

## **Craton Capital Funds**

Trust Agreement including sub-fund-specific Annexes and Prospectus

UCITS under Liechtenstein law in the legal form of a trust  
(hereinafter the "UCITS")

### **UCITS V**

(Umbrella structure comprising one or more sub-funds)

Status: 01.03.2023

## The Organisation of the UCITS at a Glance

Management Company	1741 Fund Management AG Bangarten 10 FL-9490 Vaduz
Board of Directors	Current status according to the commercial register at the registered office: Office of Justice ( <i>Amt für Justiz</i> , AJU), FL-9490 Vaduz
Management	Current status according to the commercial register at the registered office: Office of Justice ( <i>Amt für Justiz</i> , AJU), FL-9490 Vaduz
Asset Manager	For all sub-funds: Craton Capital Advisory (Pty) Ltd. Suite 3, Building 4 Albury Office Park, Magalieszicht Ave Dunkeld West, 2196 Republic of South Africa
Depository	Liechtensteinische Landesbank Aktiengesellschaft Städtle 44 FL-9490 Vaduz
Distributor in Liechtenstein	1741 Fund Management AG Bangarten 10 FL-9490 Vaduz
Performing the Transfer Agent Function	Liechtensteinische Landesbank Aktiengesellschaft Städtle 44 FL-9490 Vaduz
Promoter	Craton Capital Advisory (Pty) Ltd. Suite 3, Building 4 Albury Office Park, Magalieszicht Ave Dunkeld West, 2196 Republic of South Africa
Auditor	PricewaterhouseCoopers AG Neumarkt 5/ Vadianstrasse 25a CH-9001 St. Gallen
Point of contact and information for ➤ Germany ➤ Austria ➤ Luxembourg	1741 Fund Management AG Bangarten 10 FL-9490 Vaduz
Representative in Switzerland	1741 Fund Solutions AG Burggraben 16 CH-9000 St. Gallen
Paying Agent in Switzerland	Tellco AG Bahnhofstrasse 4 CH-6431 Schwyz

## The UCITS at a Glance

Name of the UCITS	Craton Capital Funds
Legal structure	The UCITS in the legal form of a trust (“collective trusteeship”) pursuant to the law of 28 June 2011 concerning specific undertakings for collective investment in transferable securities (UCITSG)
Umbrella structure	Umbrella structure with 2 sub-funds
Country of incorporation	Liechtenstein
Date of incorporation of the UCITS	12 November 2003
Financial year	The financial year of the UCITS commences on 1 January and ends on 31 December.
Invoicing currency of the UCITS	USD
Competent supervisory authority	Financial Market Authority Liechtenstein (FMA); <a href="http://www.fma-li.li">www.fma-li.li</a>

## Notice to Investors / Sale Restrictions

Units of the UCITS are purchased on the basis of the Prospectus, the Trust Agreement and the Key Investor Information Document (the "KIID") - as well as the latest annual report and, if already published, the subsequent semi-annual report. Only the information contained in the Prospectus and in particular in the Trust Agreement including Annex A are valid. Upon acquisition of the units, they are deemed to have been approved by the Investor.

This Prospectus does not constitute an offer or invitation to subscribe for units of the UCITS by any person in any jurisdiction in which such offer or invitation is unlawful or in which the person making such offer or invitation is not qualified to do so or is doing so vis-à-vis a person to whom it is unlawful to make such offer or invitation. Information not contained in this Prospectus and Trust Agreement or documents available to the public is deemed to be unauthorised and is not reliable. Potential investors should inform themselves about possible tax consequences, legal requirements and possible foreign currency restrictions or controls applicable in their countries of citizenship, residence or domicile which may be relevant to the subscription, holding, conversion, redemption or disposal of units. Further tax considerations are explained in Section 11 "Tax Regulations". Annex B "Specific Information for Individual Countries of Distribution" contains information regarding the distribution in various countries. The units of the UCITS are not authorised for distribution in all countries of the world. In the case of the issue, conversion and redemption of units abroad, the provisions applicable there shall be applied.

Units of the sub-funds may not be offered, sold or delivered, in particular within the USA. The units have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or under the securities laws of any state or regional corporation of the United States of America or any of its territories, possessions or other areas subject to its jurisdiction, including the Commonwealth of Puerto Rico (the "United States").

The units may not be offered, sold or otherwise transferred in the United States or to, or for the account of, US persons (as defined in the 1933 Act). 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 requirements of the 1933 Act pursuant to Regulation S thereunder.

The Management Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended from time to time, or any other US federal law. Accordingly, the units will not be offered, sold or otherwise transferred in the United States or to, or for the account of, US persons (as defined in the 1933 Act).

The units have not been approved or disapproved by the US Securities and Exchange Commission (the "SEC") or any other supervisory authority in the United States and neither the SEC nor any other supervisory authority in the United States has passed a decision regarding the accuracy or adequacy of this Prospectus or the merits 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 restricted in other jurisdictions.

Units of the sub-funds may also not be offered, sold or delivered to US citizens or residents and/or other individuals or entities whose income and/or proceeds, regardless of their source, are subject to US income tax, financial institutions that do not comply with the provisions of the Foreign Account Tax Compliance Act ("FATCA", in particular Sections 1471 - 1474 of the U.S. Internal Revenue Code and any agreement with the United States of America on cooperation for a facilitated implementation of FATCA, as applicable) and do not register with the U.S. Internal Revenue Service as a FATCA Participating Institution to the extent required to do so, as well as persons, to which units are not offered, sold or delivered, who qualify as U.S. persons under Regulation S of the 1933 U.S. Securities Act and/or the U.S. Commodity Exchange Act, as amended from time to time. The sub-funds may therefore not be acquired by the following investors in particular (not an exhaustive list):

- US citizens, including dual citizens;
- Persons who reside or have a domicile in the USA;
- Persons who are residents of the USA (Green Card Holders) and/or whose principal place of residence is in the USA;
- US resident companies, trusts, estates, etc.;
- Companies that qualify as transparent for US tax purposes and have investors named in this section, as well as companies whose income is attributed to an investor named in this section as part of a consolidated assessment for US tax purposes;
- Financial institutions that do not comply with the provisions of the Foreign Account Tax Compliance Act ("FATCA", in particular Sections 1471 - 1474 of the U.S. Internal Revenue Code and any agreement with the United States of America on cooperation to facilitate the implementation of FATCA, as applicable) and do not register with the U.S. Internal Revenue Service as an institution participating in FATCA, as required; or
- US persons as defined in Regulation S under the United States Securities Act 1933, as amended from time to time.

Generally, units of the UCITS may not be offered in jurisdictions in which, or to persons to whom, this is not permitted.

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## **Part I: The Prospectus**

The issue and redemption of units of the relevant sub-fund shall be carried out on the basis of the Trust Agreement currently in force and Annex A “Sub-funds Overview”. This Trust Agreement is supplemented by the latest annual report. If the reporting date of the annual report is more than eight months ago, the half-yearly report is also to be offered to the purchaser. The Key Information Document (KID) has to be made available to the Investor free of charge in good time before the purchase of units.

It is not permitted to provide information or make statements that deviate from the Prospectus, the Trust Agreement, Annex A “Sub-funds Overview” or the Key Information Document. The Management Company is not liable if and to the extent that information or statements are made which deviate from the current Prospectus, Trust Agreement or the Key Information Document.

The Prospectus and Trust Agreement, including Annex A “Sub-funds Overview”, are presented here in one document. The main founding document of the Fund is the Trust Agreement including Annex A “Sub-funds Overview”. Only the Trust Agreement, including the special provisions on the investment policy in Annex A “Sub-funds Overview” is subject to substantive legal review by the Liechtenstein Financial Market Authority.

### **1 Sales Documents**

The Prospectus, the Key Information Document, the Trust Agreement and Annex A “Sub-funds Overview” as well as the latest annual and semi-annual reports, insofar as they have already been published, are available free of charge on a durable medium at the Management Company, the Depositary, the Paying Agents and from all authorised distributors in Liechtenstein and abroad as well as on the website of the LAFV Liechtenstein Investment Fund Association at [www.lafv.li](http://www.lafv.li).

At the request of an Investor, the aforementioned documents also have to be made available to him free of charge in paper form. Further information on the UCITS or its sub-funds can be obtained from the Management Company during business hours.

### **2 The Trust Agreement**

The Trust Agreement comprises a general part and the Annex A “Sub-funds Overview”. The Trust Agreement and Annex A “Sub-funds Overview” are printed in full. The Trust Agreement and Annex A “Sub-funds Overview” may be amended or supplemented in whole or in part by the Management Company at any time. Amendments to the Trust Agreement and Annex A “Sub-funds Overview” require the prior approval of the FMA.

Any amendment to the Trust Agreement and to Annex A “Sub-funds Overview” will be published in the official medium of publication of the UCITS and will thereafter be legally binding on all Investors. The official medium of publication of the UCITS is the website of the LAFV Liechtenstein Investment Fund Association [www.lafv.li](http://www.lafv.li).

### **3 General Information on the UCITS**

The investment fund Craton Capital Funds (hereinafter: UCITS) was established on 12 November 2003 as an undertaking for collective investment in transferable securities (UCITS) under the laws of the Principality of Liechtenstein.

The Trust Agreement and Annex A “Sub-funds Overview” were approved by the FMA on 2 September 2003 and the UCITS was entered in the Liechtenstein Public Register on 10 September 2003.

The Trust Agreement and Annex A “Sub-funds Overview” entered into force for the first time on 28 June 2012.

The UCITS is a legally dependent undertaking for collective investment in transferable securities of the open-ended type and is subject to the law of 28 June 2011 on certain undertakings for collective investment in transferable securities (hereinafter: UCITSG).

The UCITS has the legal form of a collective trusteeship. A collective trusteeship is the entering into a substantively identical trusteeship with an indefinite number of Investors for the purposes of making and managing investments for the account of the investors, whereby the individual investors participate in accordance with their share in this trusteeship and are only personally liable up to the amount of the investment.

The UCITS is an umbrella structure which may comprise several sub-funds. The various sub-funds are separated in terms of assets and liability.

The management of the UCITS consists primarily in investing the funds raised from the public for collective account in accordance with the principle of risk spreading in transferable securities and/or in other liquid financial assets in accordance with Art. 51 UCITSG. The UCITS and each of its sub-funds constitute a separate fund for the benefit of its

Investors. In the event of the dissolution and bankruptcy of the Management Company, the separate fund will not form part of the bankruptcy estate of the Management Company.

The investment objects in which the Management Company may invest the money and the provisions with which it must comply are set out in the UCITSG, the Trust Agreement and Annex A "Sub-funds Overview", which govern the legal relationship between the owners of the units (hereinafter "Investor"), the Management Company and the Depositary. Unless otherwise provided for in the UCITSG, the legal relationships between the Investors and the Management Company will be governed by the Trust Agreement and, insofar as no provisions are made therein, by the provisions of the Persons and Companies Act (*Personen- und Gesellschaftsrechts*; PGR) on trusteeship. The Trust Agreement comprises a general part (the Trust Agreements) and Annex A "Sub-funds Overview". The Trust Agreement and Annex A "Sub-funds Overview" and any amendments thereto require the approval of the Financial Market Authority Liechtenstein (FMA) in order to become effective.

#### **4 General Information regarding the Sub-funds**

The Investors participate in the respective sub-fund assets of the UCITS in proportion to the units they have acquired.

The units are not securitised, but are only represented by book-entries, i.e. no certificates are issued. There is no provision for a meeting of the Investors. By subscribing or acquiring units, the Investor acknowledges the Trust Agreement and Annex A "Sub-funds Overview". Investors, heirs or other beneficiaries may not demand the division or dissolution of the UCITS. The details of the individual sub-funds are described for each respective sub-fund in Annex A "Sub-funds Overview".

The Management Company may decide at any time to launch further sub-funds and to amend the Prospectus and Trust Agreement including Annex A "Sub-funds Overview" accordingly.

All units of a sub-fund do in principle embody the same rights unless the Management Company decides to issue different classes of units within a sub-fund in accordance with Art. 26 the Trust Agreement.

Each sub-fund is deemed to be a separate fund in relation to the others. The rights and obligations of the Investors in one sub-fund are separate from those of the Investors in the other sub-funds.

In relation to third parties, the assets of each sub-fund are only liable for liabilities incurred by the relevant sub-fund.

This Prospectus and Trust Agreement, including Annex A "Sub-funds Overview", apply to all sub-funds of Craton Capital Funds. The UCITS is currently offering the following sub-funds for subscription:

- Craton Capital Precious Metal Fund
- Craton Capital Global Resources Fund

##### **4.1 Term of the Individual Sub-funds**

The term of a sub-fund is set out in Annex A "Sub-funds Overview" for each of the respective sub-funds.

##### **4.2 Classes of Units**

The Management Company may decide to create several classes of units within a sub-fund.

According to Art. 26 of the Trust Agreement of the UCITS, classes of units may be formed in the future which differ from the existing classes of units with regard to the use of income, the issue premium, the reference currency and the use of currency hedging transactions, the management fee, the minimum investment amount or a combination of these features. However, the rights of Investors who have acquired units in existing classes of units remain unaffected.

Any classes of units issued in connection with each sub-fund and the fees and remunerations payable in respect of the units of the sub-funds are set out in Annex A "Sub-funds Overview". Further information on the classes of units can be found in Section 9.2.

##### **4.3 Past Performance of the Sub-funds**

The past performance of the individual sub-funds or classes of units is listed on the website of the LAFV Liechtenstein Investment Fund Association at [www.lafv.li](http://www.lafv.li) or in the KIID. The past performance of a unit is no guarantee of current and future performance. The value of a unit can rise or fall at any time.

#### **5 Organisation**

##### **5.1 Country of Residence / Competent Supervisory Authority**

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

## **5.2 Legal Relationships**

The legal relationship between the Investors and the Management Company is governed by the Law of 28 June 2011 on Undertakings for Collective Investment in Transferable Securities (UCITSG) and the Ordinance of 5 July 2011 on Undertakings for Collective Investment in Transferable Securities (UCITSV) and, to the extent that no provisions are made therein, by the provisions of the Persons and Companies Act (PGR) on trusteeship.

## **5.3 Management Company**

1741 Fund Management AG (hereinafter: Management Company), Bangarten 10, FL-9490 Vaduz, commercial register number FL-0002.456.004-7.

The Management Company was established on 24 May 2013 in the form of a public limited company with its registered office and head office in Vaduz, Principality of Liechtenstein, for an unlimited duration. The Management Company is authorised by the Liechtenstein supervisory authority pursuant to Chapter III of the Law on Undertakings for Collective Investment and is entered on the official list of Liechtenstein management companies.

The share capital of the Management Company amounts to 2.8 million Swiss francs and is 100 % paid up.

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

The Management Company manages the UCITS for the account and in the exclusive interest of the Investors in accordance with the principle of risk spreading and in accordance with the provisions of the Trust Agreement and Annex A "Sub-funds Overview".

The Management Company is vested with the most extensive rights to perform all administrative and managerial acts on its behalf for the account of the Investors. In particular, it is entitled to buy, sell, subscribe to and transferable securities and other assets and to exercise all rights directly or indirectly connected with the assets of the UCITS.

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

1741 Fund Management AG is subject to the regulatory requirements applicable to management companies under the Law on Undertakings for Collective Investment in Transferable Securities (UCITSG) with regard to the design of its remuneration policies and practices. The Management Company has regulated the detailed structure in an internal directive on remuneration policy and practice, the aim of which is to ensure a sustainable remuneration system while avoiding misdirected incentives to take excessive risks. The remuneration policies and practices of the Management Company will be reviewed at least annually by the members of the Board of Directors for appropriateness and compliance with all legal requirements. They comprise fixed and variable (performance-related) remuneration elements.

The Management Company has established a remuneration policy which is consistent with its business and risk policies. In particular, no incentives are created to take excessive risks. Either the overall result of the Management Company and/or the personal performance of the relevant employee and his/her department are included in the calculation of the performance-related remuneration. The focus of the target achievement determined within the scope of the personal performance appraisal is in particular on a sustainable business development and the protection of the company against excessive risks. The variable remuneration elements are not linked to the performance of the funds managed by the Management Company. Voluntary employer fringe benefits or benefits in kind are permissible.

Furthermore, by setting ranges for the total remuneration, it is ensured that there is no significant dependence on the variable remuneration as well as an appropriate ratio of variable to fixed remuneration. The amount of the fixed salary component is designed in such a way that an employee can cover his or her living expenses with the fixed salary component in isolation if he or she is employed 100% (taking into account salaries in line with the market). The members of the Board of Directors and the Chairman of the Board of Directors have the final decision on the allocation of the variable remuneration. The Board of Directors is responsible for reviewing the remuneration principles and practices.

Special rules apply to the members of the management of the Management Company and employees whose activities have a significant influence on the overall risk profile of the Management Company and the funds managed by it (Risk Takers). Employees who can exert a decisive influence on the risk and business policy of the Management Company have been identified as Risk Takers.

Further details of the current remuneration policy are published in the Fund's annual reports. At the Investor's request, the information will also be made available to him or her by the Management Company in paper form free of charge.

## **5.4 Board of Directors**

Chairman: Dr Benedikt Czok

Members: Everardo Gemmi  
Prof. Dr Dirk Zetsche

## 5.5 Management

Chairman: Markus Wagner

Member: Stefan Schädler

## 5.6 Asset Manager

The asset manager for all sub-funds of the UCITS is Craton Capital Advisory (Pty) Ltd, Suite 3, Building 4, Albury Office Park, Magalieszicht Ave, Dunkeld West, 2196, Republic of South Africa. The company focuses on investment and asset management for institutional and private clients. The exact performance of the mandate is governed by an asset management agreement concluded between the Management Company and Craton Capital Advisory (Pty) Ltd, Republic of South Africa.

## 5.7 Depositary

The Depositary for the UCITS is Liechtensteinische Landesbank AG, Städtle 44, FL-9490 Vaduz.

The Depositary holds the financial instruments eligible for custody for the account of the UCITS. It may entrust them in whole or in part to other banks, financial institutions and recognised clearing houses that meet the legal requirements for safekeeping.

The function of the Depositary and its liability are governed by the law of 28 June 2011 on undertakings for collective investment in transferable securities (UCITSG) and the corresponding ordinance, as amended from time to time, the depositary agreement, and the constituent documents of the UCITS. It acts independently of the Management Company and exclusively in the interests of the Investors.

The UCITSG provides for a separation of the management and custody of the UCITS. The Depositary holds the financial instruments eligible for custody in separate accounts opened in the name of the UCITS or the Management Company acting on behalf of the UCITS and monitors whether the Management Company's instructions concerning the assets comply with the provisions of the UCITSG and the constituent documents. For these purposes, the Depositary will specifically monitor the UCITS' compliance with the investment restrictions and leverage limits.

It will also keep the unit register of the Fund or the sub-funds on behalf of the Management Company.

The duties of the Depositary are governed by Art. 33 UCITSG. The Depositary will ensure that

- The sale, issue, redemption, payment and cancellation of units of the UCITS is carried out in accordance with the provisions of the UCITSG and the constituent documents;
- The units of the UCITS are valued in accordance with the provisions of the UCITSG and the constituent documents;
- In the case of transactions involving assets of the UCITS, the equivalent value is transferred to the UCITS within the usual time limits;
- The income of the UCITS is applied in accordance with the provisions of the UCITSG and the constituent documents;
- The cash flows of the UCITS are properly monitored and, in particular, to ensure that all payments made by Investors or on behalf of Investors when subscribing units of a UCITS have been received and that all money of the UCITS has been accounted for in accordance with the provisions of the UCITSG and the constituent documents.

### Sub-custody

The Depositary may delegate the custody task to other companies (sub-depositaries).

The assets held for the account of the UCITS may be held in safe custody by the sub-depositaries listed on the website of Liechtensteinische Landesbank AG at [www.llb.li](http://www.llb.li).

No conflicts of interest arise from this transfer.

### Information about the Depositary

Investors in the UCITS may at any time personally request from the Depositary, free of charge, up-to-date information on the Depositary's tasks and duties, the sub-depositaries, the possible conflicts of interest in connection with the activities of the depositaries and the sub-depositaries, as well as information on the UCITS at the contact details mentioned above.

The Depositary is subject to the provisions of the Liechtenstein FATCA Agreement as well as the corresponding implementing provisions in the Liechtenstein FATCA Act.

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

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

The UCITS and the Management Company shall have their business activities audited annually by an auditor who is independent of them and recognised by the FMA pursuant to the UCITSG.

## **6 General Investment Principles and Investment Restrictions**

The respective sub-fund assets will be invested in compliance with the principle of risk spreading within the meaning of the rules of the UCITSG and as provided for in Article Art. 27 of the Trust Agreement as well as in accordance with the investment policy principles described in Annex A “Sub-funds Overview” and within the investment restrictions.

### **6.1 Objective of the Investment Policy**

The objective of the investment policy of each sub-fund is described in Annex A “Sub-funds Overview”.

### **6.2 Investment Policy of the Sub-Funds**

The sub-fund-specific investment policy is described for each respective sub-fund in Annex A “Sub-funds Overview”.

The general investment principles and investment restrictions set out in Art. 28 of the Trust Agreement apply to all sub-funds unless deviations or additions are included for all sub-funds in Annex A “Sub-funds Overview”.

### **6.3 Invoicing / Reference Currency of the Sub-Fund**

The invoicing currency of the sub-fund and the reference currency per class of units are set out in Annex A “Sub-funds Overview”.

The invoicing currency is the currency in which the sub-fund's accounts are being kept. The reference currency is the currency in which the performance and net asset value of the classes of units are being calculated. Investments are made in the currencies that are best suited to the performance of the respective sub-fund.

### **6.4 Profile of the Typical Investor**

The profile of the typical Investor of the UCITS is described in Annex A “Sub-funds Overview”.

## **7 Investment Regulations**

### **7.1 Permitted Investments**

Each sub-fund may invest the assets for the account of its Investors exclusively in one or more of the following assets:

#### **7.1.1 Transferable Securities and Money Market Instruments:**

- a) which are traded on a regulated market within the meaning of Art. 4(1), no. 21 of Directive 2014/65/EU;
- b) traded on another regulated market of an EEA Member State which is recognised, open to the public and functions regularly;
- c) officially listed on a stock exchange of a third country or traded on another market of a European, American, Asian, African or Oceanic country, which is recognised, open to the public and functions regularly.

#### **7.1.2 Recently issued transferable securities, provided that:**

- a) the terms and conditions of issue contain the obligation that admission to official listing or to trading on one of the stock exchanges mentioned in Section 7.1.1. a) to c) or on a regulated market mentioned therein has been applied for, and
- b) this authorisation is obtained before the expiry of one year after the issue at the latest.

