

# Prospectus

and

# Articles of Association

and

# Investment conditions

including sub-fund-specific annexes

Status: 07.2024

## VAU SICAV

UCITS under Liechtenstein law  
in the legal form of an investment company with variable capital

(hereinafter referred to as the "Investment Company")

(umbrella structure, which may comprise several sub-funds)

Asset Manager:



management company:



## The organization of the investment company at a glance

<b>investment company:</b>	VAU SICAV Landstrasse 30, FL-9494 Schaan
<b>Board of Directors:</b>	IFM Independent Fund Management AG
<b>management company:</b>	IFM Independent Fund Management AG Landstrasse 30, FL-9494 Schaan
<b>Board of Directors of the Management Company:</b>	Heimo Quaderer HRH Archduke Simeon of Habsburg Hugo Quaderer
<b>Management of the management company:</b>	Luis Ott Alexander Wymann Michael Oehry Ramon Schäfer
<b>Asset Manager:</b>	Sub-fund 1: <b>Vates Equities USA Fund</b> Loys AG Barckhausstrasse 10, D-60325 Frankfurt am Main
<b>Depositary:</b>	VP Bank Ltd Aeulestrasse 6, FL-9490 Vaduz
<b>Distribution point:</b>	IFM Independent Fund Management AG Landstrasse 30, FL-9494 Schaan
<b>Auditor:</b>	Grant Thornton AG Bahnhofstrasse 15, FL-9494 Schaan

<b>Facility for investors in Germany:</b>	IFM Independent Fund Management AG Landstrasse 30, FL-9494 Schaan
<b>Contact and information center and tax representative in Austria:</b>	Erste Bank der oesterreichischen Sparkassen AG Am Belvedere 1, A-1100 Vienna
<b>Representatives and sales for qualified investors in Switzerland:</b>	LLB Swiss Investment AG Claridenstrasse 20, CH-8002 Zurich
<b>Paying agent for qualified investors in Switzerland:</b>	Helvetische Bank AG Seefeldstrasse 215, CH-8008 Zurich

## The investment company at a glance

<b>Name of the UCITS:</b>	<b>VAU SICAV</b>
<b>Legal structure:</b>	UCITS under Liechtenstein law in the legal form of an investment company with variable capital ("investment company") in the form of a public limited company pursuant to the Law of June 28, 2011 on certain undertakings for collective investment in transferable securities (UCITSG)
<b>Umbrella construction:</b>	Yes, with a sub-fund
<b>Founding country:</b>	Liechtenstein
<b>Date of foundation of the investment company:</b>	October 3, 2022
<b>Business year:</b>	The Investment Company's financial year begins on January 1 and ends on December 31
<b>Accounting currency of the investment company:</b>	Euro (EUR)  The accounting and/or reference currency of the sub-funds may differ from this.
<b>Responsible Supervisory authority:</b>	Financial Market Authority Liechtenstein (FMA); <a href="http://www.fma-li.li">www.fma-li.li</a>

Information on the sub-funds can be found in Appendix A "Sub-funds at a glance"

## Note for investors/sales restriction

Units of the Investment Company are acquired on the basis of the Prospectus, the Articles of Association, the Terms and Conditions of Investment and the Key Investor Information Documents (PRIIP-KID) as well as the latest annual report and, if already published, the subsequent semi-annual report. Only the information contained in the Prospectus, the Articles of Association and, in particular, the Terms and Conditions of Investment including Annex A "Sub-fund overview" is valid. With the purchase of units, these are deemed to have been approved by the investor.

This Prospectus does not constitute an offer or invitation to subscribe for shares in the Investment Company by any person in any jurisdiction in which such an offer or invitation is unlawful or in which the person making such an offer or invitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or invitation. Information not contained in the Prospectus, the Articles of Incorporation and the Terms and Conditions of Investment or documents available to the public is deemed to be unauthorized and unreliable.

Potential investors should inform themselves about possible tax consequences, the legal requirements and possible foreign exchange restrictions or controls that may apply in the countries of their citizenship, residence or domicile and which may be relevant to the subscription, holding, conversion, redemption or disposal of units. Further tax considerations are explained in section 11 "Tax regulations".

Appendix B "Specific information for individual sales countries" contains information on sales in various countries.

The units of the investment company are not authorized for sale in all countries of the world. When units are issued, exchanged and redeemed abroad, the provisions applicable in those countries apply.

Investors should read and consider the risk description in section 8 "Risk information" before acquiring units in the sub-funds.

