

Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

MEAG FlexConcept – BEST5USD

WKN / ISIN: A2JHS6 / LU1805532824

The MEAG FlexConcept – BEST5USD is a sub-fund of the umbrella construction MEAG FlexConcept (the fund). The fund is a UCITS created in Luxembourg. The fund is managed by MEAG Luxembourg S.à r.l. (the company). The company is a subsidiary of MEAG MUNICH ERGO Kapitalanlagegesellschaft mbH.

Objectives and investment policy

The sub-fund’s objective is to achieve capital growth in the mid to long term by maintaining exposure to equity and bond markets using a rules-based investment strategy with the objective to participate in the performance of the Systematix BEST 5% RC USD Index (the “**Index**” or “**Benchmark Index**”).

In order to achieve its investment objective, the sub-fund will (1) invest up to 100% of its Net Asset Value in a portfolio of assets as laid down below, where the investment manager has discretion over the composition of the portfolio, and in combination (2) be managed in reference to the Benchmark Index by using a derivative-based strategy with the objective to participate in the performance of the Systematix BEST 5% RC USD Index, where the investment manager has discretion over the exposure to the Index.

As a consequence of the two layers, which are independent of each other, the sub-fund will be actively managed, generates cumulative returns and there will be a difference in performance between the sub-fund and the Index. This deviation of the sub-fund performance from the Index performance may be material over a holding period of five years. The annualized tracking error of the sub-fund relative to the Index is expected not to exceed 8.70% per annum. The tracking error is the standard deviation of the difference between the return of the sub-fund and the Benchmark Index.

(1) The sub-fund invests up to 100% of its net asset value in U.S. dollar-denominated securities, more specifically, U.S. government bonds, U.S. treasury bills, U.S. notes and money market instruments that generally meet the minimum credit rating requirement of investment grade by the credit rating agencies. The sub-fund’s assets may also be held in ancillary liquid assets and secured deposits.

(2) To implement the derivative-based strategy based on investments in American, European and Asian bond and equity markets, the sub-fund enters into unfunded OTC-Total Return Swap Transactions to participate in the performance of the Index, calculated and published by Solactive AG (the “Index Provider”). The sub-fund will not physically replicate the Index, it will be using the Index as a financial benchmark. The counterparty to each Total Return Swap Transaction will be a First Class Financial Institution, initially New Reinsurance Company Ltd. with registered office in Zurich, Switzerland. Within these transactions, the sub-fund pays on a monthly basis, a variable amount linked to the USD-1M-OIS Interest Rate in exchange for the Index return for the corresponding period. The investment policy is implemented in particular by the use of derivatives. Derivatives are financial instruments, the value of which depends on the performance of an underlying asset, such as a security, index or interest rate. The sub-fund uses derivatives for hedging purposes, for efficient portfolio management and to generate additional earnings. For a detailed description, please see sections “investment policy”, “index objective and overview” in the relevant sub-fund appendix of the sales prospectus.

Investors can request the redemption of the units from the company or the custodian on any redemption day. The company can, however, suspend the redemption if exceptional circumstances make this appear necessary taking the investors’ interests into account. Earnings are not distributed, but reinvested in the sub-fund (accumulation/reinvestment).

The reference currency of the sub-fund is the USD.

Recommendation: This sub-fund may not be suitable for investors wishing to withdraw their money from the sub-fund within a period of five years.

Risk and reward profile

← Typically lower rewards / Lower risk

1	2	3	4	5	6	7
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Typically higher rewards / Higher risk →

The risk and reward indicator is calculated on the basis of data, and represents the fluctuation level of the unit price in seven categories, describing the relationship between the chance of value appreciations and the risk of value losses. This ratio can be influenced by fluctuations in the prices of the assets invested in, and where applicable by exchange rate fluctuations. The sub-fund’s classification may change over time and is neither an objective nor a guarantee. Even classification in category 1 does not mean the investment is entirely free of risk. The sub-fund is classified as being category 4 because its unit price typically fluctuates moderately, and thus the likelihood of both losses and gains is correspondingly moderate.

The following risks can be of particular significance for the sub-fund and are not adequately captured by the indicator.

- Credit risks:** The sub-fund invests a part of its assets in bonds. The issuers of these can become insolvent, leading to the bonds losing much or all of their value.
- Default risks:** The sub-fund enters into significant amounts of derivatives transactions with various contractual partners. There is the risk that such contractual partners may cease to be able to meet their payment or delivery obligations.
- Risks of using derivatives:** The sub-fund uses derivatives transactions to achieve higher value appreciation and/or to profit from rising or falling prices. The chance of higher returns goes hand-in-hand with the risk of greater losses.
- Operational risks:** Human or technical errors occurring within or outside the company, and other events (e.g. natural disasters and legal risks) can result in losses for the sub-fund.
- Custodian risks:** There can be a risk of loss in connection with the safekeeping of assets, in particular in other countries, which arises from insolvency, breaches of duties of care or misconduct on the part of the custodian or sub-custodian.

