

Legal base

Title of relevant act	Applicable provision (quote the text)	Remarks (if needed)
Investment Act (InvG) of 15 December 2003 (Federal Legislative Journal I p. 2676) as amended by Article 2 of the law dated 22 December 2011 (Federal Legislative Journal I p. 3044)	§ 60 (2) sentence 2 and 3 InvG	
	<p>“The capital investment company may only invest in each case up to 25 per cent of the value of the fund in Pfandbriefe and municipal bonds as well as debt securities which have been issued by credit institutions with their seat in a Member State of the European Union or another Contracting State to the Agreement on the European Economic Area if this is provided for in the contractual terms and conditions and the credit institutions are, on the basis of statutory provisions for the protection of the holders of such debt securities, subject to a special public supervision and the funds raised by way of the issue of the debt securities are invested, in</p>	<p>The Investment Act does provide for specific categories of bonds in which a UCITS may invest in generally (Pfandbriefe and municipal bonds) or gives the general principles under which conditions such an investment can be made (insofar comparable to Art. 22 (4) of the UCITS-Directive). However, neither the Investment Act nor the German supervisor does provide for in which single bond itself the UCITS is allowed to invest in. As a consequence, under German law there does not exist a list of specific bonds in which a UCITS may invest in according to Art. 22 (4) of the UCITS-Directive.</p>

	<p>accordance with the statutory provisions, in assets which sufficiently cover the liabilities arising from these debt securities during their entire term and which, in the case of a default of the issuer, are used with a priority for the redemption payments which become due and the payment of interest. If the capital investment company invests more than 5 per cent of the value of the fund in debt securities of the same issuer pursuant to sentence 2, it must ensure that the total value of these debt securities does not exceed 80 per cent of the value of the fund.”</p>	
Pfandbrief Act/PfandBG	Sections 12-19 of the Pfandbrief Act/PfandBG	Mortgage Pfandbriefe
	Section 20 PfandBG	Public Pfandbriefe
	Sections 21-26 PfandBG	Ship Pfandbriefe
	Sections 26a-26f PfandBG	Aircraft Pfandbriefe