In particular, the shares have not been registered in the United States of America (USA) in accordance with the United States Securities Act of 1933 and therefore cannot be offered or sold in the USA or to US citizens. For example, natural persons who (a) were born in the USA or one of its territories or sovereign territories, (b) are naturalized citizens (or green card holders), (c) were born abroad as the child of a citizen of the USA, (d) reside predominantly in the USA without being a citizen of the USA, (e) are married to a citizen of the USA or (f) are liable to pay tax in the USA are considered to be US citizens. The following are also considered to be US citizens: (a) investment companies and corporations established under the laws of one of the 50 US states or the District of Columbia, (b) an investment company or partnership established under an Act of Congress, (c) a pension fund established as a US trust, (d) an investment company that is subject to tax in the USA or (e) investment companies that are deemed to be such under Regulation S of the US Securities Act of 1933 and/or the US Commodity Exchange Act. In general, shares of the Investment Company may not be offered in jurisdictions and to persons in which or to whom this is not permitted.

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# PART I: THE PROSPECTUS

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The issue and redemption of units of the relevant sub-fund is based on the currently valid Articles of Association and the Terms and Conditions of Investment. The Articles of Association and the Terms and Conditions of Investment are supplemented by the most recent annual report. If the reporting date of the annual report is more than eight months in the past, the semi-annual report must also be offered to the purchaser. The basic information sheets (PRIIP-KID) are made available to the investor free of charge in good time before the acquisition of units.

It is not permitted to provide information or statements that deviate from the Prospectus, Articles of Association, Terms and Conditions of Investment, Annex A "Sub-funds at a glance" or the Key Investor Information Document. The Investment Company is not liable if and to the extent that information or statements are made that deviate from the current Prospectus, Articles of Association, Terms and Conditions of Investment or Key Investor Information Document.

The Prospectus, Articles of Association and Terms of Investment including Annex A "Sub-fund overview" are presented here in one document. The main founding documents of the fund are the Articles of Association and the Terms and Conditions of Investment including Appendix A "Sub-fund overview". Only the Articles of Association and the Terms and Conditions of Investment, including the Special Provisions on the Investment Policy in Annex A "Sub-funds at a glance", are subject to the substantive legal review of the Liechtenstein Financial Market Authority (FMA).

## 1 Sales documents

The Prospectus, the Key Investor Information Documents (PRIIP-KID), the Articles of Association and the Terms of Investment with the Special Investment Policy Regulations as well as the latest annual and semi-annual reports, if already published, are available free of charge on a durable medium from the Management Company, the Depository, the paying agents and all 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 investor's request, the aforementioned documents will also be made available free of charge in paper form. Further information on the Investment Company and its sub-funds is available on the Internet at [www.ifm.li](http://www.ifm.li) and from IFM Independent Fund Management AG, Landstrasse 30, FL-9494 Schaan, during business hours.

## 2 The Articles of Association and the Investment Conditions

The Articles of Association may be amended in compliance with the conditions under company law. The Investment Conditions and Annex A "Overview of the sub-fund" may be amended or supplemented by the Management Company in whole or in part at any time. The aforementioned documents and their amendments require the approval of the Liechtenstein Financial Market Authority (FMA) in order to be effective. They are published in the Investment Company's organ of publication and are then legally binding for all investors. The publication medium of the Investment Company is the website of the LAFV Liechtenstein Investment Fund Association [www.lafv.li](http://www.lafv.li).

### 3 General information on the investment company

**VAU SICAV** (hereinafter: Investment Company) was established as an open-ended undertaking for collective investment in transferable securities in the legal form of an investment company with variable capital on October 12, 2016 and is subject to the Law of June 28, 2011 on certain undertakings for collective investment in transferable securities (hereinafter: UCITSG).

The Articles of Association, the Terms and Conditions of Investment and Appendix A "Sub-funds at a glance" were first approved by the FMA on September 22, 2022 and the Investment Company was entered in the Liechtenstein Commercial Register on October 3, 2022.

The Prospectus, the Articles of Association and Appendix A "Sub-funds at a glance" were approved by the FMA on July 4, 2024 and entered into force on August 1, 2024.

On the basis of its Articles of Association, the Investment Company has issued founder shares with a nominal value of EUR 100 and bearer participation rights of investors (units) with no nominal value. Investors participate in the assets and income of the individual sub-funds in proportion to the units they have acquired. The investor shares do not confer any right to participate in the General Meeting, have no voting rights and, moreover, do not embody any right to participate in the profits of the Investment Company's own assets.

