

## **B&I Global Real Estate Securities Fund**

Trust Agreement including fund-specific appendices and Prospectus

Undertaking for collective investment in transferable securities ("UCITS") under Liechtenstein law with the legal form of a trusteeship (hereinafter called "the UCITS")

### **UCITS V**

(Single fund)

Status as of: 10 March 2021

**This version of the prospectus is an English translation from the German version. While all possible care has been taken in preparing this translation, no liability is accepted for any differences from the German version. The German version always remains the legally binding form.**

## Overview of the UCITS organization

Management Company	LLB Fund Services AG Äulestrasse 80 9490 Vaduz
Board of Directors	Current status according to commercial register: Amt für Justiz (AJU), 9490 Vaduz, Liechtenstein
Management	Current status according to commercial register: Amt für Justiz (AJU), 9490 Vaduz, Liechtenstein
Asset Manager	B&I Capital AG Talacker 35 8001 Zürich
Custodian	Liechtensteinische Landesbank AG Städtle 44 9490 Vaduz
Sales Agent	Liechtensteinische Landesbank AG Städtle 44 9490 Vaduz
Auditors	PricewaterhouseCoopers AG Vadianstrasse 25a / Neumarkt 5 9001 St.Gallen
Representative in Switzerland	LLB Swiss Investment AG Claridenstrasse 20 8002 Zürich
Paying Agent in Switzerland	Bank Linth LLB AG Zürcherstrasse 3 8730 Uznach
Paying Agent and Information Agent in Germany	Donner & Reuschel Aktiengesellschaft Ballindamm 27 20095 Hamburg

### Overview of the UCITS

Name of the UCITS	B&I Global Real Estate Securities Fund
Legal Structure	UCITS in the legal form of a trusteeship ("collective trusteeship") pursuant to the Act of 28 June 2011 concerning Specific Undertakings for Collective Investment in Securities (UCITSG)
Country of foundation	Liechtenstein
Founding date of the UCITS	11 November 2015
Financial year	The financial year of the UCITS begins on 1 January and ends on 31 December
Unit of account of the UCITS	USD
Responsible supervisory authority	Finanzmarktaufsicht Liechtenstein (FMA); <a href="http://www.fma-li.li">www.fma-li.li</a>

## Information for investors / sales restriction

UCITS units are acquired on the basis of the Prospectus, the Trust Agreement and the Key Investor Information Document (the "KIID") – as well as the last annual report and, insofar as already published, the following interim report. Only the information contained in the Prospectus and in particular in the Trust Agreement, including Appendix A, is valid. With the acquisition of units, these are deemed to have been approved by the investor.

This Prospectus does not represent an offer or an invitation to subscribe to UCITS units by a person in a jurisdiction in which an offer of this nature or an invitation of this nature is unlawful or in which the person issuing an offer or an invitation of this nature is not qualified to do so, or does so vis-à-vis a person who may not lawfully receive an offer or an invitation of this nature. Information which is not contained in this Prospectus and Trust Agreement or in publicly accessible documents is deemed to be unauthorised and unreliable. Potential investors should inform themselves about possible tax consequences, the legal preconditions and possible currency restrictions or control regulations which are applicable in the countries of their nationality, their domicile or their place of residence and which could be of significance to the subscription, the holding, the exchanging, the redemption or the alienation of units. Further tax considerations are set out in section 11 "Tax regulations". Appendix B "Specific Information for distribution in individual countries" contains information regarding distribution in different countries. The UCITS units are not licensed for distribution in all countries of the world. The issue, the conversion and the redemption of units abroad are subject to the provisions which are in force in the respective foreign country. Fund units may in particular not be offered, sold or delivered within the USA. The units have not been and are not registered in accordance with the United States Securities Act of the year 1933 in its valid version ("the Act of 1933") or in accordance with the securities laws of a federal state of a territorial corporation of the United States of America or of its territories, possessions or other districts subject to its legal sovereignty, including the Commonwealth of Puerto Rico ("the United States").

Investors should read and consider the risk description in section 8. Risk notices before investing in units of the sub-funds.

The units may not be sold, offered or otherwise transferred in the United States of America to or on the behalf of US persons (within the meaning of the Act of 1933). Subsequent transfers of units in the United States or to US persons are not permitted. The units are offered and sold on the basis of an exemption from the registration regulations of the Act of 1933 pursuant to Regulation S of this Act. The Management Company has not been and will not be registered either in accordance with the United States Investment Company Act of the year 1940 in its valid version or in accordance with any other US federal laws. This consequently means that the units may not be sold, offered or otherwise transferred in the United States of America to or on the behalf of US persons (within the meaning of the Act of 1933).

The units have neither been approved by the US Securities and Exchange Commission ("SEC") or any other supervisory authority in the United States, nor has any such approval been rejected; in addition, neither the SEC nor any other supervisory authority in the United States has ruled on the accuracy or the reasonableness of this Prospectus or on the benefits of the units. This Prospectus may not be circulated in the United States. The distribution of this Prospectus and the offering of the units may also be subject to restrictions under other legal systems.

Units of the sub-fund may furthermore not be offered, sold or delivered to citizens of the USA or persons domiciled in the USA and/or other natural persons or legal entities whose income and/or revenues, irrespective of its origin, is subject to US income tax, financial institutions that are not subject to the provisions concerning the Foreign Account Tax Compliance Act ("FATCA", in particular Sections 1471 - 1474 of the US Internal Revenue Code as well as a possible treaty with the United States of America concerning cooperation for the facilitated implementation of FATCA, insofar as applicable in each case), and are not insofar as necessary registered with the US Internal Revenue Service as a FATCA participant institution, as well as persons who pursuant to Regulation S of the US Securities Act of 1933 and/or the US Commodity Exchange Act in the respective valid version are deemed to be US persons. This means that the fund may in particular not be acquired by the following Investors (this list is not definitive):

- US citizens, incl. holders of dual nationality;
- Persons who are resident or domiciled in the USA;
- Persons who are based in the USA (green card holders) and/or who live mainly in the USA;
- Companies, trusts, assets etc. domiciled in the USA;

- Companies who qualify as transparent for US tax purposes, and who have Investors named in this section, as well as companies whose revenues from a consolidated perspective are attributable to Investors named in this section for US tax purposes;
- Financial institutions that are not subject to the provisions pursuant to the Foreign Account Tax Compliance Act ("FATCA", in particular Sections 1471 - 1474 of the US Internal Revenue Code as well as any possible treaty with the United States of America concerning cooperation for the facilitated implementation of FATCA, insofar as applicable in each case), and are not insofar as necessary registered with the US Internal Revenue Service as a FATCA participant institution;  
or
- US persons defined in the respective valid version of Regulation S of the United States Securities Act 1933.

"Restricted Persons" as per FINRA Rule 5130 as well as "Covered Persons" as per FINRA Rule 5131 are not permitted to purchase units of the fund (exceptions are permitted only with the written acknowledgement by the investment manager). It is not permitted to sell or offer the units to such "Restricted persons" or "Covered Persons".

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## **Part I: The Prospectus**

The issue and redemption of units in the corresponding fund is performed on the basis of the current valid Trust Agreement and the Appendix A "Overview of the fund". This Trust Agreement is supplemented by the respective most recent annual report. If the reporting date of the annual report is more than eight months ago, then the interim report must also be offered to the buyer. In good time before the acquisition of units, the "Key Investor Information Document, KIID" (Wesentlichen Anlegerinformationen) shall also be made available to the investor free of charge.

It is not permitted to issue information or explanations which differ from the Prospectus, Trust Agreement, Appendix A "Overview of the fund" or the Key Investor Information Document. The Management Company shall not be liable if and to the extent that information or explanations are issued which differ from the current Prospectus, Trust Agreement or the Key Investor Information Document.

In the present case, the Prospectus and the Trust Agreement including Appendix A "Overview of the fund" are shown in a single document. The essential foundation document for the fund is the Trust Agreement including Appendix A "Overview of the fund". Only the Trust Agreement including the special provisions pertaining to the investment policy set out in Appendix A "Overview of the fund" is subject to the material legal appraisal of the Liechtenstein Financial Market Authority.

### **1 Sales documents**

The Prospectus, the Key Investor Information Document (KIID), the Trust Agreement and the Appendix A "Overview of the fund" as well as the most recent annual and interim reports, insofar as these have already been published, are available free of charge on a physical basis from the Management Company, the Custodian, the payment agents and from all authorised sales agents in Liechtenstein and abroad as well as from the website of the LAFV Liechtenstein Investment Fund Association under [www.lafv.li](http://www.lafv.li).

At the request of the investor, the aforementioned documents shall also be made available to him free of charge in paper form. Further information on the UCITS is available on the internet under [www.llb.li/fundservices](http://www.llb.li/fundservices) and from LLB Fund Services Aktiengesellschaft, Äulestrasse 80, 9490 Vaduz, Liechtenstein, during office hours.

### **2 The Trust Agreement**

The Trust Agreement comprises a general section as well as the Appendix A "Overview of the fund". The Trust Agreement and the Appendix A "Overview of the fund" are printed in their entirety. The Trust Agreement and the Appendix A "Overview of the fund" may be amended or supplemented by the Management Company wholly or in part at any time. Amendments of the Trust Agreement and of the Appendix A "Overview of the fund" are subject to the prior approval of the FMA.

Every amendment of the Trust Agreement as well as of the Appendix A "Overview of the fund" shall be published in the organ of publication of the UCITS and shall then be legally binding for all investors. The organ of publication of the UCITS is the website of the LAFV Liechtenstein Investment Fund Association (Liechtensteinische Anlagefondsverband) [www.lafv.li](http://www.lafv.li).

### **3 General information about the UCITS**

The B&I Global Real Estate Securities Fund (hereinafter called: UCITS) was founded on 11 November 2015 as an undertaking for collective investment in transferable securities (UCITS) under the law of the Principality of Liechtenstein.

The Trust Agreement and the Appendix A "Overview of the fund" were approved by the FMA on 11 November 2015 and the UCITS was entered in the Liechtenstein Public Register on 19 November 2015.

The Trust Agreement and the Appendix A "Overview of the fund" first came into force on 20 November 2015.

The UCITS is a legally independent undertaking for collective investment in securities of the open type, and is governed by the Act of 28 June 2011 concerning specific undertakings for collective investment in securities (hereinafter called: "UCITSG").

The UCITS has the legal form of a collective trusteeship. A collective trusteeship constitutes entering into a trusteeship of identical content with an unspecified number of investors for the purpose of asset investment and management on the account of the investors, whereby the individual investors participate in accordance with their share in this trusteeship and are personally liable only up to the level of their invested sum.

The UCITS is a single fund.

The management of the UCITS entails, above all, investing financial assets collected from the public on collective account in accordance with the principle of risk diversification in securities and/or in other liquid financial assets pursuant to Art. 51 UCITSG. UCITS constitutes a special asset for the benefit of its investors. In the event of the dissolution or bankruptcy of the Management Company, the assets will not be deemed part of the bankruptcy proceeds of the Management Company.

The investment assets that the Management Company may invest in and the provisions which it must thereby adhere to are set out in the UCITSG, the Trust Agreement and Appendix A "Overview of the fund", which regulate the legal relationship between the owners of the units (hereinafter called "the Investors") and the Custodian. Unless otherwise stipulated in the UCITSG, the legal relationships between the Investors and the Management Company shall be governed by the Trust Agreement and, insofar as no provisions are set out therein, by the provisions of the Liechtenstein Persons and Company's Act (Personen- und Gesellschaftsrechts ("PGR") concerning trusteeships. The Trust Agreement comprises a general section (the Trust Agreement) as well as the Appendix A "Overview of the fund". The Trust Agreement and Appendix A "Overview of the fund" and each of its amendments must be approved by the Liechtenstein Financial Market Authority (FMA) in order to be valid.

#### **4 Additional information about the UCITS**

Investors participate in the respective fund assets of the UCITS in proportion with the number of units which they have acquired.

The units are not certificated. Instead they shall be kept in book-entry form. That is to say, no certificates shall be issued. Investor meetings are not foreseen. By subscribing to or acquiring units, the Investor recognises the Trust Agreement and the Appendix A "Overview of the fund": Investors, heirs or other authorised parties may not demand the splitting or the dissolution of the UCITS. Details about the UCITS are set out in Appendix A "Overview of the fund":

All of the units of the UCITS essentially incorporate the same rights, unless the Management Company resolves in accordance with Art. 23 of the Trust Agreement to issue different unit classes within the UCITS.

Vis-à-vis third parties, the assets of the UCITS shall be liable merely for liabilities which were entered into by the UCITS.

This Prospectus and the Trust Agreement, including Appendix A "Overview of the fund", is applicable to the UCITS.

##### **4.1 Duration of the UCITS**

The duration of the UCITS is set out in Appendix A "Overview of the fund".

##### **4.2 Unit classes**

The Management Company may resolve to form several unit classes within the UCITS.

Pursuant to Art. 23 of the Trust Agreement of the UCITS, unit classes may be established in future which differ from the existing unit classes in terms of the utilisation of profits, the reference currency and the utilisation of currency hedging transactions, the management remuneration, the minimum investment sum or a combination of these characteristics. The rights of the Investors who have acquired units in existing unit classes shall however remain unaffected.

Any possible unit classes which are created in conjunction with the UCITS, as well as the fees and remuneration associated with the units of the UCITS, are specified in Appendix A "Overview of the fund". Further information about the unit classes is set out in section 9.2.

#### **4.3 Performance of the UCITS to date**

The performance of the UCITS or of the unit classes to date is set out on the website of the LAFV Liechtenstein Investment Fund Association under [www.lafv.li](http://www.lafv.li) or in the KIID. The historical performance of a unit does not provide any guarantee of the current or future performance. The value of a unit can rise or fall at any time.

## **5 Organisation**

### **5.1 Country of domicile / Competent supervisory authority**

Liechtenstein Financial Market Authority (FMA); [www.fma-li.li](http://www.fma-li.li).

### **5.2 Legal relationships**

The legal relationships between the Investors and the Management Company shall be in accordance with the Act of 28 June 2011 concerning Specific Undertakings for Collective Investment in Securities ("UCITSG") and the Ordinance of 5 July 2011 concerning Specific Undertakings for Collective Investment in Securities ("UCITSV") and, insofar as these do not contain regulations, in accordance with the provisions of the Liechtenstein Persons and Companies Act ("PGR") concerning Trusteeships.

### **5.3 Management Company**

LLB Fund Services Aktiengesellschaft (hereinafter called: the Management Company), Äulestrasse 80, FL-9490 Vaduz, Public Register number FL-0002-030-385-2.

The Management Company was founded on 06 December 2000 in the form of a stock corporation with domicile and head office in Vaduz, Principality of Liechtenstein, for an indefinite duration. On 30 January 2001 the Liechtenstein government granted the Management Company a licence to commence its business activities. Pursuant to Chapter III of the Act concerning Undertakings for Collective Investment, the Management Company has been licensed by the Liechtenstein Financial Market Authority and is included in the official list of Liechtenstein management companies.

The share capital of the Management Company amounts to CHF 2 million and is fully paid in.

The purpose of the Management Company is the management and distribution of undertakings for collective investment under Liechtenstein law.

The Management Company manages the UCITS on the account and in the exclusive interest of the Investors in accordance with the principle of risk diversification and in accordance with the provisions of the Trust Agreement and Appendix A "Overview of the fund".

The Management Company is equipped with the widest-possible powers to perform in its name and on the account of the Investors all administrative and administrative procedures. It is in particular entitled to buy, to sell, to subscribe and to exchange securities and other assets, as well as to exercise all rights which are directly or indirectly associated with the assets of the UCITS.

An overview of the UCITSs managed by the Management Company is to be found on the website of the LAFV Liechtenstein Investment Fund Association under [www.lafv.li](http://www.lafv.li).

The Management Company is subject to the statutory supervisory provisions that are applicable to their remuneration systems. In addition, the Remuneration Guideline of Liechtensteinische Landesbank AG are also applicable. These define standard group-wide standards for the structuring of remuneration systems. They contain inter alia the remuneration principles, e.g. for the structuring of the variable remuneration and the relevant remuneration parameters. Implementation of the Remuneration Guideline

is designed to take account of the long-term perspective of the remuneration systems, thereby avoiding false incentives to enter into excessive risks.

The remuneration system of LLB Fund Services AG is reviewed at least once per annum by the Group Internal Audit of Liechtensteinische Landesbank AG in respect of its appropriateness and adherence to all statutory supervisory conditions pertaining to remuneration.

A summary of the key content of the Remuneration Guideline is published on [www.llb.li](http://www.llb.li). This includes a description of the calculation methods for remuneration and other emoluments paid to specific categories of employees, as well as the identity of the persons responsible for allocating the remuneration and other emoluments. At the request of the Investor, the information shall also be made available to him by the Management Company free of charge in paper form.

#### **5.4 Board of Directors and Management**

Information on the current members of the Board of Directors and the Management can be found in the commercial register excerpt of the Management Company.

Commercial register: Amt für Justiz (AJU), 9490 Vaduz, Liechtenstein.

#### **5.5 Asset Manager**

The asset manager for the UCITS is B&I Capital AG.

B&I Capital AG is an asset manager of collective investment schemes and is regulated by FINMA (Swiss Financial Market Supervisory Authority).

Responsibility of the Asset Manager with regards the daily, independent implementation of the investment policy and the execution of the daily business of the UCITS as well as other related services is under the supervision, control and responsibility of the Management Company. The fulfilment of these duties occurs by observing the principles of the investment policy and of the investment restrictions of the UCITS, as described in Appendix A "Overview of the fund".

The asset manager has the right to receive advice from different investment advisors, at his own cost and responsibility.

The exact execution of the duties is regulated by the asset management contract between the Management Company and B&I Capital AG.

#### **5.6 Sales Agent**

Sales Agent for the UCITS is Liechtensteinische Landesbank AG, Städtle 44, 9490 Vaduz.

A distribution contract between the Management Company and Liechtensteinische Landesbank AG governs the details of the distribution.

#### **5.7 Custodian**

Liechtensteinische Landesbank Aktiengesellschaft, Städtle 44, FL-9490 Vaduz, Liechtenstein, acts as the Custodian for the fund.

The Custodian holds the financial instruments that are capable of being held in custody on the account of the UCITS. It may wholly or in part use the services of other banks, financial institutions and recognised clearing houses that meet the statutory requirements for custody purposes.

The function of the Custodian and its liability shall be in accordance with the Act of 28 June 2011 concerning Specific Undertakings for Collective Investment in Transferable Securities ("UCITSG")

and the corresponding Ordinance in the respective valid version, the custody agreement and the constituting documents of the UCITS. It operates independently of the Management Company and exclusively in the interest of Investors.

UCITSG makes provision for a separation of the management and the custody of UCITS. The Custodian shall keep the financial instruments that are capable of being held in custody in separate accounts opened in the name of the UCITS or of the Management Company acting on behalf of the UCITS, and shall monitor whether the instructions issued by the Management Company pertaining to the assets correspond to the regulations of the UCITSG and the constituting documents. For this purpose, the Custodian shall monitor in particular adherence by the UCITS to the investment restrictions and debt limits.

On behalf of the Management Company it shall also maintain the register of units of the fund.

The responsibilities of the Custodian shall be in accordance with Art. 33 UCITSG. The Custodian shall ensure that

- the sale, issue, redemption, payout and cancellation of units of the UCITS correspond to the provisions of the UCITSG and the constituting documents;
- the valuation of the units of the UCITS is performed in accordance with the provisions of the UCITSG and the constituting documents;
- in the case of transactions with assets of the UCITS, the proceeds are remitted to the UCITS within the normal deadlines;
- the earnings of the UCITS are used in accordance with the provisions of the UCITSG and the constituting documents;
- the cash-flow of the UCITS is properly monitored, and in particular that steps are taken to ensure that all of the payments made by Investors or in the name of Investors when subscribing the units of a UCITS have been received, and that all of the financial resources of the UCITS have been recorded in accordance with the provisions of the UCITSG and the constituting documents.

### **Sub-custodian**

The Custodian may assign the custodian task to other companies (sub-custodians). Custody of the assets held on the account of the UCITS can be exercised by the sub-custodians listed on the website of Liechtensteinische Landesbank AG under [www.llb.li](http://www.llb.li).

This assignment does not give rise to any conflicts of interest.

### **Information about the Custodian**

Investors in the UCITS have the opportunity at any time to inform themselves in person at the Custodian free of charge about the latest status of the duties and obligations of the Custodian, the sub-custodian, the possible conflicts of interest associated with the activity of the Custodian and the sub-custodian, as well as information about the UCITS using the above-specified contact data.

The Custodian is subject to the provisions of the Liechtenstein FATCA Treaty as well as the corresponding execution provisions set out in the Liechtenstein FATCA Act.

## **5.8 Auditors of the UCITS and of the Management Company**

PricewaterhouseCoopers AG, Vadianstrasse 25 a/ Neumarkt 5, CH-9001 St. Gallen.

The UCITS and the Management Company must subject their business activities to an annual audit by auditors who are independent of them and who are recognised by the FMA.

## **6 General investment principles and investment restrictions**

The fund's assets shall be invested in accordance with the principle of risk diversification within the meaning of the rules of the UCITSG and in accordance with the investment policy principles set out in Article 25 of the Trust Agreement and in Appendix A "Overview of the fund" as well as within the investment restrictions.

## **6.1 Objective of the investment policy**

The objective of the investment policy of the UCITS is described in Appendix A "Overview of the fund".

## **6.2 Investment policy of the UCITS**

The specific investment policies of the UCITS are set in Appendix A "Overview of the fund":

The general investment principles and investment restrictions set out in Art. 25 of the Trust Agreement are applicable to the UCITS, insofar as no deviations or supplements for the UCITS are contained in Appendix A "Overview of the fund":

The fund is actively-managed with reference to a benchmark.