- 7.1.3 Units of UCITS and other undertakings for collective investment comparable to UCITS within the meaning of Art. 3 para. 1 no. 17 UCITSG, provided that according to their constituent documents they may invest a maximum of 10% of their assets in units of another UCITS or comparable undertakings for collective investment;
- 7.1.4 Sight deposits or deposits at notice, maturing within twelve months at the latest, with credit institutions that have their registered office in an EEA member state or a third state whose supervisory regulation is equivalent to that of EEA law;
- 7.1.5 Derivatives whose underlying asset are investment assets within the meaning of Art. 51 UCITSG or financial indices, interest rates, exchange rates or currencies. If the transactions involve OTC derivatives, the counterparties must be institutions subject to prudential supervision and belonging to a category approved by the FMA, and the OTC derivatives must be subject to reliable and verifiable valuation on a daily basis and must be able to be sold, liquidated or closed by an offsetting transaction at any time, on the initiative of the UCITS, at the appropriate fair value;
- 7.1.6 Money market instruments, other than those traded on a regulated market, provided that the issue or the issuer of these instruments is subject to provisions for the protection of deposits and investors, on the condition that they are:
  - a) issued or guaranteed by a central, regional or local authority or the central bank of an EEA Member State, the European Central Bank, the Community or the European Investment Bank, a third country or, insofar as this is a Federal State, by one of the member states of the federation or a public international body to which at least one EEA Member State belongs;
  - b) issued by an undertaking of which the securities are traded on the regulated markets referred to in Section 7.1.1. lit. a) ;
  - c) issued or guaranteed by an institution subject to prudential supervision according to criteria established under EEA law, or an institution that is subject to and complies with regulations of prudential supervision equivalent to EEA law; or
  - d) issued by an issuer that belongs to one of the categories approved by the FMA, provided that investments in such instruments are subject to investor protection rules equivalent to those laid down in nos. a) to c), and the issuer is either an undertaking with capital and reserves of at least 10 million euro or the equivalent in Swiss Francs and which presents and publishes its annual statement of accounts in accordance with the provisions of Directive 78/660/EEC, implemented in Liechtenstein by PGR, or is an entity that is part of a group and is responsible for the financing of that group of companies, which includes at least one stock exchange-listed company, or an entity dedicated to the financing of securitisation vehicles which benefit from a line of credit granted by a bank.

The Management Company may also hold liquid assets.

## **7.2 Non-permitted Investments**

The Management Company may not:

- 7.2.1. invest more than 10 % of its assets per sub-fund in transferable securities and money market instruments other than those listed in Section 7.1;
- 7.2.2. acquire precious metals or certificates representing precious metals;
- 7.2.3. engage in uncovered short selling.

## **7.3 Investment Limits**

**The following investment limits must be complied with for each sub-fund individually:**

- 7.3.1 Each sub-fund may invest no more than 5% of its assets in transferable securities or money market instruments issued by the same institution and no more than 20% of its assets in deposits issued by the same issuer.
- 7.3.2. The counterparty risk arising from a sub-fund's transactions in OTC derivatives with a credit institution as counterparty which has its registered office in an EEA Member State or a third country whose supervisory regulation

is equivalent to EEA law may not exceed 10% of the sub-fund's assets; in the case of other counterparties, the maximum credit risk is 5% of the assets.

- 7.3.3. Provided that the total value of the transferable securities and money market instruments of the issuers in each of which the sub-fund invests more than 5% of its assets does not exceed 40% of its assets, the issuer limit of 5% referred to in Section 7.3.1. is raised to 10%. The 40% limit does not apply to deposits or to OTC derivative transactions with regulated financial institutions. If the increase option is used, the transferable securities and money market instruments pursuant to Section 7.3.5. and bonds pursuant to Section 7.3.6. are not taken into account.
- 7.3.4. Notwithstanding the individual limits set out in Sections 7.3.1. and 7.3.2., a sub-fund may not combine the following if doing so would result in more than 20% of its assets being invested with the same institution:
- a) Transferable securities or money market instruments issued by that institution;
  - b) Deposits with that institution;
  - c) OTC derivatives acquired by this institution.
- 7.3.5. If the transferable securities or money market instruments are issued or guaranteed by an EEA Member State or its local authorities, by a non-EEA Member State or by a public international body of which at least one EEA Member State is a member, the limit of 5% referred to in Section 7.3.1. is raised to a maximum of 35%.
- 7.3.6. Where bonds are issued by a credit institution which has its registered office in an EEA Member State and which, by virtue of statutory provisions for the protection of such bonds' holders, is subject to special public supervision and, in particular, is required to invest the proceeds from the issue of these bonds in assets that, during the full period of validity of the bonds, are sufficient to cover the liabilities arising to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of principal and interest, the limit of 5 % specified in Section 7.3.1. is increased to a maximum of 25 % for such bonds. In this case, the total value of the investments may not exceed 80% of the sub-fund's assets.
- 7.3.7. The limits set out in Sections 7.3.1. to 7.3.6. may not be combined. The maximum issuer limit shall be 35% of the assets per sub-fund.
- 7.3.8. In deviation from Section 7.3.3. and in accordance with Art. 56 UCITSG, up to 100% of the assets may be invested in transferable securities and money market instruments of various issues that are issued or guaranteed by one and the same government issuer in accordance with the principle of risk spreading. The sub-fund must hold transferable securities from at least six different issues, with securities from any one issue not exceeding 30% of the total amount of its assets.
- 7.3.9. The Management Company may invest more than 35% of the value of a sub-fund in bonds of the following issuers on behalf of a sub-fund, provided that the issuers or guarantors are the following public bodies and organisations:
- All countries from the OECD
  - All public-law corporations from the OECD
  - 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 belonging to the same group of companies shall be deemed to be a single issuer for the purpose of calculating the "investment limits" standardised in Section 7.3. For investments in transferable securities and money market instruments of the same group of companies, the issuer limit is raised to a total of 20% of the sub-fund's assets.
- 7.3.11 A sub-fund may invest no more than 10% of its assets in units of other UCITS or other collective investment undertakings comparable to a UCITS.
- 7.3.12 The sub-funds may subscribe for, acquire and/or hold units to be issued or issued by one or more other sub-funds provided that:
- The target sub-fund does not in turn invest in the sub-fund which invests in that sub-fund; and
  - The assets' proportion which the target sub-funds whose acquisition is contemplated may, in accordance with their prospectus or instruments of incorporation, invest in aggregate in units of other target sub-funds of the same undertaking for collective investment comparable to UCITS does not exceed 10%; and
  - The voting rights, if any, attached to the transferable securities concerned are suspended for as long as they are held by the sub-fund concerned, notwithstanding any appropriate evaluation in the financial statements and periodic reports; and
  - In any event, the value of such transferable securities will be taken into account in the calculation of the net assets of the sub-fund imposed by the UCITSG for the purpose of verifying the minimum level of net assets under the UCITSG for so long as such transferable securities are held by the relevant sub-fund; and
  - There is no multiple charging of fees for the issue or redemption of units on the one hand at the level of the UCITS which has invested in the target sub-fund and on the other hand at the level of the target sub-fund.
- 7.3.13 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 linked by common management, control or qualifying holdings, neither the Management Company nor the other company may charge fees for the issue or redemption of units to or from the sub-fund assets.
- 7.3.14 A Management Company does not acquire shares carrying voting rights from the same issuer for any UCITS or sub-fund it manages, in which it would be unable to exercise a significant influence over the management of the issuer. A significant influence presumes any holding conferring over 10 % of the voting rights. If a lower threshold applies for the acquisition of shares carrying voting rights from the same issuer in another EEA Member State, this threshold shall be applicable to the Management Company, if it acquires shares of an issuer with its registered office in that EEA Member State on behalf of a UCITS or a sub-fund.
- 7.3.15 Financial instruments of the same issuer may be acquired for each sub-fund up to a limit of:
- a) 10 % of the share capital of the issuer, provided they are non-voting shares;
  - b) 10 % of the total face value of bonds or money market instruments of the issuer in circulation, where bonds or money market instruments are involved. This limit does not have to be observed if the total face value cannot be determined at the time of acquisition;
  - c) 25 % of the units of the same undertaking, where units of other UCITS or undertakings for collective investment comparable with a UCITS are involved. This specific limit does not have to be observed if the net amount cannot be determined at the time of acquisition.
- 7.3.16 Sections 7.3.14. and 7.3.15. do not apply:
- a) transferable securities and money market instruments issued or guaranteed by a sovereign State issuer;
  - b) shares held by a sub-fund in the capital of a company based in a third country, that invests its assets mainly in the securities of issuers that are resident in this third country, where under the legislation of this third country a holding of this nature represents the only way the sub-fund can invest in securities of issuers from that country. The requirements of the UCITSG shall be observed;
  - c) shares held by Management Companies in the capital of their subsidiary companies that organise the redemption of shares at the request of Investors, exclusively for the Management Company in the State of establishment.



In addition to the restrictions listed in Sections 7.3.1. - 7.3.16., any further restrictions contained in Annex A "Sub-funds Overview" shall be observed.

**The investment limits may be deviated from in the following cases:**

- 7.3.17 Sub-fund's assets do not have to comply with the investment limits when exercising subscription rights from transferable securities or money market instruments that are included in its assets.
- 7.3.18 In the event of the named investment limits being exceeded, the sub-fund shall strive, as a primary objective for its sales transactions, to normalise this situation taking into account the interests of Investors.
- 7.3.19 A sub-fund may derogate from the investment limits for a period of six months from being paid up. It must continue to comply with the requirement for spreading risk.

**Active violations of investment limits:**

- 7.3.20 Any loss incurred as a result of an active violation of the investment limits/investment regulations shall be reimbursed to the UCITS without delay in accordance with the applicable rules of conduct.

**7.4 Restrictions on borrowing and ban on granting loans and acting as guarantor**

- 7.4.1. Sub-fund assets may not be pledged or otherwise encumbered, transferred by way of security or assigned by way of security, except in the case of borrowings within the meaning of Section 7.4.2. below or in the case of security provided in connection with the settlement of transactions in financial instruments.
- 7.4.2. Borrowing by a sub-fund shall be limited to temporary loans where the amount borrowed does not exceed 10 % of the sub-fund assets; the limit does not apply to acquisition of foreign currency by a "back-to-back" loan.
- 7.4.3. A sub-fund may neither grant loans nor act as guarantor on behalf of third parties. Agreements in violation of this ban shall not be binding either for the sub-fund or the Investors.
- 7.4.4. Section 7.4.3. does not prevent from acquiring financial instruments not yet fully paid up.

The sub-fund has no claim against the Depositary for the granting of the maximum permissible credit facility. The sole decision as to whether, in which manner and in what amount a loan is being granted rests with the Depositary in accordance with its credit and risk policy. This policy may change under certain circumstances during the life of the sub-fund.

**7.5 Use of derivatives, techniques and instruments**

The total risk associated with derivatives may not exceed the total net value of the respective sub-fund's assets. As part of its investment strategy the Management Company may invest in derivatives within the limits established in Art. 53 UCITSG, provided that the total exposure to the underlying assets does not exceed the investment limits set in Art. 54 UCITSG. The exposure shall be calculated taking into account the market value of the underlying assets, the counterparty risk, future market fluctuations and the time available to liquidate the positions.

Provided that protection of Investors and the public interest are not compromised, investments by the UCITS in index-based derivatives do not have to be taken into account for the purposes of the upper limits referred to in Art. 54 UCITSG.

A UCITS may, subject to the approval of the FMA, employ techniques and instruments relating to transferable securities and money market instruments for the purpose of efficient portfolio management, provided that it complies with the requirements of the UCITSG.

**7.6 Risk management procedures**

The Management Company uses a basic model for calculating the risks arising from the investment instruments, in particular in relation to derivative financial instruments, and uses generally recognised calculation methods for this purpose. It has to ensure that at no time does the risk arising from derivative financial instruments exceed the total value of the portfolio and, in particular, that no positions are taken which represent an unlimited risk for the assets. When measuring the overall risk, both its counterparty risk and the leverage achieved with derivative financial instruments shall be taken into account. Combinations of derivative financial instruments and transferable securities shall also comply with these regulations at all times.

The Management Company may use the following derivative financial instruments, techniques and instruments in particular for the respective sub-fund:

## **7.7 Derivative Financial Instruments**

The Management Company may enter into derivative transactions for the sub-funds for hedging purposes, efficient portfolio management, generating additional income and as part of the investment strategy. This may increase the risk of loss of the sub-funds, at least temporarily.

The risk associated with derivative financial instruments may not exceed 100% of the respective net sub-fund assets. The overall risk may not exceed 200% of the respective net sub-fund assets. In the case of borrowings permitted under the UCITSG (Section 7.4.2.), the overall risk may not exceed 210% of the respective net sub-fund assets.

The Management Company may only use the following basic forms of derivatives or combinations of these derivatives or combinations of other assets that may be acquired for the sub-funds with these derivatives in the respective sub-funds:

- 7.7.1. Futures contracts on transferable securities, money market instruments, financial indices within the meaning of Article 9(1) of Directive 2007/16/EC, interest rates, exchange rates or currencies;
- 7.7.2. Options or warrants on transferable securities, money market instruments, financial indices within the meaning of Article 9(1) of Directive 2007/16/EC, interest rates, foreign exchange rates or currencies and on futures contracts in accordance with Section 7.7.1. if:
  - a) their exercise is possible either during the entire term or at the end of the term and;
  - b) their option value is a fraction or multiple of the difference between the strike price and the market price of the underlying and becomes zero if the difference has the other sign.
- 7.7.3. Interest rate swaps, currency swaps or cross-currency interest rate swaps;
- 7.7.4. Options on swaps in accordance with Section 7.7.3. provided they have the characteristics described in Section 7.7.2. (Swaptions);
- 7.7.5. Credit Default Swaps, provided they serve exclusively and verifiably to hedge the credit risk of precisely attributable assets of the UCITS or its sub-fund.

The above financial instruments can be independent assets, but also components of assets.

### **Futures contracts**

The Management Company may enter into futures contracts for the account of the sub-funds within the framework of the investment principles on transferable securities and money market instruments that can be acquired for the sub-funds as well as on financial indices within the meaning of Article 9 (1) of Directive 2007/16/EC, interest rates, exchange rates or currencies. Futures contracts are unconditionally binding agreements for both contracting parties to buy or sell a certain quantity of a certain underlying asset at a predetermined price on a certain date, the maturity date, or within a certain period of time.

### **Option transactions**

The Management Company may buy and sell call options and put options on transferable securities and money market instruments as well as on financial indices within the meaning of Article 9 (1) of Directive 2007/16/EC, interest rates, exchange rates or currencies and trade in warrants for the account of the sub-funds within the framework of the investment principles. Option transactions involve granting a third party, against payment (option premium), the right to demand the delivery or acceptance of assets or the payment of a differential amount during a certain period or at the end of a certain period at a price agreed in advance (strike price) or also the right to acquire corresponding option rights. The options or warrants shall provide for them to be exercised during the entire term or at the end of the term. In addition, the option value at the time of exercise shall correspond to a fraction or multiple of the difference between the strike price and the market price of the underlying and shall become zero if the difference has the other sign.

### **Swaps**

The Management Company may enter into interest rate swaps, currency swaps and cross-currency interest rate swaps for the account of the sub-funds within the framework of the investment principles. Swaps are exchange contracts in which the underlying cash flows or risks of the transaction are exchanged between the contracting parties.

### **Swaptions**

Swaptions are options on swaps. Only Swaptions consisting of the options and swaps described above may be acquired for the account of the UCITS. A Swaption is the right, but not the obligation, to enter into a swap specified regarding its

terms at a certain time or within a certain period. In all other respects, the principles set out in connection with options transactions apply.

### **Credit Default Swaps**

Credit Default Swaps are credit derivatives that allow for a potential credit default volume to be transferred to others. In return for assuming the counterparty credit risk, the seller of the risk pays a premium to its contractual partner. The Management Company may only acquire simple, standardised Credit Default Swaps for the sub-fund which are used to hedge individual credit risks in the sub-fund. In all other respects, the comments regarding swaps apply accordingly.

### **Financial instruments securitised in transferable securities**

The Management Company may also acquire the financial instruments described above if they are securitised in transferable securities. Transactions involving financial instruments may also be only partially contained in transferable securities (e.g. warrant bonds). The statements on opportunities and risks apply accordingly to such securitised financial instruments, but with the proviso that the risk of loss in the case of securitised financial instruments is limited to the value of the relative security.

### **OTC derivatives transactions**

The Management Company may enter into derivative transactions that are admitted to trading on a stock exchange or included in another organised market as well as so-called over-the-counter (OTC) transactions.

Derivatives transactions that are not admitted to trading on a stock exchange or included in another organised market may only be entered into by the Management Company with suitable credit institutions or financial services institutions on the basis of standardised framework agreements. In the case of derivatives traded over the counter, the counterparty risk in respect of a contracting party will be limited to 5% of the value of the sub-fund's assets. If the counterparty is a credit institution domiciled in the European Union, the European Economic Area or a third country with a comparable level of supervision, the counterparty risk may amount to up to 10% of the value of the sub-fund's assets. Transactions for derivatives traded over the counter concluded with a central clearing house of a stock exchange or another organised market as a contracting party are not counted towards the counterparty limits if the derivatives are subject to daily valuation at market prices with daily margin settlement.

However, claims of the sub-fund's assets against an intermediary are counted towards the limits even if the derivative is traded on a stock exchange or other organised market.

The aforementioned techniques and instruments may, if necessary, be extended by the Company if other instruments corresponding to the investment objective are offered on the market which the UCITS may use.

## **7.8 Securities Lending**

The Management Company may lend parts of the securities portfolio of the respective sub-fund to third parties ("Securities Lending"). In general, Securities Lending transactions may only be carried out through recognised clearing organisations, such as Clearstream International or Euroclear, as well as through first-class banks, securities firms, financial services institutions or insurance companies specialising in Securities Lending, within their established framework conditions. In the case of a Securities Lending transaction, the Management Company or the Depositary of the UCITS must in principle receive collateral corresponding to the volume and risk of the intended transactions, at least equal to the total valuation of the transferable securities lent and any interest accrued. Such collateral must be issued in an eligible form of financial collateral. Such collateral is not required if the Securities Lending is effected through Clearstream International or Euroclear or any other equivalent organisation whereby the UCITS is assured of being reimbursed for the value of the securities lent.

Securities on loan shall still be taken into account regarding the compliance with the investment regulations.

## **7.9 Repurchase transactions**

The Management Company does not engage in any repurchase transactions.

## **7.10 Borrowing**

Borrowing by a sub-fund shall be limited to temporary loans where the amount borrowed does not exceed 10 % of the sub-fund assets; the limit does not apply to acquisition of foreign currency by a "back-to-back" loan.

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

### **General provisions**

In connection with OTC financial derivative transactions and efficient portfolio management techniques, the Management Company may accept collateral in the name and for the account of the sub-fund in order to reduce its counterparty risk. Collateral received shall be placed with the Depository or its delegate on behalf of the sub-fund. This Section sets out the collateral policy applied by the Management Company in such cases. All assets received by the Management Company in the name and for the account of the sub-fund under efficient portfolio management techniques (Securities Lending, repurchase agreements, reverse repurchase agreements) are to be treated as collateral for the purposes of this Section.

### **Eligible collateral**

The Management Company may use the collateral it accepts to reduce counterparty risk if it complies with the criteria set out in the applicable laws, regulations and guidelines issued by the FMA, in particular with regard to liquidity, valuation, creditworthiness of the issuer, correlation, risks associated with the management of collateral and its realisability. Collateral should meet the following conditions in particular:

Any collateral other than cash should be of good quality, highly liquid and traded on a regulated market or multilateral trading system with transparent pricing so that it can be sold quickly at a price that approximates the pre-sale valuation.

It should be valued at least daily, and assets that exhibit high price volatility should only be accepted as collateral if they have been subject to proper conservative haircuts.

It should be issued by an entity that is independent of the counterparty and that is not expected to have a strong correlation with the performance of the counterparty.

It should be sufficiently broadly diversified across countries, markets and issuers, with a maximum combined exposure of 20% of the sub-fund's net asset value (NAV) to individual issuers, taking into account any collateral received. A sub-fund may derogate from this in accordance with the provisions set out in Sections 7.3.5 - 7.3.7 above.

It should be realisable by the Management Company at any time without recourse to or approval by the counterparty.

### **Amount of collateral**

The Management Company will determine the required level of collateral for OTC derivative transactions and efficient portfolio management techniques by reference to the counterparty risk limits applicable according to the Prospectus and taking into account the nature and characteristics of the transactions, the creditworthiness and identity of the counterparties and prevailing market conditions.

### **Rules for haircuts**

Collateral is valued on a daily basis using available market prices and taking into account proper conservative haircuts determined by the Management Company for each asset class based on its rules for haircuts. Depending on the type of collateral received, these rules take into account various factors such as the creditworthiness of the issuer, the maturity, the currency, the price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the Investment Company under normal and exceptional liquidity conditions. The table below sets out the haircuts which the Management Company considers appropriate as at the date of this Prospectus. These values are subject to change.

<b><i>Hedging instrument</i></b>	<b><i>Valuation multiplier (%)</i></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 (bonds issued or explicitly guaranteed by the following countries (does not include, for example, implicitly guaranteed liabilities): Austria, Belgium, Denmark, France, Germany, the Netherlands, Sweden, the United Kingdom and the USA, provided that these countries each have a minimum rating of AA-/Aa3 and such bonds can be marked to market on a daily basis.</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 (bonds issued or explicitly guaranteed by a company (other than a financial institution) that (i) have a minimum rating of AA-/Aa3, (ii) have a maximum residual maturity of 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

<b><i>Hedging instrument</i></b>	<b><i>Valuation multiplier (%)</i></b>
<i>Maturity &gt; 5 years and residual maturity ≤ 10 years</i>	80

### **Investment of collateral**

If the Management Company accepts collateral in any form other than cash, it may not sell, invest or encumber such collateral.

If the investment company accepts collateral in the form of cash, this may be:

- a) invested as deposits with credit institutions which have their registered office in a Member State or, if their registered office is in a third country, are subject to conservative prudential rules considered by the FMA to be equivalent to the prudential rules of Community law;
- b) invested in government bonds of first-class quality;
- c) used for reverse repurchase agreements, provided that the transactions are carried out with credit institutions subject to conservative supervision and the Management Company is able at any time to claim the full amount of the cash including any amounts accrued thereon; and/or
- d) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

The cash collateral invested should be diversified in accordance with the diversification requirements applicable to collateral other than cash described above.

A sub-fund may incur losses on the investment of cash collateral received by it. Such a loss may result from a value decrease of the investment made with the cash collateral received. If the value of the cash collateral invested falls, this will reduce the amount of collateral available to the sub-fund for return to the counterparty when the transaction was entered into. The sub-fund would have to cover the difference in value between the collateral originally received and the amount available for return to the counterparty, resulting in a loss to the sub-fund.

### **7.12 Investments in units of other UCITS or in other undertakings for collective investment comparable to a UCITS**

A sub-fund may invest no more than 10% of its assets in units of other UCITS or in other collective investment undertakings comparable to a UCITS. Such other collective investment undertakings may, according to their prospectus or constitutive documents, invest no more than 10% of their assets in units of another UCITS or other comparable collective investment undertaking. Accordingly, the sub-funds do not have a funds-of-funds structure.

Investors' attention is drawn to the fact that additional indirect costs and fees are incurred at the level of the indirect investments, as well as remunerations and fees charged, which are, however, charged directly to the individual indirect investments.