The Investment Company is not limited in terms of time or amount. The investment company is an umbrella structure that may comprise several sub-funds. The various sub-funds are separated in terms of assets and liability. The management of the Investment Company consists primarily of investing the monies raised from the public for joint account in accordance with the principle of risk diversification in securities and/or other liquid financial assets pursuant to Art. 51 UCITSG.

The Investment Company or each of its sub-funds forms a special fund for the benefit of the investors. In the event of the dissolution and bankruptcy of the Management Company, the separate assets shall not form part of the bankruptcy estate of the Management Company. In the event of the dissolution and bankruptcy of the Investment Company, the assets managed for the purpose of collective investment for the account of the investors shall not form part of its bankruptcy estate.

The UCITSG, the Terms and Conditions of Investment and Annex A "Sub-funds at a glance" specify the investment objects in which the Management Company may invest the money and the provisions it must observe in doing so.

The Terms and Conditions of Investment and Annex A "Sub-fund overview" and any amendments thereto require the approval of the Liechtenstein Financial Market Authority (FMA) in order to be effective.

The securities and other assets of the respective sub-fund are managed in the interests of the investors. Only the investors in a sub-fund are entitled to the total assets of that sub-fund in proportion to their units. They are segregated from the assets of the other sub-funds. Claims by investors and creditors which are directed against a sub-fund or which have arisen on the occasion of the establishment, during the existence or in the liquidation of a sub-fund are limited to the assets of this sub-fund.

The Investment Company may at any time dissolve existing sub-funds and/or create new sub-funds and create different unit classes with specific characteristics within these sub-funds. This Prospectus, the Articles of Association and the Terms and Condi-

tions of Investment, including Annex A "Sub-funds at a glance", are updated each time a new sub-fund or an additional unit class is launched.

## 4 General information on the sub-funds

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

The units are not securitized, but are only kept in book-entry form, i.e. no certificates are issued. There is no provision for a meeting of investors. By subscribing to or acquiring units, the investor acknowledges the Articles of Association, the Terms and Conditions of Investment and Appendix A "Sub-fund overview". Investors, heirs or other persons may not request the division or dissolution of the sub-funds or the Investment Company. The details of the individual sub-funds are described for each sub-fund in Appendix A "Sub-funds at a glance".

The Investment Company may decide at any time to launch further sub-funds and amend the Prospectus, the Articles of Association, the Terms and Conditions of Investment and Appendix A "Sub-funds at a glance" accordingly.

All units of a sub-fund generally embody the same rights, unless the Investment Company decides to issue different unit classes within a sub-fund.

Each sub-fund is considered an independent asset in relation to the Investment Company's investors. The rights and obligations of the investors in a sub-fund are separate from those of the investors in the other sub-funds.

In principle, the assets of the individual sub-funds are only liable to third parties for liabilities entered into by the sub-funds concerned.

This Prospectus, these Articles of Association and the Terms and Conditions of Investment, including Annex A "Sub-funds at a glance", apply to all sub-funds of the Investment Company. The Investment Company is currently offering the following sub-funds for subscription:

- ◆ Vates Equities USA Fund

### 4.1 Duration of the individual sub-funds

The duration of a sub-fund is shown for the respective sub-fund in Appendix A "Sub-funds at a glance".

### 4.2 Share classes

The Investment Company is authorized to create several unit classes within a sub-fund, which may differ from the existing unit classes in terms of, for example, the appropriation of profits, the front-end load, 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 from existing unit classes remain unaffected.

The unit classes established in connection with each sub-fund and the fees and remuneration incurred in connection with the units of the sub-funds are listed in Appendix A "Sub-funds at a glance". Further information on the unit classes can be found in sections 11 and 12.

## 4.3 Performance to date of the UCITS

The past performance of the individual sub-funds is listed on the website of the LAFV Liechtenstein Investment Fund Association at [www.lafv.li](http://www.lafv.li) or in the PRIIP-KID or in the corresponding document for the investment company's distribution countries for the respective sub-fund. The past performance of a unit is no guarantee of current and future performance. The value of a unit may rise or fall at any time.

## 5 Organization

### 5.1 Country of domicile / competent supervisory authority

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

### 5.2 Legal relationships

The legal relationships between the investors and the Investment Company are governed by the Law of June 28, 2011 on certain undertakings for collective investment in transferable securities (UCITSG), the Ordinance of July 5, 2011 on certain 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 the stock corporation.