## **6.3 Unit of account / reference currency of the fund**

The unit of account of the fund as well as the reference currency per unit class is specified in Appendix A "Overview of the fund".

The unit of account is the currency in which the accounts of the fund are kept. The reference currency is the currency in which the performance and the net asset value of the unit classes are calculated. The investments are made in the currencies which are most suitable for the performance of the fund.

## **6.4 Profile of the typical investor**

The profile of the typical investor in the UCITS is described in Appendix A "Overview of the fund".

## **7 Investment regulations**

### **7.1 Approved investments**

The UCITS may invest the assets on the account of its investors exclusively in one or more of the following assets:

#### **7.1.1 Securities and money market instruments:**

- a) which are listed or traded on a regulated market within the meaning of Art. 4 Para. 1 Sec. 21 of the Directive 2014/65/EU;
- b) which are traded on another regulated market of an EEA member state, which is recognised, open to the public and whose procedures are proper;
- c) which are officially listed on a securities exchange of a third-party state or which are traded on another market of a European, American, Asian, African or Oceanic country which is recognised, open to the public and whose procedures are proper.

#### **7.1.2 Securities from new issues, insofar as:**

- a) the issue conditions contain the obligation to achieve an official listing or trading at one of the securities exchanges mentioned under Sec. 7.1.1 a) to c) or at one of the regulated markets mentioned there, and
- b) this approval is achieved at the latest before one year has passed since the issue

**7.1.3** Units in a UCITS and other undertakings for collective investment within the meaning of Art. 3 Para. 1 Fig. 17 UCITSG, insofar as these are permitted pursuant to their constituting documents to invest no more than 10 % of their assets in units in another UCITS or comparable undertaking for collective investment;

- 7.1.4 Sight deposits or terminable deposits with a maximum maturity of twelve months at financial institutions whose registered domicile is located in an EEA state or in a third-party state whose supervisory law is comparable to that of EEA law;
- 7.1.5 Derivatives whose underlying instrument constitute investment instruments within the meaning of Art. 51 UCITSG or financial indices, interest rates, exchange rates or currencies. In the event of transactions with OTC derivatives, the counterparties must be supervised financial institutions in an FMA-approved category and the OTC derivatives must be subject to a reliable and verifiable valuation on a daily basis and must at all times be capable at the initiative of the UCITS of being alienated, liquidated or closed out by a counter transaction;
- 7.1.6 Money market instruments which are not traded on a regulated market, insofar as the issue or the issue of these instruments is subject to regulations concerning investment and investor protection, provided that they are:
- a) issued or guaranteed by a central state, regional or local corporation or by the central bank of an EEA member state, the European Central Bank, the European Union of the European Investment Bank, a third- party state or, insofar as this is a federal state, a member state of the federation or an international institution of a public-law character which at least belongs to an EEA member state;
  - b) by a company whose securities are traded on the regulated markets listed under letter a);
  - c) by an institution which is subject to supervision pursuant to the criteria set out under EEA law or issued or guaranteed by an institution whose supervisory law is comparable to EEA law, and which complies with this law; or
  - d) is issued by an issuer which belongs to a category approved by the FMA, insofar as the same investor protection regulations apply to investments in these instruments of the letters a) to c) and the issuer is either a company with equity capital of at least EUR 10 million and which draws up and publishes its annual financial statements in accordance with the provisions of Directive 78/660/EEC, in Liechtenstein implemented through the PGR, or is a legal entity which is part of a group with responsibility for the financing of the corporate group with at least one listed company, or is a legal entity which is intended to finance the securities underlying its liabilities by using a credit line extended by a bank.
- 7.1.7 The Management Company may additionally hold liquid assets.

## **7.2 Non-approved investments**

The Management Company may not:

- 7.2.1 invest more than 10% of the assets of the UCITS in securities and money market instruments other than those specified in Sec. 7.1;
- 7.2.2 acquire precious metals or precious metal certificates;
- 7.2.3 perform uncovered short selling.

## **7.3 Investment limits**

**The following investment limits must be adhered to by the UCITS:**

- 7.3.1 The UCITS may invest no more than 5% of its assets in securities or money market instruments of the same issuer and no more than 20% of its assets in deposits of the same issuer.
- 7.3.2 The default risk of transactions performed by the UCITS with OTC derivatives with a bank as counterparty whose registered domicile is in an EEA member state or in a third-party state whose supervisory law is comparable to that of EEA law, may not exceed 10% of the assets of the UCITS; in the case of other counterparties, the maximum default risk may not exceed 5% of the assets.
- 7.3.3 Insofar as the total value of the securities and money market instruments of issuers in which the UCITS may in each case not invest more than 5% of its assets does not exceed 40% of its assets, the issuer limit specified in Sec. 7.3.1 is raised from 5% to 10%. The 40% limit is not applicable to

deposits or transactions with OTC derivatives with supervised financial institutions. In the event of the increase being exercised, the securities and money market instruments pursuant to Sec. 7.3.5 and the debentures pursuant to Sec. 7.3.6 shall not be taken into account.

7.3.4 Irrespective of the individual upper limits pursuant to Sec.7.3.1 and 7.3.2, a UCITS may not combine the following if this would lead to an investment of more than 20 % of its assets in one and the same entity:

- a) securities or money market instruments issued by this entity;
- b) deposits at this entity;
- c) OTC derivatives acquired by this entity.

7.3.5. Insofar as the securities or money market instruments are issued or guaranteed by an EEA member state or by one of its territorial corporations, by a third-party state or by an international institution having the character of a public institution belonging to at least one EEA member state, then the upper limit specified in Sec.7.3.1 shall be raised from 5% to a maximum of 35%.

7.3.6 Insofar as debentures are issued by a bank domiciled in an EEA member state which, on account of statutory regulations to protect the holders of these debentures is subject to special public supervision and in particular is required to invest the revenues from the issue of these debentures in assets which throughout the entire maturity of the debentures provide sufficient cover for the resulting liabilities and are primarily earmarked for the re- payment of the capital and of the interest due in the event of the default of the issuer, then the upper limit specified in Sec. 7.3.1 for such debentures shall be raised from 5% to a maximum of 25%. In this event the total value of the investments may not exceed 80% of the assets of the UCITS.

7.3.7 The limits specified in Figs. 7.3.1 to 7.3.6 may not be cumulated. The maximum issuer limit amounts to 35% of the assets per UCITS.

7.3.8 In derogation of Sec.7.3.3 and in accordance with Art. 56 UCITSG as well as in accordance with the principle of risk diversification, up to 100% of the assets may be invested in securities and money market instruments of different issues which are issued or guaranteed by one and the same state issuer. These securities and money market instruments must be divided into at least six different issues, whereby the securities from a single issue may not exceed 30% of the total sum of its assets.

7.3.9 The Management Company may invest more than 35% of the value of a UCITS in debentures of the following issuer, insofar as the issuer or guarantor is one of the following public law corporations and organisations:

- all OECD states
- all OECD public law corporations
- African Development Bank
- Asian Development Bank
- Council of Europe Social Development Fund
- Eurofima
- European Atomic Energy Community
- European Bank for Reconstruction & Development
- European Economic Community
- European Investment Bank
- European Patent Organization
- IBRD (World Bank)
- Inter-American Development Bank
- International Finance Corporation
- Nordic Investment Bank;

7.3.10 Companies which are part of the same group of companies are deemed to be a single issuer for the purpose of calculating the "investment limits" specified in Sec. 7.3. In the case of investments in securities and money market instruments of the same group of companies, the issuer limit shall be collectively lifted to 20% of the assets of the fund.



7.3.11 A fund may invest up to 10% of its assets in units in other UCITSs or in other undertakings for collective investment which are comparable with a UCITS. These investments shall not be taken into account in respect of the upper limits specified in Art. 54 UCITSG.

7.3.12 The UCITS may subscribe, acquire and/or hold units issued by one or more other UCITS, insofar as:

- The target fund does not for its part invest in the UCITS which invests in this target fund; and
- the proportion of the assets which the target fund is planning to acquire, pursuant to its prospectus or its articles of association, may not in overall terms exceed 10% of the units of other target funds of the same UCITS-comparable undertaking for collective investment; and
- the possible voting rights associated with the respective securities are suspended for as long as they are held by the respective fund, irrespective of a reasonable evaluation in the financial statements and in the periodic reports; and
- in every case the value of these securities is taken into account in the calculation of the net asset value of the fund stipulated by the UCITSG for the purpose of verifying the minimum level of the net assets pursuant to the UCITSG, insofar as these securities are held by the respective fund; and
- there is no duplication of the fees for the issue or redemption of units, on the one hand at the level of the UCITS which has invested in the target fund, or on the other at the level of the target fund.

7.3.13 If the investments in Sec.7.3.11 account for a significant proportion of the assets of the UCITS, then the sub-fund-specific appendix must provide information about the maximum level and the annual report must provide information about the maximum share of the management fees which are to be borne by the fund itself and by the undertaking for collective investment pursuant to Sec.7.3.11 whose units have been acquired.

7.3.14 If units are managed directly or indirectly by the Management Company of the UCITS or by a company with which the Management Company of the UCITS is affiliated through joint administration, control or qualified participation, then neither the Management Company nor the other company may charge the fund fees for the issue or redemption of units.

7.3.15 A Management Company shall not acquire for any of the UCITSs under its management voting shares of the same issuer with which it is able to exercise a significant influence over the management of the issuer. A significant influence is presumed to be established by holdings of 10% or more of the voting shares in the issuer. If a lower limit exists for the acquisition of voting shares of the same issuer in another EEA member state, then this shall be binding for the Management Company if acquires for a UCITS shares in an issuer domiciled in this EEA member state.

7.3.16 For the UCITS, financial instruments of the same issuer may be acquired amounting to no more than:

- a) 10% of the share capital of the issuer, insofar as this relates to non-voting shares;
- b) 10% of the total par value of the debentures or money market instruments of the issuer in circulation, insofar as this relates to debentures or money market instruments. This limit does not need to be adhered to if the total par value at the time of acquisition cannot be determined;
- c) 25% of the shares in the same undertaking, insofar as this relates to units of other UCITS or undertakings for collective investment which are comparable to UCITSs. This specific limit does not need to be adhered to if the total par value at the time of acquisition cannot be determined;

7.3.17 Sec.7.3.15 and 7.3.16 are not to be applied:

- a) to securities and money market instruments which are issued or guaranteed by a state issuer;

- b) to shares which a fund owns in the capital of a company of a third-party state which invests its assets essentially in securities of issuers which are domiciled in this third-party state, if the statutory regulations of this third-party state means that a participation of this nature represents the only opportunity for the UCITS to invest in securities issued by issuers of this country. In this conjunction, the preconditions of the UCITSG must be observed;
- c) to shares of management companies held in the capital of their subsidiaries which in the domiciliary country exclusively organise the redemption of shares at the request of the investors on behalf of the Management Company.

**Deviation from the investment limits shall be permitted in the following cases:**

7.3.18 The fund does not have to adhere to the investment limits when exercising subscription rights arising out of securities or money market instruments which are associated with its assets.

7.3.19 In the event of the aforementioned limits being exceeded, the fund must endeavour as a matter of priority while making sales to normalise this situation, while taking the interests of the investors into account.

7.3.20 The fund is not required to adhere to the investment limits within the first six months following its licensing. The principle of risk diversification must continue to be observed.

**Active investment limit breaches:**

7.3.21 A loss that is suffered on account of an active breach of the investment limits/investment regulations must be reimbursed to the UCITS without delay in accordance with the respective valid code of conduct.

**7.4 Borrowing limit as well as prohibition on issuing loans and sureties**

7.4.1 The fund may not be pledged or otherwise encumbered, transferred for security or assigned for security, unless this constitutes borrowing within the meaning of the following Sec.7.4.2 or the provision of security within the framework of the settlement of transactions in financial instruments.

7.4.2 Borrowing by the fund is limited to temporary loans, whereby the borrowing may not exceed 10% of the assets of the fund; the limit does not apply to the acquisition of foreign currencies by means of a "back-to- back" loan.

7.4.3 The fund may not grant loans, nor may it provide third parties with sureties. Neither the UCITS nor the investors shall be bound by arrangements which breach these prohibitions.

7.4.4 Sec. 7.4.3 does not represent an obstacle to the acquisition of financial instruments which have not yet been fully paid up.

Vis-a-vis the Custodian the UCITS shall not be entitled to exercise the maximum permissible credit facility. The Custodian is exclusively responsible for deciding in accordance with its credit and risk policy whether and to what extent a loan is to be granted. Under certain circumstances, this policy may change during the term of the UCITS.

**7.5 Utilisation of derivatives, methods and instruments**

The overall risk associated with derivatives may not exceed the total net value of the fund assets. The Management Company may perform investments in derivatives as part of its investment strategy within the limits stipulated in Art. 53 UCITSG, insofar as the overall risk of the underlying securities does not exceed the investment limits defined in Art. 54 UCITSG. When calculating this risk, the market value of the underlying securities, the default risk, future market fluctuations and the liquidation period of the positions shall be taken into account.

Insofar as this is not incompatible with the protection of investors and the public interest, investments made by the UCITS in index-based derivatives shall not be taken into account in relation to the upper limits stipulated under Art. 54 UCITSG.

With the approval of the FMA, subject to adherence to the provisions of the UCITSG, the UCITS may deploy methods and instruments which have securities and money market instruments as their object.

## **7.6 Risk management**

The Management Company uses a basic model to calculate the risks arising out of the investment instruments, in particular in relation to derivative financial instruments, thereby applying generally accepted calculation methods. It must ensure that the risk arising from derivative financial instruments at no time exceeds the total value of the portfolio and, in particular, that no positions are taken which represent an unlimited risk for the assets. When calculating the overall risk, both the credit default risk and the leverage effect achieved with derivative financial instruments must also be considered. Combinations of derivative financial instruments and securities must also fulfil these criteria at all times.

The Management Company may in particular use the following derivative financial instruments, methods and instruments for the UCITS:

## **7.7 Derivative financial instruments**

The Management Company may use derivative transactions for the UCITS for the purpose of hedging, efficient portfolio control and to generate additional returns, and as part of the investment strategy. This may have the effect of raising the loss risk of the UCITS, at least temporarily.

The risk associated with derivative financial instruments may not exceed 100% of the net fund assets. In this conjunction, the total risk may not exceed 200% of the respective net fund assets. If a loan is taken out pursuant to UCITSG (Sec.7.4.2), the overall risk may not exceed 210% of the respective net fund assets.

The Management Company may deploy exclusively the following basic forms of derivatives, or combinations thereof arising out of these derivatives or combinations of other assets which may be acquired for the UCITS, together with these derivatives in the UCITS:

- 7.7.1 Futures contracts on securities, money market instruments, financial indices within the meaning of Art. 9 Para.1 of the Directive 2007/16/EC, interest rates, exchange rates or currencies;
- 7.7.2 Options or option certificates on securities, money market instruments, financial indices within the meaning of Art. 9 Para.1 of the Directive 2007/16/EC, interest rates, exchange rates or currencies and on futures contracts pursuant to Sec. 7.7.1, if:
  - a) exercise is possible either throughout the entire maturity or as at the end of the maturity, and;
  - b) the option value is a fraction or a multiple of the difference between the strike price and the market price of the underlying security, and is zero if the difference has the respective other minus or plus sign.
- 7.7.3 Interest rate swaps, currency swaps or interest currency swaps;
- 7.7.4 Options on swaps pursuant to Sec.7.7.3, insofar as these exhibit the characteristics described under Sec.7.7.2 (swap options);
- 7.7.5 Credit default swaps, insofar as these serve exclusively and demonstrably to hedge the credit risk of precisely attributable assets of the UCITS.

The aforementioned financial instruments may either be independent assets or integral parts of assets.

### **Futures contracts**

The Management Company may conclude futures contracts on the account of the UCITS within the framework of the investment principles on the securities and money market instruments which may be acquired for the UCITS as well as on financial indices within the meaning of Art. 9 Para. 1 of the Directive 2007/16/EC, interest rates, exchange rates or currencies. Futures contracts constitute unconditional

binding agreements for both contracting parties to buy or to sell on a specific date, the due date, or within a specific period, a specific quantity of a specific underlying security at a price determined in advance.

### **Options**

The Management Company may conclude call options or put options on the account of the UCITS within the framework of the investment principles on the securities and money market instruments as well as on financial indices within the meaning of Art. 9 Para. 1 of the Directive 2007/16/EC, interest rates, exchange rates or currencies. Option transactions entail granting a third party the right, in return for a fee (option premium), to demand the delivery or the acceptance of assets or the payment of a differential, or alternatively to acquire corresponding option rights, during a specific period or at the end of a specific period, at a price agreed in advance (strike price). The options or option certificates must require the exercise thereof during the overall maturity or at the end of the term. In addition, the option value must be a fraction or a multiple of the difference between the strike price and the market price of the underlying security, and is zero if the difference has the respective other minus or plus sign.

### **Swaps**

The Management Company may on the account of the UCITS and within the framework of the investment principles conclude interest rate swaps, currency swaps and interest-currency swaps. Swaps are exchange contracts where the payment flows or risks underlying the transaction are exchanged between the contracting parties.

### **Swaptions**

"Swaptions" are options on swaps. Such swaptions may be acquired on the account of the UCITS only if these comprise a combination of the above-described options and swaps. A swaption constitutes the right, but not the obligation, to enter at a specific time or within a specific period into a swap whose terms and conditions have been precisely defined. In other respects the principles set out in conjunction with option transactions are applicable.

### **Credit default swaps**

Credit default swaps are credit derivatives that make it possible to transfer one potential loan default volume to another. In return for assuming the credit default risk, the seller of the risk pays a premium to his contracting party. The Management Company may only acquire simple, standardised credit default swaps for the UCITS which are deployed to hedge individual credit risks within the UCITS. In other respects the information set out under swaps is analogously applicable.

### **Securitised Financial instruments**

The Management Company may also acquire the above-described financial instruments if these are certificated in securities. In this conjunction, the transactions which are the object of the financial instruments may also be only partially contained in securities (e.g. warrant-linked bonds). The statements relating to opportunities and risks are correspondingly applicable to such certificated financial instruments, although subject to the caveat that the loss risk in the case of certificated financial instruments is limited to the value of the security.

### **OTC derivative transactions**

The Management Company may conclude derivative transactions which are approved for trade on a stock exchange or which are obtained from another organised market, as well as so-called over-the-counter (OTC) transactions.

The Management Company may perform derivatives transactions which are not approved for trade on a stock exchange or obtained from another organised market only with suitable banks or financial services providers on the basis of standardised framework agreements. In the case of OTC derivative transactions, the counterparty risk relating to a contractual party shall be limited to 5% of the value of the fund assets. If the contracting party is a bank domiciled in the European Union, the European Economic Area or a third-party state with a comparable level of supervision, then the counterparty risk may amount to up to 10% of the value of the fund assets. OTC derivatives transactions which are performed with the central clearing office of a stock exchange or other organised market as contracting party, shall not be taken into

account for the counterparty limit if the derivatives are subject to a daily valuation at market prices with a daily margin offset.

Claims of the fund against an intermediary trader shall however be taken into account for the limit, even if the derivative is traded on a stock exchange or other organised market.

The aforementioned methods and instruments may if necessary be extended by the Company if other instruments are offered on the market which correspond to the investment objective and if the UCITS is permitted to apply these.

## **7.8 Securities lending**

The Management Company may lend parts of the securities portfolio of the respective UCITS to third parties ("securities lending"). In general terms, securities lending transactions may only be performed over recognised clearing organisations such as Clearstream International or Euroclear, as well as over first class banks, securities companies, financial services institutions or insurers which specialise in securities lending, with their defined operating conditions. In the case of a securities lending transaction, the Management Company or the Custodian of the UCITS must essentially receive securities whose value corresponds to the scope and the risk of the planned transaction and corresponds at least to the total value of the loaned securities and the possible accrued interest. These securities must be issued in an approved form of financial securities. Such securities are not required if the securities lending is performed through Clearstream International or Euroclear or another comparable organisation which guarantees the UCITS the reimbursement of the value of the loaned securities.

Loaned securities must continue to be taken into account in respect of adherence to the investment regulations.

## **7.9 Repurchase transactions**

The Management Company does not engage in any repurchase transactions.

## **7.10 Borrowing**

Borrowing by the fund is limited to temporary loans, whereby the borrowing may not exceed 10% of the assets of the UCITS; the limit does not apply to the acquisition of foreign currencies by means of a "back-to-back" loan.

## **7.11 Collateral policy and investment of collateral**

### **General**

In conjunction with transactions in OTC financial derivatives and efficient portfolio management, the Management Company can in the name and on the account of the fund take receipt of collateral in order to reduce its counterparty risk. Received collateral must be deposited for the fund with the Custodian or with its agent. This section describes the collateral policy applied by the Management Company in these cases. All of the assets received by the management company in the name and on the account of the UCITS (securities lending, securities repurchase transactions, reverse repurchase transactions) within the context of efficient portfolio management techniques shall be treated as collateral within the meaning of this section.

### **Approved collateral**

The Management Company can use the collateral it receives to reduce the counterparty risk, provided that it adheres to the criteria set out in the respective applicable statutory provisions, regulations and guidelines issued by the FMA, above all in terms of liquidity, valuation, creditworthiness of the issuer, correlation, risks associated with the administration of collateral and realisability. Collateral should fulfil above all the following conditions:

## **Liquidity**

All collateral that does not consist of cash or sight deposits should be highly liquid with transparent pricing and should be traded on a regulated market or a multilateral trading system. In addition, collateral with a short settlement cycle should be preferred to collateral with a long settlement cycle for a quicker conversion into cash.