Where 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 linked by common management, control or qualified holdings, neither the Management Company of the UCITS nor the other company may charge fees for the issue or redemption of units to or from the UCITS.

## **8 Risk Information**

### **8.1 Sub-fund-specific Risks**

The performance of the units depends on the investment policy as well as on the market development of the individual investments of the respective sub-fund and cannot be determined in advance. In this context, it should be noted that the value of the units may rise or fall at any time compared to the issue price. There can be no guarantee that the Investor will recover his or her invested capital.

The sub-fund-specific risks of the individual sub-funds can be found in Annex A "Sub-funds Overview".

### **8.2 General Risks**

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

All investments in the sub-funds are associated with risks. These risks may include *inter alia*, or be associated with, equity and bond market risks, exchange rate risks, interest rate risks, credit risks, volatility risks and political risks. Each of these risks can also occur together with other risks. Some of these risks are briefly discussed in this Section. It should be noted, however, that this is not an exhaustive list of all possible risks.

Potential Investors should be aware of the risks associated with an investment in the units and should not make an investment decision until they have obtained comprehensive advice from their legal, tax and financial advisors, auditors or other experts on the suitability of an investment in units of a sub-fund of this UCITS, taking into account their personal financial and tax situation and other circumstances, the information contained in this Prospectus and the Trust Agreement as well as the investment policy of the respective sub-fund.

### **Derivative Financial Instruments**

The UCITS or the sub-funds may use financial derivative instruments. These can be used not only for the hedging purpose, but can also form part of the investment strategy. The use of derivative financial instruments for hedging purposes can change the general risk profile through correspondingly lower opportunities and risks. The use of derivative financial instruments for investment purposes can have an impact on the general risk profile through additional opportunities and risks.

Derivative financial instruments are not investment instruments in their own right, but are rights the valuation of which is derived primarily from the fluctuations of prices of and market expectations regarding an underlying instrument. Investments in derivatives are subject to general market risk, management risk, credit risk and liquidity risk.

Due to the special features of the derivative financial instruments, however, the risks mentioned may be of a different nature and may in some cases be higher than the risks associated with an investment in the underlying instruments.

Therefore, the use of derivatives requires not only an understanding of the underlying instrument, but also a sound knowledge of the derivatives themselves.

Financial derivative instruments also carry the risk that the UCITS or the relevant sub-fund may incur a loss because another party to the financial derivative instrument (usually a “counterparty”) fails to meet its obligations.

The credit risk for derivatives traded on an stock exchange is generally lower than the risk for derivatives traded over the counter, as the clearing house acting as issuer or counterparty of each derivative traded on a stock exchange provides a settlement guarantee. To reduce the overall counterparty risk, this guarantee is supported by a daily payment system maintained by the clearing house in which the assets required for cover are calculated. For over the counter derivatives, there is no comparable clearing house guarantee and the UCITS shall take into account the creditworthiness of each counterparty to an over the counter derivative when assessing the potential credit risk.

There are also liquidity risks, as certain instruments may be difficult to buy or sell. If derivative transactions are particularly large or if the relevant market is illiquid (as may be the case with over the counter derivatives), transactions may not be able to be fully executed at all times or a position may only be able to be liquidated at increased cost.

Further risks in connection with the use of derivatives lie in derivatives incorrect price determination or valuation. In addition, there is a possibility that derivatives may not be fully related to their underlying assets, interest rates and indices. Many derivatives are complex and often subjectively valued. Inappropriate valuations may result in increased cash demands from counterparties or a loss of value for the relevant sub-fund. Derivatives do not always bear a direct or parallel relationship to the value of the assets, interest rates or indices from which they are derived. Therefore, the use of derivatives by the relevant sub-fund is not always an effective means of achieving the investment objective of the respective sub-fund, but may sometimes even have the opposite effect.

### **Collateral Management**

If the UCITS or the sub-fund carries out over-the-counter transactions (OTC transactions), it may be exposed to risks relating to the creditworthiness of the OTC counterparties: when entering into futures contracts, options and swap transactions or using other derivative techniques, the UCITS or the sub-fund is exposed to the risk that an OTC counterparty will not (or cannot) meet its obligations under a specific contract or set of contracts. The counterparty risk can be reduced by depositing collateral. If any collateral is owed to the UCITS or sub-fund pursuant to applicable agreements, such collateral is held by or on behalf of the Depositary for the benefit of the relevant sub-fund. Bankruptcy, insolvency or other credit default events of the Depositary or within its sub-depositary/correspondent banking network may result in the rights of the UCITS in connection with the collateral being postponed or otherwise restricted. If the UCITS or sub-fund owes collateral to the OTC counterparty under applicable agreements, such collateral is to be transferred to the OTC counterparty as agreed between the UCITS and the OTC counterparty. Bankruptcy, insolvency or other credit default events of the OTC counterparty, the Depositary or within its sub-depositary/correspondent banking network may result in the rights or recognition of the UCITS in respect of the collateral being delayed, limited or even excluded, which would require the

UCITS to perform its obligations under the OTC transaction irrespective of any collateral posted in advance to cover such obligation.

#### **Issuer Risk (Creditworthiness Risk)**

The deterioration of solvency or even the bankruptcy of an issuer can result in at least a partial loss of assets.

#### **Counterparty Risk**

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

#### **Monetary Risk**

Inflation can reduce the value of the assets' investments. The purchasing power of the invested capital decreases if the inflation rate is higher than the return on the investments.

#### **Economic Risk**

This is the risk of price losses that arise when the investment decision does not take into account the economic trend or does not take it into account correctly, resulting in investments in transferable securities being made at the wrong time or securities being held during an unfavourable economic phase.

#### **Country or Transfer Risk**

Country risk is when a foreign debtor, despite being solvent, is unable or unwilling to provide services on time due to a lack of transfer capability or willingness on the part of its country of domicile (e.g., due to foreign exchange restrictions, transfer risks, moratoria or embargoes). For example, payments to which the sub-fund is entitled may not be made or may be made in a currency that is no longer convertible due to foreign exchange restrictions.

#### **Accounts Settlement Risk**

In particular, when investing in unlisted securities, there is a risk that a settlement by a transfer system may not be carried out as expected due to a delayed payment or delivery or a payment or delivery taking place in a different manner than agreed or expected.

#### **Liquidity Risk**

Assets may also be acquired for the UCITS or the sub-fund that are not admitted to a stock exchange or included in another organised market. The acquisition of such assets is associated with the risk that problems may arise, in particular, when the assets are resold to third parties.

In the event of smaller companies (secondary assets), there is a risk that the market may not be liquid at times. As a result, securities may not be traded at the desired time and/or in the desired quantity and/or at the hoped-for price.

#### **Possible Investment Spectrum**

In compliance with the investment principles and limits stipulated by the UCITSG and the Trust Agreement, which provide for a very broad framework for the UCITS and the sub-fund, the actual investment policy may also be geared towards acquiring assets with a focus on for example only a few sectors, markets or regions/countries. This concentration on a few specific investment sectors can be associated with special opportunities, which are, however, also associated with corresponding risks (e.g., market narrowness, high fluctuation range within certain economic cycles). The annual report provides retrospective information on the content of the investment policy for the past financial year.

#### **Concentration Risk**

Further risks may arise from the fact that investments are concentrated in certain assets or markets. The sub-fund is then particularly dependent on the performance of these assets or markets.

#### **Market Risk (Price Risk)**

This is a general risk associated with all investments, which is that the value of a particular investment may change contrary to the interests of the UCITS or the sub-fund.

#### **Psychological Market Risk**

Sentiments, opinions and rumours can cause a significant fall in share prices, even though the earnings situation and future prospects of the companies in which investments are made need not have changed in the long term. Psychological market risk has a particular impact on stocks.

### **Settlement Risk**

This is the loss risk of the sub-fund because a transaction entered into is not fulfilled as expected due to a counterparty's failure to pay or deliver, or that losses may occur due to operational errors during the settlement of a transaction.

### **Legal and Tax Risk**

The purchase, holding or sale of investments of the sub-fund may be subject to tax regulations (e.g., withholding tax deduction) outside the UCITS's or the sub-fund's country of domicile. Furthermore, the legal and tax treatment of sub-funds may change in unforeseeable and uncontrollable ways. A change in incorrectly determined tax bases of the UCITS or the sub-fund for previous financial years (e.g., due to external tax audits) may result in the Investor having to bear the tax burden from the correction for previous financial years in the event of a correction that is fundamentally disadvantageous for the Investor from a tax point of view, even though the Investor may not have been invested in the UCITS or the sub-fund at such time. Conversely, Investors may find that they no longer benefit from a correction that is fundamentally advantageous for tax purposes for the current and previous financial years in which they held an interest in the UCITS or the sub-fund due to the redemption or sale of the units before the corresponding correction is being implemented. In addition, a correction of tax data may result in taxable income or tax benefits actually being assessed for tax in a different assessment period than regularly applicable and this may have a negative effect on the individual Investor.

### **Entrepreneurial Risk**

Investments in stocks represent a direct participation in the economic success or failure of a company. In extreme cases – in case of a bankruptcy – this can lead to a complete loss of value of the corresponding investments.

### **Currency Risk**

Where the sub-fund holds assets denominated in foreign currency(ies), it will be exposed (to the extent that foreign currency positions are not hedged) to a direct currency risk. Falling foreign exchange rates lead to a reduction in the value of foreign currency investments. Conversely, the foreign exchange market also offers opportunities for profits. In addition to direct currency risks, there are also indirect currency risks. Internationally active companies are more or less dependent on exchange rate developments, which can also indirectly affect the investments' price development.

### **Change in Investment Policy**

A change in the investment policy within the legally and contractually permissible investment spectrum may change the content of the risk associated with the sub-fund. The Management Company may at any time and materially change the sub-fund's investment policy within the applicable Trust Agreement by amending the Prospectus and the Trust Agreement including Annex A.

### **Amendment of the Trust Agreement**

In the Trust Agreement, the Management Company reserves the right to amend the trust conditions. Furthermore, according to the Trust Agreement, it is possible for it to dissolve the sub-fund entirely or to merge it with another sub-fund. The Investor, therefore, bears the risk that they will not be able to realise its planned holding period.

### **Risk of Suspension of Redemption**

In principle, Investors may request the Management Company to redeem their units in accordance with the valuation interval of the sub-fund. However, the Management Company may temporarily suspend the redemption of units in the event of exceptional circumstances and only redeem the units at a later date at the price then applicable (see in detail "Calculation Suspension of the Net Asset Value and the Issue, Redemption and Conversion of Units"). Such price may be lower than the price before the suspension of redemption.

### **Key Persons Risk**

Sub-funds whose investment results are very positive in a given period owe this success also to the suitability of the acting persons and thus to the correct decisions of their management. However, the composition of the fund management team may change. New decision-makers may then be less able to act successfully.

### **Interest Rate Risk**

To the extent that the sub-fund invests in interest bearing transferable securities, it is exposed to interest rate risk. If the market interest rate level rises, the market value of the interest-bearing securities forming part of the assets can fall considerably. This applies to a greater extent insofar as the estate also comprises interest-bearing securities with longer residual maturity and lower nominal interest rates.

### **Sustainability Risks**

A sustainability risk is an environmental, social or governance (ESG) event or condition that could have a material adverse effect on the value of an investment. Sustainability risks may have a direct impact on the value of the investments



by amplifying other risks relevant to the sub-fund, such as market risk, credit and counterparty risk, liquidity risk, legal risk, reputational risk or operational risk. Sustainability risks can, among other things, lead to a significant deterioration in a company's financial profile, profitability or reputation and thus have a significant impact on the value of a company.

The portfolio manager takes into account any sustainability risks in the context of the investment decisions, as well as on an ongoing basis during the investment period of the investments. In the context of the investment decisions for the sub-fund, the principal adverse impacts of investment decisions on sustainability factors (PAI) are not yet taken into account in accordance with the criteria of the EU Taxonomy Regulation for environmentally sustainable economic activities, as the systematic data basis that would be required for this is currently still lacking and, in the absence of corresponding disclosure in the case of the target investments, an adequate direct examination of the potential principal adverse impacts cannot be carried out.

## **9 Participation in the UCITS**

### **9.1 Sales Restrictions**

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

Units of the sub-funds may not be offered, sold or delivered, in particular within the USA. The units have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or under the securities laws of any state or regional corporation of the United States of America or any of its territories, possessions or other areas subject to its jurisdiction, including the Commonwealth of Puerto Rico (the "United States").

The units may not be offered, sold or otherwise transferred in the United States or to, or for the account of, US persons (as defined in the 1933 Act). 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 requirements of the 1933 Act pursuant to Regulation S thereunder.

The Management Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended from time to time, or any other US federal law. Accordingly, the units will not be offered, sold or otherwise transferred in the United States or to, or for the account of, US persons (as defined in the 1933 Act).

The units have not been approved or disapproved by the US Securities and Exchange Commission (the "SEC") or any other supervisory authority in the United States and neither the SEC nor any other supervisory authority in the United States has passed a decision regarding the accuracy or adequacy of this Prospectus or the merits 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 restricted in other jurisdictions.

Units of the sub-funds may also not be offered, sold or delivered to US citizens or residents and/or other individuals or entities whose income and/or proceeds, regardless of their source, are subject to US income tax, financial institutions that do not comply with the provisions of the Foreign Account Tax Compliance Act ("FATCA", in particular Sections 1471 - 1474 of the U.S. Internal Revenue Code and any agreement with the United States of America on cooperation for a facilitated implementation of FATCA, as applicable) and do not register with the U.S. Internal Revenue Service as a FATCA Participating Institution to the extent required to do so, as well as persons, to which units are not offered, sold or delivered, who qualify as U.S. persons under Regulation S of the 1933 U.S. Securities Act and/or the U.S. Commodity Exchange Act, as amended from time to time. The sub-funds may therefore not be acquired by the following investors in particular (not an exhaustive list):

- US citizens, including dual citizens;
- Persons who reside or have a domicile in the USA;
- Persons who are residents of the USA (Green Card Holders) and/or whose principal place of residence is in the USA;
- US resident companies, trusts, estates, etc.;
- Companies that qualify as transparent for US tax purposes and have investors named in this section, as well as companies whose income is attributed to an investor named in this section as part of a consolidated assessment for US tax purposes;
- Financial institutions that do not comply with the provisions of the Foreign Account Tax Compliance Act ("FATCA", in particular Sections 1471 - 1474 of the U.S. Internal Revenue Code and any agreement with the United States of America on cooperation to facilitate the implementation of FATCA, as applicable) and do not register with the U.S. Internal Revenue Service as an institution participating in FATCA, as required; or
- US persons as defined in Regulation S under the United States Securities Act 1933, as amended from time to time.

Generally, units of the UCITS may not be offered in jurisdictions in which, or to persons to whom, this is not permitted.

## 9.2 General Information regarding the Units

The Units are held in book entry form only, i.e. no certificates will be issued.

The Management Company is authorised to create units of different classes within the sub-fund and to cancel or combine existing classes.

The various unit classes may differ, for example, with regard to the management fee and the reference currency, including the use of currency hedging transactions.

The classes of units issued in connection with each sub-fund and the fees and remunerations payable in respect of the units of the sub-funds are set out in Annex A "Sub-funds Overview".

In addition, certain other fees, remuneration and expenses will be paid out of the assets of the sub-funds. See also 11 and 12 (tax regulations and costs and fees).

## 9.3 Calculation of the Net Asset Value per Unit

The Net Asset Value ("NAV") per unit of a sub-fund/class of units will be calculated by the Management Company or its delegate on the relevant valuation day and for the end of the accounting year.

The NAV of a unit in a sub-fund's class of units is expressed in the invoicing currency of the sub-fund or, if different, in the reference currency of the relevant class of units and is calculated by dividing the proportion of the assets of the sub-fund attributable to the class of units concerned, less any possible debt obligations of the same sub-fund allocated to the class of units concerned, by the units number of the relevant class of units in circulation. Rounding takes place as follows on the issue and redemption of units:

- to CHF 0.05 for an amount in Swiss franc;
- to EUR 0.01 for an amount in euro;
- to USD 0.01 for an amount in US dollar; and
- to JPY 1 for an amount in yen.

The respective sub-fund assets will be valued according to the following principles:

1. Transferable securities that are officially listed on a stock exchange are valued at the last available price. If a transferable security is officially listed on several stock exchanges, the last available price of the stock exchange which is the main market for this security is decisive.
2. Transferable securities that are not officially listed on a stock exchange but are traded on a market open to the public are valued at the last available price. If a transferable security is traded on different markets open to the public, in case of doubt the last available price of the market with the highest liquidity shall be taken into account;
3. Transferable securities or money market instruments with a residual maturity of less than 397 days can be written down or up on a straight-line basis at the difference between the cost price (purchase price) and the redemption price (price at final maturity). A valuation at the current market price can be omitted if the redemption price is known and fixed. Any changes in creditworthiness are also taken into account.
4. Investments the price of which is not in line with the market and assets which do not fall under Section 1, Section 2 and Section 3 above will be used at the price which would probably be obtained by way of a diligent sale at the time of valuation and which is determined in good faith by the directors of the Management Company or under its direction or supervision by authorised agents.
5. OTC derivatives shall be valued on a daily basis at a verifiable valuation to be determined by the Management Company in good faith and in accordance with generally accepted valuation models verifiable by auditors, based on the probable realisable value.
6. The UCITS or other undertakings for collective investment (UCIs) are valued at the last assessed and available net asset value. If the redemption of units is suspended or no redemption prices are set, these units, like all other assets, will be valued at the respective market value as determined by the Management Company in good faith and in accordance with generally recognised valuation models that can be verified by auditors.
7. If no tradable price is available for the respective financial instruments, these assets, as well as the other legally permissible assets, will be valued at the respective market value as determined by the Management Company in good faith and in accordance with generally recognised valuation models verifiable by auditors on the basis of the sales value that can probably be achieved.
8. Cash and cash equivalents are valued at their nominal value plus accrued interest.

9. The market value of transferable securities and other investments denominated in a currency other than the relevant sub-fund currency is converted into the relevant sub-fund currency at the latest mid-market rate.

The Management Company is entitled to apply other adequate valuation principles to the sub-fund's assets from time to time if the above-mentioned criteria for valuation appear impossible or inappropriate to apply due to extraordinary events. In the event of massive redemption requests, the Management Company may value the units of the corresponding sub-fund assets on the basis of the prices at which the necessary sales of transferable securities are expected to be carried out. In this case, the same calculation method will be applied to subscription and redemption requests submitted at the same time.

#### **9.4 Issue of Units**

Units of a sub-fund may be acquired in accordance with Annex A "Sub-funds Overview" at the Net Asset Value per unit of the corresponding class of units in the corresponding sub-fund, plus any issue premium and plus any taxes and duties.

The units are not certificated as transferable securities.

Subscription requests must be submitted to the Depositary no later than as of the acceptance deadline. If a subscription request is received after the acceptance deadline, it will be earmarked for the following valuation day. For requests placed with distributors in Liechtenstein and abroad, earlier closing times for the submission of requests may apply in order to ensure timely forwarding to the Depositary in Liechtenstein. These can be obtained from the respective distributor.

Information on the issue date, the valuation interval, the acceptance deadline and the amount of the maximum issue premium, if any, can be found in Annex A "Sub-funds Overview".

Payment must be received within two banking days after the valuation day on which the issue price of the units was set.

The Management Company will ensure that the issue of units is settled on the basis of a Net Asset Value per unit unknown to the Investor at the time of the subscription request (forward pricing).

All taxes and duties incurred through the issue of units will be charged to the Investor as well. If units are acquired via banks that are not entrusted with the distribution of the units, it cannot be ruled out that such banks will charge further transaction costs.

If payment is made in a currency other than the reference currency, the equivalent value from the conversion of the payment currency into the reference currency, less any fees, is used for the acquisition of units.

The minimum investment required to be held by an Investor in a particular class of units is set out in Annex A "Sub-funds Overview". The minimum investment may be waived at the discretion of the Management Company.

The Management Company may also take the decision to suspend the issue of units in whole or temporarily if new investments could impair the achievement of the investment objective.

Units may also be subscribed at the request of an Investor with the consent of the Management Company against investments' transfer at the relevant daily price (contribution in kind or payment *in specie*). The Management Company is not obliged to act on such a request.

Contributions in kind are to be assessed and valued by the Management Company on the basis of objective criteria. The transferred investments have to be in line with the investment policy of the relevant sub-fund and, in the opinion of the Management Company, there shall be a current investment interest in the relevant securities. The value of the contribution in kind must be verified by the auditor. All costs incurred in connection with this (including auditor's fees, other expenses and any taxes and duties) are to be borne by the relevant Investor and may not be charged to the relevant sub-fund's assets.

The issue and redemption of units will be temporarily suspended in particular if the calculation of the Net Asset Value per unit is discontinued. If the issue of units is discontinued, the Investors will be informed immediately of the reason and the time of the discontinuation by means of a notice in the official medium of publication and in the media specified in the Prospectus and Trust Agreement or by means of a durable medium (letter, fax, e-mail or comparable).

#### **9.5 Redemption of Units**

Units of a sub-fund will be redeemed at the cut-off time for unit transactions in accordance with Annex A "Sub-funds Overview", at the Net Asset Value per unit of the corresponding class of units of the relevant sub-fund, less any redemption discounts and any taxes and duties.

Redemption requests must be received by the Depositary no later than as of the acceptance deadline. If a redemption request is received after the acceptance deadline, it will be earmarked for the following redemption day. For requests

placed with distributors in Liechtenstein and abroad, earlier closing times for the submission of requests may apply in order to ensure timely forwarding to the Depositary in Liechtenstein. These can be obtained from the respective distributor.

Information on the redemption day, the valuation interval, the acceptance deadline and the amount of the maximum redemption premium, if any, can be found in Annex A "Sub-funds Overview".

In view of the need to ensure an appropriate proportion of liquid assets in the assets of the relevant sub-fund, the repayment of units will be made within two banking days of the calculation of the redemption price. This does not apply in the event that, in accordance with statutory regulations such as foreign exchange and transfer restrictions or due to other circumstances beyond the control of the Depositary, it proves impossible to transfer the redemption amount.

If, at the Investor's request, payment is to be made in a currency other than the currency in which the relevant units are issued, the amount payable will be calculated on the basis of the proceeds of the conversion from the reference currency into the payment currency, less any fees and charges.

Upon payment of the redemption price, the corresponding unit expires.

The Management Company and/or the Depositary may unilaterally redeem units against payment of the redemption price insofar as this appears necessary in the interests or for the protection of the Investors, the Management Company or one or more sub-funds, in particular if:

- a) there is a suspicion that the respective Investor is engaging in "market timing", "late trading" or other market techniques by way of the acquisition of the units, which could be detrimental to the Investors as a whole;
- b) The Investor does not meet the conditions for an acquisition of the units;
- c) the units are distributed in a country in which the respective sub-fund is not authorised for distribution or have been acquired by a person for whom the acquisition of the units is not permitted;

The Management Company will ensure that the redemption of units is settled on the basis of a Net Asset Value per unit unknown to the Investor at the time the request is submitted (forward pricing).

