), investment behaviour/strategy (volume, frequency, risk appetite), financial situation (assets, liabilities, income from employed/self-employed work/business, outgoings), foreseeable changes in financial situation (e.g. reaching retirement age), tax information (e.g. statement of liability to church tax), documentation data (e.g. suitability statements).

### Client contact information

Further personal data arise during the contract initiation phase and in the course of the business relationship, in particular as a result of personal, telephone or written contact initiated either by you or the company, e.g. information about means of contact, date, reason and outcome, (electronic) copies of correspondence as well as information about participation in direct marketing.

## Digital services

In terms of the data processed when using digital service products, please refer to further information on data protection in connection with the particular digital service (e.g. processing of personal data for identification purposes when using the MorgenFund App or MorgenFund Secure Tan App).

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

We process the aforementioned personal data in compliance with the provisions of the EU General Data Protection Regulation (GDPR) and the current Luxembourg Data Protection Act:

#### a. For fulfilling contractual obligations (Art. 6(1b) GDPR)

Personal data is processed to carry on business and provide financial services in the course of performing our contracts with you, or to take steps prior to entering into a contract at your request.

The purposes of data processing are primarily governed by the specific product (see point 2) and can include needs analyses, advice as well as the execution of transactions. Further details on the purpose of data processing can be found in the contract documentation and Terms and Conditions.

#### b. For the purposes of legitimate interests (Art. 6(1f) GDPR)

If necessary, we process your data beyond actual performance of the contract in order to safeguard our legitimate interests or those of third parties. Examples:

- Advertising or market research and opinion polling, provided you have not objected to the use of your data
- Exercising of legal claims and defence in the event of legal disputes
- Ensuring the company's IT security and IT operation
- Preventing crime
- Video surveillance for the purpose of protecting premises and collecting evidence in the event of raids and fraud
- Building and system security measures (e.g. access controls)
- Measures to safeguard premises
- Measures for the purpose of business management and development of services and products
- Risk management within the company

#### c. On the basis of your consent (Art. 6(1a) GDPR)

To the extent that you have given consent to the processing of personal data for certain purposes (e.g. sharing of data with the intermediary or the sales organisation and, if applicable, their IT service providers to use your data for certain advertising purposes), such processing on the basis of your consent is lawful. Consent can be withdrawn at any time. This also applies to the withdrawal of consent given prior to the entry into force of the EU General Data Protection Regulation, i.e. before 25 May 2018. Please note that withdrawal only has an effect on future data processing. Processing that took place prior to the withdrawal of consent is not affected. A status report on the consent you have given can be requested from us at any time.

#### d. For compliance with a legal obligation (Art. 6(1c) GDPR) or in the public interest (Art. 6(1e) GDPR)

As an investment firm, we are additionally subject to various legal obligations – that is, statutory requirements (e.g. Investment Firm Act [Wertpapierinstitutsgesetz], Money Laundering Act [Geldwäschegesetz], Securities Trading Act [Wertpapierhandelsgesetz], tax laws) as well as supervisory requirements (e.g. Federal Financial Supervisory Authority [Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin] and the CSSF). The purposes of processing include the fulfilment of supervisory obligations to ascertain the particular client's knowledge and experience of investment services and financial instruments, financial situation and investment objectives, identity check, prevention of fraud and money laundering, the fulfilment of fiscal control and tax reporting obligations as well as assessing and managing risks within the company.

### 4. Who receives my data?

Within the company, the entities who need your data to fulfil our contractual and statutory obligations receive access to your data. Also, service providers and agents engaged by us can receive data for these purposes if they observe confidentiality and our written data privacy policy. These are essentially companies that fall into one of the categories listed in the following.

In relation to the sharing of data with recipients outside the company, please note that as a branch of an investment firm we are bound to secrecy with regard to all client-related facts and assessments that come to our attention. We may only share information about you if permitted by statutory provisions, if you have given us your consent, if we are authorised to share a piece of information, and/or if processors engaged by us similarly guarantee the observance of confidentiality as well as the provisions of the EU General Data Protection Regulation/Federal Data Protection Act.

The following, for example, may be recipients of personal data on this basis:

- Public bodies and institutions (e.g. Deutsche Bundesbank, Caisse de Consignation, CSSF, BaFin, European Banking Authority, European Central Bank, financial authorities, German Federal Central Tax Office) in the case of a statutory or official obligation.
- Other credit institutions and investment firms, similar institutions and processors with whom we share your personal data for conducting the business relationship.
- Specifically: Processing of credit reports, support/maintenance of IT applications, archiving, processing of records, call centre services, compliance services, controlling, data screening for anti-money laundering purposes, data destruction, buying/selling, client relationship management, lettershops, marketing, reporting, research, risk controlling, expenses accounting, telephony, video identification, website management, investment services, share register, fund management, audit services, payments, sales organisations as well as intermediaries and, if applicable, their IT service providers.
- Members of certain regulated professions, such as solicitors, notaries and public accountants.

Other recipients of data may include entities to which you have given your consent for data sharing.

#### **5. Are data transmitted to a third country or international organisation?**

Data will only be transmitted to countries outside the EU/EEA (so-called third countries) where this is necessary for the execution of your orders (e.g. payment and securities orders), if required by law (e.g. tax reporting obligations), if you have given us your consent, or in the course of processing order data. If third-country service providers are engaged, they are obliged to adhere to European data protection standards by agreeing to the use of EU Standard Contractual Clauses in addition to written instructions. Furthermore, additional protections can be put in place if shown to be necessary following the performance of a Transfer Impact Assessment.

