

## **Derivative Policy**

In the ACATIS Fair Value funds, derivatives are solely used for hedging purposes in order to reduce the volatility in the portfolio. Derivatives are financial instruments that are derived from an underlying asset (e.g. stocks, bonds, indices); they are used to improve the risk/yield allocation. Less volatility in the fund increases the target group for sustainable investments, as it opens the fund to customers that have a lower risk classification.

Derivatives are used mainly in our asset-managing products, and solely for hedging purposes. Hedging may be used for a variety of purposes (e.g. hedge against inflation, against declining share prices through various options on large indices, or against currency fluctuations). Hedging is used to avoid extreme price volatility in the fund due to a sudden drop in share prices during particularly volatile market phases, which increases the stability for our investors.

As a rule, the ACATIS Fair Value funds and ACATIS Fair Value Investment AG do not engage in speculative activities with regard to food and commodities. Therefore they are not used as underlying assets for derivatives in our products.

ACATIS Fair Value Investment AG