### 5.3 Investment company

#### 5.3.1 Registered office

Landstrasse 30, FL-9494 Schaan

#### 5.3.2 Management

The Investment Company has appointed the third-party company named in Section 5.4 as the management company within the meaning of the UCITSG. This third-party company is responsible for the administration and ongoing management of the UCITS.

#### 5.3.3 Board of Directors of the investment company

Members: IFM Independent Fund Management AG, Schaan

### 5.4 Management company

The company has appointed IFM Independent Fund Management Aktiengesellschaft (hereinafter referred to as the management company), Landstrasse 30, FL-9494 Schaan, commercial register number FL-0001-532-594-8, as the management company within the meaning of the UCITSG on the basis of a designation and delegation agreement.

IFM Independent Fund Management AG was founded on October 29, 1996 in the form of a public limited company for an unlimited period. The government granted the management company a license to commence business activities on 26 November 1996. The management company has its registered office and head office in Schaan, Principality of Liechtenstein.

The Management Company is licensed by the Liechtenstein supervisory authority in accordance with Chapter III of the Law of 28 June 2011 on certain undertakings for

collective investment and is entered on the official list of Liechtenstein management companies .

The share capital of the management company amounts to CHF 1 million and is 100% paid up.

The Management Company manages the Investment Company for the account and in the sole interest of the Investment Company and its investors in accordance with the principle of risk diversification and in accordance with the provisions of the Terms of Investment and Annex A "Sub-funds at a glance".

In accordance with the agreement concluded between the Investment Company and the Management Company, the Management Company has extensive rights to carry out all administrative and management activities for the Investment Company and the sub-funds. In particular, it is authorized to buy, sell, subscribe to and exchange securities and other assets on behalf of the Investment Company and to exercise all rights relating to the assets of the Investment Company. The corporate purpose of the Management Company comprises the management and distribution of undertakings for collective investment under Liechtenstein law.

An overview of all 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).

#### 5.4.1 Board of Directors

Chairman: Heimo Quaderer, Managing Partner of Principal Vermögensverwaltung AG, Schaan

Members: HRH Simeon von Habsburg, Archduke of Austria, Managing Partner of Principal Vermögensverwaltung AG, Schaan

Hugo Quaderer, Independent Member of the Board of Directors of IFM Independent Fund Management AG, Schaan

#### 5.4.2 Management

Chairman: Luis Ott

Members: Alexander Wymann, Deputy Managing Director

Michael Oehry

Ramon Schäfer

### 5.5 Asset Manager

LOYS AG, Barckhausstrasse 10, D-60325 Frankfurt am Main, acts as asset manager for the following sub-fund:

- ◆ Vates Equities USA Fund

The owner-managed Loys AG was founded in 1995 in the legal form of a stock corporation under German law and is an authorized asset manager. It is subject to supervision by BaFin and specializes in value-oriented, active equity fund management.

The task of the Asset Manager is in particular the independent daily implementation of the investment policy and the management of the day-to-day business of the respective sub-fund as well as other associated services under the supervision, control and responsibility of the Management Company. These tasks are performed in compli-

ance with the principles of the investment policy and the investment restrictions of the respective sub-fund, as described in Appendix A "Sub-funds at a glance", as well as the statutory investment restrictions.

The Asset Manager has the right to obtain advice from third parties, in particular from various investment advisors, at its own expense and responsibility.

The precise execution of the mandate is governed by an asset management agreement concluded between the management company and Baader Bank Aktiengesellschaft.

## 5.6 Investment advisor

No investment advisor was commissioned.

## 5.7 Distributor

IFM Independent Fund Management AG acts as the distributor.

## 5.8 Depositary

VP Bank AG, Aeulestrasse 6, FL-9490 Vaduz, was appointed as depositary for the sub-fund.

The bank was founded on April 6, 1956. It focuses on asset management and investment business for private and institutional clients as well as lending business in its home market. It has subsidiaries in Switzerland, Luxembourg, Singapore and the British Virgin Islands, an asset management company in Hong Kong and representative offices in Moscow and Hong Kong. The depositary maintains the share register. Further information on the depositary (e.g. annual reports, brochures, etc.) can be [obtained](#) directly from its registered office or online on its website [www.vpbank.li](http://www.vpbank.li).

The Custodian shall hold the financial instruments eligible for custody in safekeeping for the account of the UCITS or the Investment Company. It may entrust them in whole or in part for safekeeping to other banks, financial institutions and recognized clearing houses that meet the legal requirements.