#### **6. For how long are your data stored?**

We process and store your personal data for as long as required to fulfil our contractual and statutory obligations. Note, however, that our business relationship is a continuing obligation established for multiple years.

If the data are no longer required for the fulfilment of contractual or statutory obligations, they are generally erased, unless their – time-limited – further processing is required for the following purposes:

- To comply with retention periods under commercial and tax law: This includes the Commercial Code (Handelsgesetzbuch), Fiscal Code (Abgabenordnung), Investment Firm Act (Wertpapierinstitutsgesetz), Money Laundering Act (Geldwäschegesetz) and Securities Trading Act (Wertpapierhandelsgesetz). The retention or documentation periods specified therein are two to ten years.
- Preserving evidence in keeping with statutes of limitation. According to sections 195 et seq. of the German Civil Code (Bürgerliches Gesetzbuch – BGB) or relevant Luxembourg provisions, these limitation periods may be up to 30 years; however, the standard limitation period is three years.

#### **7. What are your data protection rights?**

Every data subject has the right of access pursuant to Article 15 of the GDPR, the right to rectification pursuant to Article 16 of the GDPR, the right to erasure pursuant to Article 17 of the GDPR, the right to restrict processing pursuant to Article 18 of the GDPR, the right to object pursuant to Article 21 of the GDPR as well as the right to data portability pursuant to Article 20 of the GDPR. In the case of the right of access and the right to erasure, the limitations under sections 34 and 35 of the Federal Data Protection Act (Bundesdatenschutzgesetz - BDSG) apply. In addition, data subjects have the right to lodge a complaint with a supervisory authority (Article 77 of the GDPR).

You may withdraw consent you have given us to process your personal data at any time. This also applies to the withdrawal of consent given prior to the entry into force of the EU General Data Protection Regulation, i.e. before 25 May 2018. Please note that withdrawal only has an effect on future data processing. Processing that took place prior to the withdrawal of consent is not affected.

#### **8. Do you have an obligation to provide data?**

In the course of our business relationship you must provide the personal data required to accept and conduct a business relationship and to fulfil the associated contractual obligations, or such personal data as we are legally obliged to collect. Without such data, we will generally have to refuse to conclude the contract or execute the order, or will no longer be able to fulfil an existing contract and have to terminate it if one exists.

In particular, under money laundering law we are obliged to identify you before establishing the business relationship, for example on the basis of your identity card, and to ascertain and record your name, place and date of birth, nationality, as well as your address. In order for us to fulfil this legal obligation, you must provide us with the necessary information and documents as well as immediately notify us of any changes that arise in the course of the business relationship. If you do not provide us with the necessary information and documents, we are not permitted to accept or continue the business relationship you requested.

#### **9. To what extent does automated individual decision-making take place? (including profiling)**

In principle, we do not use fully automated decision-making pursuant to Article 22 of the GDPR to establish and conduct the business relationship. Should we use these processes in individual cases, you will be informed thereof separately where required by law.

## 10. Is profiling used?

We use your data for partially automated processing with the aim of evaluating certain personal aspects (profiling). We use profiling, for example, in the following cases:

We have a legal obligation to combat money laundering and fraud. Data analyses are used in this context (including in payments). These measures are also for your protection.

Valid from: September 2022

## Information on your right to object pursuant to Article 21 of the EU General Data Protection Regulation (GDPR)

### 1. Right to object in certain circumstances

You have the right to object at any time to the processing of your personal data on the basis of Article 6(1e) of the GDPR (Data processing in the public interest) and Article 6(1f) of the GDPR (Data processing for the purposes of legitimate interests) on grounds relating to your particular situation; this also applies to profiling based on this provision as defined by Article 4(4) of the GDPR.

If you object, we will no longer process your personal data unless we can show compelling legitimate grounds for processing that override your interests, rights and freedoms, or the processing is for the establishment, exercise or defence of legal claims.

### 2. Right to object 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 your personal data for the purposes of such marketing.

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

The objection does not have to follow any formal conventions and should ideally be sent to: [customers.luxembourg@service.morgenfund.lu](mailto:customers.luxembourg@service.morgenfund.lu)

Valid from: September 2022

# Pre-contractual information in the case of contracts for financial services concluded off premises or through distance sales, and client information about the investment firm and its services

## Preamble

Where contracts for financial services are concluded off premises or through distance sales, the investment institution – MorgenFund GmbH, Luxembourg branch (hereafter “Institution”) – is obliged to provide the consumer with information on a timely basis before conclusion of the contract pursuant to Article L. 222-14 of the Luxembourg Consumer Code (Code de la consommation). We are therefore providing you with the following information on contracts for financial services and on your right of cancellation where contracts are concluded off premises or through distance sales.

Enclosed you will also find information about the investment firm and its services for clients pursuant to Article 37-3(3) of the Law of 5 April on the financial sector in its applicable version (LFS) and Article 47 of Commission Delegated Regulation (EU) 2017/565.