## **Valuation**

The value of the collateral should be valued at least on every stock exchange day, and has to be up-to-date at all times.. The inability to determine the value independently jeopardises the UCITS. This also applies to “mark to model” valuations and assets that are rarely traded.

## **Creditworthiness**

The issuer of the collateral has a high credit rating. If a very high credit rating is not available, valuation discounts (haircuts) must be applied. In the event of high volatility in the value of the collateral, this is only permissible if appropriate conservative haircuts are applied.

## **Correlation**

The collateral is not provided, issued or guaranteed by the counterparty or by an entity belonging to the counterparty group and does not show a high correlation with the performance of the counterparty. However, investors are advised that in difficult market environment experience has shown that the correlation between different issuers increases massively, regardless of the type of security.

## **Diversification of the collateral**

The collateral received should be sufficiently diversified in terms of countries, markets and issuers. The criterion of sufficient diversification in terms of issuer concentration is deemed to be met if the UCITS receives collateral where the a maximum exposure to any single issuer does not exceed of 20% of the net asset value (NAV) of the UCITS. In the event of collateral from several securities lending transactions, OTC derivative transactions and repurchase agreements attributable to the same issuer, provider or guarantor, the total risk vis-à-vis this issuer shall be added together for the calculation of the overall risk limit. Notwithstanding this sub-section, UCITS may be fully collateralised by various transferable securities and money market instruments issued or guaranteed by an EEA member state, by one or more of its territorial corporations, by a third country or by an international public body of which at least one EEA member state is a member. These UCITS should hold securities issued within the context of at least six different issues and the securities from any one issue should not exceed 30% of the net asset value of the UCITS.

The fund may deviate from these regulations in accordance with the further regulations set out above under 7.3.5 – 7.3.7.

## **Safekeeping and realisation**

Insofar as the ownership of the transferred collateral has been transferred to the Management Company of the UCITS, the collateral received shall be held for safekeeping by the Custodian of the UCITS. Otherwise, the collateral must be held by a third-party custodian that is subject to prudential supervision and is independent of the service provider or is legally protected against the default of the affiliated party.

Steps must be taken to ensure that the UCITS may at any time immediately realise the collateral without recourse to or the consent of the counterparty.

## **Investment of the collateral**

Collateral, with the exception of sight deposits (liquid assets), may not be sold, reinvested or pledged.

Collateral consisting of liquid assets (sight and terminable deposits) must be used exclusively in one of the following ways:

- investment in sight deposits according to section 51 Fig. 1 letter d of the UCITS Act with a maximum maturity of twelve months at financial institutions whose registered domicile is located in an EEA member state or in a third-party state whose supervisory law is comparable to that of the EEA;

- Debentures issued by governments with high credit ratings;
- Investments within the context of a repurchase agreement according to section 70 UCITSV, provided that the counterparty to the repurchase agreement is a credit institution domiciled in an EEA member state or a third country whose supervisory law is equivalent to that of the EEA;
- Investments in money market funds with short maturity structure pursuant to ESMA/2014/937 Fig. 43 Letter j.

The reinvestment of sight deposits and terminable deposits must comply with the provisions regarding the risk diversification of non-cash collateral.

When assessing the value of collateral exposed to a non-negligible risk of fluctuation, the UCITS must apply prudential discount rates. The Management Company of the UCITS shall have a valuation discount policy (haircut policy) for the UCITS for each type of asset received as collateral and shall take into account the characteristics of the assets, in particular the creditworthiness and price volatility of the respective assets and the results of the stress tests that have been performed. The valuation discount policy shall be documented and any decision to apply or not to apply a valuation discount in respect of the respective asset category shall be made clear.

#### **Level of the collateral**

The Management Company shall stipulate the necessary level of the collateral for transactions with OTC derivatives and for efficient portfolio management techniques by referring to the applicable limits set out in the sales prospectus for counterparty risks and taking account of the nature and the characteristics of the transactions, the creditworthiness and the identity of the counterparties as well as the prevailing market conditions.

#### **Rules for haircuts**

Collateral shall be valued daily on the basis of available market prices and taking account of reasonable conservative discounts (haircuts), that the Management Company prescribes for each investment class on the basis of its rules for haircuts. Depending upon the nature of the received collateral, these rules take account of various factors, such as for example the creditworthiness of the issuer, the duration, the currency, the price volatility of the assets and if necessary the result of liquidity stress tests that the Investment Company has conducted under normal and extraordinary liquidity conditions. The table (non exhaustive list) set out below shows the haircuts for selected collateral instruments that the Management Company considers reasonable on the day of this Prospectus. These respective values are subject to change and are dependent on the collateral policy of the depositary.

<b>Collateral instrument</b>	<b>Valuation multiplier (%)</b>
<i>Cash (in the reference currency of the sub-fund)</i>	95
<i>Cash (not in the reference currency of the sub-fund)</i>	85
<i>Government bonds (debentures issued or expressly guaranteed by the following countries (does not, for example, contain any implicitly guaranteed liabilities): Austria, Belgium, Denmark, France, Germany, the Netherlands, Sweden, the United Kingdom and the USA, insofar as these respective countries have a minimum rating of AA-/Aa3 and such debentures can be valued daily at market prices (mark to market).)</i>	
<i>Maturity ≤ 1 year</i>	90
<i>Maturity &gt; 1 year and residual maturity ≤ 5 years</i>	85
<i>Maturity &gt; 5 years and residual maturity ≤ 10 years</i>	80
<i>Corporate securities (debentures that have been issued or expressly guaranteed by a company (with the exception of financial institutions) and (i) have a minimum rating of AA-/Aa3, (ii) furnished with a residual maturity of up to 10 years, and (iii) are denominated in USD, EUR or GBP)</i>	
<i>Maturity ≤ 1 year</i>	90
<i>Maturity &gt; 1 year and residual maturity ≤ 5 years</i>	85
<i>Maturity &gt; 5 years and residual maturity ≤ 10 years</i>	80

## **Total Return Swaps**

Total return swaps may be performed for the UCITS. Total return swaps are derivatives in which all income and fluctuations in the value of an underlying security are exchanged for an agreed fixed interest payment. One contracting party, the collateral recipient, thereby transfers the entire credit and market risk from the underlying instrument to the other contracting party, the collateral provider. In return, the collateral recipient pays a premium to the collateral provider. The Management Company may use total return swaps for hedging purposes and as part of the investment strategy of the UCITS. Generally, all assets eligible for the UCITS may be subject to total return swaps. Up to 100 percent of the fund assets may be the subject of such transactions. The AIFM expects that in individual cases no more than 50 per cent of the fund assets will be subject to total return swaps. This is merely an estimated value, however, that may be exceeded in individual cases. Income from total return swaps – following the deduction of transaction costs – shall pass in full to the AIF.

Contracting parties for total return swaps are selected according to the following criteria:

- Price of the financial instrument,
- Cost of executing the order,
- Speed of the execution,
- Likelihood of the execution or settlement,
- Scope and nature of the order,
- Timing of the order,
- Other factors influencing the execution of the order (inter alia creditworthiness of the counterparty)

The criteria may be differently weighted, depending on the nature of the trading order.

## **7.12 Using benchmarks**

In accordance with regulation (EU) 2016/1011 of the European parliament, ESMA maintains a benchmark register (“benchmark register”). Supervised entities (such as management companies / AIFM) may use benchmarks (“benchmarks”) according to the benchmark regulation (“benchmark regulation”) within the EEA in case the benchmark is being provided by an administrator that is registered in the benchmark register or is a third country benchmark being registered in the benchmark register.

For some funds, benchmarks can be used as a means of comparison or point of reference with which the performance of a fund can be measured, but the funds can still choose the securities they invest in free and independently. As the funds are actively managed and the investment decision is being made according to the investment discretion of the investment manager, the actual components and the fund performance can deviate materially from those of the benchmark(s). The benchmark index may change from time to time. In this case, the constituting documents will be updated at the next occasion.

With regards to the benchmark index, the Management Company assumes no liability with regards to quality, accuracy or completeness of the data. Furthermore, it assumes no liability that the respective benchmark index is being administered in accordance with the index method described.

The Management Company has prepared a written plan containing measures it will adopt regarding a fund in case of a material change of the index or the index ceases to be provided. Information on this plan may be obtained free of costs on request at the registered office of the Management Company.

The use of the benchmark of the fund is contained in Appendix A: Overview of the Fund.



### **7.13 Investments in units of other UCITSs or in other undertakings for collective investment which are comparable to an UCITS**

A UCITS may invest up to 10% of its assets in units in other UCITSs or in other undertakings for collective investment which are comparable with a UCITS. These other undertakings for collective investment may, pursuant to their prospectuses or foundation documents, invest no more than 10% of their assets in units of another UCITS or of another comparable undertaking for collective investment. This consequently means the UCITS do not exhibit a fund-of-funds structure.

The attention of investors is drawn to the fact that additional indirect costs and fees are incurred and remuneration and fees are charged at the indirect investment level, although these are borne directly by the individual indirect investments.

If units are managed directly or indirectly by the Management Company of the UCITS or by a company with which the Management Company of the UCITS is affiliated through joint administration, control or qualified participation, then neither the Management Company nor the other company may charge the UCITS fees for the issue or redemption of units.

## **8 Risk notices**

### **8.1 Fund-specific risks**

The performance of the units is dependent upon the investment policy as well as the market performance of the individual fund investments, and cannot be determined in advance. In this conjunction it is important to draw attention to the fact that the value of the units can rise or fall relative to the issue price at any time. It cannot be guaranteed that the investor will receive back his invested capital.

The fund-specific risks of the UCITS are set out in Appendix A "Overview of the fund".

### **8.2 General risks**

In addition to the fund-specific risks, the investments of the UCITS may also be exposed to general risks.

All investments in the UCITS entail risks. The risks may comprise or be associated inter alia with equity and bond market risks, exchange rate, interest rate, credit and volatility risks as well as political risks. Each of these risks can also appear together with other risks. This section briefly examines a number of these risks. It is important to note, however, that this does not represent a definitive list of all possible risks.

Potential investors need to be aware of the risks associated with an investment in the units, and should take an investment decision only when they have been advised comprehensively by their legal, tax and financial advisers, auditors or other experts about the suitability of an investment in units of this UCITS, taking account of their personal financial and tax situation as well as other circumstances, the information and the investment policy of the UCITS contained in the present Prospectus.

### **Derivative financial instruments**

The UCITS may deploy derivative financial instruments. These may be used not only for hedging purposes, but may also represent part of the investment strategy. The use of derivative financial instruments for hedging purposes may alter the general risk profile by correspondingly lowering the opportunities and risks. The use of derivative financial instruments for investment purposes may alter the general risk profile by generating additional opportunities and risks.

Derivative financial instruments are not independent investment instruments. Instead, they constitute rights whose valuation derive primarily from the price and the price fluctuations and price expectations of an underlying instrument. Investments in derivatives are subject to the general market risk, the management risk, the credit and the liquidity risk.

On account of the particular features of the derivative financial instruments, the aforementioned risks may however manifest themselves in different ways and may on occasion be higher than the risks of an investment in the underlying instruments.

For this reason the deployment of derivatives requires not merely an understanding of the underlying instrument, but also thorough knowledge of the derivative itself.

Derivative financial instruments also entail the risk that the UCITS may suffer a loss if another party to the derivative financial instrument (as a rule a "counterparty") fails to fulfil their obligations.

In general, the credit risk for derivatives which are traded on a stock market is lower than the risk for OTC derivatives, as the clearing office acting as the issuer or counterparty of each derivatives traded on the stock exchange assumes a settlement guarantee. In order to reduce the overall default risk, this guarantee is supported by a daily payment system maintained by the clearing office, which calculates the assets required to provide this cover. In the case of derivatives traded OTC, no comparable clearing office guarantee exists, and the UCITS needs to take account of the creditworthiness of every counterparty of derivatives traded OTC when evaluating the potential credit risk.

In addition, liquidity risks also exist, as specific instruments may be difficult to buy or to sell. If derivatives transactions are particularly large, or if the corresponding market is not liquid (as can be the case for derivatives traded OTC), it may not be possible at all times to perform transactions comprehensively, or under certain circumstances the liquidation of a position may entail increased costs.

Further risks in conjunction with the deployment of derivatives constitute the incorrect price determination or valuation of derivatives. In addition, it is also possible that derivatives do not fully correlate with the underlying assets, interest rates and indices. Many derivatives are complex, and are often subjectively valued. Improper valuations may lead to increased payment claims from counterparties or to a loss in value for the UCITS. Derivatives do not always have a direct or parallel relationship with the assets, interest rates or indices from which they are derived. For this reason the use of derivatives by the UCITS does not always represent an effective means of achieving the investment objective of the UCITS, but can instead even have the reverse effect.

### **Collateral management**

If the UCITS conducts OTC transactions, then this may expose it to risks in conjunction with the creditworthiness of the OTC counterparties: when concluding futures contracts, options and swap transactions, or using other derivative methods, the UCITS is subject to the risk of an OTC counterparty failing (or being unable) to fulfil its obligations arising out of a specific contract or several contracts. The counterparty risk may be reduced by the deposition of a security. If the UCITS owes a security in accordance with applicable agreements, then this shall be held for safekeeping by the or for the custodian on behalf of the respective fund. Incidents of bankruptcy and insolvency or other credit default events at the custodian or within its sub-custodians or network of correspondence banks may cause the rights of the UCITS in conjunction with the security to be shifted or limited in another manner. If the UCITS owes the OTC counterparty a security in accordance with the applicable agreements, then a security of this nature must be assigned, as agreed between the UCITS and the OTC counterparty, to the OTC counterparty. Cases of bankruptcy and insolvency or other credit default events affecting the OTC counterparty, the custodian or within its network of sub-custodians or correspondence banks may cause the rights or the recognition of the UCITS to be delayed, restricted or even excluded in respect of the security, thus obliging the UCITS to fulfil its obligations within the framework of the OTC transaction irrespective of any possible securities which were provided to cover an obligation of this nature.

The risk management applied for this UCITS determines, controls and mitigates the risks involved in the management of the collateral such as especially the operational or legal risk.

The UCITS may disregard the counterparty risk provided that the value of the collateral, valued at market price and taking account of reasonable discounts, exceeds the amount of risk at any time.

A UCITS may suffer losses when investing cash collateral that it has received. Such a loss can arise in case of a loss in value of the investment of the cash collateral accepted. If the value of the invested cash collateral drops, then this will reduce the sum of the collateral available to the UCITS for returning to the counterparty when concluding the transaction. The UCITS would be required to cover the difference in value between the original received collateral and the sum available for returning to the counterparties which would lead to the UCITS suffering a loss.

**Issuer's risk (creditworthiness risk)**

The deterioration in the solvency or indeed the bankruptcy of an issuer may result in at least a partial loss for the assets.

**Counterparty risk**

The risk consists of the fact that the fulfilment of transactions which are concluded for the account of the assets are jeopardised by liquidity difficulties or the bankruptcy of the corresponding counterparty.

**Monetary value risk**

Inflation can reduce the value of the investments of the assets. The purchasing power of the invested capital sinks if the inflation rate is higher than the returns generated by the investments.

**Economic risk**

This is the risk of price losses brought about by a failure to take proper or correct account of economic developments at the time of the investment decision, resulting in investments being made in securities at the wrong time, or in securities being held during an unfavourable economic phase.

**Country or transfer risk**

Country risk refers to circumstances when a non-domestic debtor is unable to render his performances within a deadline or not at all, despite being solvent, on account of his domiciliary country being unwilling or unable to perform the transfer (e.g. on the grounds of currency restrictions, transfer risks, moratoriums or embargoes). This means, e.g. that payments to which the UCITS is entitled may remain unpaid, or may be performed in a currency that is no longer transferable on account of currency restrictions.

**Operational risk**

Operational risk is the risk of loss for UCITS resulting from inadequate internal processes and from human or system failure at the Management Company or from external events, and includes legal, document and reputational risks as well as risks resulting from the trading, settlement and valuation procedures operated for the UCITS.

**Settlement risk**

Investments in unlisted securities, in particular, entail the risk of the settlement being executed by a transfer system in a manner contrary to expectations on account of a payment or delivery being delayed or performed in a manner other than that which had been agreed.

**Liquidity risk**

For the UCITS, assets may also be acquired which are not licensed on a stock exchange or included in another organised market. The acquisition of such assets entails the risk that problems may arise in particular when reselling the assets to third parties.

In the case of stocks of smaller companies (small caps), there is a risk of the market not being liquid during certain phases. A possible consequence of this may be that the stock cannot be traded at the desired time and/or not in the desired quantity and/or not at the expected price.

Assets that are traded on an organised market may also be subject to the risk that the market may be temporarily illiquid. This may mean that the assets cannot be sold at the desired time and/or in the desired quantity and/or not at the desired price.

**Possible investment spectrum**

Taking account of the investment principles and investment limits stipulated by the UCITSG and the Trust Agreement, which specify a very broad scope for the UCITS, the actual investment policy may also aim to acquire predominantly specific types of assets, e.g. in only a small number of sectors, markets or regions/countries. This concentration on a small number of specific investment sectors may generate special opportunities, although these will also be offset by corresponding risks (e.g. market narrowness,

high fluctuations bands within specific economic cycles). The annual report provides retrospective information about the investment policy for the past financial year.

### **Concentration risk**

Further risks may be caused by the fact that the investments are concentrated in specific assets or markets. In this case the UCITS may be particularly heavily dependent upon the performance of these assets or markets.

### **Market risk (price risk)**

This is a general risk associated with all investments, consisting of the fact that the value of a specific investment may change in a manner contrary to the interests of the UCITS.

### **Psychological market risk**

Sentiment, opinions and rumour can trigger significant price falls, even though the profitability and the prospects of the company in which investments have been made need not necessarily have undergone any lasting changes. Equities are particularly susceptible to psychological market risk.

### **Settlement risk**

This is the loss risk of the UCITS resulting from the fact that a concluded transaction cannot be fulfilled as expected because a counterparty has failed to pay or to deliver, or because losses can arise due to errors at the operational level within the framework of the settlement of a transaction.

### **Legal or tax risk**

The buying, holding or sale of UCITS investments may be subject to statutory fiscal regulations (e.g. deduction of with- holding tax) outside the country of domicile of the UCITS. Furthermore, the legal and tax treatment of the UCITS may change in an unforeseen and uncontrollable manner. A change in incorrectly ascertained UCITS or sub- fund taxation principles for past financial years (e.g. on the basis of external tax audits) may, in the case of an essentially disadvantageous tax correction for the investor, mean that the investor is required to bear the tax burden for past financial years arising out of the correction, even though he might not have even been invested in the UCITS. On the other hand, it may be the case that the investor, in the event of a tax correction for the current and for past financial years in which he had an interest in the UCITS which was essentially beneficial for him, may no longer be able to benefit from the redemption or alienation of the units before the implementation of the corresponding correction. In addition, a correction of tax data may mean that taxable earnings or taxable benefits may be assessed in an assessment period other than that in which they were actually attributed, which could have a negative impact on the individual investor.

### **Custody Risk**

Custody of assets entails a risk of loss, which may result from insolvency or breaches of due diligence by the Custodian or force majeure.

### **Entrepreneurial risk**

Investments in equities represent a direct participation in the economic success or failure of a company. In extreme circumstances – e.g. bankruptcy – this may mean the complete loss of the value of the corresponding investment.

### **Currency risk**

If the UCITS holds assets which are denominated in a foreign currency or foreign currencies, these will be exposed to a direct currency risk (insofar as foreign currency positions have not been hedged). Falling exchange rates reduce the value of foreign currency assets. On the other hand, the currency market also offers opportunities for profits. In addition to direct currency risks, there are also indirect currency risks. Internationally-active companies are dependent, to a greater or lesser extent, on exchange rate developments. This can also have an indirect impact on the performance of investments.

### **Change of investment policy and fees**

A change of the investment policy within the statutory and contractually permitted investment spectrum could change the content of the risk associated with the UCITS. The Management Company may change the investment policy of the UCITS within the applicable Trust Agreement by changing the Prospectus and the Trust Agreement including Appendix A at any time and to a significant extent.

### **Changing the Trust Agreement**

In the Trust Agreement the Management Company reserves the right to change the trust conditions at any time. Furthermore, pursuant to the Trust Agreement it may comprehensively dissolve the UCITS or merge them with another UCITS. This consequently means that for investors there is a risk that the holding period they had planned cannot be realised.

### **Redemption suspension risk**

It is essentially the case that investors may demand from the Management Company the redemption of their units in accordance with the valuation interval of the UCITS. The Management Company may however temporarily suspend the redemption of the units in the event of exceptional circumstances, and may then redeem the units only at a later date and in accordance with the then valid price (also see in detail "Suspension of the calculation, the redemption and the conversion of units"). This price may be lower than that prior to the suspension of the redemption.

### **Key persons risk**

UCITS whose investment result is very positive during a specific period also owe this success to the suitability of the acting persons and consequently the correct decisions of their management. The composition of the personnel of the fund management may however change. It is possible that new decision-makers may not act so successfully.

### **Interest rate change risk**

Insofar as the UCITS invests in interest-bearing securities, it will be exposed to interest rate change risks. If the market interest rate rises, then the market value of the interest-bearing securities which are part of the fund assets can fall substantially. This applies in particular to the extent that the fund assets also include interest-bearing securities with longer residual maturities and low nominal interest returns.