The function of the Depositary and its liability are governed by the UCITSG and the corresponding ordinance as amended, the Depositary Agreement and the constituent documents of the Investment Company. 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 UCITS. The Custodian shall hold 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 shall monitor whether the instructions of the management company regarding the assets comply with the provisions of the UCITSG and the constituent documents. For these purposes, the Custodian shall in particular monitor compliance with the investment restrictions and leverage limits by the UCITS. The investment of assets in bank balances at another credit institution and the disposal of such bank balances are only permitted with the approval of the Custodian.

The Depositary also maintains the unit register of the fund or sub-funds on behalf of the Management Company.

The duties of the depositary are governed by Art. 33 UCITSG. The depositary shall ensure that

- ◆ The sale, issue, redemption, payment and cancellation of units of the UCITS shall be carried out in accordance with the provisions of the UCITSG and the constituent documents.
- ◆ the valuation of the units of the UCITS is carried out 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 used 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 or on behalf of investors on the subscription of units of a UCITS have been received and that all monies of the UCITS have been accounted for in accordance with the provisions of the UCITSG and the constitutive documents.

#### **Sub-custody**

The Custodian may delegate the custodian task to other companies (sub-custodians). A list of the sub-custodians used for the custody of the assets held by the UCITS may be requested from the Custodian.

No conflicts of interest arise from this transfer.

#### **Information about the depositary**

Investors in the Investment Company or the respective sub-funds may at any time personally request up-to-date information free of charge from the Depositary on the tasks and duties of the Depositary, the sub-custodians, possible conflicts of interest in connection with the activities of the Depositary and the sub-custodians, as well as information on the Investment Company or the respective sub-funds using the above-mentioned contact details.

The Depositary is subject to the provisions of the Liechtenstein FATCA Agreement and the corresponding implementing provisions of the Liechtenstein FATCA Act.

### **5.9 Auditors of the sub-funds, the management company and the investment company**

Grant Thornton AG, Bahnhofstrasse 15, CH-3008 Berne

The management company and investment company must have their business activities audited annually by an independent auditor recognized by the FMA in accordance with the UCITSG.

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

The respective sub-fund assets are invested in compliance with the principle of risk diversification within the meaning of the UCITSG rules and in accordance with the investment policy principles and investment restrictions described in Article 24 et seq. of the Investment Conditions and in Annex A "Overview of the sub-fund".

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

The objective of the investment policy of the individual sub-funds is described in Appendix A "Sub-funds at a glance".

### **6.2 Investment policy of the sub-funds**

The sub-fund-specific investment policy is described for the respective sub-fund in Appendix A "Sub-fund overview".



The general investment principles and investment restrictions set out in Article 24 et seq. of the Investment Conditions and in the Special Terms and Conditions of the Investment Policy apply to all sub-funds, unless deviations or additions for the respective sub-fund are contained in Appendix A "Sub-funds at a glance".

### **6.3 Accounting-/reference currency of the sub-funds**

The accounting currency of the sub-funds and the reference currency per unit class are specified in Appendix A "Sub-funds at a glance".

The accounting currency is the currency in which the sub-fund's accounts are kept. The reference currency is the currency in which the performance and the net asset value of the respective unit class of the UCITS are 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 respective sub-funds is described in Appendix A "Sub-funds at a glance".

## **7 Investment regulations**

### **7.1 Approved systems**

Each sub-fund may ultimately invest the assets for the account of its investors from in one or more of the following assets:

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

- a) that are listed or traded on a regulated market within the meaning of Art. 4 (1) no. 21 of Directive 2014/65/EU;
- b) which are traded on another regulated market of an EEA member state which is recognized at er , open to the public and whose functioning is in accordance with the rules ;
- c) which are officially listed on a stock exchange in a third country or traded on another market in a European, American, Asian, African or Oceanic country which is recognized, open to the public and operates in an orderly manner.

#### **7.1.2 Securities from new issues, if:**

- a) the terms and conditions of issue contain the obligation that admission to official listing or 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 and
- b) this authorization is obtained no later than one year after the issue.