### 1. General information about the Institution and the third parties acting for the Institution

#### Name (company) and address for service:

MorgenFund GmbH, Luxembourg branch  
Parc d'Activite Syrdall 2  
18–20, rue Gabriel Lippmann  
L-5365 Munsbach  
Luxembourg

Tel.: +352 23645-020

Fax: +352 23645-025

Email: [customers.luxembourg@service.morgenfund.lu](mailto:customers.luxembourg@service.morgenfund.lu)

Internet: [www.morgenfund.com](http://www.morgenfund.com)

#### Managing Director/Head of branch office<sup>1</sup>:

Rudolf Geyer

#### Public register of companies in which the Institution is registered:

Luxembourg Trade and Companies Register (RCS), number B269984

#### Principal business activity of the Institution:

##### *Investment services:*

- Reception and transmission of orders in relation to one or more financial instruments (Article 24-1 LFS) – financial commission business
- Execution of orders on behalf of clients (Article 24-2) – investment brokerage
- Investment advice (Article 24-5 LFS and Article 1(6h) LFS)
- Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis (Article 24-6 LFS)
- Portfolio management (Article 24-4 LFS)
- Dealing on own account (Article 24-3 and Article 1(23-1) LFS)

##### *Ancillary services:*

- Safekeeping and administration of financial instruments for the account of clients (Annex II, Section C, Ancillary services (1.) LFS) – securities account-keeping
- Foreign exchange services (Annex II, Section C (4.) LFS)
- Advice to undertakings on capital structure, industrial strategy and related matters (Annex II, Section C (3.) LFS)

<sup>1</sup>The current managing directors are stated in the public register of companies (RCS/Registre de commerce et des sociétés).

Competent supervisory authority:

Commission de Surveillance du Secteur Financier  
Route d'Arlon, 283  
L-1150 Luxembourg  
(Internet: [www.cssf.lu](http://www.cssf.lu))

Supplementary information on the client's intermediary/the sales organisation of the client's intermediary:

Insofar as the client's intermediary/sales organisation of the intermediary acts for the client, it is not entitled to represent the Institution. The client's intermediary/sales organisation of the client's intermediary is not an agent and/or representative of the Institution. The Institution assumes that, prior to conclusion of the contract, the client has been provided with information and/or, if applicable, advice specific to them and the investment in accordance with their level of experience and knowledge of the financial services availed of. This also applies to subsequent orders.

**2. General information about the contract**

Languages in which the terms of contract and this pre-contractual information are communicated as well as the languages in which the Institution, with the consumer's consent, undertakes to communicate for the duration of the contract:

The terms of contract and the pre-contractual information are communicated in the German language.

Communication with the Institution is in German.

Formation of the contract:

• *Securities account-keeping*

The client declares to the Institution their intention to conclude a securities account agreement – such declaration being binding on the client – by furnishing necessary information in the securities account-opening application, signing the application, successfully completing an identity verification, and sending the application to the Institution. The securities account agreement between the client and the Institution comes into being upon acceptance of the application by the Institution (e.g. by post or email).

Alternatively, the securities account agreement may also be concluded online/digitally. The securities account agreement is concluded via an online process. The client makes an offer in writing to enter into a securities account agreement via the online application. The securities account agreement only comes into being once the Institution confirms acceptance of the offer in writing (e.g. email or letter) to the client.

Conclusion of the contract for the securities account involves both an agreement on the main rights and obligations of the Institution in relation to securities account-keeping in accordance with the "General Terms and Conditions for Securities Accounts of MorgenFund GmbH, Luxembourg branch", any special terms and conditions and the "Schedule of Fees and Services for MorgenFund securities accounts in Luxembourg" as well as the MiFID II disclosure requirements.

• *Financial commission business*

The client may place orders with the Institution that fall within the scope of financial commission business. The client's placement of an order with the Institution constitutes the offer to conclude financial commission business. The order is accepted by way of execution of the transaction.

• *Investment advice*

The client may request advice on matters of investment in financial instruments (investment advice). The Institution provides investment advisory services by telephone only. The investment advisory contract comes into being as follows:

The client makes the Institution a verbal offer to conclude the investment advisory contract by telephoning to request advice in relation to financial instruments. The Institution accepts the offer by providing the client with investment advice by telephone.

**3. Main features of the (financial) service and details concerning payment and performance**

**3.1. Main features of securities account-keeping**

*Safekeeping and administration*

The purpose of the securities account is the safekeeping and administration of investments in the form of securities. The Institution keeps the client's investments in direct or indirect safe custody in the securities account. Only units of investment funds and exchange-traded funds (ETFs) may be kept in the securities account. Units of funds of different financial investment management companies may be kept. The current funds that are eligible for safekeeping in a securities account with the Institution are published on its website at [www.morgenfund.com](http://www.morgenfund.com) and the list may be requested from the Institution at any time. Foreign investments are generally kept in the relevant fund's domestic market or in the country where the purchase was made. The Institution informs its clients of the country in which it keeps the investments in the relevant securities account statement.



## *Fulfillment*

The Institution fulfills its obligations under the securities account agreement by providing and keeping the securities account. This includes, in particular, the issuing of an annual securities account statement. The details of fulfillment of safekeeping and administration are provided in sections 2 to 10 of the "General Terms and Conditions for Securities Accounts of MorgenFund GmbH, Luxembourg branch".

### *No securities account monitoring/No financial portfolio management*

The safekeeping and administration of investment assets by the Institution does not constitute financial portfolio management. For clients who only use securities account administration services, the Institution neither makes investment decisions nor monitors the investment assets in the securities account unless it is legally obliged to do so. The client has the exclusive right of disposal over the securities account, and the client is also responsible for monitoring the investment assets in the securities account.

## **3.2. Main features of investment fund transactions**

### *Execution subject to conditions*

The Institution reserves the right not to accept or execute a client's order to execute an investment fund transaction, e.g. if mandatory information on the investment fund is not available, if the financial investment management companies have placed restrictions on sale or if supervisory authorities have put product bans in place. The investment funds that are currently eligible for purchase for a securities account depend on the Institution's range of products. On request, clients can obtain information on the range of funds offered by the Institution by telephoning +352 - 23645 - 020 or emailing [customers.luxembourg@service.morgenfund.lu](mailto:customers.luxembourg@service.morgenfund.lu); alternatively, they can view the information on the Institution's website at [www.morgenfund.com](http://www.morgenfund.com). In addition, clients can obtain information from their intermediary/advisor on the investment funds that may be purchased. Information about the investment funds that are eligible for safekeeping in a securities account does not constitute advice or a recommendation from the Institution.