If the execution of a redemption request results in the relevant Investor's holding falling below the minimum investment of the corresponding class of units listed in Annex A "Sub-funds Overview", the Management Company may, without further notice to the Investor, treat this redemption request as a request for redemption of all units held by the relevant Investor in this class of units or as a request for conversion of the remaining units into another class of units of the same sub-fund with the same reference currency, the participation requirements of which are met by the Investor.

The redemption of fund units may be discontinued in cases in which Art. 12 of the Trust Agreement applies.

Non-cash expenses are not permissible.

## **9.6 Conversion of Units**

Investors may switch from one sub-fund to another sub-fund at any time subject to the conditions set out in the Trust Agreement and Annex A "Sub-funds Overview".

If different classes of units are offered, units of one class may also be converted into units of another class of units, both within the same sub-fund and from one sub-fund to another sub-fund. In the event of a conversion taking place within one and the same sub-fund, no conversion fee will be charged. If a units conversion is not possible for certain sub-funds or classes of units, this will be mentioned for the sub-fund or class of units concerned in Annex A "Sub-funds Overview".

On a case-by-case basis, duties, taxes and stamp duties may be incurred in individual countries when exchanging sub-funds or classes of units.

The Management Company may reject a conversion application for a sub-fund or for a class of units at any time if this appears to be in the interests of the sub-fund, the Management Company or the Investors, in particular if:

1. there is a suspicion that the respective Investor is engaging in "market timing", "late trading" or other market techniques by way of the acquisition of the units, which could be detrimental to the Investors as a whole;
2. The Investor does not meet the conditions for an acquisition of the units;
3. the units are distributed in a country in which the respective sub-fund or class of units is not authorised for distribution or have been acquired by a person for whom the acquisition of the units is not permitted;

The Management Company will ensure that the conversion of units is settled on the basis of a Net Asset Value per unit unknown to the Investor at the time the request is submitted (forward pricing).

## **9.7 Suspension of the Calculation of the Net Asset Value and the Issue, Redemption and Conversion of Units.**

The Management Company may temporarily suspend the calculation of the Net Asset Value and/or the issue, redemption and conversion of units of a sub-fund if this is justified in the interests of the Investors, in particular:

- a) if a market which forms the basis for the valuation of a substantial portion of the assets of a sub-fund is closed unexpectedly or if trading on such market is restricted or suspended;
- b) in the event of political, economic or other emergencies; or
- c) if transactions become impracticable for the UCITS due to restrictions on the transfer of assets.

The suspension of the calculation of the Net Asset Value of a sub-fund does not affect the calculation of the Net Asset Value of the other sub-funds if none of the above conditions apply to the other sub-funds.

The Management Company may also take the decision to suspend the issue of units in whole or temporarily if new investments could impair the achievement of the investment objective.

The issue and redemption of units will be temporarily suspended in particular if the calculation of the Net Asset Value per unit is discontinued. If the issue of units is discontinued, the Investors will be informed immediately of the reason and the time of the discontinuation by means of a notice in the official medium of publication and in the media specified in the Prospectus and Trust Agreement or by means of a durable medium (letter, fax, e-mail or comparable).

In addition, the Management Company is entitled, while safeguarding the interests of the Investors, to make substantial redemptions only, i.e., to temporarily suspend redemption, after corresponding assets of the respective sub-fund can be sold without delay while safeguarding the interests of the Investors.

New units of this sub-fund will not be issued as long as the redemption of units is suspended. The conversion of units, the redemption of which is temporarily restricted, is not possible. The temporary suspension of redemptions of units of a sub-fund does not result in the temporary suspension of redemptions of other sub-funds which are not affected by the events in question.

The Management Company ensures that sufficient liquid assets are available to the assets of the respective sub-fund so that the redemption or conversion of units at the request of Investors can be carried out immediately under normal circumstances.

The Management Company will immediately notify the FMA and the Investors in an appropriate manner of the suspension of the redemption and payment of units. Subscription, redemption or conversion requests will be settled after the calculation resumption of the Net Asset Value. The Investor may revoke their subscription, redemption or conversion application until the resumption of unit trading.

## **10 Use of Income**

The performance of a sub-fund is made up of net income and realised capital earnings.

The Management Company may distribute the income generated in a sub-fund or class of units to the Investors in that sub-fund or class of units or reinvest that income in the sub-fund or class of units in question (accumulation).

### **Accumulating:**

The profit generated by those sub-funds or classes of units that have an “accumulating” profit allocation in accordance with Annex A “Sub-funds Overview” will be reinvested on an ongoing basis, i.e. accumulated.

### **Distributing:**

The profit generated by those sub-funds or classes of units which have a profit distribution of the type “distributing” in accordance with Annex A “Sub-funds Overview” will in principle be distributed annually. The amount of the distribution will be determined at the discretion of the Management Company.

Part of the net income of the sub-fund or class of units may be carried forward to the new account.

Distributions will be paid on the units in issue on the distribution date.

No interest will be paid on declared distributions from the date they are due.

## **11 Tax Regulations**

### **11.1 Fund Assets**

All Liechtenstein UCITS in the legal form of a (contractual) investment fund or collective trusteeship are subject to unlimited tax liability in Liechtenstein and are subject to income tax. The income from the assets under management constitute tax-exempt income.

#### **Issue Charges and Stamp Duties<sup>1</sup>**

The creation (issue) of units in such a UCITS is not subject to the issue charge and stamp duty. The transfer of ownership of Investor units against payment is subject to the stamp duty if a party or an intermediary is a domestic securities dealer. The redemption of Investor units is exempt from the stamp duty. The contractual investment fund or collective trusteeship is deemed to be an Investor exempt from the stamp duty.

#### **Withholding or Paying Agent Taxes**

Depending on the person who directly or indirectly holds the units of the UCITS or any sub-fund, both income and capital gains, whether distributed or accumulated, may be subject in part or in full to a so-called Paying Agent tax (e.g. final withholding tax, Foreign Account Tax Compliance Act).

The UCITS in the legal form of a contractual investment fund or collective trusteeship is otherwise not subject to any withholding tax liability in the Principality of Liechtenstein, in particular no coupon or anticipatory tax liability. Foreign income and capital gains generated by the UCITS in the legal form of the contractual investment fund or the collective trusteeship or any sub-funds of the Fund may be subject to the respective withholding tax deductions of the country of investment. Any double taxation agreements remain unaffected.

### **11.2 Natural Persons with Tax Domicile in Liechtenstein**

A private Investor domiciled in the Principality of Liechtenstein must declare their units as assets and these are subject to wealth tax. Any income distributions or accumulated income of the UCITS in the legal form of the contractual investment fund or the collective trusteeship or any sub-funds of the fund are exempt from income tax. The capital gains realised on the sale of the units are exempt from acquisition tax. Capital losses cannot be deducted from the taxable acquisition.

### **11.3 Persons with their Tax Domicile outside of Liechtenstein**

For Investors domiciled outside the Principality of Liechtenstein, the taxation and other tax consequences of holding or buying or selling investor units are governed by the tax laws of the respective country of domicile.

#### **Disclaimer**

The tax statements are based on the currently known legal situation and practice. Changes to legislation, case law or decrees and the practice of the tax authorities are expressly reserved.

Investors are urged to consult their own professional advisers regarding the relevant tax consequences. Neither the Management Company, the Depositary nor their agents can accept any responsibility for the individual tax consequences to the Investor of the purchase or sale or holding of investor units.

## **12 Costs and Fees**

### **12.1 Costs and Fees to be borne by the Investors**

#### **12.1.1 Issue premium**

In order to cover the costs incurred in the placement of units, the Management Company may levy an issue premium on the Net Asset Value of the newly issued units for the benefit of the Management Company, the Depositary and/or distributors in Switzerland or abroad in accordance with Annex A "Sub-funds Overview".

#### **12.1.2. Redemption premium**

For the payment of redeemed units, the Management Company may levy a redemption premium on the Net Asset Value of the redeemed units in accordance with Annex A "Sub-funds Overview"

#### **12.1.3. Conversion fee**

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<sup>1</sup> According to the customs union agreement between Switzerland and Liechtenstein, Swiss stamp duty legislation also applies in Liechtenstein. For the purposes of Swiss stamp duty legislation, the Principality of Liechtenstein is therefore considered domestic.

For the change from one sub-fund to another or from one unit class to another unit class requested by the Investor, the Management Company may charge a fee on the Net Asset Value of the original class of units in accordance with Annex A “Sub-funds Overview”.

## **12.2 Costs and Fees to be borne by the Sub-Fund**

### **12.2.1 Fees dependent on assets**

#### **Management fee**

The Management Company will charge an annual fee for the management, risk management and administration of the respective sub-funds in accordance with Annex A “Sub-funds Overview”. This is calculated on the basis of the average net assets of the sub-funds, accrued on each valuation date and levied *pro rata temporis* at the end of each quarter. The amount of the management fee per sub-fund/class of units is stated in the annual report.

#### **Custodian fee**

For the performance of its duties under the depositary agreement, the Depositary shall receive a fee in accordance with Annex A “Sub-funds Overview”. This is calculated on the basis of the average net assets of the sub-funds, accrued on each valuation date and levied *pro rata temporis* at the end of each quarter. The amount of the custodian fee per sub-fund/class of units is stated in the annual report.

#### **Asset management fee**

If an asset manager has been contractually engaged, it may receive remuneration from the respective sub-fund assets in accordance with Annex A “Sub-funds Overview”. This is calculated on the basis of the average net assets of the sub-funds, accrued on each valuation date and levied *pro rata temporis* at the end of each quarter. In addition, the asset manager may receive a Performance Fee from the respective net sub-fund assets. The amount of the asset management fee per sub-fund/class of units is stated in the annual report.

#### **Advisory fee**

If an investment advisor has been appointed, the investment advisor may receive a fee, the maximum amount, calculation and payment of which is set out in the relevant Annex A “Sub-funds Overview” for the relevant sub-fund. In addition, the investment advisor may receive a Performance Fee from the respective net sub-fund assets. The amount of the advisory fee per sub-fund/class of units is stated in the annual report.

#### **Distributor fee**

If a distributor has been contractually obligated, it may receive remuneration from the respective sub-fund assets, the maximum amount, calculation and payment of which are shown for the respective sub-fund in Annex A “Sub-funds Overview”. This is calculated on the basis of the average net assets of the sub-funds, accrued on each valuation date and levied *pro rata temporis* at the end of each quarter. The amount of the distributor fee per sub-fund/class of units is stated in the annual report.

### **12.2.2 Fees independent of assets:**

The Management Company and the Depositary are also entitled to reimbursement of the following expenses incurred by them in the performance of their functions:

- a) the costs of preparing, printing and mailing the annual and semi-annual reports and other publications required by law;
- b) the costs for the publication of notices of a sub-funds, including price publications, addressed to Investors in the official publications and any additional newspapers or electronic media designated by the Management Company;
- c) fees and costs for authorisations and supervision of a sub-fund in Liechtenstein and abroad;
- d) all taxes levied on the assets of a sub-fund and its income and expenses at the expense of that sub-fund;
- e) fees incurred in connection with any listing of a sub-fund and with the distribution in the country and abroad (e.g. consultancy, legal, translation costs);
- f) the fees, costs and charges in connection with the determination and publication of tax factors for the countries of the EU/EEA where distribution licences exist and/or private placements exist, in accordance with the effective expenses at market rates;
- g) the fees for Paying Agents, representatives and other agents with comparable functions in the country and abroad;

- h) a reasonable share of the costs of printed materials and advertising incurred directly in connection with the offering and sale of units;
- i) fees of the auditor and of tax advisors, insofar as these expenses are incurred in the interests of the Investors;
- j) costs in connection with the valuation of special investments (e.g. expert opinions) and the associated expenses of the Management Company;
- k) costs of professional expertise and advice in connection with the purchase and sale of assets of the Fund in the best interests of the Investors, in particular in the area of unlisted assets, and associated expenses of the Management Company;
- l) costs for potential sub-depositaries of the Fund's assets in the event that parts thereof are not held in custody directly with the Depositary;
- m) costs for the establishment and maintenance of additional counterparties if this is in the interest of the Investors up to a maximum amount of CHF 10,000.
- n) The applicable amount of the expenses per sub-fund/class of units will be stated in the annual report.

#### **Research costs**

The so-called research costs, i.e. costs for the provision of analytical material or services by third parties in relation to one or more financial instruments or other assets or in relation to the issuers or potential issuers of financial instruments or in close connection with a specific industry or market up to the amount of max. USD 70,000 per year shall be charged to the sub-fund and directly debited from the respective sub-fund's assets. Research costs are reported in the fund's annual and semi-annual reports.

#### **Transaction costs**

In addition, the sub-funds bear all ancillary costs arising from the management of the assets for the purchase and sale of the investments (brokerage fees in line with the market, commissions, duties) as well as all taxes levied on the assets of the respective sub-fund and its income and expenses (e.g. withholding taxes on foreign income). The sub-funds also bear any external costs, i.e. fees from third parties, incurred in the purchase and sale of the investments. These costs are offset directly against the cost or sales value of the assets concerned. In addition, any currency hedging costs will be charged to the relevant classes of units.

Consideration which is included in a fixed flat fee may not be charged additionally as an individual expense. Any compensation for commissioned third parties is in any case included in the fees according to Art. 33 of the Trust Agreement.

#### **Costs for currency hedging of the classes of units.**

The costs, if any, of currency hedging of classes of units will be allocated to the relevant class of units.

#### **Service fee**

A periodic service fee is charged in accordance with Annex A "Sub-funds Overview" for additional services provided by the Depositary and Management Company.

#### **Liquidation fees**

In the event of the dissolution of the UCITS or the sub-fund, the Management Company may charge a liquidation fee of max. CHF 10,000 in their favour.

#### **Extraordinary management costs**

In addition, the Management Company may charge costs for extraordinary management to the respective sub-fund assets.

Extraordinary management costs consist of expenses that are incurred exclusively for the purpose of safeguarding the Investors' interests, that arise in the course of regular business activities and that could not have been foreseen when the UCITS or the respective sub-fund was established. Extraordinary management costs are, in particular, costs for legal action in the interest of the UCITS or the corresponding sub-fund or the Investors. In addition, all costs of any extraordinary management that may become necessary in accordance with the UCITSG and UCITSV (e.g. amendments to the fund documents) are included here.

#### **Ongoing charges (Total Expense Ratio, TER)**

The total ongoing charges, before any Performance Fee and before any extraordinary management fees, shall be calculated in accordance with general recognised principles set out in the rules of conduct and include, with the exception of transaction costs, all costs and fees charged on an ongoing basis to the assets of the UCITS.



The TER of the UCITS will be stated in the semi-annual and annual reports and will be shown on the website of the LAFV Liechtenstein Investment Fund Association at [www.lafv.li](http://www.lafv.li) when the semi-annual or annual report is published.

#### 12.2.3. Fees depending on investment performance (“Performance Fee”)

In addition, the Management Company may charge a Performance Fee. If a Performance Fee is charged, this is described in detail in Annex A “Sub-funds Overview”.

#### **Formation costs**

The costs of setting up the UCITS and of the initial issue of units will be amortised over 5 years against the assets of the sub-funds existing at the time of establishment. The formation costs will be allocated pro rata to the respective sub-fund assets. Costs incurred in connection with the launch of additional sub-funds are amortised over 5 years at the expense of the respective sub-fund assets to which they are attributable.

### **13 Information for Investors**

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

All notices to Investors, including those concerning amendments to the Trust Agreement and Annex A “Sub-funds Overview”, will be published on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the official medium of publication of the UCITS as well as on other media and data carriers mentioned in the Prospectus.

The Net Asset Value as well as the issue and redemption price of the units of the UCITS or of each sub-fund or unit class will be announced on each valuation day on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the official medium of publication of the UCITS as well as other media and permanent data carriers (letter, fax, e-mail or comparable) mentioned in the Prospectus.

The annual report, which is audited by an auditor, and the semi-annual report, which need not be audited, shall be made available to Investors free of charge at the registered office of the Management Company and Depositary.

### **14 Duration, Dissolution, Merger and Structural Measures of the UCITS**

#### **14.1 Duration**

The umbrella and its sub-funds are established for an indefinite period.

#### **14.2 Dissolution**

The dissolution of the UCITS or one of its sub-funds is mandatory in the cases provided for by law. In addition, the Management Company is entitled to dissolve the UCITS or individual sub-funds at any time.

Investors, heirs and other beneficiaries may not demand the division or dissolution of the UCITS or of an individual sub-fund or an individual class of units.

The resolution on the dissolution of a sub-fund or a class of units will be published on the website of the Liechtenstein Investment Fund Association LAFV ([www.lafv.li](http://www.lafv.li)) as the official medium of publication of the UCITS or a class of units, as well as other media and permanent data carriers (letter, fax, e-mail or comparable) specified in the Prospectus. From the date of resolution on the dissolution, no more units will be issued, converted or redeemed.

In the event of the dissolution of the UCITS or of one of its sub-funds, the Management Company may liquidate the assets of the UCITS or of a sub-fund without delay in the best interests of the Investors. In all other respects, the liquidation of the UCITS will be carried out in accordance with the provisions of the Liechtenstein Persons and Companies Act (PGR).

If the Management Company dissolves a class of units without dissolving the UCITS or the sub-fund, all units of this class will be redeemed at their then valid Net Asset Value. This redemption will be published by the Management Company and the redemption price will be paid by the Depositary for the benefit of the former Investors.

#### **14.3 Merger and other Structural Measures**

In accordance with Article 38 UCITSG, the Management Company may decide at any time and at its own discretion, with the approval of the relevant supervisory authority, to merge the UCITS with one or more other UCITS, irrespective of the legal form of the UCITS and whether or not the other UCITS has its registered office in Liechtenstein. Sub-funds and their classes of units of the UCITS may also be merged with each other, but also with one or more other UCITS or their sub-funds and classes of units.

It is also possible to split the UCITS or its sub-funds and classes of units.

In addition, other structural measures within the meaning of Art. 49 UCITSG are permissible.

Unless otherwise agreed below, the statutory provisions of 36 et seq. UCITSG and the associated ordinance provisions apply.

#### **15 Applicable Law, Place of Jurisdiction and Authoritative Language**

The UCITS is subject to Liechtenstein law. The exclusive place of jurisdiction for all disputes between the Investors, the Management Company and the Depositary is Vaduz. Any other legally binding places of jurisdiction remain unaffected.

However, the Management Company and/or the Depositary may submit to the jurisdiction of the countries in which units are offered and sold with respect to claims of Investors from such countries.

The legally binding language for the Prospectus, the Trust Agreement and for Annex A "Sub-funds Overview" is German.

This Prospectus enters into force on 01.03.2023.

#### **16 Specific Information for Individual Countries of Distribution**

According to the applicable law in the Principality of Liechtenstein, the constituent documents are approved by the FMA. This approval only relates to the information concerning the implementation of the provisions of the UCITSG. For this reason, the Annex B "Specific Information for Individual Countries of Distribution", which is based on foreign law, is not subject to review by the FMA and is excluded from the approval.

Management Company:

1741 Funds Management AG, Vaduz

Depositary:

Liechtensteinische Landesbank Aktiengesellschaft, Vaduz

## **Part II Trust Agreement of the Fund**

The Trust Agreement and Annex A “Sub-funds Overview” form an essential unit.

Insofar as a matter is not regulated in this Trust Agreement, the legal relationships between the Investors and the Management Company will be governed by the Law of 28 June 2011 on Undertakings for Collective Investment in Transferable Securities (UCITSG) and the Ordinance of 5 July 2011 on Undertakings for Collective Investment in Transferable Securities (UCITSV), and, insofar as no provisions are made therein, by the provisions of the Persons and Companies Act (PGR) on trusteeship.

### **I. General Provisions**

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

The Fund (“hereinafter: UCITS”) was established on 12 November 2003 as an undertaking for collective investment in open-ended transferable securities under the laws of the Principality of Liechtenstein for an indefinite period.

The UCITS is subject to the law of 28 June 2011 on undertakings for collective investment in transferable securities (UCITSG).

The UCITS has the legal form of a collective trusteeship. A collective trusteeship is the entering into a substantively identical trusteeship with an indefinite number of Investors for the purposes of making and managing investments for the account of the investors, whereby the individual investors participate in accordance with their share in this trusteeship and are only personally liable up to the amount of the investment.

The UCITS is an umbrella structure which may comprise several sub-funds. The various sub-funds are separated in terms of assets and liability.

The sub-funds may invest in transferable securities and other assets in accordance with their investment policy. The investment policy of each sub-fund is determined within the framework of the investment objectives. The net assets of each sub-fund or class of units and the Net Asset Values of the units of such sub-Funds or classes of units are expressed in the relevant reference currency.

The respective rights and obligations of the owners of the units (hereinafter referred to as the “Investors”) and of the Management Company and the Depositary are governed by this Trust Agreement.

By acquiring units in one or more sub-funds (the “Units”), each Investor acknowledges the Trust Agreement, which establishes the contractual relationship between the Investors, the Management Company and the Depositary, as well as the duly executed amendments to this document.

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

The UCITS is managed by 1741 Fund Management AG, established in the legal form of a stock corporation with its registered office in Vaduz, Liechtenstein, in accordance with the present Trust Agreement. In accordance with the UCITSG, the Management Company is authorised by the Financial Market Authority Liechtenstein (FMA) and is entered on the list of management companies authorised in Liechtenstein officially published by the FMA.

The Management Company manages the UCITS for the account and in the exclusive interest of the Investors in accordance with the principle of risk spreading and in accordance with the provisions of the Trust Agreement as well as Annex A “Sub-funds Overview”.

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

#### **Art. 3 Transfer of Duties**

The Management Company may, in compliance with the provisions of the UCITSG and the UCITSV, delegate some of its duties to third parties for the purpose of efficient management. The exact execution of the mandate will be governed in each case by a contract concluded between the Management Company and the commissioned party.

#### **Art. 4 Depositary**

The Management Company has appointed a bank or securities firm in accordance with the Banking Act with its registered office or branch in the Principality of Liechtenstein as Depositary for each sub-fund. The assets of the individual sub-funds may be held in custody with different Depositaries. The function of the Depositary is governed by the UCITSG, the depositary agreement, this Trust Agreement and the Prospectus.

#### **Art. 5 Auditor**

The audit of the annual reports of the UCITS is to be entrusted to an auditor approved in the Principality of Liechtenstein.

## Art. 6 Calculation of the Net Asset Value per Unit

The Net Asset Value ("NAV") per unit of a sub-fund/class of units will be calculated by the Management Company or its delegate on the relevant valuation day and for the end of the accounting year.

The NAV of a unit in a sub-fund's class of units is expressed in the invoicing currency of the sub-fund or, if different, in the reference currency of the relevant class of units and is calculated by dividing the proportion of the assets of the sub-fund attributable to the class of units concerned, less any possible debt obligations of the same sub-fund allocated to the class of units concerned, by the units number of the relevant class of units in circulation. Rounding takes place as follows on the issue and redemption of units:

- to CHF 0.05 for an amount in Swiss franc;
- to EUR 0.01 for an amount in euro;
- to USD 0.01 for an amount in US dollar; and
- to JPY 1 for an amount in yen.