### **Hedging risk**

Unit classes whose reference currency is not the same as the portfolio currency may be hedged against exchange rate fluctuations (hedging). This is intended to protect investors in the respective unit class as far as possible against possible losses brought about by negative exchange rate developments. At the same time, however, they will not be able to benefit fully from positive exchange rate developments. Fluctuations in the volume hedged in the portfolio and ongoing subscriptions and redemptions mean that it is not always possible to maintain hedges at exactly the same level as the net asset value of the unit class that is being hedged. It is therefore possible that the net asset value per unit in a hedged unit class may not develop identically to the net asset value per unit in a non-hedged unit class.

### **Risks when using benchmarks**

If a benchmark is being used, a suitable alternative benchmark needs to be identified in case of a change of the benchmark or in case the index supplier does not comply with the benchmark regulation. In certain cases, this might be difficult or impossible. If a suitable benchmark substitute can not be identified it might have a negative impact on the respective unit class. Furthermore, additional costs may arise for the UCITS by complying with the benchmark regulation.

## **Sustainability risk**

Sustainability risk means the negative impact on the value of an asset caused by sustainability factors. Sustainability factors may be environmental, social and employee matters, respecting of human rights and the combatting of corruption and bribery. Sustainability risks can lead to substantial deterioration of the financial profile, profitability or reputation of a company and therefore have a substantial impact on the share price. The consideration of sustainability risks in the investment process may result in not participating in potentially attractive investment opportunities.

Medium to long term it is expected that broadly diversified, sustainable investments will yield a return comparable to traditional investments. However, a guarantee with this regards can not be given.

## **9 Participation in the UCITS**

### **9.1 Sales restrictions**

The UCITS units are not licensed for distribution in all countries of the world.

The issue, the conversion and the redemption of units abroad are subject to the provisions which are in force in the respective foreign country.

Fund units may in particular not be offered, sold or delivered within the USA. The units have not been and are not registered in accordance with the United States Securities Act of the year 1933 in its valid version ("the Act of 1933") or in accordance with the securities laws of a federal state of a territorial corporation of the United States of America or of its territories, possessions or other districts subject to its legal sovereignty, including the Commonwealth of Puerto Rico ("the United States").

The units may not be sold, offered or otherwise transferred in the United States of America to or on the behalf of US persons (within the meaning of the Act of 1933). Subsequent transfers of units in the United States or to US persons are not permitted. The units are offered and sold on the basis of an exemption from the registration regulations of the Act of 1933 pursuant to Regulation S of this Act.

The Management Company has not been and will not be registered either in accordance with the United States Investment Company Act of the year 1940 in its valid version or in accordance with any other US federal laws. This consequently means that the units may not be sold, offered or otherwise transferred in the United States of America to or on the behalf of US persons (within the meaning of the Act of 1933).

The units have neither been approved by the US Securities and Exchange Commission ("SEC") or any other supervisory authority in the United States, nor has any such approval been rejected; in addition, neither the SEC nor any other supervisory authority in the United States has ruled on the accuracy or the reasonableness of this Prospectus or on the benefits of the units.

This Prospectus may not be circulated in the United States. The distribution of this Prospectus and the offering of the units may also be subject to restrictions under other legal systems.

Units of the sub-fund may furthermore not be offered, sold or delivered to citizens of the USA or persons domiciled in the USA and/or other natural persons or legal entities whose income and/or revenues, irrespective of its origin, is subject to US income tax, financial institutions that are not subject to the provisions concerning the Foreign Account Tax Compliance Act ("FATCA", in particular Sections 1471 - 1474 of the US Internal Revenue Code as well as a possible treaty with the United States of America concerning cooperation for the facilitated implementation of FATCA, insofar as applicable in each case), and are not insofar as necessary registered with the US Internal Revenue Service as a FATCA participant institution, as well as persons who pursuant to Regulation S of the US Securities Act of 1933 and/or the US Commodity Exchange Act in the respective valid version are deemed to be US persons. This means that the fund may in particular not be acquired by the following Investors (this list is not definitive):

- US citizens, incl. holders of dual nationality;
- Persons who are resident or domiciled in the USA;
- Persons who are based in the USA (green card holders) and/or who live mainly in the USA;
- Companies, trusts, assets etc. domiciled in the USA;
- Companies who qualify as transparent for US tax purposes, and who have Investors named in this section, as well as companies whose revenues from a consolidated perspective are attributable to Investors named in this section for US tax purposes;
- Financial institutions that are not subject to the provisions pursuant to the Foreign Account Tax Compliance Act ("FATCA", in particular Sections 1471 - 1474 of the US Internal Revenue Code as well as any possible treaty with the United States of America concerning cooperation for the facilitated implementation of FATCA, insofar as applicable in each case), and are not insofar as necessary registered with the US Internal Revenue Service as a FATCA participant institution; or
- US persons defined in the respective valid version of Regulation S of the United States Securities Act 1933.

In general terms, UCITS units may not be offered in jurisdictions and to persons in which or to whom this is not permitted.

"Restricted Persons" as per FINRA Rule 5130 as well as "Covered Persons" as per FINRA Rule 5131 are not permitted to purchase units of the fund (exceptions are permitted only with the written acknowledgement by the investment manager). It is not permitted to sell or offer the units to such "Restricted persons" or "Covered Persons".

## **9.2 General information about the units**

The units shall be kept only in book-entry form. That is to say, no certificates shall be issued.

The Management Company is entitled to form units of different classes within the UCITS as well as to abolish or to merge different classes.

The various unit classes may differ in terms of the management fee and the reference currency, including in respect of the currency hedging transactions.

The unit classes which are created in conjunction with the UCITS, as well as the fees and remuneration associated with the units of the UCITS, are specified in Appendix A "Overview of the fund".

In addition, certain other fees, remuneration and costs shall be settled using the assets of the UCITS. In this conjunction, see Sec.11 and 12 (Tax regulations as well as Commission and costs).

The Management Company or the Custodian reserve the right to admit, in individual cases, subscriptions of investors not fulfilling the requirements of a share class.

## **9.3 Calculation of the net asset value per unit**

The net asset value ("NAV") per unit of the UCITS/unit class shall be calculated by the Management Company or by an authorised representative of the Management Company on the respective valuation date and as at the end of the financial year.

The NAV of a unit in a unit class of the UCITS is expressed in the unit of account of the UCITS or, if different, in the reference currency of the corresponding unit class, and results from the proportion of the assets of this UCITS attributable to the respective unit class, less any possible debt obligations which are allocated to the same units, divided by the number of units in the corresponding unit class which are in circulation. The respective figure shall be rounded off at the time of the issue and redemption of units as follows:

- to the nearest CHF 0.01 if this entails Swiss francs;
- to the nearest EUR 0.01 if this entails euros;
- to the nearest USD 0.01 if this entails US dollars;
- to the nearest GBP 0.01 if this entails British pounds;
- to the nearest JPY 1 if this entails yen;

The respective net fund assets shall be valued in accordance with the following principles:

1. Securities which are officially listed on a stock exchange shall be valued in accordance with the most recent available price. If a security is listed on several stock exchanges, then the most recent available price of the respective stock exchange which represents the principal market for this security shall be relevant.
2. Securities which are not officially listed on a stock exchange, but which are traded on a market which is open to the public, shall be valued in accordance with the most recent available price.
3. Subject to the precondition described in the Trust Agreement, securities or money market instruments may be valued using the depreciation method.
4. Investments whose price is not market compliant and those assets which are not covered by Sec. 1, Sec. 2 and Sec. 3 above shall be valued at the price which they would probably achieve if sold in good faith at the time of the valuation, which shall be determined in good faith by the management of the Management Company or under their direction or supervision by authorised representatives.
5. OTC derivatives shall be valued on a daily basis, using verifiable valuation principles to be stipulated by the Management Company, at the price which they would probably achieve if sold in good faith at the time of the valuation, which shall be determined in good faith by the Management Company or under their direction or supervision by authorised representatives.
6. UCITSs or other undertakings for collective investment (UCI) shall be valued at the most recently ascertained and available inventory value. If the redemption of units has been suspended, or if no redemption price can be ascertained, then these units shall be valued like all other assets at the respective market price, which shall be determined by the Management Company in good faith using generally accepted valuation models which are verifiable by auditors.
7. If no trading price is available for the respective assets, then these assets shall be valued like all other assets legally permissible at the respective market value, which shall be determined by the Management Company in good faith using generally accepted valuation models on the basis of the price which they would probably achieve.
8. Liquid assets shall be valued at their nominal value plus accrued interest.
9. The market value of securities and other investments which are denominated in a currency other than the respective fund currency shall be converted into the corresponding fund currency at the most recent mean rate of exchange.

The Fund Management Company uses the "Swinging Single Pricing" method, described below, to calculate the NAV of the Fund.

If on the valuation date the total subscriptions or redemptions of the Fund result in a net inflow or outflow, the NAV will be increased or decreased ("Swinging Single Pricing"). The maximum adjustment amounts to 0.5% of the NAV of the Fund. The ancillary costs (customary brokerage fees, commissions, taxes, etc) that occur on average from the investment of a net inflow or the sale of the corresponding part of a net outflow will be taken into account. The adjustment results in an increase of the NAV, if the net movements result in a rise in the number of units of the Fund. The adjustment results in a reduction of the NAV, if the net movements result in a fall of the number of units.

The Management Company shall be entitled, on a temporary basis, to apply other appropriate valuation principles to the fund assets if the aforementioned valuation criteria are deemed impossible or unreasonable as the result of extraordinary events. In the event of massive redemption applications, the Management Company may value the units of the corresponding fund on the basis of the prices at which the necessary sales of securities would probably be performed. In this case, the same calculation method shall be applied for subscription and redemption applications which are submitted simultaneously.



#### **9.4 Issue of units**

Units of the UCITS may be acquired in accordance with Appendix A "Overview of the fund" at the net asset value per unit of the corresponding unit class of the corresponding fund, plus the possible due issue premium and plus any possible taxes and duties.

The units are not certificated as securities.

Subscription applications must be submitted to the Custodian at the latest by the acceptance deadline. If a subscription application is received after the acceptance deadline, then it shall be reserved for the following valuation date. In the case of orders placed with distribution agents in Liechtenstein and abroad, earlier deadlines for the subscription of orders may be set to ensure the punctual forwarding of these orders to the Custodian in Liechtenstein. These deadlines may be obtained from the individual distribution agents.

Information about the issue date, the valuation interval, the acceptance deadline as well as the level of the possible due maximum issue premium is set out in Appendix A "Overview of the fund".

Payment must be received within two bank working days following the valuation date.

The Management Company shall ensure that the issue of units is settled on the basis of a net asset value per unit which is unknown to the investor at the time of the application (forward pricing).

All taxes and duties incurred in conjunction with the issue of units shall also be charged to the investor. If units are acquired through banks which have not been entrusted with the distribution of the units, then it shall not be possible to exclude the possibility that such banks may impose additional transaction charges.

The ancillary costs to the Fund (customary brokerage fees, commissions, taxes, etc.) resulting from investing the proceeds from the issuance of fund units will be covered according to the "Swinging Single Pricing", as described in clause 9.3 of the prospectus.

If the payment is made in a currency other than the reference currency, then the equivalent sum derived from the conversion of the payment currency into the reference currency, less the charges, shall be used to acquire units.

The minimum investment that must be held by an investor in a specific unit class is set out in Appendix A "Overview of the fund".

The Management Company may furthermore also decide to suspend the issue of units on a complete or temporary basis if new investments might hinder the attainment of the investment objective.

At the request of an investor, units may with the approval of the Management Company also be subscribed in return for the assignment of investments at the respective daily rate (contribution of tangible assets or payment in specie). The Management Company is not obliged to accept an application of this nature.

Contributions in kind shall be assessed and evaluated by the Management Company on the basis of objective criteria. The assigned investments must be in accordance with the investment policy of the corresponding fund, and a current investment interest in the stocks must exist in the view of the Management Company. The value of the contributions in kind must be assessed by the auditors. All costs incurred in this conjunction (including the cost of the auditor, other expenses as well as possible taxes and duties) shall be borne by the respective investor and may not be charged to the fund.

The issue of units shall in particular be temporarily suspended if the net asset value per unit ceases to be calculated. If units cease to be issued, then the investors shall be informed without delay in the organ of publication as well as in the media specified in the Prospectus and in the Trust Agreement or by means of permanent data carriers (letter, fax, e-mail or comparable) about the reason and the timing of the cessation.

#### **9.5 Redemption of units**

Units of the UCITS shall be redeemed on the acceptance deadline for unit transactions in accordance with Appendix A "Overview of the fund" at the net asset value per unit of the corresponding unit class of the corresponding fund, less the possible due redemption premium and any possible taxes and duties.

Redemption applications must be submitted to the Custodian at the latest by the acceptance deadline. If a redemption application is received after the acceptance deadline, then it shall be reserved for the following redemption date. In the case of orders placed with distribution agents in Liechtenstein and abroad, earlier deadlines for the subscription of orders may be set to ensure the punctual forwarding of these orders to the Custodian in Liechtenstein. These deadlines may be obtained from the individual distribution agents.

Information about the redemption date, the valuation interval, the acceptance deadline as well as the level of the possible due maximum redemption premium is set out in Appendix A "Overview of the fund".

As it is necessary to ensure that the assets of the fund contain a reasonable proportion of liquid assets, units will be paid out within two bank working days following the calculation of the redemption price. This shall not apply in the event that in accordance with statutory regulations, such as example foreign exchange and transfer restrictions or due to other circumstances which lie beyond the control of the Depository Bank, the transfer of the redemption sum is rendered impossible.

If the payment, at the request of the investor, is to be performed in a currency other than the currency in which the respective units have been invested, then the sum which is to be paid out shall be calculated in accordance with the proceeds of the conversion from the reference currency into the payment currency, less any fees.

The ancillary costs to the Fund (customary brokerage fees, commissions, taxes, etc.) resulting from selling part of the investments corresponding to the fund units sold will be covered according to the "Swinging Single Pricing", as described in clause 9.3 of the prospectus.

With the payment of the redemption price, the corresponding unit shall be extinguished.

The Management Company and/or the Custodian may redeem units unilaterally in return for payment of the redemption price, insofar as this is deemed necessary in the interest of or for the protection of the investor, of the Management Company or of the UCITS, in particular if:

- a) there is a suspicion that by acquiring the units the respective investor is engaging in "market timing", "late trading" or other market techniques which could be detrimental to the investors as a whole;
- b) the investor does not meet the conditions for the acquisition of the units; or
- c) the units are distributed in a state in which the UCITS is not licensed for distribution or have been acquired by a person for whom the acquisition of the units is not permitted.

The Management Company shall ensure that the redemption of units is settled on the basis of a net asset value per unit which is unknown to the investor at the time of the application (forward pricing).

If the execution of a redemption application means that the holding of the respective investor falls below the minimum investment in the corresponding unit class specified in Appendix A "Overview of the fund", then the Management Company may without issuing further notification to the investor treat his redemption application as an application to redeem all of the units in this unit class held by the corresponding investor, or as an application to convert the remaining units into another unit class of the same fund with the same reference currency, whose participation conditions are fulfilled by the investor.

The redemption of fund units may be suspended if Art. 12 is applicable.

## **9.6 Conversion of units**

Insofar as different unit classes are offered, then a conversion of units in one unit class into units of another unit class may be performed. For the conversion within a UCITS no conversion fee is charged. If a conversion of units is not possible, then this shall be mentioned in Appendix A "Overview of the fund".

In certain cases, when converting from one unit class to another, duties, taxes and stamp duties may be incurred in certain countries.

The Management Company may at any time reject a conversion application for a unit class if this is deemed to be in the interest of the UCITS, of the Management Company or in the interest of the investors, in particular if:

1. there is a suspicion that by acquiring the units the respective investor is engaging in "market timing", "late trading" or other market techniques which could be detrimental to the investors as a whole;
2. the investor does not meet the conditions for the acquisition of the units; or
3. the units are distributed in a state in which the UCITS or the respective unit class is not licensed for distribution or have been acquired by a person for whom the acquisition of the units is not permitted.

The Management Company shall ensure that the conversion of units is settled on the basis of a net asset value per unit which is unknown to the investor at the time of the application (forward pricing).

#### **9.7 Suspension of the calculation of the net asset value and the issue, the redemption and the conversion of units**

The Management Company may temporarily suspend the calculation of the net asset value and/or the issue, the redemption and the conversion of units in the UCITS, insofar as this is deemed to be in the interest of the investors, in particular:

- a) if a market which forms the basis for the valuation of a significant proportion of the UCITS assets is unexpectedly closed or if trade on such a market is restricted or suspended;
- b) in the event of political, economic or other emergencies; or
- c) if transactions cannot be executed for the UCITS due to restrictions on the transfer of assets;

The Management Company may furthermore also decide to suspend the issue of units on a complete or temporary basis if new investments might hinder the attainment of the investment objective.

The issue of units shall in particular be temporarily suspended if the net asset value per unit ceases to be calculated. If units cease to be issued, then the investors shall be informed without delay in the organ of publication as well as in the media specified in the Prospectus and in the Trust Agreement or by means of permanent data carriers (letter, fax, e-mail or comparable) about the reason and the timing of the cessation.

In addition, the Management Company shall be entitled, provided that the interests of the investors are safeguarded, to execute substantial redemptions only, i.e. to temporarily suspend the redemption, after it proves possible to sell corresponding assets of the UCITS without delay while safeguarding the interests of the investors.

So long as the redemption of the units is suspended, no new units of the UCITS shall be issued.

The Management Company shall take steps to ensure that sufficient liquid assets are available to the UCITS to enable it to redeem or to convert units at the request of investors without delay under normal circumstances.

The Management Company shall without delay report the suspension of the redemption and payout of units to the FMA and by appropriate means to the investors. Subscription, redemption or conversion applications shall be settled following recommencement of the calculation of the net asset value. Investors may withdraw their subscription, redemption or conversion applications prior to the recommencement of trading in the units.

#### **10 Use of profits**

The Management Company may distribute the profit generated by a UCITS to the investors in the UCITS, or may reinvest this profit in the UCITS or respective unit class.

**Reinvesting:**

The profit generated by the UCITS or unit class which is subject to a profit utilisation of the type "REINV" pursuant to Appendix A "Overview of the fund" shall be reinvested on an ongoing basis.

**Distributing:**

The profit generated by the UCITS or unit class which is subject to a profit utilisation of the type "DISTR" pursuant to Appendix A "Overview of the fund" shall be distributed on an annual basis. The Management Company decides the amount to be distributed.

The Management Company can distribute at its own discretion the gross profits accounted to the unit class of type "DISTR".

Because in the case of unit classes that allow for a distribution of gross profits, the generation of income has higher priority than the capital appreciation, the Management Company will make distributions for such unit classes at its own discretion from gross profits, while at the same time all or part of the costs and fees to be paid by or assigned to such unit class will be paid out of the unit class's capital; this will increase the distributable income to be used for distributions from this unit class. Such distributions from the unit class's capital correspond to a repayment or deduction of part of an investor's initial investment or returns on capital belonging to this unit class.

Investors should note that such payments out of the fund's assets for fees and costs will reduce the fund's assets and limit the fund's assets growth in the future. In addition to that, there is a possibility that the level of future profits will be reduced.

The payment out of this unit class's assets for fees and costs corresponds in fact to a distribution from the unit class's assets and may lead to a reduction in the net asset value per share of the corresponding distributing unit class. Under such circumstances, distributions on this unit class should be seen by the investors during the life of the fund as a form of reimbursement of capital.

Part of the income of the fund may be carried forward to the new account.

Distributions shall be paid out on the units which have been issued on the distribution day.

No interest shall be paid on declared distributions from the time of their due date onwards.

**11 Tax regulations****11.1 Fund assets**

All Liechtenstein UCITSs having the legal form of a (contractual) investment fund or collective trusteeship are fully subject to tax in Liechtenstein and are subject to income tax. Income from the managed assets represents tax-free income.

**Issue and sales duties<sup>1</sup>**

The establishment (issue) of units in a UCITS of this nature is not subject to issue and sales duty. The transfer of ownership in investor units for pecuniary consideration is subject to sales duty insofar as one party or a broker is a domestic securities trader. The redemption of investor units is exempted from sales duty. The contractual investment fund or the collective trusteeship constitute investors which are exempted from sales tax.

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<sup>1</sup> Pursuant to the Customs Union between Switzerland and Liechtenstein, Swiss stamp duty legislation is also applicable in Liechtenstein. Within the meaning of Swiss stamp duty legislation, the Principality of Liechtenstein is consequently treated as domestic territory.

## **Withholding taxes and/or payment agent taxes**

Income as well as capital gains, whether distributed or reinvested, depending on the entity in question that holds the units of the UCITS or of any possible sub-fund directly or indirectly, may be partially or wholly subject to a so-called payment agent tax (e.g. withholding tax, European savings income tax, Foreign Account Tax Compliance Act).

The UCITS in the legal form of the contractual Investment Fund or collective trusteeship is not subject to any other withholding tax obligation in the Principality of Liechtenstein, and in particular is not subject to any coupon tax or withholding tax obligation. Non-domestic earnings and capital gains generated by the UCITS in the legal form of the contractual investment fund or collective trusteeship, may be subject to the respective withholding tax deductions of the country of investment. Any possible double taxation conventions remain reserved.

Tax status of the UCITS:

### **Automatic Exchange of Information (AEOI)**

In respect of the UCITS, a Liechtenstein paying agent may be obliged to report investors to the local tax authorities or to carry out the corresponding statutory reporting in accordance with the AIA agreements.

### **FATCA**

The UCITS is subject to the provisions of the Liechtenstein FATCA Treaty as well as the corresponding execution provisions set out in the Liechtenstein FATCA Act.

#### **11.2 Natural persons with tax domicile in Liechtenstein**

Investors domiciled in the Principality of Liechtenstein must declare their units as assets for tax purposes, and these are subject to asset tax. Any possible income distributions or reinvested income of the UCITS in the legal form of the contractual investment fund or collective trusteeship, are exempted from income tax. Capital gains realised from the sale of units are exempted from income tax. Capital losses cannot be deducted from taxable earnings.