### *Purchase and sale of investment funds*

The client can buy and sell units of investment funds and ETFs through the Institution provided that the fund units are in the Institution's investment universe. The client can purchase and sell investment fund units and ETFs in units and fractions of units in EUR under the scope of execution-only business pursuant to Article 24-2 LFS or under the scope of non-advised business pursuant to Article 24-1 LFS. The execution policies for the purchase and sale of units of investment funds and ETFs are part of the "General Terms and Conditions for Securities Accounts of MorgenFund GmbH, Luxembourg branch".

The Institution executes buy and/or sell orders for units of investment funds under the scope of financial commission business. The execution policies for the purchase and sale of units of investment funds and ETFs differ to some extent and are provided in section 4 of the "General Terms and Conditions for Securities Accounts of MorgenFund GmbH, Luxembourg branch".

### *Financial commission business*

If the Institution executes client orders to buy or sell fund units (not ETFs) as commission agent, it concludes an execution transaction (buy/sell) in its own name for the account of third parties, possibly involving/engaging another commission agent (intermediate commission agent), with the management company. If the Institution executes client orders to buy or sell ETFs as commission agent, the ETF units are bought and sold over the counter in its own name for the account of third parties through a market maker (i.e. a securities trader who quotes binding buy and sell prices) in the form of a block order. Once an execution transaction is effected, payment and accounting take place within the deadlines applicable to that particular market. The investment funds traded are credited (buy) or debited (sell) to the client's securities account; similarly, the amount due will be debited or credited to the account nominated by the client.

The details of execution/fulfillment of financial commission business are provided in sections 3 and 4 of the "General Terms and Conditions for Securities Accounts of MorgenFund GmbH, Luxembourg branch".

The Institution notifies the client immediately after each purchase and sale in the form of a securities statement.

### *Non-advised business pursuant to Article 24-1 37-3(4) LFS*

The client has the option of placing orders with the Institution to buy/sell investment funds under the scope of non-advised business without receiving prior advice and a recommendation from the Institution. The Institution executes transactions for "complex" funds (e.g. Alternative Investment Funds (AIF)) under the scope of non-advised business in accordance with Article 37-3(5) LFS.

Under its non-advised business, the Institution will use the information obtained from the client about their knowledge and experience in trading certain types of financial instruments or investment services in order to assess whether the client has the necessary knowledge and experience to be able to evaluate the risks involved with the type of financial instruments or investment service (appropriateness).

The Institution collects the information necessary for the appropriateness assessment at the securities account opening stage. It is the client's responsibility to make full and accurate disclosures and also to voluntarily report any changes relevant to non-advised business.

If the Institution concludes, based on the client's disclosures, that the investment fund the client wants is not appropriate for the client, it will inform the client. Such information can be communicated in standardised form. If the Institution does not receive the necessary information, it has the right not to open the securities account.

### *Execution-only business pursuant to Article 24-2 LFS*

The client has the option of placing orders with the Institution to buy/sell investment funds within the scope of execution-only business without receiving prior advice and a recommendation from the Institution. The Institution executes transactions for “non-complex” funds within the scope of execution-only business in accordance with Article 37-3(6) LFS.

If the Institution executes client orders for the client as execution-only business, it is not obliged to carry out an appropriateness assessment, i.e. the Institution does not assess whether the client has the necessary knowledge and experience and is able to adequately understand and evaluate the risks involved with non-complex investment fund units.

In addition, when executing orders as execution-only business, the Institution does not carry out a suitability assessment in accordance with Article 37-3(4) LFS.

### *Distribution commissions*

The Institution grants/receives and retains monetary and non-monetary benefits in connection with investment fund transactions for securities accounts. The client can find details on this in the information on dealing with conflicts of interest as well as in section 12 of the “General Terms and Conditions for Securities Accounts of MorgenFund GmbH, Luxembourg branch”.

### **3.3 Main features of investment advice**

The Institution’s range of services also includes the provision of investment advice to natural persons on the acquisition of units of investment funds and ETFs.

#### *Type of investment advice*

The LFS distinguishes between independent investment advice and non-independent investment advice. In the case of non-independent investment advice, the Institution may not accept any non-monetary benefits from a third party that is not the recipient of the service or engaged as such by the client. Where monetary benefits are accepted, which is only permitted under certain circumstances, they must be paid out to the client in full as soon as reasonably possible after receipt. The provider of the investment advice may only be remunerated by the client. In addition, in the case of independent investment advice an adequate range of financial instruments available on the market must be considered; these must be sufficiently diversified in terms of type and issuer or provider and are not limited to financial instruments that the advising investment firm itself issues or offers or whose providers or issuers are closely affiliated with the investment firm or are otherwise legally or commercially so closely connected with it that the independence of the advice could be jeopardised.

However, in the case of investment advice in connection with financial instruments that does not constitute independent investment advice, the Institution may accept benefits if permitted to do so by the LFS (in particular pursuant to Article 37-2(1) LFS). In addition, the LFS contains no legal provisions on what range of financial instruments available on the market must be considered.

In this context, the client should note that the Institution **does not currently offer any independent investment advice** within the meaning of the LFS. The Institution receives and retains monetary and non-monetary benefits in connection with investment fund transactions. The client can find details of this in the information on dealing with conflicts of interest as well as in section 12 of the “General Terms and Conditions for Securities Accounts of MorgenFund GmbH, Luxembourg branch”. Before providing investment advice the Institution will inform the client of the existence, nature and amount of the benefit that it receives and retains or pays, or, if the amount cannot be determined, the nature and means of calculation. The Institution shall provide the client with further information on benefits on request.