**7.1.3** Units of UCITS and other undertakings for collective investment comparable to a UCITS within the meaning of Art. 3 (1) no. 17 UCITSG, provided that these may invest no more than 10% of their assets in units of another UCITS or comparable undertakings for collective investment in accordance with their constitutive documents;

**7.1.4** Sight deposits or deposits redeemable at notice with a maximum term of twelve months with credit institutions that have their registered office in an EEA



member state or a third country whose supervisory law is equivalent to that of EEA law ;

**7.1.5** Derivatives whose underlying assets are investment objects within the meaning of Art. 51 UCITSG or financial indices, interest rates, exchange rates or currencies. In the case of transactions with OTC derivatives, the counterparties must be supervised institutions of 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 at fair value at the initiative of the UCITS;

**7.1.6** Money market instruments that are not traded on a regulated market, provided that the issue or the issuer of these instruments is subject to regulations on deposit and investor protection, provided 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 state or, if this is a federal state, a member state of the federation or by a public international body to which at least one EEA Member State belongs;
- b) issued by a company whose securities are traded on the regulated markets referred to under a);
- c) issued or guaranteed by an institution that is subject to supervision in accordance with the criteria laid down in EEA law or by an institution whose supervisory law is equivalent to EEA law and which complies with that law; or
- d) issued by an issuer belonging to a category approved by the FMA tegorie, provided that investments in these instruments are subject to the litt. a to c apply to investments in these instruments and the issuer ent we is a company with equity capital of at least EUR 10 million and prepares and publishes its annual financial statements in accordance with the provisions of Directive 78/660/EEC, implemented in Liechtenstein by PGR, or is a group-affiliated legal entity that is responsible for financing the group of companies with at least one listed company no or is a legal entity that is to finance the value pa pier backing of liabilities by using a credit line granted by a bank.

**7.1.7** The investment company may also hold liquid assets.

## **7.2 Non-authorized systems**

The investment company may not:

**7.2.1** invest more than 10% of the assets of each sub-fund in securities and money market instruments other than those referred to in section 7.1 ;

**7.2.2** Acquire precious metals or certificates on precious metals;

**7.2.3** uncovered short sales.

## **7.3 Investment limits**

**A. The following investment limits must be observed for each individual sub-fund :**

**7.3.1** The sub-fund may invest a maximum of 5% of its assets in securities or money market instruments of the same issuer and a maximum of 20% of its assets in deposits of the same issuer.

- 7.3.2** The default risk from transactions of the Investment Company with OTC derivatives with a credit institution as counterparty that has its registered office in an EEA member state or a third country whose supervisory law is equivalent to that of EEA law may not exceed 10% of the sub-fund's assets ; for other counterparties, the maximum default risk is 5% of the mö gens.
- 7.3.3** If the total value of the securities and money market instruments of the issuers in 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 limit of 40% does not apply to deposits or to transactions with OTC derivatives with financial institutions supervised by . Securities and money market instruments in accordance with section 7.3.5 and debt securities in accordance with section 7.3.6 are not taken into account when the increase is applied.
- 7.3.4** Notwithstanding the individual upper limits set out in sections 7.3.1 and 7.3.2, a sub-fund may not combine the following if this would lead to an investment of more than 20% of its assets in one and the same institution:
- a) securities or money market instruments issued by this institution;
  - b) Deposits with this institution;
  - c) OTC derivatives acquired by this institution.
- 7.3.5** If the 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 of 5% specified in section 7.3.1 is raised to a maximum of 35%.
- 7.3.6** If bonds are issued by a credit institution domiciled in an EEA member state that is subject to special public supervision on the basis of statutory provisions to protect the holders of these bonds and, in particular, must invest the income from the issue of these bonds in assets that adequately cover the resulting liabilities throughout the term of the bonds and are intended primarily for the repayment of the principal and interest due in the event of the issuer's default, the upper limit of 5% referred to in section 7.3.1 is raised 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 specified in sections 7.3.1 to 7.3.6 may not be cumulated. The maximum issuer limit is 35% of the assets per sub-fund.
- 7.3.8** Companies of the same group of companies are deemed to be a single issuer for the purposes of calculating the investment limits set out in section 7.3. For investments in securities and money market instruments of the same company group, the issuer limit is raised to a total of 20% of the sub-fund's assets .
- 7.3.9** A sub-fund may invest a maximum of 10% of its assets in units of other UCITS or other undertakings for collective investment comparable to a UCITS.
- 7.3.10** The sub-funds may subscribe, acquire and/or hold units that are to be or have been issued by one or more other sub-funds, provided that
- ◆ the target sub-fund does not in turn invest in the sub-fund that invests in this target sub-fund; and
  - ◆ the proportion of the assets that the target sub-funds whose acquisition is intended may invest in total in units of other UCITS or undertakings for collective investment comparable to UCITS in accordance with their prospectus or constitutive documents does not exceed 10%; and

- ◆ any voting rights attached to the 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 case, the value of these securities is 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 measure of net assets pursuant to the UCITSG for as long as these securities are held by the respective sub-fund; and
- ◆ there is no multiple charging of fees for the issue or redemption of units at the level of the sub-fund that has invested in the target sub-fund on the one hand and at the level of the target sub-fund on the other.