#### **11.3 Persons with tax domicile outside Liechtenstein**

In the case of investors domiciled outside the Principality of Liechtenstein, the tax burden and the other fiscal consequences of holding or buying or selling investor units shall be in accordance with the statutory tax regulations of the respective country of domicile.

## **Disclaimer**

This tax information is based upon the current known legal situation and practice. Changes to legislation, jurisprudence or the rulings and practice of tax authorities remain expressly reserved.

Investors are advised to consult their own professional advisers with regard to the applicable tax consequences. Neither the Management Company, the Custodian nor their agents can accept responsibility for the individual tax consequences that may arise as a result of the investor buying, selling or holding units.

## **12 Costs and fees**

### **12.1 Costs and fees payable by the investor**

#### **12.1.1 Issue premium**

To cover the costs incurred by the placement of the units, the Management Company may impose an issue commission on the net asset value of the newly-issued units payable to the Management Company,

to the Custodian and/or to the sales agents or intermediaries in Liechtenstein or abroad in accordance with Appendix A "Overview of the fund":

#### 12.1.2 Redemption premium

In respect of the payout of redeemed units, the Management Company shall impose a redemption premium on the net asset value of the redeemed units in accordance with Appendix A "Overview of the fund".

#### 12.1.3 Conversion fee

In respect of the conversion from one unit class to another unit class, insofar as this is requested by the investor, the Management Company shall impose a fee on the net asset value of the original unit class in accordance with Appendix A "Overview of the fund".

### **12.2 Costs and fees payable by the UCITS**

#### 12.2.1 Fees which are dependent upon the assets

##### **Management remuneration**

The Management Company shall charge an annual remuneration in respect of the management, risk management and administration of the UCITS in accordance with Appendix A "Overview of the fund". This shall be calculated on the basis of the average net assets of the fund and shall be imposed on the valuation reporting date and *pro rata temporis* at the end of each quarter. The level of the management remuneration per fund/unit class shall be specified in the annual report.

##### **Custodian fee**

In return for fulfilling its responsibilities arising out of the custodian agreement, the Custodian shall receive remuneration in accordance with Appendix A "Overview of the fund". This shall be calculated on the basis of the average net assets of the fund, shall be deferred on the valuation reporting date and shall be charged *pro rata temporis* at the end of each quarter. The level of the custodian remuneration per fund/unit class shall be specified in the annual report.

##### **Asset management fee**

Insofar as an investment advisor has entered into a contractual obligation, the investment advisor may receive remuneration from the UCITS assets in accordance with Appendix A "Overview of the fund". This shall be calculated on the basis of the average net assets of the fund, shall be deferred on the valuation reporting date and shall be charged *pro rata temporis* at the end of each quarter. In addition, the investment advisor may also receive a performance-based remuneration from the respective net fund assets ("performance fee"). The level of the management fee per fund/unit class shall be specified in the annual report.

##### **Advisory fee**

Insofar as an investment advisor has been commissioned, the investment manager may receive remuneration whose maximum level, calculation and payment for the fund is set out in the respective Appendix A "Overview of the fund". In addition, the investment advisor may also receive a performance based remuneration from the respective net fund assets ("performance fee"). The level of the advisory fee per fund/unit class shall be specified in the annual report.

##### **Distributor fee**

Insofar as a distribution agent has been contractually commissioned, the distribution agent may receive remuneration from the fund assets whose maximum level, calculation and payment is set out in Appendix A "Overview of the fund". This shall be calculated on the basis of the average net assets of the fund, shall be deferred on the valuation reporting date and shall be charged *pro rata temporis* at the end of each quarter. The level of the distributor fee per fund/unit class shall be specified in the annual report.

#### 12.2.2 Fees which are independent of the assets

The Management Company and the Custodian are also entitled to the reimbursement of the following expenses which they incur in the exercise of their function:

- a) The cost of preparing, printing and distributing the annual and interim reports, as well as further publications pre- scribed by law;
- b) Fees of legal consultation and enforcement of legal rights arising for the Management Company or the Custodian when acting in the interest of the investors
- c) The cost of publishing the notices to investors in the organs of publication and possible additional newspapers or electronic media chosen by the Management Company, including the publication of prices;
- d) Fees and the cost of licences as well as for the supervision in Liechtenstein and abroad;
- e) All taxes imposed on the assets of a sub-fund as well as on its income and expenses;
- f) Fees incurred in conjunction with any possible listing of a sub-fund and with the distribution in Liechtenstein and abroad (e.g. consultancy, legal, translation costs);
- g) Charges, costs and fees incurred in conjunction with the determination and publication of tax factors in the countries of the EU/EEA and/or all countries where distribution licences exist and/or private placements are made, in accordance with the effective expenses incurred at market rates.
- h) Fees and costs arising out of other legal or regulatory requirements to be complied with by the Management Company in the course of implementing the investment strategy (such as reporting and other costs arising during the course of compliance with the European Market Infrastructure Regulation (EMIR, EU Regulation 648/2012)
- i) Fees for payment agents, representatives and other delegates with comparable functions in Liechtenstein and abroad;
- j) A reasonable share of the cost of printed materials and advertising incurred in direct association with the offering and sale of units;
- k) Fees of the auditor and of tax advisers, insofar as these expenses are incurred in the interest of the investors.
- l) Internal and external costs of reclaiming non-domestic withholding taxes, insofar as this can be performed on the account of the UCITS. With regard to the recovery of non-domestic withholding taxes, it should be noted that the UCITS does not undertake to recover such taxes and any such recovery will only be made if the procedure is justified on the basis of the criteria of materiality of the amounts and proportionality of the costs in relation to the possible amount to be recovered. With respect to investments that are the subject of securities lending, the UCITS shall not reclaim withholding tax;
- m) Costs relating to the valuation of special investments (e.g. expert opinions) and associated expenses of the Management Company;
- n) Cost of specialist expertise and specialist advice within the context of the purchase and sale of fund assets in the best interest of the Investors, in particular in the field of unlisted assets, and the associated expenses of the Management Company;
- o) Cost of potential sub-custodians of the fund manager in the event that parts thereof are not kept for safekeeping directly at the Custodian Bank;
- p) License fees for the potential using of benchmarks;
- q) Costs and expenses for periodic reportings for inter alia insurance companies, pension funds and other financial services companies (for example GroMiKV, Solvency II, VAG, MiFID II, ESG- / SRI-Reports or sustainability ratings, etc.);
- r) External costs for the assessment of sustainability ratings (ESG research) of the assets of the UCITS or its target assets;
- s) Cost of establishing and maintaining additional counterparties, if this is in the interest of the Investors up to a maximum sum of CHF 10,000.00.

The level of the expenses per fund/unit class shall be specified in the annual report.

### **Transaction costs**

In addition, the UCITS bear all ancillary costs arising out of the management of the assets in conjunction with the acquisition and sale of the investments (standard market brokerage fees, commission, duties) as well as all taxes imposed on the assets of the fund as well as on its earnings and expenses (e.g. withholding taxes on non- domestic earnings). The UCITS shall furthermore bear any possible external costs, i.e. fees charged by third parties which are incurred when buying and selling the investments. These costs shall be offset directly against the cost and sales value of the investments concerned. In addition, any possible currency hedging costs shall also be charged to the respective unit classes.

Counter-performances which are included in a fixed flat-rate fee may not be additionally charged as separate expenses. Any possible compensation for commissioned third parties shall however already be included in the fees pursuant to Art. 30 of the Trust Agreement.

#### **Any possible costs for currency hedging of unit classes**

The possible cost of currency hedging of unit classes shall be allocated to the corresponding unit class.

#### **Service fee**

A periodic service fee pursuant to Appendix A "Overview of the Funds" shall be imposed for additional services rendered by the Custodian Bank and Management Company.

#### **Liquidation fees**

In the event of the dissolution of the UCITS, the Management Company may charge a liquidation fee amounting to no more than CHF 10,000.00, payable to the Management Company.

#### **Extraordinary management costs**

In addition, the Management Company may charge the fund assets costs for extraordinary management activities.

Extraordinary management costs comprise the expenses incurred exclusively for the purpose of safeguarding the interests of the investors, which are incurred during the course of the regular business activities, and which were not foreseeable at the time of the foundation of the UCITS. Extraordinary management costs comprise in particular the cost of legal compliance in the interest of the UCITS or of the investors. Furthermore, this is deemed to include any possible necessary extraordinary management activities pursuant UCITSG and UCITSV (e.g. amendments of the fund documents).

#### **Inducements**

In connection with the sale or purchase of assets and rights for the UCITS or its sub-funds, the Management Company, the Custodian as well as any other representative shall ensure in particular that any inducements will be accounted directly or indirectly for the benefits of the UCITS or its sub-funds. The Custodian has the right to keep a maximum of 30% of the inducements.

#### **Current fees (total expense ratio)**

The total current fees before any possible performance fee and before any possible extraordinary administration fees shall be calculated in accordance with general principles set out in the code of conduct, and encompasses, with the exception of transaction costs, all costs and fees that are charged to the UCITS on a continuous basis.

The TER of the UCITS is reported in the interim and annual report as well as in publications of the interim or annual report on the website of the Liechtenstein Investment Fund Association "LAFV" [Liechtensteinischer Anlagefondsverband] under [www.lafv.li](http://www.lafv.li).

#### **One-time costs charged to the investor**

The issue, redemption and conversion fee as well as any possible taxes and fees in connection with these are borne by the investor.

#### **Performance-related fee (performance fee)**

In addition, the Management Company may charge a performance fee. The extent to which a performance fee shall be charged is set out in detail in Appendix A "Overview of the fund".

#### **Founding costs**

The cost of founding the UCITS and the initial issue of units shall be amortised over a period of 5 years at the expense of the assets of the fund.



## **13 Information for investors**

The organ of publication of the UCITS is the website of the LAFV Liechtenstein Investment Fund Association (Liechtensteinische Anlagefondsverband) [www.lafv.li](http://www.lafv.li).

All communications to investors, including in respect of amendments of the Trust Agreement and the Appendix A "Overview of the fund", shall be published on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the organ of publication of the UCITS as well as in the other media and data carriers specified in the prospectus.

The net asset value as well as the issue and redemption price of the units of the UCITS or of each individual unit class respectively shall be reported on each valuation date on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the organ of publication of the UCITS as well as in the other media and permanent data carriers specified in the prospectus (letter, fax, e-mail or similar).

The annual report, audited by an auditor, and the interim report, which does not need to be audited by an auditor, shall be made available to investors free of charge at the headquarters of the Management Company and of the Custodian.

## **14 Duration, dissolution, merger and structural measures of the UCITS**

### **14.1 Duration**

The UCITS has been established for an indefinite period.

### **14.2 Dissolution**

#### **Dissolution Resolution**

The dissolution of the UCITS shall be performed on a mandatory basis in the cases for which provision has been made by law. In addition, the Management Company shall be entitled to dissolve the UCITS at any time.

Investors, heirs and other authorised individuals may not demand the splitting of dissolution of the UCITS or of an individual unit class.

The resolution concerning the dissolution shall be published on the website of the Liechtenstein Investment Fund Association LAFV ([www.lafv.li](http://www.lafv.li)) as the organ of publication of the UCITS or of a unit class respectively, as well as using other media and permanent data carriers specified in the prospectus (letter, fax, e-mail or similar). From the day of the dissolution resolution onwards, no further units shall be issued, converted or redeemed.

In the event of the dissolution of the UCITS, the Management Company may liquidate the assets of the UCITS without delay in the best interests of the investors. In other respects, the liquidation of the UCITS shall be performed in accordance with the provisions of the Liechtenstein Persons and Companies Act (Personen- und Gesellschaftsrecht - "PGR").

If the Management Company dissolves a unit class without dissolving the UCITS, all of the units of this class shall be redeemed on the basis of their net asset value applicable at the time. This redemption shall be published by the Management Company, and the redemption price shall be paid out to the former investors by the Custodian.

#### **Reasons for the dissolution**

Insofar as the net asset value of the UCITS falls below a level that is necessary for cost-effective management, as well as in the event of a significant change in the political, economic or monetary policy environment or within the framework of a rationalisation, the Management Company may resolve to redeem or cancel all units of the UCITS or of a unit class at the net asset value (taking account of the actual realisation prices and realisation costs of the investments) of the valuation date on which the corresponding resolution becomes effective.

#### **Costs of the dissolution**

The cost of the dissolution shall be borne by the net assets of the UCITS.

### **Dissolution and bankruptcy of the Management Company or of the Custodian**

In the event of the dissolution and of the bankruptcy of the Management Company or Custodian, the assets managed for the purpose of collective investment for the account of the investors shall not become part of their liquidation assets and shall not be dissolved together with their assets. The UCITS constitutes special assets for the benefit of its investors. Each of the special assets must be transferred to another Management Company with the approval of the FMA or dissolved by means of separate satisfaction for the benefit of the investors in the UCITS.

In the event of the bankruptcy of the Custodian, the managed assets of the UCITS must be transferred according to section 31 (2) UCITSG with the approval of the FMA to another custodian or dissolved by means of separate satisfaction for the benefit of the investors of the UCITS.

### **Termination of the Custodian Agreement**

In the event of termination of the Custodian Agreement, the special assets shall be transferred to another Custodian with the approval of the FMA or dissolved by way of separate satisfaction in favour of the investors of the UCITS.

## **14.3 Merger**

Within the meaning of Art. 38 UCITSG, the Management Company may at any time and at its complete discretion, subject to the approval of the respective supervisory authority, resolve to merge the UCITS with one or several UCITS, irrespective of the legal form of the UCITS and whether the other UCITS is domiciled in Liechtenstein or not. Sub-funds and its unit classes of the UCITS may also be merged with each other, as well as with one or more other UCITSs or their sub-funds and unit classes.

### **Investor information, consent and investor rights**

The investors shall be informed if a merger is planned. The investor information shall enable the investors to come to an informed decision about the impact of the merger on their investment and the exercise of their rights according to section 44 and 45 UCITSG.

Investors shall not have participation rights with regards to the merger.

### **Cost of the merger**

Legal, consulting and administration costs in connection with the preparation and implementation of the merger shall not be borne by a UCITS involved in the merger nor by the investors.

The same shall apply for structural measures according to section 46 lit a bis c UCITSG.

In case of a master-UCITS a merger shall only take effect if the respective UCITS provides its investors and the relevant authorities of its home member state of its feeder-UCITS with the information stipulated by law until 60 days before the suggested effective date. In this case, furthermore, before the effective date of the merger, the respective UCITS grants the feeder-UCITS the possibility to redeem all units unless the relevant authority of the home member state of the feeder-UCITS authorizes the investment in units of the master-UCITS arising from the merger.

## **15 Applicable law, place of jurisdiction and relevant language**

The UCITS is governed by Liechtenstein law. The exclusive place of jurisdiction for all disputes between the investors, the Management Company and the Custodian is Vaduz, Liechtenstein.

The Management Company and/or the Custodian may however, in respect of claims brought by investors from these countries, subject themselves to the place of jurisdiction of the countries in which units are offered and sold.

The legally-binding language for the Prospectus, the Trust Agreement as well as for Appendix A "Overview of the fund" is the German language.

The present Prospectus came into force on 10 March 2021.

## **16 Specific information for individual distribution countries**

Under applicable law in the Principality of Liechtenstein, the foundation documents shall be approved by the FMA. This approval relates only to details relating to implementation of the provisions of the UCITSG. For this reason, Appendix B "Specific information for individual distribution countries", which is based on non-domestic law, is not subject to checks by the FMA and is excluded from the approval.

The Management Company:  
LLB Fund Services Aktiengesellschaft, Vaduz

The Custodian:  
Liechtensteinische Landesbank Aktiengesellschaft, Vaduz

## **Part II: Investment Fund Trust Agreement**

The Trust Agreement and Appendix A "Overview of the fund" constitute a significant unit.

Insofar as matter is not regulated by this Trust Agreement, the legal relationships between the Investors and the Management Company shall be in accordance with the Act of 28 June 2011 concerning Specific Undertakings for Collective Investment in Securities ("UCITSG") and the Ordinance of 5 July 2011 concerning Specific Undertakings for Collective Investment in Securities ("UCITSV") and, insofar as these do not contain regulations, in accordance with the provisions of the Liechtenstein Persons and Companies Act ("PGR") concerning Trusteeships.

### **I. General provisions**

#### **Art. 1 The UCITS**

The fund (hereinafter called: "the UCITS") was founded on 11 November 2015 as an undertaking for collective investment in transferable securities (UCITS) under the law of the Principality of Liechtenstein for an indefinite period.

The UCITS is governed by the Act of 28 June 2011 concerning Specific Undertakings for Collective Investment in Securities (UCITSG)

The UCITS has the legal form of a collective trusteeship. A collective trusteeship constitutes entering into a trusteeship of identical content with an unspecified number of investors for the purpose of asset investment and management on the account of the investors, whereby the individual investors participate in accordance with their share in this trusteeship and are personally liable only up to the level of the investment sum.

The UCITS is a single fund.

The fund may invest in securities and in other assets in accordance with their investment policy. The investment policy of the fund shall be stipulated within the framework of the investment objectives. The net fund assets of the fund or of each individual unit class and the net asset values of the units of the fund or unit classes shall be expressed in the respective reference currency.

The respective rights and obligations of the owners of the units (hereinafter called "the Investors") and of the Management Company and Custodian are governed by the present Trust Agreement.

By acquiring units in the fund ("the Units"), each investor recognises the Trust Agreement, which stipulates the contractual relationships between the investors, the Management Company and the Custodian, as well as the properly performed amendments of this document.

#### **Art. 2 Management Company**

The UCITS is managed by LLB Fund Services AG, which was founded in the legal form of a stock corporation with domicile in Vaduz, Liechtenstein, in accordance with the present Trust Agreement. The Management Company is licensed pursuant to the UCITSG by the Liechtenstein Financial Market Authority ("FMA") and is included in the official list of approved Liechtenstein management companies published by the FMA.

The Management Company manages the UCITS on the account and in the exclusive interest of the Investors in accordance with the principle of risk diversification and in accordance with the provisions of the Trust Agreement and Appendix A "Overview of the fund".

The Management Company is entitled in its own name to dispose of the assets belonging to the UCITS in accordance with the statutory provisions and the Trust Agreement, and to exercise all rights arising therefrom.

### **Art. 3 Assignment of responsibilities**

Subject to adherence to the provisions of the UCITSG and the UCITSV, the Management Company may assign a part of its responsibilities to third parties for the purpose of efficient management. The precise execution of the commission shall in each case be set out in an agreement concluded between the Management Company and the commissioned agent.

### **Art. 4 Custodian**

The Management Company has appointed a bank or securities company domiciled or based in the Principality of Liechtenstein as the custodian for the fund. The assets of the fund may be held for safekeeping by different custodians. The custodian exercises its function in accordance with the UCITSG, the custodian agreement, this Trust Agreement as well as the prospectus.

### **Art. 5 Auditors**

The audit of the annual reports of the UCITS must be assigned to an auditor which is licensed in the Principality of Liechtenstein.

### **Art. 6 Calculation of the net asset value per unit**

The net asset value ("NAV") per unit of the UCITS/unit class shall be calculated by the Management Company or by an authorised representative of the Management Company on the respective valuation date and as at the end of the financial year.

The NAV of a unit in a unit class of the UCITS is expressed in the unit of account of the UCITS or, if different, in the reference currency of the corresponding unit class, and results from the proportion of the assets of this UCITS attributable to the respective unit class, less any possible debt obligations which are allocated to the same units, divided by the number of units in the corresponding unit class which are in circulation. The respective figure shall be rounded off at the time of the issue and redemption of units as follows:

- to the nearest CHF 0.01 if this entails Swiss francs;
- to the nearest EUR 0.01 if this entails euros;
- to the nearest USD 0.01 if this entails US dollars;
- to the nearest GBP 0.01 if this entails British pounds;
- to the nearest JPY 1 if this entails yen;

The respective net fund assets shall be valued in accordance with the following principles:

1. Securities which are officially listed on a stock exchange shall be valued in accordance with the most recent available price. If a security is listed on several stock exchanges, then the most recent available price of the respective stock exchange which represents the principal market for this security shall be relevant.
2. Securities which are not officially listed on a stock exchange, but which are traded on a market which is open to the public, shall be valued in accordance with the most recent available price.
3. Subject to the precondition described in the Trust Agreement, securities or money market instruments may be valued using the depreciation method.
4. Investments whose price is not market compliant and those assets which are not covered by Sec. 1, Sec. 2 and Sec. 3 above shall be valued at the price which they would probably achieve if sold in good faith at the time of the valuation, which shall be determined in good faith by the management of the Management Company or under their direction or supervision by authorised representatives.
5. OTC derivatives shall be valued on a daily basis, using verifiable valuation principles to be stipulated by the Management Company, at the price which they would probably achieve if sold in good faith at the time of the valuation, which shall be determined in good faith by the Management Company or under their direction or supervision by authorised representatives.

6. UCITSs or other undertakings for collective investment (UCI) shall be valued at the most recently ascertained and available inventory value. If the redemption of units has been suspended, or if no redemption price can be ascertained, then these units shall be valued like all other assets at the respective market price, which shall be determined by the Management Company in good faith using generally accepted valuation models which are verifiable by auditors.
7. If no trading price is available for the respective assets, then these assets shall be valued like all other assets legally permissible at the respective market value, which shall be determined by the Management Company in good faith using generally accepted valuation models on the basis of the price which they would probably achieve.
8. Liquid assets shall be valued at their nominal value plus accrued interest.
9. The market value of securities and other investments which are denominated in a currency other than the respective fund currency shall be converted into the corresponding fund currency at the most recent mean rate of exchange. The valuation is done by the Fund Management Company.