#### *Necessary client information and suitability assessment*

When providing investment advice, the Institution is obliged to obtain from the client all information about

- their knowledge and experience in trading certain types of financial instruments or investment services,
- their investment objectives, including risk tolerance and any sustainability preferences, as well as
- their financial situation, including their ability to bear losses,

that is required in order to recommend investment funds that are suitable for the client and, in particular, match the client’s risk tolerance and ability to bear losses.

Suitability is determined by whether the specific product recommended to the client

- matches the client’s investment objectives, including that person’s risk tolerance and any sustainability preferences,
- whether the client can afford the resulting investment risks, in accordance with that person’s investment objectives, and
- whether the client can understand the resulting investment risks in light of their knowledge and experience.

The suitability assessment is carried out to enable the Institution to act in the client’s interests when providing investment advice. It is based on the information the client discloses to the Institution. The disclosure of full and accurate information is therefore essential for the Institution to be able to provide investment advice. The Institution will request the client information; however, it is the client’s responsibility to make full and accurate disclosures and also to report any changes in their circumstances of relevance to the provision of investment advice. If the Institution does not receive the necessary information, it must not recommend any financial instruments in the context of an investment advisory service.

### *Suitability statement*

Following the provision of investment advice, and before executing an investment fund transaction, the Institution shall provide the client with a statement of the suitability of the investment recommendation (suitability statement) on a durable medium. In this suitability statement, the Institution will state the advice provided and explain how it matches the client's preferences, investment objectives and other features. If the contract of purchase or sale of an investment fund is entered into by means of distance communication which does not allow prior provision of the suitability statement, the Institution shall, by way of exception, provide the client with the suitability statement immediately after contract conclusion if the client has consented thereto and the Institution has offered the client the option of delaying execution of the transaction to enable the client to receive the suitability assessment before conclusion of contract.

### *No regular assessment of suitability*

Within the scope of its investment advisory service, the Institution is not obliged to carry out regular assessment of the suitability of the investment funds or regular reports on the suitability of the investment funds, and nor does it do so. The client themselves should therefore monitor the securities account as well as the investments they keep in the securities account.

## **4. Prices and costs, as well as other important aspects**

*Total price of the financial services, including all related price components as well as all taxes paid through the Institution or, if no exact price can be quoted, the basis for calculating the price, which enables the consumer to check the price:*

Depending on the securities account model, an annual fee is charged for the securities account. There is no separate fee for investment advice. The client can find the fee amounts in the Schedule of Fees and Services. The client can also access the latest Schedule of Fees and Services for MorgenFund Securities Accounts in Luxembourg on the Institution's website at [www.morgenfund.com](http://www.morgenfund.com).

For non-advised services, the Institution receives trail commissions on the respective portfolio of fund units from the financial investment management companies concerned. Furthermore, front-end loads are charged in some cases. The client can find details of this in the information on dealing with conflicts of interest as well as in section 12 of the "General Terms and Conditions for Securities Accounts of MorgenFund GmbH, Luxembourg branch".

*Any additional costs as well as information on potential further taxes or costs not paid through the Institution or charged by it:*

Further costs (e.g. front-end loads, redemption fees, regular fees) and taxes may arise when investing in units of investment funds as well as when ending such investments. Income from investment units and their sale, including redemption, are generally taxable. Information on the costs and taxes to be borne by the investor is given in the latest prospectus for each investment fund. Depending on current tax law (domestic or foreign), capital gains tax and/or other taxes may arise – for example, on the payment of income or capital gains – which are remitted to the relevant tax authorities and therefore reduce the amount to be paid to the client.

Tax treatment depends on the individual client's personal situation and may be subject to future change. Should questions arise, the client should consult their tax authority or a tax advisor. This applies in particular if the client is liable for tax abroad.

*All specific additional costs to be borne by the consumer for the use of distance communication if such additional costs are charged by the Institution:*

No specific and additional costs are charged by the Institution for the use of distance communication (e.g. telephone, internet, postage costs). The client bears their own communication costs (e.g. telephone, internet, postage costs).

*Existence or non-existence of a right of cancellation as well as the conditions, details of exercise, in particular the name and address of the person in respect of whom the cancellation is to be made, and the legal consequences of cancellation, including information on the amount to be paid by the consumer in the event of cancellation in accordance with Article L.222-18(1) and L.222-19 of the Luxembourg Consumer Code for the service provided:*

On conclusion of the securities account agreement as well as on acquisition of units of investment funds, the client has a right of cancellation, of which the Institution informs the client at the end of this pre-contractual information document.

*If applicable, the information that the financial service relates to financial instruments, which, because of their specific properties or operations involved, carry special risks or the price of which depends on fluctuations in the financial market, over which the Institution has no control, and that past income is not an indication of future income:*

Investment fund transactions involve risks due to their specific characteristics. The following specific risks should be noted (however, an investment fund's prospectus always prevails in this regard):

- Price change risk/Risk of decline in value: The value of a unit or the value of the assets held in the investment fund fluctuates and can fall. This can be due to e.g. equity and bond market risks, exchange rate and interest rate risks, credit and volatility risks as well as political risks. If a client sells units of an investment fund at a time when the value of the assets held in an investment fund has fallen relative to the value at the time of acquisition, the client will incur the resulting loss in value.
- Exchange rate risk;
- Interest rate risk;
- Counterparty risk;
- Risk of total loss: The client may lose some or all of the amount invested.