The respective sub-fund assets will be valued according to the following principles:

1. Transferable securities that are officially listed on a stock exchange are valued at the last available price. If a transferable security is officially listed on several stock exchanges, the last available price of the stock exchange which is the main market for this security is decisive.
2. Transferable securities that are not officially listed on a stock exchange but are traded on a market open to the public are valued at the last available price. If a transferable security is traded on different markets open to the public, in case of doubt the last available price of the market with the highest liquidity shall be taken into account.
3. Transferable securities or money market instruments with a residual maturity of less than 397 days can be written down or up on a straight-line basis at the difference between the cost price (purchase price) and the redemption price (price at final maturity). A valuation at the current market price can be omitted if the redemption price is known and fixed. Any changes in creditworthiness are also taken into account.
4. Investments the price of which is not in line with the market and assets which do not fall under Section 1, Section 2 and Section 3 above will be used at the price which would probably be obtained by way of a diligent sale at the time of valuation and which is determined in good faith by the directors of the Management Company or under its direction or supervision by authorised agents.
5. OTC derivatives shall be valued on a daily basis at a verifiable valuation to be determined by the Management Company in good faith and in accordance with generally accepted valuation models verifiable by auditors, based on the probable realisable value.
6. The UCITS or undertakings for collective investment (UCIs) are valued at the last assessed and available Net Asset Value. If the redemption of units is suspended or no redemption prices are set, these units, like all other assets, will be valued at the respective market value as determined by the Management Company in good faith and in accordance with generally recognised valuation models that can be verified by auditors.
7. If no tradable price is available for the respective financial instruments, these assets, as well as the other legally permissible assets, will be valued at the respective market value as determined by the Management Company in good faith and in accordance with generally recognised valuation models verifiable by auditors on the basis of the sales value that can probably be achieved.
8. Cash and cash equivalents are valued at their nominal value plus accrued interest.
9. The market value of transferable securities and other investments denominated in a currency other than the relevant sub-fund currency is converted into the relevant sub-fund currency at the latest mid-market rate. The valuation is carried out by the Management Company.

The Management Company is entitled to apply other adequate valuation principles to the sub-fund's assets of the UCITS from time to time if the above-mentioned criteria for valuation appear impossible or inappropriate to apply due to extraordinary events. In the event of massive redemption requests, the Management Company may value the units of the corresponding sub-fund assets on the basis of the prices at which the necessary sales of transferable securities are expected to be carried out. In this case, the same calculation method will be applied to issue and redemption requests submitted at the same time.

The other principles are described in detail, comprehensively and transparently in the Prospectus, so that an effective review by the Depository, the Management Company and the auditor is ensured.

## **Art. 7 Issue of Units**

Units will be issued on the acceptance deadline for unit transaction in accordance with Annex A “Sub-funds Overview” at the Net Asset Value per Unit of the relevant class of Units of the relevant sub-fund, plus the issue premium due and plus any taxes and duties.

The Units are not certificated as transferable securities.

Subscription requests must be received by the Depositary no later than as of the acceptance deadline. If a subscription request is received after the acceptance deadline, it will be earmarked for the following valuation day. For requests placed with distributors in Liechtenstein and abroad, earlier closing times for the submission of requests may apply in order to ensure timely forwarding to the Depositary in Liechtenstein. These can be obtained from the respective distributors.

Information on the issue date, the acceptance deadline and the amount of the maximum issue premium, if any, can be found in Annex A “Sub-funds Overview”.

Payment must be received within two banking days after the valuation day on which the issue price of the units was set.

The Management Company will ensure that the issue of units is settled on the basis of a Net Asset Value per unit unknown to the Investor at the time of the subscription request (forward pricing).

All taxes and duties incurred through the issue of units will be charged to the Investor as well. If units are acquired via banks that are not entrusted with the distribution of the units, it cannot be ruled out that such banks will charge further transaction costs.

If payment is made in a currency other than the reference currency, the equivalent value from the conversion of the payment currency into the reference currency, less any fees, is used for the acquisition of Units.

The minimum investment required to be held by an Investor in a particular class of units is set out in Annex A “Sub-funds Overview”. The minimum investment may be waived at the discretion of the Management Company.

Units may also be subscribed at the request of an Investor with the consent of the Management Company against investments’ transfer at the relevant daily price (contribution in kind or payment *in specie*). The Management Company is not obliged to act on such a request.

Contributions in kind are to be assessed and valued by the Management Company on the basis of objective criteria. The transferred investments have to be in line with the investment policy of the relevant sub-fund and, in the opinion of the Management Company, there shall be a current investment interest in the relevant securities. The value of the contribution in kind must be verified by the auditor. All costs incurred in connection with this (including auditor’s fees, other expenses and any taxes and duties) are to be borne by the relevant Investor and may not be charged to the relevant sub-fund’s assets.

The Depositary and/or the Management Company may at any time reject a subscription request or temporarily restrict, suspend or permanently discontinue the issue of Units if this appears necessary in the interests of the Investors, in the public interest, for the protection of the Management Company or the respective sub-fund or the Investors. In such case, the Depositary will promptly refund, without interest, any payments received in respect of subscription requests not already executed, with the assistance of the Paying Agents, if any.

The issue of Fund Units may be discontinued in cases in which Art. 12 is applicable.

## **Art. 8 Redemption of Units**

Units will be accepted at the cut-off time for unit transactions in accordance with Annex A “Sub-funds Overview”, at the Net Asset Value per unit of the corresponding class of units of the relevant sub-fund, less any redemption discounts and any taxes and duties.

Redemption requests must be received by the Depositary no later than as of the acceptance deadline. If a redemption request is received after the acceptance deadline, it will be earmarked for the following redemption day. For requests placed with distributors in Liechtenstein and abroad, earlier closing times for the submission of requests may apply in order to ensure timely forwarding to the Depositary in Liechtenstein. These can be obtained from the respective distributors.

Information regarding the redemption day, the acceptance deadline and the amount of the maximum redemption premium, if any, can be found in Annex A “Sub-funds Overview”.

In view of the need to ensure an adequate level of liquid assets in the assets of the UCITS, the payment of Units will be made within two banking days of the calculation of the redemption price. This does not apply in the event that, in

accordance with statutory regulations such as foreign exchange and transfer restrictions or due to other circumstances beyond the control of the Depositary, it proves impossible to transfer the redemption amount.

If, at the Investor's request, payment is to be made in a currency other than the currency in which the relevant Units are issued, the amount payable will be calculated from the proceeds of the conversion from the invoicing currency into the payment currency, less any fees and charges.

Upon payment of the redemption price, the corresponding unit expires.

If the carrying out of a redemption request results in the relevant Investor's holding falling below the minimum investment of the corresponding class of units listed in Annex A "Sub-funds Overview", the Management Company may, without further notice to the Investor, treat this redemption request as a request for redemption of all units held by the relevant Investor in this class of units or as a request for conversion of the remaining units into another class of units of the same sub-fund with the same reference currency, the participation requirements of which are met by the Investor.

The Management Company and/or the Depositary may unilaterally redeem Units against payment of the redemption price insofar as this appears necessary in the interests or for the protection of the Investors, the Management Company or one or more sub-funds, in particular if:

- a) there is a suspicion that the respective Investor is engaging in "market timing", "late trading" or other market techniques by way of the acquisition of the Units, which could be detrimental to the Investors as a whole;
- b) the Investor does not meet the conditions for an acquisition of the Units;
- c) the Units are distributed in a country in which the respective sub-fund is not authorised for distribution or have been acquired by a person for whom the acquisition of the Units is not permitted;

The Management Company will ensure that the redemption of units is settled on the basis of a Net Asset Value per unit unknown to the Investor at the time the request is submitted (forward pricing).

The redemption of Fund Units may be discontinued in cases in which Art. 12 is applicable.

Non-cash expenses are not permissible.

#### **Art. 9 Conversion of Units**

The conversion of all or part of the Units into Units of another sub-fund will be effected on the basis of the relevant unit value of the sub-fund concerned calculated on the basis of this Trust Agreement/Fund Contract, taking into account a conversion fee in favour of the recipient. To the extent that a conversion fee is charged, it is set out in Annex A "Sub-funds Overview".

A conversion of Units into another sub-fund or class of units is only possible if the Investor fulfils the conditions for the direct acquisition of Units of the respective sub-fund or class of units.

If different classes of units are offered, units of one class may also be converted into units of another class of units, both within the same sub-fund and from one sub-fund to another sub-fund. In the event of a conversion taking place within one and the same sub-fund, no conversion fee will be charged. If a conversion of Units is not possible for certain sub-funds or classes of units, this will be mentioned for the sub-fund or class of units concerned in the respective Annex A "Sub-funds Overview" for the particular sub-fund.

The number of Units into which the Investor wishes to convert their holding will be calculated in accordance with the following formula:

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

A = Number of Units of the new sub-fund or of the class of units, if any, into which the conversion is to be made

B = Number of Units of the sub-fund or of the class of units, if any, from which the conversion is to be effected

C = Net Asset Value or redemption price of the Units presented for conversion

D = Currency exchange rate between the sub-funds concerned or any classes of units. If both sub-funds or classes of units are valued in the same invoicing currency, this coefficient is 1.

E = Net Asset Value of the Units of the sub-fund or class of units, as the case may be, into which the switch is to be made, plus any taxes, charges or other levies

On a case-by-case basis, duties, taxes and stamp duties may be incurred in individual countries when exchanging sub-funds or classes of units.

The Management Company may reject a conversion application for a sub-fund or for a class of units at any time if this appears to be in the interests of the sub-fund, the Management Company or the Investors, in particular if:

1. there is a suspicion that the respective Investor is engaging in “market timing”, “late trading” or other market techniques by way of the acquisition of the Units, which could be detrimental to the Investors as a whole;
2. The Investor does not meet the conditions for an acquisition of the units;
3. the Units are distributed in a country in which the respective sub-fund is not authorised for distribution or have been acquired by a person for whom the acquisition of the Units is not permitted;

The Management Company will ensure that the conversion of units is settled on the basis of a Net Asset Value per unit unknown to the Investor at the time the request is submitted (forward pricing).

The conversion of Fund Units may be discontinued in cases in which Art. 12 is applicable.

#### **Art. 10 Late Trading and Market Timing**

If there is any suspicion that an applicant is engaging in late trading or market timing, the Management Company and/or the Depositary will refuse to accept the subscription, conversion or redemption request until the applicant has settled any doubts regarding its request.

##### **Late Trading**

Late trading means the acceptance of a subscription, conversion or redemption request received after the cut-off time of the relevant day and its exercise at the price based on the Net Asset Value applicable on that day. Late trading allows an Investor to profit from knowledge of events or information published after the deadline for the acceptance of requests which are not yet reflected in the price at which the Investor's request is settled. As a result, this Investor has an advantage over Investors who have complied with the official acceptance deadline. The advantage of this Investor is even more significant if they can combine late trading with market timing.

##### **Market Timing**

Market timing means the arbitrage process by which an Investor systematically subscribes for and redeems or converts Units of the same sub-fund or classes of units on a short-term basis by taking advantage of timing differences and/or errors or weaknesses in the system used to calculate the Net Asset Value of the sub-fund or class of units.

#### **Art. 11 Prevention of Money Laundering and the Financing of Terrorism**

The Management Company and the Depositary are obliged to comply with the provisions of the Due Diligence Act and the associated Due Diligence Ordinance applicable in the Principality of Liechtenstein as well as the guidelines of the FMA as amended from time to time. Likewise, the Management Company will ensure that the domestic distributors undertake to comply with the aforementioned regulations.

If domestic distributors accept funds from Investors themselves, they shall, in their capacity as due diligence agents, identify the subscriber in accordance with the Due Diligence Act and the Due Diligence Ordinance, in order to establish the beneficial owner, to draw up a profile of the business relationship and to comply with all local regulations applicable to them regarding the prevention of money laundering.

In addition, distributors and their sales agents must also comply with all regulations regarding the prevention of money laundering and the financing of terrorism that are in force in the respective countries of distribution.

#### **Art. 12 Suspension of the Calculation of the Net Asset Value and the Issue, Redemption and Conversion of Units**

The Management Company may temporarily suspend the calculation of the Net Asset Value and/or the issue, redemption and conversion of Units of a sub-fund if this is justified in the interests of the Investors, in particular:

- a) if a market which forms the basis for the valuation of a substantial portion of the assets of a sub-fund is closed or if trading on such market is restricted or suspended;
- b) in the event of political, economic or other emergencies; or
- c) if transactions become impracticable for the UCITS due to restrictions on the transfer of assets.

The suspension of the calculation of the net assets of a sub-fund does not affect the calculation of the net assets of the other sub-funds if none of the above conditions apply to the other sub-funds.

The Management Company may also take the decision to suspend the issue of units in whole or temporarily if new investments could impair the achievement of the investment objective.

The issue and redemption of units will be temporarily suspended in particular if the calculation of the Net Asset Value per unit is discontinued. If the issue of units is discontinued, the Investors will be informed immediately of the reason and the

time of the discontinuation by means of a notice in the official medium of publication and in the media specified in the Prospectus and Trust Agreement or by means of a durable medium (letter, fax, e-mail or comparable).

In addition, the Management Company is entitled, while safeguarding the interests of the Investors, to make substantial redemptions only, i.e., to temporarily suspend redemption, after corresponding assets of the respective sub-fund can be sold without delay while safeguarding the interests of the Investors.

New Units of this sub-fund will not be issued as long as the redemption of Units is suspended. The conversion of Units whose return is temporarily restricted is not possible. The temporary suspension of redemptions of Units of a sub-fund does not result in the temporary suspension of redemptions of other sub-funds which are not affected by the events in question.

The Management Company ensures that sufficient liquid assets are available to the assets of the respective sub-fund so that the redemption or conversion of Units at the request of Investors can be carried out immediately under normal circumstances.

The Management Company will immediately notify the FMA and the Investors in an appropriate manner of the suspension of the redemption and payment of Units. Subscription, redemption or conversion requests will be settled after the calculation resumption of the Net Asset Value. The Investor may revoke their subscription, redemption or conversion application until the resumption of unit trading.

### **Art. 13 Sales Restrictions**

The units of the UCITS are not authorised for distribution in all countries of the world. When issuing, redeeming and converting Units abroad, the provisions applicable there shall apply. Details can be found in the Prospectus.

## **II. Structural Measures**

Unless the Prospectus or the Trust Agreement provides otherwise, the following provisions will also apply to other structural measures pursuant to the UCITSG.

### **Art. 14 Merger**

In accordance with Article 38 UCITSG, the Management Company may decide at any time and at its own discretion, with the approval of the relevant supervisory authority, to merge the UCITS with one or more other UCITS, irrespective of the legal form of the UCITS and whether or not the other UCITS has its registered office in Liechtenstein. Sub-funds and classes of units of the UCITS may also be merged with each other, but also with one or more other UCITS or their sub-funds and classes of units.

It is also possible to split the UCITS or its sub-funds and classes of units.

All assets of the UCITS or of the sub-fund may be transferred to another existing UCITS or sub-fund or to a UCITS or sub-fund newly established by the merger at the end of the financial year (transfer date) with the approval of the relevant supervisory authority. The UCITS or the sub-fund may also be merged with a UCITS or sub-fund that was launched in another EU or EEA State and also complies with the requirements of Directive 2009/65/EC. With the approval of the Financial Market Authority Liechtenstein (FMA), a different transfer date may be determined. All the assets of another UCITS or of a foreign UCITS complying with the Directive may also be transferred to a UCITS at the end of the financial year or on a different transfer date. Finally, there is also the possibility that only the assets of a foreign directive-compliant UCITS are transferred to the UCITS without its liabilities.

The custodian institutions of the Investors will provide them with information on the reasons for the merger, the potential effects for the Investors, their rights in connection with the merger and relevant procedural aspects in paper or electronic form no later than 35 working days before the planned transfer date. Investors will also receive the key investor information for the separate fund or UCITS that will remain existent or be newly formed as a result of the merger.

Until five working days before the planned transfer date, Investors have the option either to redeem their Units without a redemption charge or to exchange their Units for units of another UCITS which is also managed by the Management Company and has a similar investment policy to the UCITS to be merged.

On the transfer date, the values of the receiving and the transferring separate fund or UCITS are calculated, the conversion rate is determined and the entire process is audited by the auditor. The conversion rate will be determined according to the ratio of the Net Asset Values of the acquired and the receiving separate fund at the time of the acquisition. The Investor will receive the number of Units in the new special fund corresponding to the value of their Units in the transferring separate fund. There is also the possibility that the Investors of the transferring separate fund will 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 transferring separate fund, its managing Management Company must prepare a report on the transfer date that complies with the requirements for an annual report.



The Management Company will announce in the UCITS' official medium of publication, the website of the LAFV Liechtenstein Investment Fund Association [www.lafv.li](http://www.lafv.li), when the UCITS has absorbed another UCITS and the merger has become effective. Should the UCITS cease to exist as a result of a merger, the Management Company managing the receiving or newly constituted UCITS will take over the disclosure.

The transfer of all assets of this UCITS to another domestic UCITS or another foreign UCITS will only take place with the approval of the Financial Market Authority Liechtenstein (FMA).

#### **Art. 15 Investor Information, Consent and Investor Rights**

Investors will be adequately and accurately informed of the proposed merger. The investor information has to enable Investors to make an informed assessment on the impact of the envisaged changes on their investment and the exercise of their rights pursuant to Articles 44 and 45 UCITSG.

The Investors have no right of to participate in decisions with regard to structural measures.

Investors may, in the event of a structural measure, demand

- a) the resale of their Units;
- b) the redemption of their Units; or
- c) the conversion of their Units into units of another UCITS with a similar investment policy,

without incurring any costs other than those retained by the UCITS or the sub-fund to cover costs.

The conversion right exists only insofar as the UCITS or the corresponding sub-fund is of the same UCITS or is managed by the same Management Company or by a company closely associated with the Management Company. If applicable, Investors will receive a surplus compensation.

This right arises with the transmission of the investor information and expires five bank working days before the time for the calculation of the conversion rate.

#### **Art. 16 Costs of the Merger**

Legal, advisory or administrative costs associated with the preparation and implementation of the merger will not be charged to any of the UCITS or sub-funds involved in the merger, nor to the Investors.

This applies *mutatis mutandis* to structural measures pursuant to Article 49 lit. a) to c) UCITSG.

Where a sub-fund exists as a master UCITS, a merger will only become effective if the relevant sub-fund provides the information required by law to its Investors and to the competent authorities of the home Member State of its feeder UCITS by 60 days before the proposed effective date. In such case, the relevant sub-fund will also grant the feeder UCITS the option to redeem or repay all Units prior to the merger becoming effective, unless the competent authority of the feeder UCITS home Member State does not approve the investment in units of the master UCITS resulting from the merger.

### **III. Dissolution of the UCITS, its Sub-Funds and its Classes of Units**

#### **Art. 17 In General**

The provisions on the dissolution of the UCITS also apply to its sub-funds and classes of units.

Investors will be informed of the Management Company's decision by the same means as described in the previous section "Structural Measures".

#### **Art. 18 Resolution on Dissolution**

The dissolution of the UCITS or one of its sub-funds is mandatory in the cases provided for by law. In addition, the Management Company is entitled to dissolve the UCITS or individual sub-funds or an individual class of units at any time.

Investors, heirs and other beneficiaries may not demand the division or dissolution of the UCITS or of an individual sub-fund or an individual class of units.

The resolution on the dissolution of a sub-fund or a class of units will be published on the website of the Liechtenstein Investment Fund Association LAFV ([www.lafv.li](http://www.lafv.li)) as the official medium of publication of the UCITS or a class of units, as well as other media and permanent data carriers (letter, fax, e-mail or comparable) specified in the Prospectus. From the date of resolution on the dissolution, no more units will be issued, converted or redeemed.

In the event of the dissolution of the UCITS or of one of its sub-funds, the Management Company may liquidate the assets of the UCITS or of a sub-fund without delay in the best interests of the Investors. In all other respects, the liquidation

of the UCITS or the sub-fund will be carried out in accordance with the provisions of the Liechtenstein Persons and Companies Act (PGR).

If the Management Company dissolves a class of units without dissolving the UCITS or the sub-fund, all units of this class will be redeemed at their then valid Net Asset Value. This redemption will be published by the Management Company and the redemption price will be paid by the Depository for the benefit of the former Investors.

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

If the Net Asset Value of the UCITS has fallen below or has not reached a value required for the economically efficient management and in the event of a significant change in the political, economic or monetary environment or as part of a rationalisation, the Management Company may decide to redeem or cancel all units of the UCITS, a sub-fund or a class of units at the Net Asset Value (taking into account the actual realisation prices and realisation costs of the investments) on the valuation day on which the relevant decision takes effect.

#### **Art. 20 Costs of Dissolution**

The dissolution costs will be charged to the net assets of the UCITS or of a sub-fund.

#### **Art. 21 Dissolution and Bankruptcy of the Management Company or the Depository, respectively**

The assets managed for the purpose of collective investment for the account of Investors will not, in the event of the dissolution and bankruptcy of the Management Company, become part of its bankruptcy estate and will not be liquidated together with its own assets. The UCITS or a sub-fund constitute a separate fund for the benefit of its Investors. Each separate fund is to be transferred to another Management Company or dissolved by way of separate satisfaction for the benefit of the Investors of the UCITS or a sub-fund with the approval of the FMA.

In the event of the bankruptcy of the Depository, the assets under management of the UCITS or a sub-fund concerned are, with the consent of the FMA, to be transferred to another depository or dissolved by way of separate satisfaction for the benefit of the Investors of the UCITS or a sub-fund.

#### **Art. 22 Termination of the Depository Agreement**

In the event of termination of the depository agreement, the net assets of the UCITS or a sub-fund are, with the approval of the FMA, to be transferred to other depositories or dissolved by way of separate satisfaction for the benefit of the respective Investors of the UCITS or a sub-fund.

### **IV. The Sub-Funds**

#### **Art. 23 The Sub-Funds**

The UCITS consists of one or more sub-funds. The Management Company may at any time decide to launch further sub-funds. The Prospectus as well as the Trust Agreement including the sub-fund-specific Annex A "Sub-funds Overview" shall be amended accordingly.

The Investors participate in the respective sub-fund assets of the UCITS in proportion to the Units they have acquired.

Each sub-fund is deemed to be a separate fund in relation to the others. The rights and obligations of the Investors in one sub-fund are separate from those of the Investors in the other sub-funds.

In relation to third parties, the assets of each sub-fund are only liable for liabilities incurred by the relevant sub-fund.

#### **Art. 24 Term of the Individual Sub-funds**

The sub-funds may be established for a fixed or indefinite term. The term of a sub-fund is set out in Annex A "Sub-funds Overview" for each of the respective sub-funds.

#### **Art. 25 Structural Measures regarding Sub-Funds**

The Management Company may take all structural measures described in Art. 14 et seq. of this Trust Agreement for each sub-fund.

#### **Art. 26 Classes of Units**

The Management Company may create several classes of units for each sub-fund.