**7.3.11** If the investments in section 7.3.9 account for a significant proportion of the sub-fund's assets, the sub-fund-specific annex must provide information on the maximum amount and the annual report on the maximum proportion of the management fees to be borne by the sub-fund itself and by the undertakings for collective investment pursuant to section 7.3.9 whose units have been acquired.

**7.3.12** If units are managed directly or indirectly by the Investment Company or by the Management Company on its behalf or by a company with which the Investment Company or the Management Company of the UCITS is linked by common management, control or qualified participation, neither the Investment Company or 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.

**7.3.13** An investment company does not acquire voting shares of the same issuer for any of the sub-funds it manages with which it can exercise a significant influence on the management of the issuer. Significant influence is presumed to exist from 10% of the issuer's voting rights. If a lower limit for the acquisition of voting shares of the same issuer applies in another EEA member state, this limit is decisive for the *wal tungs ge sellschaft* if it acquires shares of an issuer domiciled in this EEA member state for a sub-fund.

**7.3.14** Each sub-fund may hold financial instruments from the same issuer in a maximum amount of:

- a) 10% of the share capital of the issuer may be acquired, insofar as voting shares without rights are concerned;
- b) 10% of the total nominal amount of the outstanding bonds or money market instruments of the issuer are acquired, insofar as bonds or money market instruments are concerned. This limit need not be observed if the total nominal amount cannot be determined at the time of acquisition;
- c) 25% of the units of the same undertaking are acquired, insofar as units of other UCITS or undertakings for collective investment comparable to a UCITS are concerned. This specific limit need not be observed if the net amount cannot be determined at the time of acquisition.

**7.3.15** Sections 7.3.13 and 7.3.14 are not applicable:

- a) on securities and money market instruments issued or guaranteed by a government issuer;
- b) to shares held by a sub-fund in the capital of a company of a third country which invests its assets mainly in securities of issuers domiciled in that third country, if a participation of the kind represents the only possibility for the sub-fund to invest in securities of issuers of that country under the legislation of that third country. The requirements of the UCITSG must be observed;

- c) to shares held by investment companies in the capital of their subsidiaries that organize the repurchase of shares at the request of investors in the country of establishment exclusively for the management company.

In addition to the restrictions listed in sections 7.3.1 - 7.3.15, any further restrictions in Appendix A "Sub-fund overview" must be observed.

## **B. Deviations from the investment limits are permitted in the following cases :**

- 7.3.16** A sub-fund does not have to comply with the investment limits when exercising subscription rights from securities or money market instruments belonging to its assets, but must correct them within a reasonable period of time.
- 7.3.17** In the event of a breach of the investment limits, the management company's primary objective is to bring about the normalization of this situation, taking into account the interests of the investors
- 7.3.18** A sub-fund may deviate from the investment limits set out in 7.3 within the first six months of its payment. Sections 7.1 and 7.2 remain unaffected by this exception and must be complied with at all times. The principle of risk diversification must continue to be observed.

## **C. Active investment limit violations:**

- 7.3.19** Any loss incurred as a result of an active breach of the investment limits/investment regulations must be compensated immediately to the UCITS or the corresponding sub-fund in accordance with the applicable rules of conduct.

## **7.4 Limitation of borrowing and ban on granting loans and guarantees**

- 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 borrowing within the meaning of section 7.4.2 below or the provision of collateral as part of the settlement of transactions involving financial instruments.
- 7.4.2** Borrowing by a sub-fund is limited to temporary loans where the borrowing does not exceed 10% of the sub-fund's assets ; the limit does not apply to the acquisition of foreign currencies through a "back-to-back loan".
- 7.4.3** A sub-fund may neither grant loans nor act as guarantor for third parties. Neither the sub-fund nor the investors are bound by agreements that violate these prohibitions.
- 7.4.4** Section 7.4.3 does not prevent the acquisition of financial instruments that are not yet fully paid up.

## **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 assets. The Management Company may invest in derivatives as part of the investment strategy within the limits set out in Art. 53 UCITSG, provided that the overall risk of the underlying assets does not exceed the investment limits set out in Art. 54 UCITSG. When calculating this risk, the market value of the underlying assets, the default risk, future market fluctuations and the liquidation period of the positions are taken into account.