The price of a security may fluctuate in the financial market, over which the Institution has no control. Past income (e.g. interest, dividends) and gains are not an indication of future income or gains.

Furthermore, there may be risks associated with collective custody, in particular with securities held in custody abroad. Comprehensive information is included in the brochure "Basic information on investments in funds" which the client can request from the Institution and which is made available before or when the securities account is confirmed as opened. The Institution notifies the client that this information does not constitute investment advice but is simply intended to help the client reach their own investment decision.

Reports of services provided:

- *Securities account-keeping*

The Institution notifies the client of the investment fund holdings in their securities account on a quarterly basis by putting the report in the client's online mailbox or sending it by post. The client can obtain a list of the investment fund holdings in the securities account at any time upon request.

- *Financial commission business*

The Institution sends the client a statement no later than the first business day after a securities transaction. In the case of regular client orders (e.g. savings plans), the Institution sends the client information on the transactions effected at least every six months. The client can obtain information on the status of their order at any time upon request.

- *Investment advice*

In relation to reports provided to clients for investment advice, we refer you to the information in section 3.3 of this pre-contractual information document.

Information on conflicts of interests:

The Institution may be subject to conflicts of interests as a result of its activities and has taken steps to ensure that any conflicts of interests that exist in individual cases do not adversely affect clients' interests. Details are given in the "Conflict of Interest Policy".

Minimum term of contracts whose subject is an ongoing or regular service:

No minimum terms for the securities account agreement are agreed with the client.

Conditions of termination of contract:

Termination must be in writing. The securities account agreement can be terminated by the client at any time with immediate effect. Ordinary termination of the securities account agreement by the Institution is possible subject to a one-month notice period. The right to extraordinary termination for good cause remains unaffected. No penalties are agreed with the client.

Applicable law on which the Institution bases the establishment of relations with the consumer prior to conclusion of contract:

Luxembourg law applies to the establishment of relations prior to conclusion of the securities account agreement.

Law applicable to the contract:

Luxembourg law applies to the securities account agreement. There is no agreement on jurisdiction for clients who are consumers within the meaning of Article L.010-1.(1) of the Luxembourg Consumer Code.

Out-of-court dispute resolution:

Without prejudice to the right of recourse to the courts, the parties have recourse to an extra-judicial body for dispute resolution.

The application for arbitration must be submitted to the office of the arbitration body in writing with a brief outline of the facts and the documents necessary to understand the dispute (e.g. correspondence, terms of contract, cost calculations):

in the event of disputes, the parties may consult the legal department for consumer protection/financial crime of the Commission de Surveillance du Secteur Financier at the following address:

283, route d'Arion  
L-2991 Luxembourg

Tel: +352 26251-2574 or +352 26251-2904

Fax: +352 26251-2601

and by email to [reclamation@cssf.lu](mailto:reclamation@cssf.lu)

Internet: [www.cssf.lu](http://www.cssf.lu)

The right of direct recourse to the courts remains unaffected.

- **ODR platform**

The European Commission provides a platform for online dispute resolution out of court (referred to as the ODR platform) at <http://ec.europa.eu/consumers/odr/>.

Information on the existence of a guarantee scheme or other system of compensation – existence of a voluntary deposit guarantee scheme:

The Institution belongs to the investor compensation scheme Entschädigungseinrichtung der Wertpapierhandelsunternehmen (EdW), 10117 Berlin-Mitte (EdW website: [www.e-d-w.de](http://www.e-d-w.de)). There is no voluntary deposit guarantee scheme.

Time limit, if any, on the period of validity of the information provided, e.g. the period of validity of time-limited offers, in particular in relation to the price:

The information provided by the Institution (version: 1 September 2022) applies until further notice.

Luxembourg, 1 September 2022

## Cancellation policy for contracts concluded off premises and for distance contracts for financial services

### 1. Cancellation of the securities account agreement

#### CANCELLATION POLICY

##### Section 1

##### Right of cancellation

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You may cancel your agreement **within 14 days by means of a clear statement, without giving a reason**. This period begins upon conclusion of the agreement and after you **have received** the terms of contract including the General Terms and Conditions **as well as all information listed under section 2 below** on a durable medium (e.g letter, fax, email). **To meet the cancellation deadline, the sending of the cancellation on time suffices** provided the statement is on a durable medium.

The cancellation must be sent to:

MorgenFund GmbH, Luxembourg branch

Parc d'Activite Syrdall 2

18-20, rue Gabriel Lippmann

L-5365 Munsbach

Luxembourg

Email: [customers.luxembourg@service.morgenfund.lu](mailto:customers.luxembourg@service.morgenfund.lu)

##### Section 2

##### Information required for the cancellation period to begin

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The information within the meaning of section 1 sentence 2 comprises the following:

1. the identity of the Institution; the public register of companies where the legal entity is registered must also be stated as well as the registration number or equivalent;
2. the Institution's principal business activity and the supervisory authority responsible for its licence;
3. the identity of the Institution's representative in the European Union member state in which the consumer resides, if such a representative exists, or a commercial entity other than the Institution, if the consumer has business relations with this entity, and the capacity in which this entity acts in respect of the consumer;
4. the Institution's address for service and any other address relevant to the business relationship between the Institution and the consumer; in addition, the name of the authorised representative in the case of legal entities, partnerships or groups of persons;
5. the main features of the financial service as well as information about how the agreement came about;
6. the total price of the financial service, including all related price components as well as all taxes paid through the Institution or, if no exact price can be quoted, the basis for calculating the price, which enables the consumer to check the price;
7. any additional costs as well as information on potential further taxes or costs not paid through the Institution or charged by it:

8. the information that the financial service relates to financial instruments, which, because of their specific properties or operations involved, carry special risks or the price of which depends on fluctuations in the financial market, over which the Institution has no control, and that past income is not an indication of future income;
9. the time limit on the period of validity of the information provided, e.g. the period of validity of time-limited offers, in particular in relation to the price;
10. details concerning payment and performance;
11. all specific additional costs to be borne by the consumer for the use of distance communication if such additional costs are charged by the Institution;
12. the existence or non-existence of a right of cancellation as well as the conditions, details of exercise, in particular the name and address of the person in respect of whom the cancellation is to be made, and the legal consequences of cancellation, including information on the amount to be paid by the consumer in the event of cancellation for the service provided, insofar as the consumer is obliged to pay compensation;
13. the minimum term of the contract, where the subject thereof is an ongoing or regular service;
14. the conditions of cancellation of contract, including any penalties;
15. the member states of the European Union on whose law the Institution bases the establishment of relations with the consumer prior to conclusion of contract;
16. a contractual clause concerning the law applicable to the contract or the competent court;
17. the languages in which the terms of contract and the pre-contractual information stated in this cancellation policy are communicated as well as the languages in which the Institution, with the consumer's consent, undertakes to communicate for the duration of this contract;
18. information on whether the consumer can avail of an out-of-court complaints and redress procedure, to which the Institution is subject, and, if so, the requirements for accessing it;
19. the existence of a guarantee scheme or other system of compensation not within the scope of the Law of 5 April 1993 on the financial sector, as amended.

### Section 3

#### Consequences of cancellation

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In the event of effective cancellation **the performance rendered by both parties must be returned**. You are obliged to **pay compensation** for the service rendered up until cancellation if you were informed of this legal consequence before stating your intention to enter into a contract and you expressly agreed to the commencement of counter-performance before the end of the cancellation period. If an obligation to pay compensation exists, this can result in you having to fulfil the contractual payment obligations for the period of time up until cancellation. **Your right of cancellation lapses** prematurely if the contract **is performed in full by both parties at your express wish** before you have exercised your right of cancellation. **Obligations to refund payments must be met within 30 days**. The period begins for you upon sending your statement of cancellation and for us upon its receipt.

#### Special notes

If you cancel this contract, you are no longer bound by any contract connected with this contract if the connected contract concerns a service provided by us or a third party on the basis of an agreement between us and the third party.

#### End of cancellation policy

## 2. Right of cancellation pursuant to section 305 of the German Investment Code (KAGB – only applies to German clients)

If units or shares of an open-ended investment fund are purchased on the basis of verbal negotiations outside of the permanent business premises of the party selling the units or shares or brokering their sale, the purchaser is entitled to cancel their purchase agreement in writing within a period of two weeks by notifying the management company or a representative within the meaning of section 319 of the German Investment Code (right of cancellation); this applies even if the party selling the units or shares or brokering their sale does not have any permanent business premises. In the case of distance contracts within the meaning of section 312c of the German Civil Code (BGB), when purchasing financial services whose price is dependent on fluctuations in the financial market (section 312g(2) sentence 1 no. 8 of the German Civil Code), no right of cancellation exists.

To meet the deadline, sending the statement of cancellation on time suffices. The statement of cancellation must be made in respect of the addressees in the paragraph above (management company or a representative thereof within the meaning of section 319 of the German Investment Code), stating the name of the person cancelling; reasons need not be given. The cancellation period does not start until the copy of the application to conclude the contract has been delivered to the purchaser or a bought note has been sent to them containing information on the right of cancellation such as the present information. If the start of the period is in dispute, the seller bears the burden of proof.

No right of cancellation exists if the seller proves that either the purchaser is not a consumer within the meaning of section 13 of the German Civil Code or if the seller called on the purchaser at the latter's prior invitation pursuant to section 55(1) of the German Trade Regulation Act (Gewerbeordnung) for the purpose of the negotiations that led to the sale of the units or shares.

If the contract is cancelled and the purchaser has already made payments, the financial investment management company, the EU management company or the foreign AIF management company is obliged to repay any costs the purchaser paid – incrementally as the purchased units are transferred back, if necessary – plus an amount corresponding to the value of the units or shares paid for on the day after receipt of the cancellation.

The right to cancellation cannot be waived.

The foregoing applies mutatis mutandis to the sale of units or shares by the investor.

**End of cancellation policy**

Valid from: September 2022

# Information according to Article 6 SFDR (Regulation (EU) 2019/2088) in relation to the provision of investor advisory services

In accordance with Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR), which came into effect on 10 March 2021, this section contains a description of how MorgenFund integrates sustainability risks into its investment advisory services (section 2) as well as of the results of the assessment of the expected impact of sustainability risks on the return in relation to investment funds that the MorgenFund investment advisory service proposes (section 3).

## 1. Definition of sustainability risks

A sustainability risk means an **environmental, social or governance event** or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of a financial instrument. A sustainability risk can either be a risk in and of itself or have an impact on and contribute significantly to other risks, such as price risks, liquidity risks, counterparty risks or operational risks.