Classes of units may be created which differ from the existing unit classes, for example, with regard to the appropriation of income, the issue premium, the reference currency and the use of currency hedging transactions, the management fee, the minimum investment amount or a combination of these features. However, the rights of Investors who have acquired units in existing classes of units remain unaffected.

The classes of units issued in connection with each sub-fund and the fees and remunerations payable in respect of the units of the sub-funds are set out in Annex A “Sub-funds Overview”.

## **V. General Investment Principles and Investment Restrictions**

### **Art. 27 Investment Policy**

The sub-fund-specific investment policy is described for each respective sub-fund in Annex A “Sub-funds Overview”.

The following general investment principles and restrictions apply to all sub-funds unless deviations or supplements are included for the respective sub-fund in Annex A “Sub-funds Overview”.

### **Art. 28 General Investment Principles and Investment Restrictions**

The respective sub-fund assets will be invested in compliance with the principle of risk spreading within the meaning of the rules of the UCITSG and in accordance with the investment policy principles described below and within the investment restrictions.

### **Art. 29 Permitted Investments**

Each sub-fund may invest the assets for the account of its Investors exclusively in one or more of the following assets:

1. Transferable securities and money market instruments:
  - a) which are listed or traded on a regulated market within the meaning of Article 4(1)(21) of Directive 2014/65/EU;
  - b) traded on another regulated market of an EEA Member State which is recognised, open to the public and functions regularly;
  - c) officially listed on a stock exchange of a third country or traded on another market worldwide which is recognised, open to the public and functions regularly.
2. Recently issued transferable securities, provided that:
  - a) the terms and conditions of issue contain the obligation that admission to official listing or to trading on one of the stock exchanges mentioned in Section 1 a) to c) or on a regulated market mentioned therein has been applied for, and
  - b) this authorisation is obtained before the expiry of one year after the issue at the latest;
3. Units of an UCITS and other undertakings for collective investment comparable to UCITS within the meaning of Article 3 para. 1 no. 17 UCITSG, provided that according to their constitutive documents they may invest no more than 10% of their assets in units of another UCITS or comparable undertakings for collective investment;
4. Sight deposits or deposits at notice, maturing within twelve months at the latest, with credit institutions that have their registered office in an EEA member state or a third state whose supervisory regulation is equivalent to that of EEA law;
5. Derivatives whose underlying asset are investment assets within the meaning of this Section or financial indices, interest rates, exchange rates or currencies. If the transactions involve OTC derivatives, the counterparties must be institutions subject to prudential supervision and belonging to a category approved by the FMA, and the OTC derivatives must be subject to reliable and verifiable valuation on a daily basis and must be able to be sold, liquidated or closed by an offsetting transaction at any time, on the initiative of the UCITS, at the appropriate fair value;
6. Money market instruments, other than those traded on a regulated market, provided that the issue or the issuer of these instruments is subject to provisions for the protection of deposits and investors, on the condition that they are:
  - a) issued or guaranteed by a central, regional or local authority or the central bank of an EEA Member State, the European Central Bank, the Community or the European Investment Bank, a third country or, insofar as this is a Federal State, by one of the member states of the federation or a public international body to which at least one EEA Member State belongs;
  - b) issued by an undertaking of which the securities are traded on the regulated markets referred to in Section 1, lit. a);
  - c) issued or guaranteed by an institution subject to prudential supervision according to criteria established under EEA law, or an institution that is subject to and complies with regulations of prudential supervision equivalent to EEA law; or

- d) issued by an issuer that belongs to one of the categories approved by the FMA, provided that investments in such instruments are subject to investor protection rules equivalent to those laid down in nos. 1 to 3, and the issuer is either an undertaking with capital and reserves of at least 10 million euro or the equivalent in Swiss Francs and which presents and publishes its annual statement of accounts in accordance with the provisions of Directive 78/660/EEC, implemented in Liechtenstein by PGR, or is an entity that is part of a group and is responsible for the financing of that group of companies, which includes at least one stock exchange-listed company, or an entity dedicated to the financing of securitisation vehicles which benefit from a line of credit granted by a bank.

The Management Company may also hold liquid assets.

### **Art. 30 Non-permitted Investments**

The Management Company may not:

1. invest more than 10% of the assets per sub-fund in transferable securities and money market instruments other than those referred to in Art. 29;
2. acquire precious metals or certificates on precious metals;
3. engage in uncovered short selling.

### **Art. 31 Use of Derivatives, Techniques and Instruments**

The total risk associated with derivatives may not exceed the total net value of the respective sub-fund's assets. As part of its investment strategy the Management Company may invest in derivatives within the limits established in Article 53 UCITSG, provided that the total exposure to the underlying assets does not exceed the investment limits set in Article 54 UCITSG. The exposure shall be calculated taking into account the market value of the underlying assets, the counterparty risk, future market fluctuations and the time available to liquidate the positions.

Provided that protection of Investors and the public interest are not compromised, investments by the UCITS in index-based derivatives do not have to be taken into account for the purposes of the upper limits referred to in Article 54 UCITSG.

A UCITS may, subject to the approval of the FMA, employ techniques and instruments relating to transferable securities and money market instruments for the purpose of efficient portfolio management, provided that it complies with the requirements of the UCITSG.

If a derivative is embedded in a security or a money market instrument, it must be taken into account with regard to compliance with the provisions of Article 54 UCITSG.

A Management Company may, subject to the approval of the FMA, employ techniques and instruments relating to transferable securities and money market instruments for the purpose of efficient portfolio management, provided that it complies with the requirements of the UCITSG.

Borrowing, securities lending and repurchase agreements are permitted within the limits provided for in the UCITSG and the corresponding Ordinance.

### **Art. 32 Investment Limits**

**The following investment limits must be complied with for each sub-fund individually:**

1. The sub-fund may invest no more than 5% of its assets in transferable securities or money market instruments issued by the same issuer and no more than 20% of its assets in deposits issued by the same issuer.
2. The counterparty risk arising from a sub-fund's transactions in OTC derivatives with a credit institution as counterparty which has its registered office in an EEA Member State or a third country whose supervisory regulation is equivalent to EEA law may not exceed 10% of the sub-fund's assets; in the case of other counterparties, the maximum counterparty risk shall be 5% of the assets.
3. Provided that the total value of the transferable securities and money market instruments of the issuers in each of which the sub-fund invests more than 5% of its assets does not exceed 40% of its assets, the issuer limit referred to in paragraph 1 is increased from 5% to 10%. The 40% limit does not apply to deposits or to OTC derivative transactions with regulated financial institutions. If the higher limit is utilised, the securities and money market instruments referred to in 5 and the bond referred to in 6 are not taken into account.
4. Irrespective of the individual upper limits referred to in nos. 1 and 2, a sub-fund may not combine any of the following, if this would lead to an investment amounting to more than 20% of its assets with one and the same institution:
  - a) Transferable securities or money market instruments issued by that institution;

- b) Deposits with that institution;
  - c) OTC derivatives acquired by this institution.
5. If the transferable securities or money market instruments are issued or guaranteed by an EEA Member State or its local authorities, by a third country or by a public international body to which at least one EEA Member State belongs, the upper limit referred to in paragraph 1 shall be raised from 5 % to a maximum of 35 %.
  6. Where bonds are issued by a credit institution which has its registered office in an EEA Member State and which, by virtue of statutory provisions for the protection of such bonds' holders, is subject to special public supervision and, in particular, is required to invest the proceeds from the issue of these bonds in assets that, during the full period of validity of the bonds, are sufficient to cover the liabilities arising to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of principal and interest, the limit of 5% specified in paragraph 1 is increased to a maximum of 25% for such bonds. In this case, the total value of the investments may not exceed 80% of the assets of the UCITS.
  7. The limits set out in nos. 1 to 6 may not be combined. The maximum issuer limit shall be 35% of the assets of the relevant sub-fund.

In the case of an exemption by the FMA, this limit may also amount to more than 35%. This must be clearly mentioned in the Prospectus as well as in the advertising. The Management Company is authorised, in accordance with the principle of risk spreading, to invest up to 100% of the assets of a sub-fund in transferable securities and money market instruments of the same issuer, provided that these are issued or guaranteed by a State, a public-law corporation from the OECD or by international organisations of a public-law nature. These transferable securities or money market instruments must be divided into at least six different issues, whereby transferable securities or money market instruments from one and the same issue may not exceed 30% of the total amount of the assets of a sub-fund. The aforementioned transferable securities and money market instruments are not taken into account when applying the limit of 40 % according to no. 3. These investments include in particular corporate and government bonds.

8. Companies belonging to the same group of companies shall be deemed to be a single issuer for the purpose of calculating the "investment limits" provided for in this Section. For investments in transferable securities and money market instruments of the same group of companies, the issuer limit is raised to a total of 20% of the sub-fund's assets.
9. A sub-fund may invest no more than 10% of its assets in units of other UCITS or in other collective investment undertakings comparable to a UCITS.
10. A sub-fund may invest a maximum of 20% of its assets in equities and/or debt securities of one and the same issuer if, in accordance with the investment policy of the sub-fund concerned, the objective of the sub-fund is to track a specific equity or debt securities index recognised by the FMA. The prerequisite for this is that
  - the composition of the index is sufficiently diversified;
  - the index represents an adequate benchmark for the market to which it refers;
  - the index is published in an appropriate manner.

The limit is to be raised to a maximum of 35 %, if this is justified by exceptional market conditions, in particular on regulated markets where specific transferable securities or money market instruments are particularly dominant. An investment of an amount that exceeds the limit shall only be permitted up to this upper limit for investments relating to a single issuer.

If the limits referred to in Art. 30 and Art. 32 are exceeded, the UCITS or the sub-fund, as the case may be, shall strive, as a primary objective for its sales transactions, to normalise this situation taking into account the interests of Investors. Sub-funds may derogate from the provisions of this Chapter "General Investment Principles and Restrictions" within a period of six months from being paid up. It must continue to comply with the requirement for spreading risk.

11. The sub-funds of the same UCITS may subscribe for, acquire and/or hold units to be issued or issued by one or more other sub-funds provided that:
  - The target sub-fund does not in turn invest in the sub-fund which invests in that sub-fund; and
  - The assets' proportion which the target sub-funds whose acquisition is contemplated may, in accordance with their prospectus or instruments of incorporation, invest in aggregate in units of other target sub-funds of the same undertaking for collective investment comparable to UCITS does not exceed 10%; and

- The voting rights, if any, attached to the transferable securities concerned are suspended for as long as they are held by the sub-fund concerned, notwithstanding any appropriate evaluation in the financial statements and periodic reports; and
  - In any event, the value of such transferable securities will be taken into account in the calculation of the net assets of the sub-fund imposed by the UCITSG for the purpose of verifying the minimum level of net assets under the UCITSG for so long as such transferable securities are held by the relevant sub-fund; and
  - There is no multiple charging of fees for the issue or redemption of units on the one hand at the level of the UCITS which has invested in the target sub-fund and on the other hand at the level of the target sub-fund.
12. 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 linked by common management, control or qualifying holdings, neither the Management Company of the UCITS nor the other company may charge fees for the issue or redemption of units to or from the sub-fund assets.
  13. A Management Company shall not acquire, for any of the UCITS or sub-fund under its management, any shares carrying voting rights from the same issuer in which it would be able to exercise a significant influence over the management of the issuer. A significant influence presumes any holding conferring over 10 % of the voting rights. If a lower threshold applies for the acquisition of shares carrying voting rights from the same issuer in another EEA Member State, this threshold shall be applicable to the Management Company, if it acquires shares of an issuer with its registered office in that EEA Member State on behalf of a UCITS.
  14. Financial instruments of the same issuer may be acquired for each sub-fund up to a limit of:
    - a) 10 % of the share capital of the issuer, provided they are non-voting shares;
    - b) 10 % of the total face value of bonds or money market instruments of the issuer in circulation, where bonds or money market instruments are involved. This limit does not have to be observed if the total face value cannot be determined at the time of acquisition;
    - c) 25 % of the units of the same undertaking, where units of other UCITS or undertakings for collective investment comparable with a UCITS are involved. This specific limit does not have to be observed if the net amount cannot be determined at the time of acquisition.
  15. Paragraphs 13 and 14 do not apply to:
    - a) transferable securities and money market instruments issued or guaranteed by a sovereign State issuer;
    - b) shares held by a sub-fund in the capital of a company based in a third country, that invests its assets mainly in the securities of issuers that are resident in this third country, where under the legislation of this third country a holding of this nature represents the only way the sub-fund can invest in securities of issuers from that country. The requirements of the UCITSG shall be observed;
    - c) shares held by Management Companies in the capital of their subsidiary companies that organise the redemption of shares at the request of Investors, exclusively for the Management Company in the State of establishment.

In addition to the restrictions listed according to Art. 32, nos. 1-15, any further restrictions contained in Annex A "Sub-funds Overview" shall be observed.

**The investment limits may be deviated from in the following cases:**

1. Sub-fund's assets do not have to comply with the investment limits when exercising subscription rights from transferable securities or money market instruments that are included in its assets.
2. In the event of the named investment limits being exceeded, the sub-fund shall strive, as a primary objective for its sales transactions, to normalise this situation taking into account the interests of Investors.
3. A sub-fund may derogate from the investment limits within the first six months of its admission. It must continue to comply with the requirement for spreading risk.

### **Active Violations of Investment Limits:**

Any loss incurred as a result of an active violation of the investment limits/investment regulations shall be reimbursed to the UCITS without delay in accordance with the applicable rules of conduct.

### **Special Techniques and Instruments involving Transferable Securities and Money Market Instruments**

As set out in Art. 29 no. 5 of this Agreement, the Management Company may, under the conditions and within the limits laid down by law, use special techniques and financial instruments whose underlying assets are transferable securities, money market instruments and other financial instruments as a key element in achieving the investment policy for each sub-fund.

The Management Company must employ a risk management process which enables it to monitor and measure at any time the risk associated with the investment positions and their respective contribution to the overall risk profile of the investment portfolio; it must also employ a process which enables the value of the OTC derivatives to be accurately and independently assessed. The Management Company has to submit reports to the FMA at least once a year containing information that provides a true and fair view of the derivatives used for each managed sub-fund, the underlying risks, the investment limits and the methods used to estimate the risks associated with the derivative transactions.

The Management Company is also permitted, subject to the conditions and limits laid down by the FMA, to make use of techniques and instruments involving transferable securities and money market instruments, provided that such techniques and instruments are used with a view to the efficient management of the portfolio. If these transactions relate to the use of derivatives, the conditions and limits must comply with the provisions of the UCITSG.

Under no circumstances may the sub-funds deviate from their investment objectives by means of these transactions.

The Management Company will ensure that the overall risk associated with derivatives does not exceed the total net value of the UCITS or a sub-fund. The exposure shall be calculated taking into account the market value of the underlying assets, the counterparty risk, future foreseeable market developments and the time available to liquidate the positions.

The Management Company may make investments in derivatives as part of its investment strategy in accordance with Art. 29 no. 5, provided that the total exposure of the underlying assets does not exceed the investment limits in Art. 32 "Investment Limits". Investments of a sub-fund in index-based derivatives do not have to be taken into account for the investment limits set out in Art. 32 "Investment Limits".

If a derivative is embedded in a security or a money market instrument, it must also be taken into account with regard to compliance with the provisions of Art. 32 "Investment limits".

The Management Company may also lend parts of the securities portfolio of the respective sub-fund to third parties ("Securities Lending"). In general, Securities Lending transactions may only be carried out through recognised clearing organisations, such as Clearstream International or Euroclear, as well as through first-class banks, securities firms, financial services institutions or insurance companies specialising in Securities Lending, within their established framework conditions. In the case of a Securities Lending transaction, the Management Company or the Depositary of the UCITS must in principle receive collateral whose value is at least equal to the total valuation of the transferable securities lent and any accrued interest. Such collateral must be issued in an eligible form of financial collateral. Such collateral is not required if the Securities Lending is effected through Clearstream International or Euroclear or any other equivalent organisation whereby the UCITS is assured of being reimbursed for the value of the securities lent.

The Management Company may not engage in repurchase agreements.

## **VI. Costs and Fees**

### **Art. 33 Ongoing Charges**

#### **Fees dependent on assets:**

##### **Management fee**

The Management Company will charge an annual fee for the management, risk management and administration of the respective sub-funds in accordance with Annex A "Sub-funds Overview". This is calculated on the basis of the average net assets of the sub-funds, accrued on each valuation date and levied *pro rata temporis* at the end of each quarter. The amount of the management fee per sub-fund/class of units is stated in the annual report.

##### **Custodian fee**

For the performance of its duties under the depositary agreement, the Depositary shall receive a fee in accordance with Annex A "Sub-funds Overview". This is calculated on the basis of the average net assets of the sub-funds, accrued on

each valuation date and levied *pro rata temporis* at the end of each quarter. The amount of the custodian fee per sub-fund/class of units is stated in the annual report.

#### **Asset management fee**

If an asset manager has been contractually engaged, it may receive remuneration from the respective sub-fund assets in accordance with Annex A "Sub-funds Overview". This is calculated on the basis of the average net assets of the sub-funds, accrued on each valuation date and levied *pro rata temporis* at the end of each quarter. In addition, the asset manager may receive a Performance Fee from the respective net sub-fund assets. The amount of the asset management fee per sub-fund/class of units is stated in the annual report.

#### **Advisory fee**

If an investment advisor has been appointed, the investment advisor may receive a fee, the maximum amount, calculation and payment of which is set out in the relevant Annex A "Sub-funds Overview" for the relevant sub-fund. In addition, the investment advisor may receive a Performance Fee from the respective net sub-fund assets. The amount of the advisory fee per sub-fund/class of units is stated in the annual report.

#### **Distributor fee**

If a distributor has been contractually obligated, it may receive remuneration from the respective sub-fund assets, the maximum amount, calculation and payment of which are shown for the respective sub-fund in Annex A "Sub-funds Overview". This is calculated on the basis of the average net assets of the sub-funds, accrued on each valuation date and levied *pro rata temporis* at the end of each quarter. The amount of the distributor fee per sub-fund/class of units is stated in the annual report.

#### **Fees independent of assets:**

The Management Company and the Depositary are also entitled to reimbursement of the following expenses incurred by them in the performance of their functions:

- a) the costs of preparing, printing and mailing the annual and semi-annual reports and other publications required by law;
- b) the costs for the publication of notices of a sub-funds, including price publications, addressed to Investors in the official publications and any additional newspapers or electronic media designated by the Management Company;
- c) fees and costs for authorisations and supervision of a sub-fund in Liechtenstein and abroad;
- d) all taxes levied on the assets of a sub-fund and its income and expenses at the expense of that sub-fund;
- e) fees incurred in connection with any listing of a sub-fund and with the distribution in the country and abroad (e.g. consultancy, legal, translation costs);
- f) the fees, costs and charges in connection with the determination and publication of tax factors for the countries of the EU/EEA where distribution licences exist and/or private placements exist, in accordance with the effective expenses at market rates;
- g) the fees for Paying Agents, representatives and other agents with comparable functions in the country and abroad;
- h) a reasonable share of the costs of printed materials and advertising incurred directly in connection with the offering and sale of units;
- i) fees of the auditor and of tax advisors, insofar as these expenses are incurred in the interests of the Investors;
- j) costs in connection with the valuation of special investments (e.g. expert opinions) and the associated expenses of the Management Company;
- k) costs of professional expertise and advice in connection with the purchase and sale of assets of the Fund in the best interests of the Investors, in particular in the area of unlisted assets, and associated expenses of the Management Company;
- l) costs for potential sub-depositaries of the Fund's assets in the event that parts thereof are not held in custody directly with the Depositary;
- m) costs for the establishment and maintenance of additional counterparties if this is in the interest of the Investors up to a maximum amount of CHF 10,000.



## **Research costs**

The so-called research costs, i.e. costs for the provision of analytical material or services by third parties in relation to one or more financial instruments or other assets or in relation to the issuers or potential issuers of financial instruments or in close connection with a specific industry or market up to the amount of max. USD 70,000 per year shall be charged to the sub-fund and directly debited from the respective sub-fund's assets. Research costs are reported in the fund's annual and semi-annual reports.

## **Transaction costs**

In addition, the sub-funds bear all ancillary costs arising from the management of the assets for the purchase and sale of the investments (brokerage fees in line with the market, commissions, duties) as well as all taxes levied on the assets of the respective sub-fund and its income and expenses (e.g. withholding taxes on foreign income). The sub-funds also bear any external costs, i.e. fees from third parties, incurred in the purchase and sale of the investments. These costs are offset directly against the cost or sales value of the assets concerned. In addition, any currency hedging costs will be charged to the relevant classes of units.

Consideration which is included in a fixed flat fee may not be charged additionally as an individual expense. Any compensation for commissioned third parties is in any case included in the fees according to Art. 33 of the Trust Agreement.

## **Costs for currency hedging of the classes of units.**

The costs, if any, of currency hedging of classes of units will be allocated to the relevant class of units.

## **Service fee**

A periodic service fee is charged in accordance with Annex A "Sub-funds Overview" for additional services provided by the Depositary and Management Company.

## **Liquidation fees**

In the event of the dissolution of the UCITS or the sub-fund, the Management Company may charge a liquidation fee of max. CHF 10,000 in their favour.

## **Extraordinary management costs**

In addition, the Management Company may charge costs for extraordinary management to the respective sub-fund assets.

Extraordinary management costs consist of expenses that are incurred exclusively for the purpose of safeguarding the Investors' interests, that arise in the course of regular business activities and that could not have been foreseen when the UCITS or the respective sub-fund was established. Extraordinary management costs are, in particular, costs for legal action in the interest of the UCITS or the corresponding sub-fund or the Investors. In addition, all costs of any extraordinary management that may become necessary in accordance with the UCITSG and UCITSV (e.g. amendments to the fund documents) are included here.

## **Maximum limit for Ongoing Charges (Total Expense Ratio, TER)**

The total ongoing charges, before any Performance Fee and before any extraordinary management fees, shall be calculated in accordance with general principles set out in the rules of conduct and include, with the exception of transaction costs, all costs and fees charged on an ongoing basis to the assets of the UCITS.

The TER of the UCITS will be stated in the semi-annual and annual reports and will be shown on the website of the LAFV Liechtenstein Investment Fund Association at [www.lafv.li](http://www.lafv.li) when the semi-annual or annual report is published.

## **Art. 34 Costs to be borne by the Investors**

Issue, redemption and conversion fees as well as any related taxes and duties are to be borne by the Investor.

## **Art. 35 Fees depending on investment performance ("Performance Fee")**

In addition, the Management Company may charge a Performance Fee. If a Performance Fee is charged, this is described in detail in Annex A "Sub-funds Overview".

## **Art. 36 Formation costs**

The costs of setting up the UCITS and of the initial issue of units will be amortised over 5 years against the assets of the sub-funds existing at the time of establishment. The formation costs will be allocated pro rata to the respective sub-fund assets. Costs incurred in connection with the launch of additional sub-funds are amortised over 5 years at the expense of the respective sub-fund assets to which they are attributable.

### **Art. 37 Use of Income**

The performance of a sub-fund is made up of net income and realised capital earnings.

The Management Company may distribute the income generated in a sub-fund or class of units to the Investors in that sub-fund or class of units or reinvest that income in the sub-fund or class of units in question (accumulation).