The Fund Management Company uses the "Swinging Single Pricing" method, described below, to calculate the NAV of the Fund.

If on the valuation date the total subscriptions or redemptions of the Fund result in a net inflow or outflow, the NAV will be increased or decreased ("Swinging Single Pricing"). The maximum adjustment amounts to 0.5% of the NAV of the Fund. The ancillary costs (customary brokerage fees, commissions, taxes, etc) that occur on average from the investment of a net inflow or the sale of the corresponding part of a net outflow will be taken into account. The adjustment results in an increase of the NAV, if the net movements result in a rise in the number of units of the Fund. The adjustment results in a reduction of the NAV, if the net movements result in a fall of the number of units.

The Management Company shall be entitled, on a temporary basis, to apply other appropriate valuation principles to the fund assets if the aforementioned valuation criteria are deemed impossible or unreasonable as the result of extraordinary events. In the event of massive redemption applications, the Management Company may value the units of the corresponding fund on the basis of the prices at which the necessary sales of securities would probably be performed. In this case, the same calculation method shall be applied for subscription and redemption applications which are submitted simultaneously.

The further principles are described in detail, fully and transparently in the prospectus. This means that effective checks can be performed by the Custodian, the Management Company and the auditors.

#### **Art. 7 Issue of units**

Units of the UCITS may be acquired in accordance with Appendix A "Overview of the fund" at the net asset value per unit of the corresponding unit class of the corresponding fund, plus the possible due issue premium and plus any possible taxes and duties.

The units are not certificated as securities.

Subscription applications must be submitted to the Custodian at the latest by the acceptance deadline. If a subscription application is received after the acceptance deadline, then it shall be reserved for the following valuation date. In the case of orders placed with distribution agents in Liechtenstein and abroad, earlier deadlines for the subscription of orders may be set to ensure the punctual forwarding of these orders to the Custodian in Liechtenstein. These deadlines may be obtained from the individual distribution agents. Information about the issue date, the valuation interval, the acceptance deadline as well as the level of the possible due maximum issue premium is set out in Appendix A "Overview of the fund".

Payment must be received within two bank working days following the valuation date.

The Management Company shall ensure that the issue of units is settled on the basis of a net asset value per unit which is unknown to the investor at the time of the application (forward pricing).

All taxes and duties incurred in conjunction with the issue of units shall also be charged to the investor. If units are acquired through banks which have not been entrusted with the distribution of the units, then it shall not be possible to exclude the possibility that such banks may impose additional transaction charges.

The ancillary costs to the Fund (customary brokerage fees, commissions, taxes, etc.) resulting from investing the proceeds from the issuance of fund units will be covered according to the "Swinging Single Pricing", as described in Art. 6.

If the payment is made in a currency other than the reference currency, then the equivalent sum derived from the conversion of the payment currency into the reference currency, less the charges, shall be used to acquire units.

The minimum investment that must be held by an investor in a specific unit class is set out in Appendix A "Overview of the fund".

The Management Company may furthermore also decide to suspend the issue of units on a complete or temporary basis if new investments might hinder the attainment of the investment objective.

At the request of an investor, units may with the approval of the Management Company also be subscribed in return for the assignment of investments at the respective daily rate (contribution of tangible assets or payment in specie). The Management Company is not obliged to accept an application of this nature.

Contributions in kind shall be assessed and evaluated by the Management Company on the basis of objective criteria. The assigned investments must be in accordance with the investment policy of the corresponding fund, and a current investment interest in the stocks must exist in the view of the Management Company. The value of the contributions in kind must be assessed by the auditors. All costs incurred in this conjunction (including the cost of the auditor, other expenses as well as possible taxes and duties) shall be borne by the respective investor and may not be charged to the fund.

The Custodian and/or the Management Company may at any time refuse a subscription or temporarily limit, suspend or permanently discontinue the issuance of units if this appears necessary in the interest of the investors, the public, or to protect the Management Company resp. the UCITS or the investors. In this case the Custodian will immediately return incoming payments for units not yet issued without interest, where appropriate through the Paying Agent.

The issuance of fund units may be suspended if Art. 12 is applicable.

## **Art. 8 Redemption of units**

Units of the UCITS shall be redeemed on the acceptance deadline for unit transactions in accordance with Appendix A "Overview of the fund" at the net asset value per unit of the corresponding unit class of the corresponding fund, less the possible due redemption premium and any possible taxes and duties.

Redemption applications must be submitted to the Custodian at the latest by the acceptance deadline. If a redemption application is received after the acceptance deadline, then it shall be reserved for the following redemption date. In the case of orders placed with distribution agents in Liechtenstein and abroad, earlier deadlines for the subscription of orders may be set to ensure the punctual forwarding of these orders to the Custodian in Liechtenstein. These deadlines may be obtained from the individual distribution agents. Information about the redemption date, the valuation interval, the acceptance deadline as well as the level of the possible due maximum redemption premium is set out in Appendix A "Overview of the fund".

As it is necessary to ensure that the assets of the fund contain a reasonable proportion of liquid assets, units will be paid out within two bank working days following the calculation of the redemption price. This shall not apply in the event that in accordance with statutory regulations, such as example foreign exchange and transfer restrictions or due to other circumstances which lie beyond the control of the Depository Bank, the transfer of the redemption sum is rendered impossible.

If the payment, at the request of the investor, is to be performed in a currency other than the currency in which the respective units have been invested, then the sum which is to be paid out shall be calculated in accordance with the proceeds of the conversion from the reference currency into the payment currency, less any fees.

The ancillary costs to the Fund (customary brokerage fees, commissions, taxes, etc.) resulting from selling part of the investments corresponding to the fund units sold will be covered according to the "Swinging Single Pricing", as described in Art. 6.

With the payment of the redemption price, the corresponding unit shall be extinguished.

The Management Company and/or the Custodian may redeem units unilaterally in return for payment of the redemption price, insofar as this is deemed necessary in the interest of or for the protection of the investor, of the Management Company or of the UCITS, in particular if:

- a) there is a suspicion that by acquiring the units the respective investor is engaging in "market timing", "late trading" or other market techniques which could be detrimental to the investors as a whole;
- b) the investor does not meet the conditions for the acquisition of the units; or
- c) the units are distributed in a state in which the UCITS is not licensed for distribution or have been acquired by a person for whom the acquisition of the units is not permitted.

The Management Company shall ensure that the redemption of units is settled on the basis of a net asset value per unit which is unknown to the investor at the time of the application (forward pricing).

The redemption of fund units may be suspended if Art. 12 is applicable.

#### **Art. 9 Conversion of units**

Insofar as different unit classes are offered, then a conversion of units in one unit class into units of another unit class may be performed. For the conversion within a UCITS no conversion fee is charged. If a conversion of units is not possible, then this shall be mentioned in Appendix A "Overview of the fund".

A conversion of units into another unit class is possible only insofar as the investor fulfils the conditions for the direct acquisition of the units in the respective unit class.

If a conversion of units is not possible for specific unit classes, then this shall be mentioned for the respective unit class in the respective Appendix A "Overview of the fund".

The number of units into which investors may convert their holdings is calculated in accordance with the following formula:

$$A = (B \times C) / (D \times E)$$

- A= Number of units in the possible unit class into which the conversion is to be made
- B= Number of units in the possible unit class out of which the conversion is to be made
- C= Net asset value or redemption price of the units presented for conversion
- D= Foreign exchange rate between the possible unit classes. If both unit classes are valued in the same unit of account, this coefficient is 1.
- E= Net asset value of the units in the possible unit class into which the conversion is to be made, plus taxes, fees or other duties

In certain cases, when converting from one unit class to another, duties, taxes and stamp duties may be incurred in certain countries.

The Management Company may at any time reject a conversion application for a unit class if this is deemed to be in the interest of the Management Company or of the fund or in the interest of the investors, in particular if:

- 1. there is a suspicion that by acquiring the units the respective investor is engaging in "market timing", "late trading" or other market techniques which could be detrimental to the investors as a whole;
- 2. the investor does not meet the conditions for the acquisition of the units; or
- 3. the units are distributed in a state in which the respective fund is not licensed for distribution or have been acquired by a person for whom the acquisition of the units is not permitted.



The Management Company shall ensure that the conversion of units is settled on the basis of a net asset value per unit which is unknown to the investor at the time of the application (forward pricing).

The conversion of fund units may be suspended if Art. 12 is applicable.

#### **Art. 10 Late trading and market timing**

If it is suspected that an applicant is engaged in late trading or market trading, then the Management Company and/or the Custodian shall refuse to accept the subscription, conversion or redemption application until the applicant has removed any doubt about his application.

##### **Late trading**

Late trading means the acceptance of a subscription, conversion or redemption application which is received after the acceptance deadline for the orders (cut-off time) of the respective day, whereby the execution thereof is performed in accordance with the price based upon the net asset value applicable on this date. By engaging in late trading, an investor may profit from his knowledge of events or information which were published after the acceptance deadline for the orders, but which is not yet reflected by the price at which the order of the investor is to be settled. As a consequence, this investor has an advantage over the investors who have adhered to the official acceptance deadline. The benefit for this investor can be even greater if is able to combine the late trading with market timing.

##### **Market timing**

Market timing means the arbitrage process which an investor uses to systematically subscribe and redeem or convert units in the same fund or in the same unit class, by exploiting time differences and/or system errors or weaknesses to calculate the net asset value of the fund or of the unit class.

#### **Art. 11 Prevention of money laundering and terrorism finance**

The Management Company and the Custodian are obliged to observe the regulations of the Liechtenstein Due Diligence Act ("Sorgfaltspflichtgesetz") and of the associated Due Diligence Ordinance ("Sorgfaltspflichtverordnung") as well as the guidelines of the FMA in the respective valid version applicable in the Principality of Liechtenstein. The Management Company also ensures that domestic distributors are bound to comply with the regulations mentioned above.

Insofar as domestic authorised sales agents accept money directly from investors, they are obliged in their capacity as parties bound by due diligence regulations to identify the subscribers in accordance with the provisions of the Liechtenstein Due Diligence Act and the Liechtenstein Due Diligence Ordinance, to determine the beneficial owner, to draw up a profile of the business relationship and to adhere to all applicable local regulations designed to prevent money laundering.

In addition, the sales agents are also required to observe all of the regulations which are in place in the respective sales countries to prevent money laundering and terrorism finance.

#### **Art. 12 Suspension of the calculation of the net asset value and the issue, the redemption and the conversion of units**

The Management Company may temporarily suspend the calculation of the net asset value and/or the issue, the redemption and the conversion of units in the UCITS, insofar as this is deemed to be in the interest of the investors, in particular:

- a) if a market which forms the basis for the valuation of a significant proportion of the UCITS assets is unexpectedly closed or if trade on such a market is restricted or suspended;
- b) in the event of political, economic or other emergencies; or
- c) if transactions cannot be executed for the UCITS due to restrictions on the transfer of assets;

The Management Company may furthermore also decide to suspend the issue of units on a complete or temporary basis if new investments might hinder the attainment of the investment objective.

The issue of units shall in particular be temporarily suspended if the net asset value per unit ceases to be calculated. If units cease to be issued, then the investors shall be informed without delay in the organ of publication as well as in the media specified in the Prospectus and in the Trust Agreement or by means of permanent data carriers (letter, fax, e-mail or comparable) about the reason and the timing of the cessation.

In addition, the Management Company shall be entitled, provided that the interests of the investors are safeguarded, to execute substantial redemptions only, i.e. to temporarily suspend the redemption, after it proves possible to sell corresponding assets of the UCITS without delay while safeguarding the interests of the investors.

So long as the redemption of the units is suspended, no new units of the UCITS shall be issued. Conversions of units, whose redemption is limited, are not allowed.

The Management Company shall take steps to ensure that sufficient liquid assets are available to the UCITS to enable it to redeem or to convert units at the request of investors without delay under normal circumstances.

The Management Company shall without delay report the suspension of the redemption and payout of units to the FMA and by appropriate means to the investors. Subscription, redemption or conversion applications shall be settled following recommencement of the calculation of the net asset value. Investors may withdraw their subscription, redemption or conversion applications prior to the recommencement of trading in the units.

### **Art. 13 Sales restrictions**

The UCITS units are not licensed for distribution in all countries of the world. The issue, the conversion and the redemption of units abroad are subject to the provisions which are in force in the respective foreign country. Further details are set out in the prospectus.

## **II. Structural measures**

### **Art. 14 Merger**

Within the meaning of Art. 38 UCITSG, the Management Company may at any time and at its complete discretion, subject to the approval of the corresponding supervisory authority, resolve to merge the UCITS with one or other UCITs, irrespective of the legal form of the UCITS and whether the other UCITS is domiciled in Liechtenstein or not. The fund and the unit classes of the UCITS may also be merged with each other, as well as with one or more other UCITs or their sub-funds and unit classes.

The UCITS and unit classes respectively may also be split.

All of the assets of the UCITS may be transferred subject to the approval by the competent supervisory authority at the end of the financial year (transfer reporting date) to another existing UCITS or to a UCITS that is being newly founded by the merger. The UCITS may also be merged with a UCITS that was established in another EU or EEA state and which likewise corresponds to the criteria of Directive 2009/65/EC. Subject to the approval of the Liechtenstein Market Authority (FMA), another transfer reporting date may be stipulated. As at the end of the financial year or as at another transfer reporting date, all of the assets of another UCITS or of a non-domestic directive-compliant UCITS may be transferred to a UCITS. Furthermore, it is also possible that only the assets of a non-domestic directive-compliant UCITS are transferred to the UCITS, i.e. without its liabilities.

At the latest 35 working days prior to the planned transfer reporting date, the custody account holders of the investors shall report to the investors in paper form or in electronic form information about the reasons for the merger, the potential consequences for the investors, their rights in conjunction with the merger as well as about relevant procedural aspects. The investors shall also be provided with the key investor information about the special assets or the UCITS which remains in existence or which is newly founded by the merger.

The investors have the opportunity up to five working days prior to the planned transfer reporting date either to redeem their units without paying a redemption premium, or exchange their units for units of another UCITS which is also managed by the Management Company and which has a similar investment policy to that of the UCITS which is to be merged.

On the transfer reporting date the values of the transferring and of the transferred special assets or UCITS shall be calculated, the conversion ratio shall be specified and the overall procedure shall be checked by the auditor. The conversion ratio shall be determined by the ratio of the net asset value of the transferring and of the transferred special assets at the time of the transfer. The investors shall receive the number of units in the new special assets corresponding to the value of his units in the special assets which are being transferred. It is also possible for investors in the special assets which are being transferred to be paid up to 10 % of the value of their units in cash. If the merger takes place during the current financial year of the special assets which are being transferred, then its management company must draw up a report as at the transfer reporting date that corresponds to the criteria of an annual report.

The Management Company shall report in the organ of publication of the UCITS, the website of the LAFV Liechtenstein Investment Fund Association [www.lafv.li](http://www.lafv.li), once the UCITS has merged with another UCITS and once the merger has become effective. Should the UCITS cease to exist as the consequence of a merger, then the announcement shall be performed by the Management Company which manages the acquired or newly-founded UCITS.

The transfer of all of the assets of this UCITS to another domestic UCITS or to another non-domestic UCITS shall be performed only with the approval of the Liechtenstein Financial Market Authority (FMA).

#### **Art. 15 Information for investors, approval and investor rights**

Investors shall be informed in a reasonable manner and in detail about the planned merger. The information for investors must enable the investors to draw well-founded conclusions about the repercussions of the procedure on their investments and on the exercise of their rights pursuant to Arts. 44 and 45 UCITSG.

Investors do not have any right of co-determination in respect of the merger.

#### **Art. 16 Cost of the merger**

Legal consultancy, consultancy or administrative costs associated with the preparation of the merger shall be charged neither to the UCITS involved in the merger, nor to the investors.

In the case of structural measures pursuant to Art. 49 lit. a to d UCITSG, this shall be analogously applicable.

### **III. Dissolution of the UCITS and its unit classes**

#### **Art. 17 In general**

The provisions relating to the dissolution of the UCITS are also applicable to its unit classes.

Investors shall be informed about the resolution passed by the Management Company in the same manner as described in the preceding section "Structural measures".

#### **Art. 18 Dissolution resolution**

The dissolution of the UCITS shall be performed on a mandatory basis in the cases for which provision has been made by law. In addition, the Management Company shall be entitled to dissolve the UCITS or individual unit classes at any time.

Investors, heirs and other authorised individuals may not demand the splitting of dissolution of the UCITS or of an individual unit class.

The resolution concerning the dissolution of the UCITS or of a unit class shall be published on the website of the Liechtenstein Investment Fund Association LAFV ([www.lafv.li](http://www.lafv.li)) as the organ of publication of the UCITS as well as using other media and permanent data carriers specified in the prospectus (letter, fax, e-mail or similar). From the day of the dissolution resolution onwards, no further units shall be issued, converted or redeemed.

In the event of the dissolution of the UCITS, the Management Company may liquidate the assets of the UCITS without delay in the best interests of the investors. The Management Company shall be entitled to commission the Custodian to distribute the net liquidation proceeds amongst the investors, following deduction of the liquidation costs. In other respects, the liquidation of the UCITS shall be performed in accordance with the provisions of the Liechtenstein Persons and Companies Act (Personen- und Gesellschaftsrecht - "PGR").

If the Management Company dissolves a unit class without dissolving the UCITS, all of the units of this class shall be redeemed on the basis of their net asset value applicable at the time. This redemption shall be published by the Management Company, and the redemption price shall be paid out to the former investors by the Custodian.

#### **Art. 19 Reasons for the dissolution**

Insofar as the net asset value of the UCITS falls below a level which is necessary for cost-effective management, as well as in the event of a significant change in the political, economic or monetary policy environment or within the framework of a rationalisation, the Management Company may resolve to redeem or to annul all units of the UCITS or of a unit class at the net asset value (taking account of the actual realisation prices and realisation costs of the investments) of the valuation date on which the corresponding resolution becomes effective.

#### **Art. 20 Cost of the dissolution**

The cost of the dissolution shall be borne by the net fund assets of the UCITS.

#### **Art. 21 Dissolution and bankruptcy of the Management Company or of the Custodian**

In the event of the dissolution and of the bankruptcy of the Management Company, the assets managed for the purpose of collective capital investment on the account of the investors shall not become part of its liquidation assets and shall not be dissolved together with its own assets. The UCITS constitutes special assets for the benefit of their investors. Each of the special assets must be transferred to another management company with the approval of the FMA or dissolved by means of separate satisfaction for the benefit of the investors in the UCITS.

In the event of the bankruptcy of the Custodian, the managed assets of the UCITS must be transferred with the approval of the FMA to another custodian or dissolved by means of separate satisfaction for the benefit of the investors of the UCITS.

#### **Art. 22 Termination of the custodian agreement**

In the event of the termination of the custodian agreement, the net investment fund assets of the UCITS must be transferred with the approval of the FMA to another custodian or dissolved by means of separate satisfaction for the benefit of the investors of the UCITS.

### **IV. Unit classes and creation of sub-funds**

#### **Art. 23 Unit classes**

The Management Company may resolve to form several unit classes for each sub-fund.

Unit classes may be established which differ from the existing unit classes in terms of the utilisation of profits, the issue premium, the reference currency and the utilisation of currency hedging transactions, the management remuneration, the minimum investment sum or a combination of these characteristics. The rights of the Investors who have acquired units in existing unit classes shall however remain unaffected.

The unit classes which are created in conjunction with the UCITS, as well as the fees and remuneration associated with the units of the UCITS, are specified in Appendix A "Overview of the sub-fund".

The UCITS is not an umbrella construction and therefore no sub-funds exist. The Management Company can at any time decide to transform the UCITS into an umbrella construction and therefore create sub-funds. The Prospectus will be then modified accordingly.

## **V. General investment principles and investment restrictions**

### **Art. 24 Investment policy**

The specific investment policies of the UCITS are set out in Appendix A "Overview of the fund":

The following general investment principles and investment restrictions are applicable to the UCITS, insofar as no deviations or supplements for the UCITS are contained in Appendix A "Overview of the fund".

### **Art. 25 General investment principles and investment restrictions**

The respective fund assets shall be invested in accordance with the principle of risk diversification within the meaning of the rules of the UCITSG and in accordance with the below-described investment policy principles as well as within the investment restrictions.