These events or conditions are split into environmental, social and governance (ESG) factors and relate to the following topics, among others:

### Environmental

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

### Social

- Compliance with recognised labour practices (no child labour, no forced labour, no discrimination)
- Adherence to good health and safety practices
- Decent wages, fair working conditions, diversity and training and development opportunities
- Freedom of association and freedom of assembly
- Guarantee of adequate product safety, including health protection
- Application of identical requirements to entities in the supply chain
- Inclusive projects or consideration of the interests of communities and social minorities

### Governance

- Tax honesty
- Anti-corruption measures
- Sustainability management by the board
- Board remuneration based on sustainability criteria
- Facilitation of whistle-blowing
- Employee rights guarantees
- Data protection guarantees
- Information disclosure



Within environmental themes, the following issues are particularly relevant in connection with climate change:

#### **Physical climate events or conditions**

- Extreme weather events
  - Heatwaves
  - 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 over-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 integrated into investment advisory services**

Material sustainability risks are also one element in the existing class of other risks for the investment funds in the MorgenFund advisory universe, and as such are already included in the MorgenFund risk classification system. The purpose of the five risk classes defined by MorgenFund is to enable a comparison of the risk inherent in different financial instruments in order to be able to recommend suitable financial instruments in line with the client's risk tolerance as part of the suitability assessment. For more information on the MorgenFund risk classification system, please read the MorgenFund risk classes info sheet, which is published on the MorgenFund website at [www.morgenfund.com](http://www.morgenfund.com).

Furthermore, MorgenFund's advisory universe currently comprises solely investment funds that are issued by management companies in the Deutsche Bank group and that invest in accordance with the principle of risk diversification, as well as pension schemes invested in such investment funds.

Sustainability risks can impact individual companies and investments, sectors, investment regions, currencies and asset classes (e.g. equity funds or bond funds) to varying degrees. For this reason, when recommending investment funds in line with the client's investment objectives and risk appetite, the MorgenFund approach targets the greatest possible diversification in order to reduce the impact at the level of the securities account of any potential sustainability risks. As a matter of principle, MorgenFund recommends allocation to various investment funds in order to reflect the individual risk/reward profile of the client.

Further information concerning the strategies for dealing with sustainability risks may be found on our website at <http://www.morgenfund.com>.

## **3. Assessment of the impact of sustainability risks on the return**

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

Unless sustainability risks were already expected and taken into account in the valuations of the assets in an investment fund, they may have a significantly negative effect on the anticipated/estimated market price and/or the liquidity of an asset of an investment fund, and thus on the return on an investment fund from the MorgenFund advisory universe.

**Market risk in connection with sustainability risks**

Sustainability risks may have an impact on the market price. For example, market prices may change if companies do not act sustainably and do not invest in sustainable changes. Similarly, there may be an adverse impact on the price of companies that do not follow a sustainable strategy.

The reputational risk arising from a company's non-sustainable actions may also have an adverse impact on the market price.

Last, but not least, physical damage as a result of climate change or transitioning to a low-carbon economy may also have an adverse impact on the market price.

**Risks due to natural disasters and failure to consider sustainability**

An investment may sustain damage and loss due to external events, such as natural disasters. These events may be caused or exacerbated by failure to consider sustainability.

Valid from: September 2022

# 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 and Conditions;
- 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 Distribution commissions**

MorgenFund receives revenue-based and portfolio-dependent payments from the respective management companies that set up funds, which pay these as distribution fees to MorgenFund in respect of the distribution of investment assets/funds under the terms of distribution agreements concluded in relation to the execution/processing of securities transactions concluded by it with/for clients (e.g. during the course of financial commission business).

In this way MorgenFund receives so-called "ongoing distribution commissions/trail commissions" from the management companies on the client's fund portfolio booked in the securities account. These are recurring, portfolio-dependent fees that are paid by fund management companies to MorgenFund for the duration of the period for which fund units are held in the client's securities account. The amount of the ongoing distribution commissions is calculated as a proportion of the respective value of the fund units held on the securities account and is at present – depending upon the management company and the type of fund – generally between 0.3% and 0.9% (on average 0.7%). No ongoing distribution commission is generally paid for ETFs.

The ongoing distribution commission is used by MorgenFund in order to improve the quality of its services (e.g. to expand its extensive technical infrastructure and service tools).

No additional costs arise for the client as a result of the provision of the ongoing distribution commission to MorgenFund, as these ongoing distribution commissions are paid to MorgenFund out of the management commission of the relevant fund (contained in the fund portfolio).

##### **4.2 Non-cash benefits**

MorgenFund may be provided with small non-cash benefits by management companies (e.g. in the form of participation in seminars or other training events and/or marketing subsidies). MorgenFund may also provide such benefits – where the client is not a direct client of MorgenFund – to the client's broker or the broker's distribution organisation or its IT service provider, if applicable.

##### **4.3 Grant of distribution commission/ ongoing distribution commission**

MorgenFund provides – where the client is not a direct client of MorgenFund – to the client's broker or the broker's distribution organisation or its IT service provider a full or partial distribution commission as well as a pro rata temporis fee (ongoing distribution commission) under the terms of distribution agreements. The distribution commission is granted by MorgenFund inter alia for brokerage and advisory activity. The ongoing distribution commission is granted by MorgenFund for the maintenance of information and support services.

The maximum distribution commission may not exceed the percentage rate of the maximum applicable subscription fee specified in the current sales prospectus for the respective fund. The amount of the ongoing distribution commissions is calculated as a proportion of the respective value of the fund units held on the client's securities account and is at present – depending upon the management company and the type of fund – generally between 0.3% and 0.9% (on average 0.7%).

No additional costs arise for the client as a result of the provision of the distribution commissions or the ongoing distribution commission to MorgenFund, as these are paid by the Institution out of the distribution commission collected by MorgenFund or out of the management commission of the relevant fund (contained in the fund portfolio).

#### **4.4 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.

If the order was placed or the transaction was concluded following the provision of investment advice by the Institution, a notification concerning any benefits is provided unsolicited along with the advice.

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.

Valid from: September 2022