#### **Accumulating:**

The profit generated by those sub-funds or classes of units that have an “accumulating” profit allocation in accordance with Annex A “Sub-funds Overview” will be reinvested on an ongoing basis, i.e. accumulated.

#### **Distributing:**

The profit generated by those sub-funds or classes of units which have a profit distribution of the type “distributing” in accordance with Annex A “Sub-funds Overview” will in principle be distributed annually. The amount of the distribution will be determined at the discretion of the Management Company.

Part of the net income of the sub-fund or class of units of the Fund may be carried forward to the new account.

Distributions will be paid on the units in issue on the distribution date.

No interest will be paid on declared distributions from the date they are due.

### **Art. 38 Allowances**

The Management Company or the asset manager may pay distributors a remuneration to cover expenses in connection with the distribution of the Fund in accordance with the provisions in the constitutive documents.

If the Management Company receives allowances from third parties on behalf of the Fund in connection with the allocation of Investors, the acquisition/distribution of collective investment schemes, certificates, notes, etc. (hereinafter referred to as “Products”), it shall pass these on in full to the Fund.

The amount of such allowances varies depending on the Product and Product provider. As a rule, portfolio payments are calculated on the basis of the volume of a Product or Product group held by the Management Company. Their amount usually corresponds to a percentage share of the management fees charged to the respective Product, which are remunerated periodically during the holding period. In addition, distribution commissions may also be paid by transferable security issuers in the form of discounts on the issue price (percentage discount) or in the form of one-off payments, the amount of which corresponds to a percentage share of the issue price. Subject to any other provision, the Investor may at any time before or after the provision of the service (purchase of the Product) request from the Management Company further details of the arrangements made with third parties concerning such allowance. However, the right to information on further details regarding transactions already carried out is limited to the 12 months preceding the request. The Investor expressly waives any further claim to information. If the Investor does not request further details before the service is provided or if they obtain the service after obtaining further details, they waive any claim for return within the meaning of Section 1009 of the General Civil Code (*Allgemeines Bürgerliches Gesetzbuch*, ABGB).

### **Art. 39 Information for Investors**

The official medium 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 mentioned in the Prospectus.

All notices to Investors, including those concerning amendments to the Trust Agreement and Annex A “Sub-funds Overview”, will be published on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the official medium of publication of the UCITS as well as on other media and data carriers mentioned in the Prospectus.

The Net Asset Value as well as the issue and redemption price of the units of the UCITS or of each sub-fund or unit class will be announced on each valuation day on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the official medium of publication of the UCITS as well as other media and permanent data carriers (letter, fax, e-mail or comparable) mentioned in the Prospectus.

The annual report, which is audited by an auditor, and the semi-annual report, which need not be audited, shall be made available to Investors free of charge at the registered office of the Management Company and Depository.

### **Art. 40 Reports**

The Management Company will prepare an audited annual report and a semi-annual report for each UCITS in accordance with the legal provisions in the Principality of Liechtenstein.

No later than four months after the end of each financial year, the Management Company will 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 will publish an unaudited semi-annual report.

Additional audited and unaudited interim reports may be drawn up.

#### **Art. 41 Financial Year**

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

#### **Art. 42 Amendments to the Trust Agreement**

This Trust Agreement may be amended or supplemented in whole or in part by the Management Company at any time.

Amendments to the Trust Agreement require the prior approval of the FMA.

#### **Art. 43 Limitation Period**

The claims of Investors against the Management Company, the liquidator, the custodian or the Depositary become time-barred upon the expiry of five years after the occurrence of a damage, but no later than one year after the redemption of the Unit or after knowledge of the damage.

#### **Art. 44 Applicable Law, Place of Jurisdiction and Authoritative Language**

The UCITS is subject to Liechtenstein law. The exclusive place of jurisdiction for all disputes between the Investors, the Management Company and the Depositary is Vaduz. Any other legally binding places of jurisdiction remain unaffected.

However, the Management Company and/or the Depositary may submit themselves and the UCITS to the jurisdiction of the countries in which Units are offered and sold with respect to claims of Investors from such countries.

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

#### **Art. 45 General provisions**

In all other respects, reference is made to the provisions of the UCITSG, the provisions of the Persons and Companies Act (PGR) on collective trusteeship and the general provisions of the PGR as amended from time to time.

#### **Art. 46 Entry into Force**

This Trust Agreement enters into force on 01.03.2023.

Management Company:

1741 Fund Management AG, Vaduz

Depositary:

Liechtensteinische Landesbank Aktiengesellschaft, Vaduz

## Annex A: Sub-funds Overview

The Trust Agreement and this Annex form an essential unit and therefore complement each other.

### 1 Craton Capital Precious Metal Fund

#### 1.1. Master Data and Information of the Sub-Funds and their Classes of Units

	Craton Capital Precious Metal Fund		
Classes of Units <sup>2</sup>	Class A	Class B	Class E
Security number	1674268	2127984	11630888
ISIN	LI0016742681	LI0021279844	LI0116308888
WKN	964907	A0F412	A1C6L9
Suitable as a UCITS target fund	yes		
Duration	unrestricted	unrestricted	unrestricted
Listing	no	no	no
Invoicing currency of the sub-fund	US dollar	US dollar	US dollar
Reference currency of the class of units	US dollar	US dollar	US dollar
Minimum investment	1 Unit	1 Unit	USD 1 million or equivalent for initial subscriptions USD 100.000 or equivalent for subsequent subscriptions
Initial issue price	USD 100	USD 164.93	USD 302.13
Valuation day <sup>3 4</sup> (T)	On every banking day in Liechtenstein		
Valuation interval	daily	daily	daily
Acceptance deadline for transactions in Units	15:00 CET	15:00 CET	15:00 CET
Issue/redemption day	Each valuation day		
Value issue and redemption day (T+2)	Two bank business days after the calculation of the net asset value/NAV		
Denomination	Fractions possible		
Securitisation	By book entries / no issue of certificates		
End of the financial year	each as at 31 December	each as at 31 December	each as at 31 December
End of the first financial year	31 December 2004	31 December 2006	31 December 2010
Use of Earnings	accumulating	distributing	accumulating

<sup>2</sup> The specific requirements to be met by the Investor for the acquisition of Units of a particular class of units are set out in Article 26 of the Trust Agreement (Participation in the UCITS).

<sup>3</sup> If the valuation day falls on a bank holiday in Liechtenstein, the valuation day will be moved to the next following bank business day in Liechtenstein.

<sup>4</sup> On 31 December, each issue and redemption day no longer applies. This valuation day is decisive for the annual report of the Fund.

### Costs to be borne by the Investors

Classes of Units	Class A	Class B	Class E
Max. issue premium	5%	5%	5%
Redemption premium	none	none	none
Max. conversion fee when switching from one class of units to another class of units	0.5%	0.5%	0.5%

### Costs charged to the Sub-fund's Assets<sup>5 6</sup>

Fee for Asset Management and Distribution <sup>7</sup>	1,5% p.a. <sup>8</sup>	1,5% p.a. <sup>8</sup>	1,0% p.a.
Performance Fee <sup>7</sup>	10 % of the outperformance compared to the combination of two benchmarks: NYSE Arca Gold Miners Total Return Index with 75 % and MVIS Global Junior Gold Miners Total Return Index with 25 %.		
High Watermark	no, Performance Fee is calculated against the benchmark		
Max. fee for administration, Depository and risk management <sup>7</sup>	0.45 % p. a. plus max. CHF 110,000 p.a.		
Max. Service Fee <sup>7</sup>	CHF 2,500.-- p.a.		
Research costs	max. USD 70,000 p.a.		

<sup>5</sup> Plus taxes and other costs: Transaction costs and expenses incurred by the Management Company and the Depository in the performance of their functions. The details can be found in the Prospectus in Sections 11 (Tax Regulations) and 12.2 (Costs and Fees charged to the Sub-Fund).

<sup>6</sup> In the event of the dissolution of the sub-fund, the Management Company may charge a liquidation fee of max. CHF 10,000 in its favour.

<sup>7</sup> The commission or fee actually charged is shown in the annual and semi-annual report.

<sup>8</sup> The payment of portfolio maintenance commissions is possible.

	<b>Craton Capital Precious Metal Fund</b>		
Classes of Units <sup>9</sup>	<b>Class R</b>	<b>Class I</b>	<b>Class D</b>
Security number	21443088	21443097	21443094
ISIN	LI0214430881	LI0214430972	LI0214430949
WKN	A116E8	A116E9	A14S65
Suitable as a UCITS target fund	yes		
Duration	unrestricted	unrestricted	unrestricted
Listing	no	no	no
Invoicing currency of the sub-fund	US dollar	US dollar	US dollar
Reference currency of the class of units	US dollar	US dollar	US dollar
Minimum investment	1 Unit	USD 3 million or equivalent for initial subscriptions USD 100.000 or equivalent for subsequent subscriptions	1 Unit
Initial issue price	The initial issue price corresponds to the NAV at launch	The initial issue price corresponds to the NAV at launch	The initial issue price corresponds to the NAV at launch
Valuation day <sup>10 11</sup> (T)	On every banking day in Liechtenstein		
Valuation interval	daily	daily	daily
Acceptance deadline for transactions in Units	15:00 CET	15:00 CET	15:00 CET
Issue/redemption day	Each valuation day		
Value issue and redemption day (T+2)	Two bank business days after the calculation of the net asset value/NAV		
Denomination	Fractions possible		
Securitisation	By book entries / no issue of certificates		
End of the financial year	each as at 31 December	each as at 31 December	each as at 31 December
Closing of the first financial year	31 December 2014	31 December 2014	31 December 2015
Use of earnings	accumulating	accumulating	distributing

<sup>9</sup> The specific requirements to be met by the Investor for the acquisition of Units of a particular class of units are set out in Article 26 of the Trust Agreement (Participation in the UCITS).

<sup>10</sup> If the valuation day falls on a bank holiday in Liechtenstein, the valuation day will be moved to the next following bank business day in Liechtenstein.

<sup>11</sup> On 31 December, each issue and redemption day no longer applies. This valuation day is decisive for the annual report of the Fund.

## Costs to be borne by the Investors

Classes of Units	Class R	Class I	Class D
Max. issue premium	5 %	5 %	5 %
Redemption premium	none	none	none
Max. conversion fee when switching from one class of units to another class of units	0.5 %	0.5 %	0.5 %

## Costs charged to the sub-fund's assets<sup>12 13</sup>

Fee for asset management and distribution <sup>14</sup>	1.2 % p.a.	0.85 % p.a.	1.2 % p.a.
Performance Fee <sup>14</sup>	10 % of the outperformance compared to the combination of two benchmarks: NYSE Arca Gold Miners Total Return Index with 75 % and MVIS Global Junior Gold Miners Total Return Index with 25 %.		
High Watermark	no, Performance Fee is calculated against the benchmark		
Max. fee for administration, Depositary and risk management <sup>14</sup>	0.45 % p. a. plus max. CHF 110,000 p.a.		
Max. Service Fee <sup>14</sup>	CHF 2,500.-- p.a.		
Research costs	max. USD 70,000 p.a.		

### 1.2. Asset Manager

Craton Capital Advisory (Pty) Ltd, Suite 3, Building 4, Albury Office Park, Magalieszicht Ave, Dunkeld West, 2196, Republic of South Africa acts as asset manager for all sub-funds.

### 1.3. Investment Policy of the Sub-Fund

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

#### Investment Objective and Policy

The investment objective of the Craton Capital Precious Metal Fund is to achieve long-term capital growth.

The sub-fund invests globally in companies and issuers directly related to precious metals (incl. diamonds) and/or engaged in the exploration, extraction, mining, production, processing, transportation, distribution of precious metals or providing services in the precious metals sectors. The sub-fund invests in particular in the following sectors:

- gold;
- PGM (Platinum Group Metals: platinum, palladium and rhodium);
- silver;
- diamonds.

The sub-fund invests, after deducting liquid assets, at least two thirds of the sub-fund's assets in:

- equity securities and rights (esp. stocks) of companies and issuers from the gold, PGM (Platinum Group Metals), silver and diamond sectors;

<sup>12</sup> Plus taxes and other costs: transaction costs and expenses incurred by the Management Company and the Depositary in the performance of their functions. The details can be found in the Prospectus in Sections 11 (Tax Regulations) and 12.2 (Costs and Fees charged to the Sub-Fund).

<sup>13</sup> In the event of the dissolution of the sub-fund, the Management Company may charge a liquidation fee of max. CHF 10,000 in its favour.

<sup>14</sup> The commission or fee actually charged is shown in the annual and semi-annual report.

- debt securities and rights denominated in freely convertible currencies (esp. convertible bonds) of companies and issuers from the gold, PGM (Platinum Group Metals), silver and diamond sectors;
- units of a UCITS and other undertakings for collective investment comparable to a UCITS which invest their assets in accordance with the guidelines of this sub-fund;
- derivative financial instruments on transferable securities and securities rights mentioned above.

After deducting cash and cash equivalents, the sub-fund may invest up to a maximum of one third of the sub-fund's assets in:

- short-term liquid investments such as call money, time deposits or money market instruments with a remaining term of less than 12 months;
- equity securities and rights as well as fixed- or variable-interest debt securities and rights of companies and issuers from other sectors;
- units of a UCITS and other undertakings for collective investment comparable to a UCITS which invest their assets in other sectors worldwide;
- derivative financial instruments on above-mentioned transferable securities and securities rights from other sectors.

The sub-fund may invest no more than 10 % of its assets in units of other UCITS or other collective investment undertakings comparable to a UCITS.

The underlying investments of this financial product do not comply with the EU criteria for environmentally sustainable economic activities.

#### **1.4. Invoicing/Reference Currency of the Sub-Fund**

The invoicing currency of the sub-fund as well as the reference currency per class of units are specified in the table "Sub-Fund Master Data and Information" of this Annex A "Sub-Funds Overview".

The invoicing currency means the currency in which the sub-fund's accounts are being kept. The reference currency means the currency in which the performance and net asset value of the classes of units are being calculated. Investments are made in the currencies that are best suited to the performance of the respective sub-fund.

#### **1.5. Profile of the Typical Investor**

The Craton Capital Precious Metal Fund is aimed at Investors who pursue the goal of general wealth creation and asset optimisation and have a long-term investment horizon of at least five years. The Craton Capital Precious Metal Fund is intended for Investors with knowledge of and/or experience with transferable securities. The potential Investor could suffer a financial loss. Capital protection cannot be guaranteed.

The sub-fund is suitable for Investors with a long-term investment horizon who wish to invest in a broadly diversified portfolio of equity securities and rights in the gold, PGM (Platinum Group Metals), silver and diamond sectors.

#### **1.6. Risks and Risk Profiles of the Sub-Fund**

##### **Sub-fund-specific Risks**

The performance of the Units depends on the investment policy as well as on the market development of the individual investments of the sub-fund and cannot be determined in advance. In this context, it should be noted that the value of the Units may rise or fall at any time compared to the issue price. There can be no guarantee that the Investor will recover his or her invested capital.

Due to the fact that the assets of the sub-fund are predominantly invested in equity securities and rights, this type of investment involves a market and issuer risk which may have a negative impact on the net assets. In addition, other risks such as currency risk and interest rate risk can occur. The use of derivative financial instruments that are not used for hedging purposes can lead to increased risks.

The risk associated with financial derivative instruments may not exceed 100 % of the net assets of the sub-fund. The total risk associated with financial derivative instruments may not exceed 200 % of the net assets of the sub-fund. In the case of borrowings permitted under the UCITSG (Prospectus Section 0), the total risk may not exceed 210 % of the sub-fund's net assets.

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

##### **General Risks**

In addition to the sub-fund-specific risks, the investments of the relevant sub-funds may be subject to general risks. An exemplary and non-exhaustive list can be found in Section 8.2 of the Prospectus.



### **1.7. Costs Reimbursed from the Sub-Fund**

An overview of the costs reimbursed from the sub-fund and its classes of units can be found in the table "Sub-Fund Master Data and Information" in this Annex A "Sub-Funds Overview".

#### **Calculation Example for the Performance Fee**

In addition, the Management Company will charge a Performance Fee in accordance with this Annex A "Sub-Funds Overview".

The Management Company will charge the sub-fund a Performance Fee of 10 % of the difference between the percentage performance of the net asset value per Unit and the percentage performance of the benchmark, calculated on the net asset value of the sub-fund's assets. The applicable benchmark for each case is stated in Annex A "Sub-Funds Overview". The Performance Fee is calculated and accrued on each valuation day. Performance Fees once charged will not be reclaimed in the event of any decline in the outperformance or underperformance achieved. The Performance Fee will be paid within 4 months after the end of the sub-fund's financial year. Any underperformance will be carried forward for a maximum period of 5 years and in any case reset at the end of this period. The so-called crystallisation period (settlement period) is 1 year.

The Performance Fee may only be charged if the Net Asset Value of the sub-fund has outperformed the benchmark since the last time the Performance Fee was charged. The remuneration claim is thus calculated from the amount calculated from the positive benchmark deviation at the end of the settlement period minus any underperformance amounts calculated from the negative benchmark deviation of the 5 previous settlement periods.

The costs charged to the sub-fund may not be deducted from the performance of the comparative index prior to the comparison.

**The Management Company expressly indicates that a Performance Fee may also be paid out if the sub-fund has outperformed the benchmark but the sub-fund nevertheless shows a negative performance.**

The following examples describe schematically and simplified the calculation of the Performance Fee (for purpose of illustration):

	Performance of the sub-fund	Performance of the benchmark	Out-performance	Carried forward under-performance (up to 5 years)	Cumulative performance	Performance Fee in the amount of 10 %
<b>Year 1</b>	2,00%	3,00%	-1,00%	0,00%	-1,00%	<b>0,00%</b>
<b>Year 2</b>	2,50%	2,00%	0,50%	-1,00%	-0,50%	<b>0,00%</b>
<b>Year 3</b>	5,00%	1,50%	3,50%	-0,50%	3,00%	<b>0,30%</b>
<b>Year 4</b>	1,00%	1,50%	-0,50%	0,00%	-0,50%	<b>0,00%</b>
<b>Year 5</b>	-3,00%	-2,00%	-1,00%	-0,50%	-1,50%	<b>0,00%</b>
<b>Year 6</b>	1,00%	1,50%	-0,50%	-1,50%	-2,00%	<b>0,00%</b>
<b>Year 7</b>	0,50%	1,50%	-1,00%	-2,00%	-3,00%	<b>0,00%</b>
<b>Year 8</b>	1,00%	1,50%	-0,50%	-3,00%	-3,50%	<b>0,00%</b>
<b>Year 9</b>	1,00%	1,50%	-0,50%	-3,00%	-3,50%	<b>0,00%</b>
<b>Year 10</b>	-15,00%	-12,00%	-3,00%	-2,50%	-5,50%	<b>0,00%</b>
<b>Year 11</b>	-5,00%	-10,00%	5,00%	-5,00%	0,00%	<b>0,00%</b>
<b>Year 12</b>	27,00%	26,00%	1,00%	0,00%	1,00%	<b>0,05%</b>
<b>Year 13</b>	7,50%	13,00%	-5,50%	0,00%	-5,50%	<b>0,00%</b>
<b>Year 14</b>	35,50%	0,00%	35,50%	-5,50%	30,00%	<b>3,00%</b>
<b>Year 15</b>	3,00%	3,00%	0,00%	0,00%	0,00%	<b>0,00%</b>

## 2 Craton Capital Global Resources Fund

### 2.1. Master Data and Information of the Sub-Funds and their Classes of Units

	Craton Capital Global Resources Fund	
Classes of Units <sup>15</sup>	Class A	Class E
Security number	4389074	11630882
ISIN	LI0043890743	LI0116308821
WKN	A0RDE7	A1C6T3
Suitable as a UCITS target fund	yes	
Duration	unrestricted	unrestricted
Listing	no	no
Invoicing currency of the sub-fund	US dollar	US dollar
Reference currency of the class of units	US dollar	US dollar
Minimum investment	1 Unit	USD 1 million or equivalent for initial subscriptions USD 100.000 or equivalent for subsequent subscriptions
Initial issue price	USD 100	USD 253.58
Valuation day <sup>16 17</sup> (T)	On every banking day in Liechtenstein	
Valuation interval	daily	daily
Acceptance deadline for transactions in Units	15:00 CET	15:00 CET
Issue/redemption day	Each valuation day	
Value issue and redemption day (T+2)	Two bank business days after the calculation of the net asset value/NAV	
Denomination	Fractions possible	
Securitisation	By book entries / no issue of certificates	
Closing of the financial year	each as at 31 December	each as at 31 December
Closing of the first financial year	31 December 2009	31 December 2009
Use of earnings	accumulating	accumulating

<sup>15</sup> The specific requirements to be met by the Investor for the acquisition of Units of a particular class of units are set out in Article 26 of the Trust Agreement (participation in the UCITS).

<sup>16</sup> If the valuation day falls on a bank holiday in Liechtenstein, the valuation day will be moved to the next following bank business day in Liechtenstein.

<sup>17</sup> On 31 December, each issue and redemption day is omitted. This valuation day is decisive for the annual report of the Fund.

**Costs to be Borne by the Investors**

Max. issue premium	5 %	5 %
Redemption premium	none	none
Max. conversion fee when switching from one class of units to another class of units	0.5 %	0.5 %

**Costs charged to the Sub-fund's Assets<sup>18 19</sup>**

Classes of Units	Class A	Class E
Fee for Asset Management and Distribution <sup>20</sup>	1.6 % p.a. <sup>21</sup>	1.1 % p.a.
Performance Fee <sup>20</sup>	10 % of the outperformance compared to the combination of two benchmarks: 75 % S-Network Natural Resources Metals Index 25 % BCOM Index (Bloomberg Commodity Index)	
High Watermark	no, Performance Fee is calculated against the benchmark	
Max. fee for administration, Depositary and risk management <sup>20</sup>	0.45 % p. a. plus max. CHF 110,000 p.a.	
Max. Service Fee <sup>20</sup>	CHF 2,500.-- p.a.	
Research costs	<b>max. USD 70,000 p.a.</b>	

<sup>18</sup> Plus taxes and other costs: Transaction costs and expenses incurred by the Management Company and the Depositary in the performance of their functions. The details can be found in the Prospectus in Sections 11 (Tax Regulations) and 12.2 (Costs and Fees charged to the Sub-Fund).

<sup>19</sup> In the event of the dissolution of the sub-fund, the Management Company may charge a liquidation fee of max. CHF 10,000 in its favour.

<sup>20</sup> The commission or fee actually charged is shown in the annual and semi-annual report.

<sup>21</sup> The payment of portfolio maintenance commissions is possible.