### **Art. 26 Approved investments**

The UCITS may invest the assets on the account of its investors exclusively in one or more of the following assets:

1. Securities and money market instruments:
  - a) which are listed or traded on a regulated market within the meaning of Art. 4 Para. 1 Sec. 21 of the Directive 2014/65/EU;
  - b) which are traded on another regulated market of an EEA member state, which is recognised, open to the public and whose procedures are proper;
  - c) which are officially listed on a securities exchange of a third-party state or which are traded on another market of a European, American, Asian, African or Oceanic country which is recognised, open to the public and whose procedures are proper.
2. Securities from new issues, insofar as:
  - a) the issue conditions contain the obligation to achieve an official listing or trading at one of the securities exchanges mentioned under Sec. 7.1.1 a) to c) or at one of the regulated markets mentioned there, and
  - b) this approval is achieved at the latest before one year has passed since the issue
3. Units in UCITS and other undertakings for collective investment which are comparable with a UCITS, insofar as the undertakings for collective investment are permitted pursuant to their constituting documents to invest no more than 10 % of their assets in units in another UCITS or comparable undertaking for collective investment;
4. Sight deposits or terminable deposits with a maximum maturity of twelve months at financial institutions whose registered domicile is located in an EEA state or in a third-party state whose supervisory law is comparable to that of EEA law;
5. Derivatives whose underlying instrument constitute investment instruments within the meaning of Art. 51 UCITSG or financial indices, interest rates, exchange rates or currencies. In the event of transactions with OTC derivatives, the counterparties must be supervised financial institutions in

an FMA-approved category and the OTC derivatives must be subject to a reliable and verifiable valuation on a daily basis and must at all times be capable at the initiative of the UCITS of being alienated, liquidated or closed out by a counter transaction;

6. Money market instruments which are not traded on a regulated market, insofar as the issue or the issue of these instruments is subject to regulations concerning investment and investor protection, provided that they are:
- a) issued or guaranteed by a central state, regional or local corporation or by the central bank of an EEA member state, the European Central Bank, the European Union of the European Investment Bank, a third-party state or, insofar as this is a federal state, a member state of the federation or an international institution of a public-law character which at least belongs to an EEA member state;
  - b) by a company whose securities are traded on the regulated markets listed under letter a);
  - c) by an institution which is subject to supervision pursuant to the criteria set out under EEA law or issued or guaranteed by an institution whose supervisory law is comparable to EEA law, and which complies with this law; or
  - d) is issued by an issuer which belongs to a category approved by the FMA, insofar as the same investor protection regulations apply to investments in these instruments of the letters a) to c) and the issuer is either a company with equity capital of at least EUR 10 million and which draws up and publishes its annual financial statements in accordance with the provisions of Directive 78/660/EEC, in Liechtenstein implemented through the PGR, or is a legal entity which is part of a group with responsibility for the financing of the corporate group with at least one listed company, or is a legal entity which is intended to finance the securities underlying its liabilities by using a credit line extended by a bank.

The Management Company may additionally hold liquid assets.

#### **Art. 27 Non-approved investments**

The Management Company may not:

1. invest more than 10 % of the assets of the UCITS in securities and money market instruments other than those specified in Art. 26;
2. acquire precious metals or precious metal certificates;
3. perform uncovered short selling.

#### **Art. 28 Utilisation of derivatives, methods and instruments**

The overall risk associated with derivatives may not exceed the total net value of the fund assets. As part of the investment strategy, the Management Company may invest in derivatives within the limits stipulated in Art. 53 UCITSG. When calculating this risk, the market value of the underlying securities, the default risk, future market fluctuations and the liquidation period of the positions shall be taken into account. The investment fund may perform investments in derivatives as part of its investment strategy within the limits stipulated in Art. 53 UCITSG, insofar as the overall risk of the underlying securities does not exceed the investment limits defined in Art. 54 UCITSG.

Insofar as this is not incompatible with the protection of investors and the public interest, investments made by the UCITS in index-based derivatives shall not be taken into account in relation to the upper limits stipulated under Art. 54 UCITSG.

If a derivative is embedded in a security or money market instrument, then this must also be taken into account in respect of adherence to the provisions of Art. 54 UCITSG.

With the approval of the FMA, subject to adherence to the provisions of the UCITSG, the Management Company may deploy methods and instruments which have securities and money market instruments as their object.

Borrowing, securities lending and repurchase agreements are permitted within the scope of the limits set out in the UCITSG and in the corresponding ordinance.

#### **Art. 29 Investment limits**

##### **The following investment limits must be adhered to by the UCITS:**

1. The UCITS may invest no more than 5 % of its assets in securities or money market instruments of the same issuer and no more than 20 % of its assets in deposits of the same issuer.
2. The default risk of transactions performed by the UCITS with OTC derivatives with a bank as counterparty whose registered domicile is in an EEA member state or in a third-party state whose supervisory law is comparable to that of EEA law, may not exceed 10 % of the assets of the UCITS; in the case of other counterparties, the maximum default risk may not exceed 5 % of the assets.
3. Insofar as the total value of the securities and money market instruments of issuers in which the UCITS may in each case not invest more than 5 % of its assets does not exceed 40 % of its assets, the issuer limit specified in Sec. 1 is raised from 5 % to 10 %. The 40 % limit is not applicable to deposits or transactions with OTC derivatives with supervised financial institutions. In the event of the increase being exercised, the securities and money market instruments pursuant to Sec. 5 and the debentures pursuant to Sec. 6 shall not be taken into account.
4. Irrespective of the individual upper limits pursuant to Sec. 1 and 2, a UCITS may not combine the following if this would lead to an investment of more than 20 % of its assets in one and the same entity:
  - a) securities or money market instruments issued by this entity;
  - b) deposits at this entity;
  - c) OTC derivatives acquired by this entity.
5. Insofar as the securities or money market instruments are issued or guaranteed by an EEA member state or by one of its territorial corporations, by a third-party state or by an international institution having the character of a public institution belonging to at least one EEA member state, then the upper limit specified in Sec. 1 shall be raised from 5% to a maximum of 35%.
6. Insofar as debentures are issued by a bank domiciled in an EEA member state which, on account of statutory regulations to protect the holders of these debentures is subject to special public supervision and in particular is required to invest the revenues from the issue of these debentures in assets which throughout the entire maturity of the debentures provide sufficient cover for the resulting liabilities and are primarily earmarked for the re- payment of the capital and of the interest due in the event of the default of the issuer, then the upper limit specified in Sec. 1 for such debentures shall be raised from 5% to a maximum of 25%. In this event the total value of the investments may not exceed 80% of the assets of the UCITS.
7. The limits specified in Secs. 1 to 6 may not be cumulated. The maximum issuer limit amounts to 35% of the assets per UCITS.

In the event of an exemption being approved by the FMA, this limit may also exceed 35%. This must be clearly stated in the Prospectus as well as in the advertising material. The Management Company is entitled, in accordance with the principle of risk diversification, to invest up to 100 % of the assets of the fund in securities and money market instruments of the same issuer, insofar as these are issued or guaranteed by a state, a public-law corporation from the OECD or by international organisations having the character of a public law institution. These securities and money market instruments must be divided into at least six different issues, whereby the securities or money market instruments from one and the same issue may not exceed 30% of the total sum of the assets of the fund. The aforementioned securities and money market instruments shall not be taken into account when applying the 40% limit pursuant to Sec. 3. In this conjunction, these investments encompass in particular corporate and government bonds.

8. Companies which are part of the same group of companies are deemed to be a single issuer for the purpose of calculating the investment limits specified in this Art. In the case of investments in

securities and money market instruments of the same group of companies, the issuer limit shall be collectively lifted to 20% of the assets of the fund.

9. A fund may invest up to 10% of its assets in units in other UCITSs or in other undertakings for collective investment which are comparable with a UCITS. These investments shall not be taken into account in respect of the upper limits specified in Art. 54 UCITSG.
10. The fund may subscribe, acquire and/or hold units issued by one or more other UCITS, insofar as:
  - the target fund does not for its part invest in the fund which invests in this target fund; and
  - the proportion of the assets which the target fund is planning to acquire, pursuant to its prospectus or its articles of association, may not in overall terms exceed 10% of the units of other target funds of the same UCITS-comparable undertaking for collective investment; and
  - the possible voting rights associated with the respective securities are suspended for as long as they are held by the respective fund, irrespective of a reasonable evaluation in the financial statements and in the periodic reports; and
  - in every case the value of these securities is taken into account in the calculation of the net asset value of the fund stipulated by the UCITSG for the purpose of verifying the minimum level of the net assets pursuant to the UCITSG, insofar as these securities are held by the respective fund; and
  - there is no duplication of the fees for the issue or redemption of units, on the one hand at the level of the UCITS which has invested in the target fund, or on the other at the level of the target fund.
11. If the investments in Sec.9 account for a significant proportion of the assets of the fund, then the fund-specific appendix must provide information about the maximum level and the annual report must provide information about the maximum share of the management fees which are to be borne by the fund itself and by the undertaking for collective investment pursuant to Sec.9, whose units have been acquired.
12. If units are managed directly or indirectly by the Management Company or by a company with which the Management Company is affiliated through joint administration, control or qualified participation, then neither the Management Company nor the other company may charge the fund fees for the issue or redemption of units.
13. A Management Company shall not acquire for any of the UCITS under its management voting shares of the same issuer with which it is able to exercise a significant influence over the management of the issuer. A significant influence is presumed to be established by holdings of 10% or more of the voting shares in the issuer. If a lower limit exists for the acquisition of voting shares of the same issuer in another EEA member state, then this shall be binding for the Management Company if acquires for a UCITS shares in an issuer domiciled in this EEA member state.
14. For the fund, financial instruments of the same issuer may be acquired amounting to no more than:
  - a) 10% of the share capital of the issuer, insofar as this relates to non-voting shares;
  - b) 10% of the total par value of the debentures or money market instruments of the issuer in circulation, insofar as this relates to debentures or money market instruments. This limit does not need to be adhered to if the total par value at the time of acquisition cannot be determined;
  - c) 25% of the shares in the same undertaking, insofar as this relates to units of other UCITS or undertakings for collective investment which are comparable to UCITSs. This specific limit does not need to be adhered to if the total par value at the time of acquisition cannot be determined;
15. Sec.14 and 15 are not to be applied:
  - a) to securities and money market instruments which are issued or guaranteed by a state issuer;
  - b) to shares which a fund owns in the capital of a company of a third-party state which invests its assets essentially in securities of issuers which are domiciled in this third-party state, if the statutory regulations of this third-party state means that a participation of this nature represents the only opportunity for the sub-fund to invest in securities issued by issuers of this country. In this conjunction, the preconditions of the UCITSG must be observed;



- c) to shares of management companies held in the capital of their subsidiaries which in the domiciliary country exclusively organise the redemption of shares at the request of the investors on behalf of the management company.

In addition to the listed restrictions pursuant to Art. 29, Sec.1 – 16, further possible restrictions set out in Appendix A "Overview of the fund" may need to be observed.

**Deviation from the investment limits shall be permitted in the following cases:**

1. The fund does not have to adhere to the investment limits when exercising subscription rights arising out of securities or money market instruments which are associated with its assets.
2. In the event of the aforementioned limits being exceeded, the fund must endeavour as a matter of priority while making sales to normalise this situation, while taking the interests of the investors into account.
3. The fund is not required to adhere to the investment limits within the first six months following its licensing. The principle of risk diversification must continue to be observed.

**Active investment limit breaches**

A loss that is suffered on account of an active breach of the investment limits/investment regulations must be reimbursed to the UCITS without delay in accordance with the respective valid code of conduct.

**Special methods and instruments relating to securities and money market instruments**

As specified under Art. 26 Sec.5 of this Agreement, the Management Company may, subject to the conditions stipulated by statute and within the limits stipulated by statute, use special methods and financial instruments as a central element for achieving the investment policy for the fund whose underlying securities are securities, money market instruments and other financial instruments.

The Management Company must apply a risk management procedure that enables it at all times to monitor and to measure the risk associated with the investment positions as well as their share of the overall risk profile of the investment portfolio; it must furthermore apply a procedure which facilitates a precise and independent assessment of the value of the OTC derivatives. The Management Company must report to the FMA at least once per annum, providing information which describes the actual situation of the derivatives deployed for the fund under its management, of the underlying risks, the investment limits and the methods which are applied to estimate the risks associated with the derivative transactions.

The Management Company is furthermore permitted, while adhering to the conditions and limits stipulated by the FMA, to use the methods and instruments relating to the securities and money market instruments, insofar as the purpose of the utilisation of these methods and instruments is to ensure the efficient administration of the portfolio. If these transactions relate to the utilisation of derivatives, then the conditions and limits must be in accordance with the provisions of the UCITSG.

Under no circumstances may the fund deviate from their investment objectives with these transactions.

The Management Company shall ensure that the overall risk associated with derivatives does not exceed the total net value of the UCITS. When calculating the risks, the market value of the underlying securities, the default risk, future market fluctuations and the liquidation period of the positions shall be taken into account.

The Management Company may perform investments in derivatives as part of its investment strategy in accordance with Art. 29 Sec.5, insofar as the overall risk of the underlying securities does not exceed the investment limits defined in Art. 30 "Investment limits". Investments of the fund in index-based derivatives do not have to be taken into account in respect of the investment limits specified in Art. 29 "Investment limits".

If a derivative is embedded in a security or money market instrument, then this must also be taken into account in respect of adherence to the provisions of Art. 29 "Investment limits".

The Management Company may also lend parts of the securities portfolio of the respective fund to third parties ("securities lending"). In general terms, securities lending transactions may only be performed over recognised clearing organisations such as Clearstream International or Euroclear, as well as over first-

class banks, securities companies, financial services institutions or insurers which specialise in securities lending, with their defined operating conditions. In the case of a securities lending transaction, the Management Company or the Custodian of the UCITS must essentially receive securities whose value corresponds at least to the total value of the loaned securities and the possible accrued interest. These securities must be issued in an approved form of financial securities. Such securities are not required if the securities lending is performed through Clearstream International or Euroclear or another comparable organisation which guarantees the UCITS the reimbursement of the value of the loaned securities.

The Management Company may not engage in any repurchase transactions.

## **VI. Costs and fees**

### **Art. 30 Current fees**

#### **Fees which are dependent upon the assets:**

##### **Management remuneration**

The Management Company shall charge an annual remuneration in respect of the management, risk management and administration of the UCITS in accordance with Appendix A "Overview of the fund". This shall be calculated on the basis of the average net assets of the fund and shall be imposed on the valuation reporting date and *pro rata temporis* at the end of each quarter. The level of the management remuneration per fund/unit class shall be specified in the annual report.

##### **Custodian fee**

In return for fulfilling its responsibilities arising out of the custodian agreement, the Custodian shall receive remuneration in accordance with Appendix A "Overview of the fund". This shall be calculated on the basis of the average net assets of the fund, shall be deferred on the valuation reporting date and shall be charged *pro rata temporis* at the end of each quarter. The level of the custodian remuneration per fund/unit class shall be specified in the annual report.

##### **Asset management fee**

Insofar as an investment advisor has entered into a contractual obligation, the investment advisor may receive remuneration from the UCITS assets in accordance with Appendix A "Overview of the fund". This shall be calculated on the basis of the average net assets of the fund, shall be deferred on the valuation reporting date and shall be charged *pro rata temporis* at the end of each quarter. In addition, the investment advisor may also receive a performance-based remuneration from the respective net fund assets ("performance fee"). The level of the management fee per fund/unit class shall be specified in the annual report.

##### **Advisory fee**

Insofar as an investment advisor has been commissioned, the investment manager may receive remuneration whose maximum level, calculation and payment for the fund is set out in the respective Appendix A "Overview of the fund". In addition, the investment advisor may also receive a performance-based remuneration from the respective net fund assets ("performance fee"). The level of the advisory fee per fund/unit class shall be specified in the annual report.

##### **Distributor fee**

Insofar as a distribution agent has been contractually commissioned, the distribution agent may receive remuneration from the fund assets whose maximum level, calculation and payment is set out in Appendix A "Overview of the fund". This shall be calculated on the basis of the average net assets of the fund, shall be deferred on the valuation reporting date and shall be charged *pro rata temporis* at the end of each quarter. The level of the distributor fee per fund/unit class shall be specified in the annual report.

#### **Fees which are independent of the assets**

The Management Company and the Custodian are also entitled to the reimbursement of the following expenses which they incur in the exercise of their function:

- a) The cost of preparing, printing and distributing the annual and interim reports, as well as further publications pre- scribed by law;
- b) Fees of legal consultation and enforcement of legal rights arising for the Management Company or the Custodian when acting in the interest of the investors
- c) The cost of publishing the notices to investors in the organs of publication and possible additional newspapers or electronic media chosen by the Management Company, including the publication of prices;
- d) Fees and the cost of licences as well as for the supervision in Liechtenstein and abroad;
- e) All taxes imposed on the assets of a sub-fund as well as on its income and expenses;
- f) Fees incurred in conjunction with any possible listing of a sub-fund and with the distribution in Liechtenstein and abroad (e.g. consultancy, legal, translation costs);
- g) Charges, costs and fees incurred in conjunction with the determination and publication of tax factors in the countries of the EU/EEA and/or all countries where distribution licences exist and/or private placements are made, in accordance with the effective expenses incurred at market rates.
- h) Fees and costs arising out of other legal or regulatory requirements to be complied with by the Management Company in the course of implementing the investment strategy (such as reporting and other costs arising during the course of compliance with the European Market Infrastructure Regulation (EMIR, EU Regulation 648/2012)
- i) Fees for payment agents, representatives and other delegates with comparable functions in Liechtenstein and abroad;
- j) A reasonable share of the cost of printed materials and advertising incurred in direct association with the offering and sale of units;
- k) Fees of the auditor and of tax advisers, insofar as these expenses are incurred in the interest of the investors.
- l) Internal and external costs of reclaiming non-domestic withholding taxes, insofar as this can be performed on the account of the UCITS. With regard to the recovery of non-domestic withholding taxes, it should be noted that the UCITS does not undertake to recover such taxes and any such recovery will only be made if the procedure is justified on the basis of the criteria of materiality of the amounts and proportionality of the costs in relation to the possible amount to be recovered. With respect to investments that are the subject of securities lending, the UCITS shall not reclaim withholding tax;
- m) Costs relating to the valuation of special investments (e.g. expert opinions) and associated expenses of the Management Company;
- n) Cost of specialist expertise and specialist advice within the context of the purchase and sale of fund assets in the best interest of the Investors, in particular in the field of unlisted assets, and the associated expenses of the Management Company;
- o) Cost of potential sub-custodians of the fund manager in the event that parts thereof are not kept for safekeeping directly at the Custodian Bank;
- p) License fees for the potential using of benchmarks;
- q) Costs and expenses for periodic reportings for inter alia insurance companies, pension funds and other financial services companies (for example GroMiKV, Solvency II, VAG, MiFID II, ESG- / SRI-Reports or sustainability ratings, etc.);
- r) External costs for the assessment of sustainability ratings (ESG research) of the assets of the UCITS or its target assets;
- s) Cost of establishing and maintaining additional counterparties, if this is in the interest of the Investors up to a maximum sum of CHF 10,000.00.

The level of the expenses per fund/unit class shall be specified in the annual report.

### **Transaction costs**

In addition, the UCITS bear all ancillary costs arising out of the management of the assets in conjunction with the acquisition and sale of the investments (standard market brokerage fees, commission, duties) as well as all taxes imposed on the assets of the fund as well as on its earnings and expenses (e.g. withholding taxes on non- domestic earnings). The UCITS shall furthermore bear any possible external costs, i.e. fees charged by third parties which are incurred when buying and selling the investments. These costs shall be offset directly against the cost and sales value of the investments concerned. In addition, any possible currency hedging costs shall also be charged to the respective unit classes.

Counter-performances which are included in a fixed flat-rate fee may not be additionally charged as separate expenses. Any possible compensation for commissioned third parties shall however already be included in the fees pursuant to Art. 30 of the Trust Agreement.

### **Any possible costs for currency hedging of unit classes**

The possible cost of currency hedging of unit classes shall be allocated to the corresponding unit class.

### **Service fee**

A periodic service fee pursuant to Appendix A "Overview of the Funds" shall be imposed for additional services rendered by the Custodian Bank and Management Company.

### **Liquidation fees**

In the event of the dissolution of the UCITS, the Management Company may charge a liquidation fee amounting to no more than CHF 10,000.00, payable to the Management Company.

### **Extraordinary management costs**

In addition, the Management Company may charge the fund assets costs for extraordinary management activities.

Extraordinary management costs comprise the expenses incurred exclusively for the purpose of safeguarding the interests of the investors, which are incurred during the course of the regular business activities, and which were not foreseeable at the time of the foundation of the UCITS. Extraordinary management costs comprise in particular the cost of legal compliance in the interest of the UCITS or of the investors. Furthermore, this is deemed to include any possible necessary extraordinary management activities pursuant UCITSG and UCITSV (e.g. amendments of the fund documents).

### **Maximum of current fees (Total expense ratio, TER)**

The total current fees before any possible performance fee and before any possible extraordinary administration fees shall be calculated in accordance with general principles set out in the code of conduct, and comprise, with the exception of the transaction costs, all costs and fees that are charged to the assets of the funds on an ongoing basis..

The TER of the UCITS is reported in the interim and annual report as well as in publications of the interim or annual report on the website of the Liechtenstein Investment Fund Association "LAFV" [Liechtensteinischer Anlagefondsverband] under [www.lafv.li](http://www.lafv.li). **Costs charged to the Investor**

Issue, redemption and conversion fees as well as any possible associated taxes and duties shall be payable by the investor.

### **Art. 31 Performance-related fee (performance fee)**

In addition, the Management Company may charge a performance fee. The extent to which a performance fee shall be charged is set out in detail in Appendix A "Overview of the fund".

### **Art. 32 Foundation costs**

The cost of founding the UCITS and the initial issue of units shall be amortised over a period of 5 years at the expense of the assets of the.

### **Art. 33 Use of profits**

The Management Company may distribute the profit generated by a UCITS to the investors in the UCITS, or may reinvest this profit in the UCITS or respective unit class.

### **Reinvesting:**

The profit generated by the UCITS or unit class which is subject to a profit utilisation of the type "REINV" pursuant to Appendix A "Overview of the fund" shall be reinvested on an ongoing basis.

**Distributing:**

The profit generated by the UCITS or unit class which is subject to a profit utilisation of the type "DISTR" pursuant to Appendix A "Overview of the fund" shall be distributed on an annual basis. The Management Company decides the amount to be distributed.

The Management Company can distribute at its own discretion the gross profits accounted to the unit class of type "DISTR".