Note: In its “Risk Information” section, the sales prospectus contains a detailed description of the risks associated with the investment policy of the sub-fund.

Charges

The charges listed below are used to finance the ongoing management and safekeeping of the sub-fund assets, and the marketing of the fund units. These charges reduce the potential growth of the investment.

One-off charges before and after the investment:

Sales charge	0.0 %
Redemption fee	–

This is the maximum amount that might be taken out of your money before it is invested or before the proceeds of your investment are paid out. In some cases you might pay less – you can find this out from your financial adviser.

Charges deducted from the sub-fund over a year:

Ongoing charges	0.55 %
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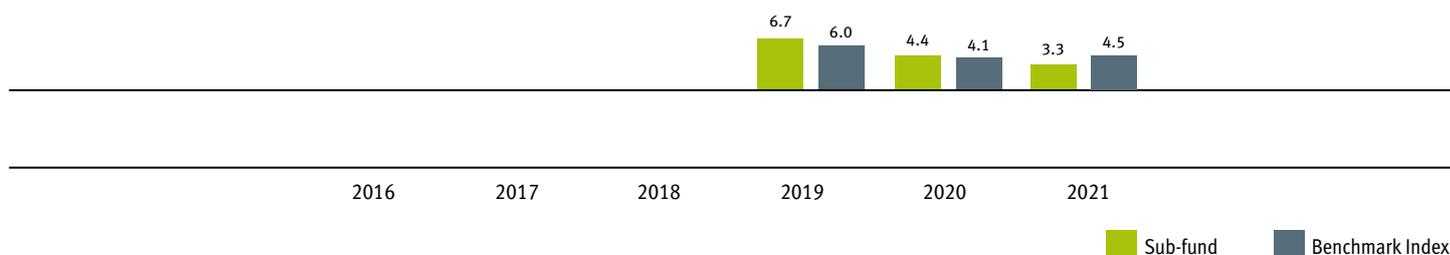
Charges deducted from the sub-fund under certain circumstances:

Performance fee	–
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The ongoing charges stated here were those incurred in the sub-fund in the last business year, which ended on 30 September 2021. Under the sub-fund rules the ongoing charges may not exceed 0.55% of the net asset value of the sub-fund per business year. Full details of the exact charges and costs will be published in the annual report of the fund. The ongoing charges may vary from year to year. They do not include the costs of buying and selling assets for the fund (“transaction costs”).

Note: The sales prospectus contains further information on costs in its section “Fund Fees and Costs”.

Past performance (in %)



Past performance is not a reliable indicator of future performance.

For the calculation, all costs and fees, with the exception of any applicable deposit fees, have been deducted.

The sub-fund was created in 2018.

The past performance has been calculated in USD.

Practical information

The custodian of the fund is RBC Investor Services Bank S.A. with its head office in Luxembourg.

This Key Investor Information describes a sub-fund of an umbrella construction. The various sub-funds are not mutually liable, i.e. only the profits and losses of the respective sub-fund in question are relevant for the investor. The sales prospectus, annual report and semi-annual report are, however, compiled for the entire umbrella construction. Subject to meeting the eligibility criteria for the respective sub-fund, investors can request the conversion of their units from one sub-fund into another sub-fund. Information about the conversion of units, can be found in the “Conversion of units” section in the sales prospectus. The sales prospectus including the management regulations, the Key Investor Information and current reports, the most recent issue and redemption prices and further information about the fund or sub-fund are published online at www.meag.com (section “Institutional Clients, Our Product World, MEAG FlexConcept”) or can be obtained free of charge in paper form at the registered office of MEAG Luxembourg S.à r.l., 15, rue Notre Dame, 2240 Luxembourg, Grand Duchy of Luxembourg. Information on the company’s current remuneration policy can be found at www.meag.com (section “Inform, Compliance, MEAG Luxembourg”). This includes a description of the method for calculating remunerations and bonuses to certain staff groups and the identity of the people responsible for allocating remunerations and bonuses. On request, the company will make the information available free of charge in paper form.

The sub-fund is subject to Luxembourg tax law. This can affect how you or your income from the sub-fund are taxed. The company may be held liable only on the basis of any statement in this document that is misleading, incorrect or inconsistent with the relevant parts of the sales prospectus.

This sub-fund is authorised in Luxembourg and subject to regulation by the supervisory authority Commission de Surveillance du Secteur Financier (CSSF). The company is also authorised in Luxembourg and regulated by the CSSF.

This Key Investor Information is accurate as of 2 February 2022.