	<b>Craton Capital Global Resources Fund</b>	
Classes of Units <sup>22</sup>	<b>Class R</b>	<b>Class I</b>
Security number	21443101	21443103
ISIN	LI0214431012	LI0214431038
WKN	A116FA	A116FB
Suitable as a UCITS target fund	yes	
Duration	unrestricted	unrestricted
Listing	no	no
Invoicing currency of the sub-fund	US dollar	US dollar
Reference currency of the class of units	US dollar	US dollar
Minimum investment	1 Unit	USD 3 million or equivalent for initial subscriptions USD 100.000 or equivalent for subsequent subscriptions
Initial issue price	The initial issue price corresponds to the NAV at launch	The initial issue price corresponds to the NAV at launch
Valuation day <sup>23 24</sup> (T)	On every banking day in Liechtenstein	
Valuation interval	daily	daily
Acceptance deadline for transactions in Units	15:00 CET	15:00 CET
Issue/redemption day	Each valuation day	
Value issue and redemption day (T+2)	Two bank business days after the calculation of the net asset value/NAV	
Denomination	Fractions possible	
Securitisation	By book entries / no issue of certificates	
Closing of the financial year	each as at 31 December	each as at 31 December
Closing of the first financial year	31 December 2014	31 December 2014
Use of earnings	accumulating	accumulating

#### **Costs to be borne by the Investors**

Max. Issue premium	5 %	5 %
Redemption premium	none	none
Max. Conversion fee when switching from one class of units to another class of units	0.5 %	0.5 %

<sup>22</sup> The specific requirements to be met by the Investor for the acquisition of Units of a particular class of units are set out in Article 26 of the Trust Agreement (participation in the UCITS).

<sup>23</sup> If the valuation day falls on a bank holiday in Liechtenstein, the valuation day will be moved to the next following bank business day in Liechtenstein.

<sup>24</sup> On 31 December, each issue and redemption day is omitted. This valuation day is decisive for the annual report of the Fund.

**Costs charged to the Sub-fund's Assets<sup>25 26</sup>**

Classes of Units	Class R	Class I
Fee for Asset Management and Distribution <sup>27</sup>	1.2 % p.a.	0.85 % p.a.
Performance Fee <sup>27</sup>	10 % of the outperformance compared to the combination of two benchmarks: 75 % S-Network Natural Resources Metals Index 25 % BCOM Index (Bloomberg Commodity Index)	
High Watermark	no, Performance Fee is calculated against the benchmark	
Max. fee for administration, Depository and risk management <sup>27</sup>	0.45 % p.a. plus max. CHF 110,000 p.a.	
Max. Service Fee <sup>27</sup>	CHF 2,500.-- p.a.	
Research costs	max. USD 70,000 p.a.	

**2.2. Asset Manager**

Craton Capital Advisory (Pty) Ltd. Suite 3, Building 4, Albury Office Park, Magalieszicht Ave, Dunkeld West, 2196, Republic of South Africa acts as asset manager for all sub-funds.

**2.3. Investment Policy of the Sub-Fund**

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

**Investment Objective and Policy**

The investment objective of the Craton Capital Global Resources Fund is to achieve long-term capital growth.

The sub-fund invests globally in companies and issuers directly related to commodities and/or renewable energy and power generation. These companies or issuers are active in the exploration, extraction, production, processing, transport, distribution of commodities and/or in the development or production of renewable energies or provide services in the commodity sectors. The sub-fund invests in particular in the following sectors:

- raw materials, substances, metals (including but not limited to precious metals, non-ferrous metals, strategic metals, industrial metals, etc.);
- renewable energy and power generation (including but not limited to hydrogen, biofuels, solar energy, hydropower, wind energy, geothermal and tidal energy);
- battery metals and technologies: substances and technologies used in the manufacture of batteries or in related industries;
- water, water purification, technologies designed to improve water efficiency;
- applications and technologies that serve to increase raw material efficiency;
- environmental services;
- agricultural raw materials, agriculture, reforestation, etc.

The sub-fund invests, after deducting liquid assets, at least two thirds of the sub-fund's assets in:

- equity securities and rights (esp. stocks) of companies and issuers from the commodity sectors;
- debt securities and rights denominated in freely convertible currencies (esp. convertible bonds) of companies and issuers from the commodity sectors;
- units of a UCITS and other undertakings for collective investment comparable to a UCITS which invest their assets in accordance with the guidelines of this sub-fund;
- derivative financial instruments on transferable securities and securities rights mentioned above.

<sup>25</sup> Plus taxes and other costs: Transaction costs and expenses incurred by the Management Company and the Depository in the performance of their functions. The details can be found in the Prospectus in Sections 11 (Tax Regulations) and 12.2 (Costs and Fees charged to the Sub-Fund).

<sup>26</sup> In the event of the dissolution of the sub-fund, the Management Company may charge a liquidation fee of max. CHF 10,000 in its favour.

<sup>27</sup> The commission or fee actually charged is shown in the annual and semi-annual report.

After deducting cash and cash equivalents, the sub-fund may invest up to a maximum of one third of the sub-fund's assets in:

- short-term liquid investments such as call money, time deposits or money market instruments with a remaining term of less than 12 months;
- equity securities and rights as well as fixed- or variable-interest debt securities and rights of companies and issuers from other sectors;
- units of a UCITS and other undertakings for collective investment comparable to a UCITS which invest their assets in other sectors worldwide;
- derivative financial instruments on above-mentioned transferable securities and securities rights from other sectors.

The sub-fund may invest no more than 10 % of its assets in units of other UCITS or other collective investment undertakings comparable to a UCITS.

The underlying investments of this financial product do not comply with the EU criteria for environmentally sustainable economic activities.

#### **2.4. Invoicing/Reference Currency of the Sub-Fund**

The invoicing currency of the sub-fund as well as the reference currency per class of units are specified in the table "Sub-Fund Master Data and Information" of this Annex A "Sub-Funds Overview".

The invoicing currency means the currency in which the sub-fund's accounts are being kept. The reference currency means the currency in which the performance and net asset value of the classes of units are being calculated. Investments are made in the currencies that are best suited to the performance of the respective sub-fund.

#### **2.5. Profile of the Typical Investor**

The Craton Capital Global Resources Fund is aimed at Investors who pursue the goal of general wealth creation and asset optimisation and have a long-term investment horizon of at least five years. The Craton Capital Global Resources Fund is intended for Investors with knowledge of and/or experience with transferable securities. The potential Investor could suffer a financial loss. Capital protection cannot be guaranteed.

The sub-fund is suitable for Investors with a long-term investment horizon who wish to invest in a broadly diversified portfolio of equity securities and rights in the listed commodities sectors.

#### **2.6. Risks and Risk Profiles of the Sub-Fund**

##### **Sub-fund-specific Risks**

The performance of the Units depends on the investment policy as well as on the market development of the individual investments of the sub-fund and cannot be determined in advance. In this context, it should be noted that the value of the Units may rise or fall at any time compared to the issue price. There can be no guarantee that the Investor will recover his or her invested capital.

Due to the fact that the assets of the sub-fund are predominantly invested in equity securities and rights, this type of investment involves a market and issuer risk which may have a negative impact on the net assets. In addition, other risks such as currency risk and interest rate risk can occur. The use of derivative financial instruments that are not used for hedging purposes can lead to increased risks.

The risk associated with financial derivative instruments may not exceed 100 % of the net assets of the sub-fund. The total risk associated with financial derivative instruments may not exceed 200 % of the net assets of the sub-fund. In the case of borrowings permitted under the UCITSG (Prospectus Section 0), the total risk may not exceed 210 % of the sub-fund's net assets.

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

##### **General Risks**

In addition to the sub-fund-specific risks, the investments of the relevant sub-funds may be subject to general risks. An exemplary and non-exhaustive list can be found in Section 8.2 of the Prospectus.

#### **2.7. Costs Reimbursed from the Sub-Fund**

An overview of the costs reimbursed from the sub-fund and its classes of units can be found in the table "Sub-Fund Master Data and Information" 1 in this Annex A "Sub-Funds Overview".

### **Calculation Example for the Performance Fee**

In addition, the Management Company will charge a Performance Fee in accordance with this Annex A "Sub-Funds Overview".

The Management Company will charge the sub-fund a Performance Fee of 10 % of the difference between the percentage performance of the net asset value per Unit and the percentage performance of the benchmark, calculated on the net asset value of the sub-fund's assets. The applicable benchmark for each case is stated in Annex A "Sub-Funds Overview". The Performance Fee is calculated and accrued on each valuation day. Performance Fees once charged will not be reclaimed in the event of any decline in the outperformance or underperformance achieved. The Performance Fee will be paid within 4 months after the end of the sub-fund's financial year. Any underperformance will be carried forward for a maximum period of 5 years and in any case reset at the end of this period. The so-called crystallisation period (settlement period) is 1 year.

The Performance Fee may only be charged if the Net Asset Value of the sub-fund has outperformed the benchmark since the last time the Performance Fee was charged. The remuneration claim is thus calculated from the amount calculated from the positive benchmark deviation at the end of the settlement period minus any underperformance amounts calculated from the negative benchmark deviation of the 5 previous settlement periods.

The costs charged to the sub-fund may not be deducted from the performance of the comparative index prior to the comparison.

**The Management Company expressly indicates that a Performance Fee may also be paid out if the sub-fund has outperformed the benchmark but the sub-fund nevertheless shows a negative performance.**



The following examples describe schematically and simplified the calculation of the Performance Fee (for purpose of illustration):

	Performance of the sub-fund	Performance of the benchmark	Out-performance	Carried forward under-performance (up to 5 years)	Cumulative performance	Performance Fee in the amount of 10 %
<b>Year 1</b>	2,00%	3,00%	-1,00%	0,00%	-1,00%	<b>0,00%</b>
<b>Year 2</b>	2,50%	2,00%	0,50%	-1,00%	-0,50%	<b>0,00%</b>
<b>Year 3</b>	5,00%	1,50%	3,50%	-0,50%	3,00%	<b>0,30%</b>
<b>Year 4</b>	1,00%	1,50%	-0,50%	0,00%	-0,50%	<b>0,00%</b>
<b>Year 5</b>	-3,00%	-2,00%	-1,00%	-0,50%	-1,50%	<b>0,00%</b>
<b>Year 6</b>	1,00%	1,50%	-0,50%	-1,50%	-2,00%	<b>0,00%</b>
<b>Year 7</b>	0,50%	1,50%	-1,00%	-2,00%	-3,00%	<b>0,00%</b>
<b>Year 8</b>	1,00%	1,50%	-0,50%	-3,00%	-3,50%	<b>0,00%</b>
<b>Year 9</b>	1,00%	1,50%	-0,50%	-3,00%	-3,50%	<b>0,00%</b>
<b>Year 10</b>	-15,00%	-12,00%	-3,00%	-2,50%	-5,50%	<b>0,00%</b>
<b>Year 11</b>	-5,00%	-10,00%	5,00%	-5,00%	0,00%	<b>0,00%</b>
<b>Year 12</b>	27,00%	26,00%	1,00%	0,00%	1,00%	<b>0,05%</b>
<b>Year 13</b>	7,50%	13,00%	-5,50%	0,00%	-5,50%	<b>0,00%</b>
<b>Year 14</b>	35,50%	0,00%	35,50%	-5,50%	30,00%	<b>3,00%</b>
<b>Year 15</b>	3,00%	3,00%	0,00%	0,00%	0,00%	<b>0,00%</b>

The Management Company:  
1741 Fund Management AG, Vaduz

The Depositary:  
Liechtensteinische Landesbank Aktiengesellschaft, Vaduz

## **Annex B: Specific Information for Individual Countries of Distribution**

According to the applicable law in the Principality of Liechtenstein, the constituent documents are approved by the FMA. This approval only relates to the information concerning the implementation of the provisions of the UCITSG. For this reason, the following Annex B to the Prospectus "Specific Information for Individual Countries of Distribution", which is based on foreign law, is not subject to review by the FMA and is excluded from the approval.

### **1 Distribution in the Federal Republic of Germany**

The Company has notified its intention to distribute Units in the Federal Republic of Germany and has been authorised to distribute Units since the conclusion of the notification procedure.

#### **1.1 Contact and Information Agent for the Federal Republic of Germany**

The Contact and Information Agent for the Federal Republic of Germany is 1741 Fund Management AG, Bangarten 10, FL-9490 Vaduz, Liechtenstein (representation@1741group.com).

Investors resident in Germany may obtain the Prospectus, the Basic Information Sheet, the Trust Agreement, as well as the latest annual report and, if subsequently published, also the latest semi-annual report - the aforementioned documents in paper form in each case - and the current issue, redemption and conversion prices of the Units free of charge from the Information Agent.

#### **1.2 Publications**

The issue and redemption prices and other information for Investors will be published on the electronic platform [www.lafv.li](http://www.lafv.li). Other notices to Investors will also be published in the Federal Gazette.

In the following cases, Investors will additionally be informed by means of a durable medium within the meaning of section 167 KAGB:

- a) the suspension of the redemption of the units of an investment asset (*Investmentvermögen*),
- b) the termination of the management of an investment asset or its liquidation,
- c) amendments to the Trust Agreement that are incompatible with the previous investment principles, that affect material Investor rights or that concern remuneration and reimbursement of expenses that can be withdrawn from the investment assets,
- d) the merger of investment assets in the form of merger information to be drawn up in accordance with Article 43 of Directive 2009/65/EC, and
- e) the conversion of an investment asset into a feeder fund or the changes to a master fund in the form of information to be drawn up in accordance with Article 64 of Directive 2009/65/EC.

## **2 Distribution in Austria**

The following information is addressed to potential purchasers in the Republic of Austria by clarifying and supplementing this Prospectus with regard to distribution in the Republic of Austria.

The following sub-fund is **not** authorised for public distribution in the Republic of Austria:

- Craton Capital Global Resources Fund

The sub-fund **Craton Capital Fund Precious Metal** is authorised for public distribution in the Republic of Austria.

### **2.1 Contact and Information Agent for Austria**

The Contact and Information Agent for Austria is 1741 Fund Management AG, Bangarten 10, FL-9490 Vaduz, Liechtenstein (representation@1741group.com).

The Prospectus, the Key Information Document, the Trust Agreement as well as the latest annual report - and, if published subsequently, also the latest semi-annual report - may be obtained free of charge from the aforementioned office. The issue, redemption and conversion prices can also be requested there free of charge.

### **2.2 Publications**

All issue and redemption prices of the UCITS and other information for Investors will be published on the publication medium [www.lafv.li](http://www.lafv.li).

The German text of this Prospectus, the Key Information Document and the Trust Agreement as well as other documents and publications are authoritative.

### **3 Distribution in Switzerland**

#### **3.1 Representative in Switzerland**

The Representative is 1741 Fund Solutions AG, Burggraben 16, CH-9000 St. Gallen.

#### **3.2 Paying Agent in Switzerland**

The Paying Agent is Tellco AG, Bahnhofstrasse 4, CH-6431 Schwyz.

#### **3.3 Place of reference of the relevant documents**

The Prospectus, the Trust Agreement including sub-fund-specific annexes, the Key Information Document and the annual and semi-annual reports may be obtained free of charge from the Representative.

#### **3.4 Publications**

Publications relating to foreign collective investment schemes are made on the electronic platform [www.fundinfo.com](http://www.fundinfo.com) in Switzerland.

The issue and redemption prices or the net asset value with the indication “excluding commissions” of all classes of units will be published on the electronic platform [www.fundinfo.com](http://www.fundinfo.com) for each issue and redemption of Units. The prices are published daily.

#### **3.5 Payment of retrocessions and rebates**

The Management Company and its agents may pay retrocessions to compensate for the distribution of Fund Units in Switzerland. This compensation may be used to cover the following services in particular:

- the organisation of road shows;
- the participation in events and trade fairs;
- the production of promotional material;
- the training of sales staff; etc.

Retrocessions are not considered rebates, even if they are ultimately passed on to Investors in whole or in part.

The disclosure of the receipt of retrocessions is governed by the relevant provisions of the FIDLEG.

The Management Company and its agents will not pay any rebates in distribution in Switzerland in order to reduce the fees and costs attributable to the Investor and charged to the Fund.

#### **3.6 Place of Performance and Jurisdiction**

For Units offered in Switzerland, the place of performance is at the registered office of the Representative. The place of jurisdiction is at the registered office of the Representative or at the registered office or domicile of the Investor.

## **4 Additional Information for Investors resident in the United Kingdom**

### **4.1 Sales Restriction**

The UCITS is an investment vehicle authorised in the United Kingdom (“UK”) with effect from the date specified by the Financial Conduct Authority in the UK (“FCA”) within the meaning of Section 264 of the UK Financial Services and Markets Act 2000, as amended (“FSMA”). This Prospectus is issued by the Fund in the UK. Accordingly, the UCITS may be offered to the general public in the UK. Certain provisions enshrined in the FSMA for the protection of private Investors do not apply to investments in the UCITS. Compensation benefits under the Financial Services Compensation Scheme are generally not available.

In accordance with the UCITS instruments of incorporation, Units in the UCITS confer rights towards the UCITS. Investors, inter alia, have to be granted the right to be informed of important events with regard to the operations of the UCITS and to request at any time from the Management Company the necessary information concerning the basis for calculating the issue and redemption prices of the Units.

In connection with the recognition of the UCITS under Section 264 of the FSMA, the UCITS maintains the facilities required of a recognised investment vehicle under the rules in the UK FCA’s New Collective Investment Schemes Sourcebook at the offices of Douglas Elish, 4 Hollybush Close, Sevenoaks, Kent, TN13 3XW, UK. These facilities enable, among other things:

- a) an investor to sell back his or her Units in the UCITS and receive payment of the redemption price in return;
- b) oral and written briefings in English at the latest published prices of the Fund Units;
- c) any person having a complaint concerning the affairs of the UCITS to address such complaint in writing to the UCITS; and
- d) the review (free of charge) and delivery (free of charge in respect of items 3. and 4. below, otherwise at a reasonable cost only) of English language copies of:
  1. the constitutional documents of the UCITS;
  2. any documents amending the constitutional documents of the UCITS;
  3. the Full Prospectus;
  4. the Simplified Prospectus and Terms and Conditions; and
  5. the latest annual and semi-annual reports.

### **4.2 Tax aspects relating to the UCITS and the Investors**

#### **The UCITS**

It is the intention of the UCITS to manage and conduct its affairs so as not to be resident in the United Kingdom for tax purposes. Accordingly, the UCITS will not be subject to UK corporation tax or income tax on its gains provided that the UCITS is not distributed in the UK through permanent establishments or agents which constitute a “permanent establishment” for the purposes of UK tax legislation and all trading transactions in the UK are carried out through a broker or investment manager which has independent status in the ordinary course of its business. It is the intention of both the UCITS and the Management Company to conduct the respective affairs of the UCITS and the Management Company in such a manner as to comply with these requirements within the limits of their respective control. Nevertheless, it cannot be guaranteed that the necessary conditions for this are fulfilled at all times.

Certain interest and other income earned by the UCITS from UK sources may be subject to UK withholding tax.

#### **Investors**

Depending on their personal circumstances, owners of Units in the Fund who are resident in the UK for tax purposes may be liable to UK income tax or corporation tax on their units in the UCITS, regardless of whether such income is distributed or retained.

Where a unitholder holds an interest in an offshore fund and that offshore fund does not qualify as a reporting fund, any gain accruing to the Investor on the sale, redemption or other disposal of that interest (which may include a redemption by the UCITS) will be taxed under the UK Offshore Funds (Tax) Regulations as income (“Offshore Income Gain”) and not as a capital gain at the time of the said sale, redemption or disposal. To the extent that a unitholder holds an interest in an offshore fund and that offshore fund qualifies to be a reporting fund, any gain accruing to the Investor on the sale, redemption or other disposal of the said interest (which may include a redemption by the UCITS) will be taxed as a capital gain at the time of the said sale, redemption or disposal.

In the case of umbrella constructs, each part of the umbrella construct will be treated as a separate entity. In addition, each class of holdings constitutes a separate holding in an offshore fund for the purposes of the regulations.

The Directors of the UCITS intend to apply for certification as a reporting fund for each sub-fund of the UCITS and to comply with the annual reporting requirements imposed as a result of such certification.

Certification as a reporting fund would require Investors to be subject to income tax in respect of the share of the reporting fund's income that may be allocated to them each year, whether or not it is distributed. Gains from the disposal of their holdings would be subject to capital gains tax. In calculating the gain on disposal, an amount equal to the Offshore Income Gain will be deducted from the amount or value representing the consideration for the disposal.

Persons subject to corporation tax in the United Kingdom should note that the tax regime applicable to most corporate bonds in Part 5 of the Corporation Tax Act 2009 (the "Loan Relationship Regime") provides that if at any time during a settlement period such person holds an interest in an offshore fund within the meaning of the relevant provisions of Part 6 of the Corporation Tax Act 2009 and at any time during that period that UCITS does not satisfy the "qualifying investments test", the interest held by that person in that settlement period shall be construed as if it were a claim under a creditor relationship for the purposes of the Loan Relationships Regime. An offshore fund will not satisfy the "qualifying investments test" if at any time more than 60% of its assets by market value comprise sovereign and corporate bonds, cash contributions, certain derivative contracts or interests in other collective investment vehicles which also do not satisfy the "qualifying investments test" at any time during the said settlement period. The units in this case represent holdings in an offshore fund; based on the UCITS' investment policy, the UCITS could also invest more than 60 % of its assets in sovereign and corporate bonds, cash contributions, certain derivative contracts or holdings in other collective investment vehicles which at any time during the said settlement period do not themselves meet the "qualifying investments test", and therefore the UCITS could fail the "qualifying investments test". If so, the Units will be considered under the Loan Relationship Regime in the context of corporation tax purposes, whereby all income from those Units in respect of such person's settlement period (including accretions, gains and losses) will be taxed as income or costs or relieved, subject to daily revaluation. Accordingly, a person who acquires Units in the UCITS may, depending on his or her own circumstances, be subject to corporation tax in respect of unrealised gains in the value of his or her Units in the Fund (similarly, he or she may be entitled to a reduction in corporation tax in respect of an unrealised fall in the value of his or her Units in the Fund).

Individuals who are ordinarily resident in the UK for tax purposes are invited to note the relevant provisions of the Income Taxes Act 2007 which may subject them to income tax in respect of undistributed Fund income.

The attention of companies resident in the United Kingdom is drawn to the fact that the legislation regarding "controlled foreign companies" in Section IV of Part XVII of the Income and Corporation Taxes Act may apply to a UK resident company which, either alone or with other persons associated with it for tax purposes, has an interest of 25 % or more in any chargeable gains of the UCITS during a settlement period, provided that the UCITS is at the same time controlled (as defined in Section 755D of the Income and Corporation Taxes Act) by persons (corporate, individual or otherwise) who are resident for tax purposes in the UK; provided also that the UCITS is controlled by two persons together, one of whom is resident for tax purposes in the United Kingdom and owns at least 40 % of the interests, rights and powers by which those persons control the UCITS and the other person owns at least 40 % (but not more than 55 %) of those interests, rights and powers. The "taxable gains" of the UCITS do not include its capital gains. These provisions could result in such UCITS being subject to corporation tax in the UK in respect of undistributed Fund income.

The transfer of Units is generally not subject to stamp duty. However, if a transfer takes place in the UK, in certain constellations an ad valorem stamp duty reserve tax of 0.5 % of the benefit paid will be payable, rounded up to the next higher pound amount divisible by 5.

It should be noted that tax brackets, bases and reliefs are subject to change.