Because in the case of unit classes that allow for a distribution of gross profits, the generation of income has higher priority than the capital appreciation, the Management Company will make distributions for such unit classes at its own discretion from gross profits, while at the same time all or part of the costs and fees to be paid by or assigned to such unit class together with the costs according to Art. 30 will be paid out of the unit class's capital; this will increase the distributable income to be used for distributions from this unit class. Such distributions from the unit class's capital correspond to a repayment or deduction of part of an investor's initial investment or returns on capital belonging to this unit class. Investors can receive a higher distribution compared to what they would otherwise receive from a unit class, where fees and costs are subtracted from the net profits.

Investors should note that such payments out of the fund's assets for fees and costs will reduce the fund's assets and limit the fund's assets growth in the future. In addition to that, there is a possibility that the level of future profits will be reduced.

The payment out of this unit class's assets for fees and costs corresponds in fact to a distribution from the unit class's assets and may lead to a reduction in the net asset value per share of the corresponding distributing unit class. Under such circumstances, distributions on this unit class should be seen by the investors during the life of the fund as a form of reimbursement of capital.

Part of the income of the fund may be carried forward to the new account.

Distributions shall be paid out on the units which have been issued on the distribution day.

No interest shall be paid on declared distributions from the time of their due date onwards.

**Art. 34 Incentives**

The management company or the asset manager may pay compensation to distributors in accordance with the provisions of the constituent documents to cover the expenses in connection with the distribution of the Fund.

Insofar as the Management Company receives inducements for the fund from third parties in conjunction with the introduction of investors, the acquisition/distribution of collective capital investments, certificates, notes etc. (hereinafter called "Products"), it shall pass these comprehensively to the fund.

The level of such incentives may differ according to the particular product and product provider. The level of portfolio payments shall as a rule be determined by the level of the volume of a product or of a product type held by the Management Company. The level thereof normally corresponds to a percentage share of the management fees charged for respective product, as is periodically remunerated during the holding period. In addition, distribution commission from securities issuers may also be provided in the form of discounts on the issue price (percentage discount) or in the form of one-off payments, the level of which corresponds to a percentage share of the issue price. Unless otherwise agreed, the investor may at any time before or following the rendering of the service (purchase of the product) demand from the Management Company further details about the agreements concluded with third parties in respect of such incentives. The entitlement to information relating to transactions which have already been performed is however limited to the period of 12 months preceding the enquiry. The investor expressly waives any entitlement to further information. If the investor does not demand and further details prior to the rendering of the performance, or if he draws the performance after having obtained further details, then he waives any possible surrender entitlement within the meaning of § 1009 of the General Civil Code (Allgemeines Bürgerliches Gesetzbuch – "ABGB").

**Art. 35 Information for investors**

The organ of publication of the UCITS is the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as well as other media specified in the Prospectus.

All communications to investors, including in respect of amendments of the Trust Agreement and the Appendix A "Overview of the fund", shall be published on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the organ of publication of the UCITS as well as in the other media and data carriers specified in the prospectus.

The net asset value as well as the issue and redemption price of the units of the UCITS or unit class respectively shall be reported on each valuation date on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the organ of publication of the UCITS as well as in the other media and permanent data carriers specified in the prospectus (letter, fax, e-mail or similar).

The annual report, audited by an auditor and the interim report, which does not need to be audited by an auditor, shall be made available to investors free of charge at the headquarters of the Management Company and of the Custodian.

#### **Art. 36 Reports**

The Management Company shall draw up an audited annual report for each UCITS as well as an interim report in accordance with the statutory provisions in the Principality of Liechtenstein.

At the latest four months after the end of each financial year, the Management Company shall publish an audited annual report in accordance with the provisions of the Principality of Liechtenstein.

Two months after the end of the first six months of the financial year, the Management Company shall publish an unaudited interim report.

Additional audited and unaudited interim reports may also be drawn up.

#### **Art. 37 Financial year**

The financial year of the UCITS begins on 1 January of each year and ends on 31 December of the year.

#### **Art. 38 Amendments of the Trust Agreement**

This Trust Agreement may be amended or supplemented by the Management Company wholly or in part at any time. Amendments of the Trust Agreement shall be subject to the prior approval of the FMA.

#### **Art. 39 Limitation period**

The claims of investors against the Management Company, the liquidator, trustee or the Custodian shall be statute- barred once the period of five years has passed following the occurrence of the damage, although at the latest one year after the redemption of the unit or after the damage becomes known.

#### **Art. 40 Applicable law, place of jurisdiction and relevant language**

The UCITS is governed by Liechtenstein law. The exclusive place of jurisdiction for all disputes between the investors, the Management Company and the Custodian is Vaduz, Liechtenstein.

The Management Company and/or the Custodian may however, in respect of claims brought by investors from these countries, subject themselves and the UCITS to the place of jurisdiction of the countries in which units are offered and sold. Other mandatory statutory places of jurisdiction remain reserved.

The legally-binding language for this Trust Agreement is the German language.

**Art. 41 General**

In other respects, reference is made to the provisions of the UCITSG, the provisions of the Liechtenstein Persons and Companies Act (Personen- und Gesellschaftsrecht - "PGR") concerning collective trusteeships as well as the general provisions of the PGR in the respective valid version.

**Art. 42 Coming into force**

This Trust Agreement came into force on 10 March 2021.

The Management Company:  
LLB Fund Services Aktiengesellschaft, Vaduz

The Custodian:  
Liechtensteinische Landesbank Aktiengesellschaft, Vaduz

## Appendix A: Overview of the Fund

The Trust Agreement and this appendix constitute an essential unity and complete each other.

### 1 Master data and Information about the UCITS

	<b>B&amp;I Global Real Estate Securities Fund</b>				
Unit classes <sup>2</sup>	<b>Class S</b>	<b>Class B (Distr)</b>	<b>Class C (CHF-H)</b>	<b>Class E (EUR-H)</b>	<b>Class G (GBP-H Distr)</b>
Securities number	30199364	35514945	34468129	51363641	51363644
ISIN	LI0301993643	LI0355149456	LI0344681296	LI0513636410	LI0513636444
Suitable as UCITS target fund	Yes				
Duration	Indefinite				
Listing	No	No	No	No	No
Unit of account of the fund	USD				
Reference currency of the unit classes	USD	USD	CHF (currency hedged)	EUR (currency hedged)	GBP (currency hedged)
Minimum investment	1 unit	1 unit	1 unit	1 unit	1 unit
Initial issue price	USD 100	USD 100	CHF 100	EUR 100	GBP 100
First subscription date	24.11.2015	27.02.2017	23.11.2016	tbd	tbd
Inception (first value date)	30.11.2015 (02.12.2015)	03.03.2017 (07.03.2017)	25.11.2016 (29.11.2016)	Tbd (tbd)	tbd (tbd)
Valuation date <sup>3 4</sup>	Every Liechtenstein working day.				
Valuation interval	Daily <sup>5</sup>				
Acceptance deadline for unit transactions	Daily cut-off, 15:00 CET, for subscriptions and redemptions of units.				
Issue/redemption date	Each valuation date				
Value date for issue and redemption date (T+2)	Two banking days after NAV calculation				
Denomination	Fractions possible				
Certification	Book-entry / no issue of certificates				
End of financial year	31 <sup>st</sup> December				

<sup>2</sup> The concrete requirements that have to be fulfilled by the investor for the acquisition of units of a specific unit class are described in Section 9.2 (General information about the units).

<sup>3</sup> In the case where the Valuation date is a bank holiday in Liechtenstein, the Valuation date is shifted to the next business day in Liechtenstein.

<sup>4</sup> 31<sup>st</sup> December is not an issue/redemption date. This valuation date is the relevant date for the annual report of the fund.

<sup>5</sup> An NAV is always calculated as of the last work day of the month on the following working day, even in the case where that was a bank holiday in Liechtenstein or where a relevant market was closed. On such a day no subscriptions or redemptions are processed.



End of the first financial year	2016	2017	2016	tbd	tbd
Use of profits	Reinvesting	Distributing <sup>6</sup>	Reinvesting	Reinvesting	Distributing <sup>6</sup>

#### Costs charged to the investor

Maximum issue premium	5%	5%	5%	5%	5%
Redemption premium	None	None	None	None	None
Maximum conversion fee when changing from one unit class to another unit class	0.3%	0.3%	0.3%	0.3%	0.3%

#### Using of benchmarks

Benchmark	FTSE EPRA/NAREIT (USD) Developed Index in USD, CHF, EUR oder GBP (Bloomberg-Ticker TRNGLU Index)
Index-Tracking	No, actively managed.

#### Costs charged to the UCITS assets <sup>7 8</sup>

Performance fee <sup>9</sup>	20% of the outperformance vs. Benchmark FTSE EPRA/NAREIT (USD) Developed Index in USD (BloombergTicker TRNGLU Index)	20% of the outperformance vs. Benchmark FTSE EPRA/NAREIT (USD) Developed Index in USD (BloombergTicker TRNGLU Index)	20% of the outperformance vs. Benchmark FTSE EPRA/NAREIT (USD) Developed Index in CHF (BloombergTicker TRNGLU Index)	20% of the outperformance vs. Benchmark FTSE EPRA/NAREIT (USD) Developed Index in EUR (BloombergTicker TRNGLU Index)	20% of the outperformance vs. Benchmark FTSE EPRA/NAREIT (USD) Developed Index in GBP (BloombergTicker TRNGLU Index)
Hurdle rate	None	None	None	None	None
High watermark	Yes	Yes	Yes	Yes	Yes
Max. fee for Asset Management, Distribution, Administration, Custodian and Risk Management <sup>7</sup> (TER)	0.8% p.a	0.8% p.a	0.9% p.a	0.9% p.a	0.9% p.a
Max. Service Fee <sup>7</sup>	CHF 2'500. – p.a.				

<sup>6</sup> The Management Company can at its own discretion distribute the eligible gross profits for the unit class of type "DISTR". Investors should read the explanations in Section 10 of the prospectus.

<sup>7</sup> Plus taxes and other costs: transaction costs such as expenses that are incurred by the Management Company and the Custodian in the performance of their functions. The details are found in the Prospectus Section 11 (Tax regulations) and 12.2 Costs and fees payable by the UCITS.

<sup>8</sup> In case of liquidation of the UCITS the Management Company may charge a liquidation fee of max. CHF 10'000 in his favour.

<sup>9</sup> The actual commission resp. fee amount charged is shown in the semi-annual and annual report.

## **2 Asset Manager**

Investment decision are delegated for this fund to B&I Capital AG, Sihlstrasse 37, 8001 Zürich.

## **3 Sales Agent**

The distribution of the fund is delegated to Liechtensteinische Landesbank AG.

## **4 Investment principles of the fund**

The following provisions govern the fund-specific investment principles of the fund.

### **4.1 Investment objectives and policy**

The fund aims to invest in listed global real estate companies.

Following the deduction of liquid assets, the fund invests mainly in real estate assets and real estate companies worldwide.

In addition, the fund may also invest in other sectors and markets as well as in liquid assets, bonds or similar.

The fund invests mainly in established markets such as the United States, United Kingdom, France, Germany, Italy, other European countries, Japan, Singapore, Hong Kong or Australia. Further opportunities may arise in additional developed markets worldwide.

The fund may invest up to 10% of its assets in units of other funds or in other undertakings for collective investment which are comparable with a UCITS.

### **Sustainability**

The fund is a product according to section 8 of regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, also called a "light green" product.

The portfolio management of the fund integrates sustainability risks in the investment decisions. These criteria are integrated in the investment process whereby the UCITS invests in companies that give continually increasing consideration to the three ESG topics (environment, social and good governance). With the investment decisions the capital costs of the companies, which are investable according to the sustainability approach of the fund manager, as well as the possibilities of financing for long-term sustainable investments, can be directed.

Sustainability is being defined in a comprehensive way and it refers to responsible investments with high ethical, social and ecological standards. ESG is often used as a collective term for this. This approach combines risk considerations, for example by exclusions with a clear focus on sustainable investment opportunities – such as in the areas of governance, work processes or supply chains. The UCITS considers a comprehensive methodology approach in its sustainability process.

The fund manager cooperates with renowned data suppliers for the holdings-based analysis, who provide individual and aggregated ratings as well as underlying raw data. The data suppliers dispose of a detailed coverage of the analysed companies as well as of the single factors of the sustainability analysis. As such the UCITS analyses a big part of the investment universe very specifically with regards to the important sustainability criteria. In addition, there are regular internal ESG assessments, especially for the stocks that are not yet covered by the data suppliers. The investment team discusses regularly all the relevant topics and questions with regards the ESG-research and at the same time addresses them in a timely manner.

The UCITS uses a combination of exclusion criteria<sup>10</sup> and sustainability criteria for the investment universe. Excluded are direct investments in shares of companies and institutions that are violating important international and national standards (for example UN Global Compact) or operate in controversial sectors (for example controversial weapons). The UCITS invests directly in shares of

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<sup>10</sup> Violation of international and national standards, return-based exclusions for controverser products.

companies and institutions that give continually increasing consideration to the three ESG topics (environment, social and good governance). The share of positions violating the exclusion criteria shall at no time be higher than 10% of the fund's assets.

Medium to long term it is expected that broadly diversified, sustainable investments will yield a return comparable to traditional investments. However, a guarantee with this regards cannot be given.

Further information can be found under [www.bnicapital.com](http://www.bnicapital.com).

The principle of "avoidance of substantial impairment" is only applied to that part of the investment of the financial product that consider the EU-criteria for ecological sustainable economic activities. The remaining part of the investments of the financial product do not consider the EU-criteria for ecological sustainable economic activities.

#### **4.2 Unit of account / reference currency of the fund**

The unit of account of the UCITS as well as the reference currency per unit class are specified in the table "Key data and information relating to the fund" of this Appendix A "Overview of the fund".

The unit of account is the currency in which the accounts of the fund are kept. The reference currency is the currency in which the performance and the net asset value of the unit classes are calculated. The investments are made in the currencies which are most suitable for the performance of the respective fund.

#### **4.3 Profile of the typical investor**

The fund is suitable for investors with a long-term investment horizon who wish to invest in a broadly diversified portfolio of global real estate securities.

### **5 Risks and risk profile of the fund**

#### **5.1 Fund-specific risks**

The performance of the units is dependent upon the investment policy as well as the market performance of the individual fund investments, and cannot be determined in advance. In this conjunction it is important to draw attention to the fact that the value of the units can rise or fall relative to the issue price at any time. It cannot be guaranteed that the investor will receive back his invested capital.

Due to the fact that the overwhelming majority of the assets are to be invested in investment securities and investment book-entry securities, this investment type has a market and issuer risk which can have a negative impact on the net assets. In addition, further risks such as for example the currency risk and the change in interest risk may materialise. The use of derivative financial instruments for purposes other than hedging can also lead to heightened risks.

The risk associated with derivative financial instruments may not exceed 100% of the net assets of the sub-fund. In this conjunction, the overall risk associated with derivative financial instruments may not exceed 200% of the net assets of the sub-fund. If a loan is taken out pursuant to UCITSG (Prospectus Sec.7.4.2), the overall risk may not exceed 210% of the net assets of the sub-fund.

The Management Company applies the commitment approach as a risk management procedure.

The unit class B can distribute gross profits. This can lead to a reduction of capital and limit the future growth of this unit class.

#### **5.2 General risks**

In addition to the specific fund risks, the investments of the respective fund may also be exposed to general risks. An exemplary and not definitive list is shown under Sec. 8.2 of the Prospectus.

### **6 Costs which are reimbursed from the UCITS**

An overview of the costs which are reimbursed from the UCITS and its unit classes is set out in the table "Key data and information relating to the fund" of the present Appendix A "Overview of the sub-fund".

## 7 Example calculation of the performance fee

In addition, the Management Company imposes a performance fee as in the following example.

The Management Company shall charge the UCITS a performance fee of 20% of the difference between the percentage performance of the net asset value per unit and the percentage performance of the benchmark. The respective applicable benchmark is specified in Section 1 of Appendix A "Master data and information about the UCITS". The performance fee shall be calculated and charged on each valuation date. Performance fees which have been charged shall be adjusted accordingly.

The performance fee shall be paid out at the end of the year. Any possible underperformance shall be carried forward.

The following examples provide a schematic and simplified illustration of how the performance fee is calculated:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Performance of the fund before Performance Fee	4.00%	-1.00%	-7.00%	2.00%	2.00%	-7.00%	10.00%	2.00%
Performance of the benchmark	2.00%	1.00%	-10.00%	3.00%	3.00%	-5.00%	5.00%	-1.00%
Outperformance	2.00%	-	3.00%	-	-	-	5.00%	3.00%
Underperformance	-	-2.00%	-	-1.00%	-1.00%	-2.00%	-	-
Underperformance carried forward	-	-	-2.00%	-	-1.00%	-2.00%	-4.00%	-
Cumulative performance	2.00%	-2.00%	1.00%	-1.00%	-2.00%	-4.00%	1.00%	3.00%
Performance fee 20%	0.40%	-	0.20%	-	-	-	0.20%	0.60%

The high-watermark principle means that the net asset value must have achieved an outperformance relative to the benchmark since the last time the performance fee was charged in order to enable the performance fee to be charged (again). In this conjunction it is possible that the net asset value might not have achieved a new all-time high by this time.

Die Verwaltungsgesellschaft:  
LLB Fund Services Aktiengesellschaft, Vaduz

Die Verwahrstelle:  
Liechtensteinische Landesbank Aktiengesellschaft, Vaduz

## **Appendix B: Specific Information for distribution in individual countries**

Current law in the Principality of Liechtenstein requires the constituent documents to be approved by the FMA. This approval refers only to information related to the implementation of the UCITS requirements. For this reason, the following Appendix B “Specific Information for distribution in individual countries”, based on foreign law, is not subject to the approval by the FMA and is excluded from approval.

### **1 Distribution in Germany**

The Management Company has the intention to distribute units of the UCITS to the public in the Federal Republic of Germany, applied to the German Federal Financial Services Regulatory Authority (BaFin) and obtained the permission at the end of the application process to distribute to the public.

#### **1.1 Paying agent in Germany**

The Management Company named Donner & Reuschel Aktiengesellschaft, Ballindamm 27, 20095 Hamburg as paying and information agent in the Federal Republic of Germany.

In addition to the general redemption process, German-resident investors also can submit redemption and substitution orders for the units that they own to the German paying agent, which will then be forwarded to the Management Company.

German-resident investors also can require that redemption monies and all other payments directed to the investor (i.e. dividend distribution from the UCITS assets) flow through the paying agent.

#### **1.2 Information agent in Germany**

Donner & Reuschel Aktiengesellschaft, Ballindamm 27, 20095 Hamburg acts as information agent in the Federal Republic of Germany. German-resident investors can request, free of charge, from the German information agent the Prospectus, the Key Investor Information Document (KIID), the Trust Agreement, as well as the most recent annual report and, as long as already published, the most recent half-year report – all above-mentioned documents in paper format – and the current issue, redemption and substitution prices of the units.

#### **1.3 Publications**

The issue and redemption prices and other information for investors are published on the electronic platform [www.fundinfo.com](http://www.fundinfo.com). Investors in Germany are also provided with information as from § 42a InvG via a durable medium about:

- j) The suspension of the redemption of units of an investment fund,
- k) The termination of the management of an investment fund or its liquidation,
- l) Changes in the trust agreement that cannot be reconciled with the current investment principles, affect essential investor rights or related to remunerations or expenses that can be charged to the fund assets,
- m) The merging of investment funds in a form of information that is produced in a form that complies with to Art. 43 Guideline 2009/65/EG, and
- n) The transformation of an investment fund into a Feeder fund or the transformation of a Master fund, produced in a form of information that complies with Art. 64 Guideline 2009/65/EG.

#### **1.4 Tax information**

Investors and interested parties are strongly recommended to seek advice from their tax adviser regarding the tax consequences in Germany and outside of Germany of purchasing and holding units of the fund as well as of disposing of units resp. rights. The Management Company will not be liable for the occurrence of specific tax events. The type of taxation and the level of the taxable income is subject to verification by the Federal Office of Finance.

## **2 Distribution in Switzerland**

### **2.1 Qualified Investor**

The Fund can be distributed in Switzerland only to qualified investors according to Art. 10 Abs. 3, 3bis and 3ter CISA.

The representative in Switzerland is LLB Swiss Investment AG, Claridenstrasse 20, 8022 Zürich.

### **2.2 Paying agent**

Paying agent in Switzerland is Bank Linth LLB AG, Zürcherstrasse 2, 8730 Uznach.

### **2.3 Reference point of the relevant documents and publications**

Investors can obtain the prospectus, the Trust Agreement, the key investor information document (KIID) as well as the annual and semi-annual reports free of charge from the representative as well as from the paying agent in Switzerland.

### **2.4 Payment of retrocessions and rebates**

The Fund resp. the Management Company, as well as its agents, may pay retrocessions as compensation for the distribution activity of fund units in or from Switzerland. These commissions relate to any offering or advertisement for investment funds, including any kind of activity aimed at selling investment funds, especially like the organisation of roadshows, the participation to conferences and events, the creation of marketing material, the education of distribution partners, etc.

Retrocessions should not be considered as rebates even if they are completely or partially redistributed to the investors.

Those who receive retrocessions shall make sure that transparent disclosure and information is provided to the investors free of charge, regarding the level of commissions that they may receive for the distribution.

On request, those who receive retrocessions shall disclose the actual amounts that they have received for the distribution of the investors' Fund.

The Fund resp. the Management Company as well as its agents, do not pay any rebates for distribution in or from Switzerland in order to reduce the actual fees and costs charged to the Fund and consequently to the investors.

### **2.5 Jurisdiction and competent court**

The jurisdiction and competent court for units distributed in and from Switzerland are the domicile of the representative.

### **2.6 Language**

For the legal relationship between the Fund and the investors in Switzerland, the German version of the Fund Prospectus shall prevail.