Provided that there is nothing to prevent the protection of investors and the public interest, investments of the investment company in index-based derivatives are not to be taken into account with regard to the upper limits of Art. 54 UCITSG.

With the approval of the FMA, the Investment Company or the sub-fund may use techniques and instruments involving securities and money market instruments for the efficient management of the portfolios in compliance with the provisions of the UCITSG. These transactions must be taken into account when determining the overall risk.

#### **7.5.1 Risk management procedures**

The Investment Company, or the Management Company on its behalf, uses a basic model to calculate the risks arising from the investment instruments, in particular with regard to derivative financial instruments, and uses generally recognized calculation methods. It must ensure that at no time does the risk from derivative financial instruments exceed the total value of the portfolio and, in particular, that no positions are entered into that represent an unlimited risk for the assets. When measuring the overall risk, both its default risk and the leverage effect achieved with derivative financial instruments must be taken into account. Combinations of derivative financial instruments and securities must also meet these requirements at all times.

The Investment Company or the Management Company on its behalf may use the following derivative financial instruments, techniques and instruments \_COPY0 for the respective sub-fund in particular son :

#### **7.5.2 Derivative financial instruments**

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

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

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

The Investment Company or the Management Company on its behalf 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:

**7.5.2.1** Futures contracts on securities, money market instruments, financial indices within the meaning of Article 9(1) of Directive 2007/16/EC, interest rates, exchange rates or currencies;

**7.5.2.2** Options or warrants on securities, money market instruments, financial indices within the meaning of Article 9(1) of Directive 2007/16/EC, interest rates, exchange rates or currencies and forward contracts in accordance with section 7.5.2.1, if

- ◆ exercise is possible either during the entire term or at the end of the term and

- ◆ the option value is a fraction or a multiple of the difference between the strike price and the market price of the underlying asset and becomes zero if the difference has the opposite sign;

**7.5.2.3** Interest rate swaps, currency swaps or cross-currency interest rate swaps;

**7.5.2.4** Options on swaps in accordance with section 7.5.2.3, provided they have the characteristics described in section 7.5.2.2 (swaptions);

**7.5.2.5** Credit default swaps, provided that they are used exclusively and comprehensively 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 can also be part of assets.

#### **Forward contracts**

The Investment Company or the Management Company on its behalf may enter into futures contracts for the account of the sub-funds within the scope of the investment principles on securities and money market instruments that can be purchased for the sub-funds and 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 security at a certain time, the maturity date, or within a certain period of time at a price determined in advance.

#### **Options transactions**

The Investment Company or the Management Company on its behalf may buy and sell call options and put options on 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 scope of the investment principles. Options transactions involve granting a third party the right, for a fee (option premium), 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 to acquire corresponding option rights. The options or warrants must provide for exercise during the entire term or at the end of the term. In addition, the option value at the time of exercise must be a fraction or a multiple of the difference between the strike price and the market price of the underlying asset and must be zero if the difference has the opposite sign.

#### **Swaps**

The Investment Company or the Management Company on its behalf may enter into interest rate swaps, currency swaps and cross-currency interest rate swaps for the account of the sub-funds within the scope of the investment principles. Swaps are exchange contracts in which the payment flows or risks underlying 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 sub-funds. A swaption is the right, but not the obligation, to enter into a swap with precisely specified conditions at a specific time or within a specific period. Otherwise, the principles described in connection with option transactions apply.



### **Credit default swaps**

Credit default swaps are credit derivatives that make it possible to transfer a potential credit default volume to others. In return for assuming the credit default risk, the seller of the risk pays a premium to its contractual partner. The Management Company may only acquire simple, standardized credit default swaps for the sub-fund, which are used to hedge individual credit risks in the sub-fund. Otherwise, the information on swaps applies accordingly.

### **Financial instruments securitized in securities**

The Investment Company or the Management Company on its behalf may also acquire the financial instruments described above if they are securitized. The transactions involving financial instruments may also be only partially contained in securities (e.g. bonds with warrants). The statements on opportunities and risks apply accordingly to such securitized financial instruments, but with the proviso that the risk of loss for securitized financial instruments is limited to the value of the security.

### **OTC derivatives transactions**

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

The Management Company may only enter into derivative transactions that are not admitted to trading on a stock exchange or included in another organized market with suitable credit institutions or financial services institutions on the basis of standardized framework agreements. In the case of derivatives traded over the counter, the counterparty risk in relation to a contractual partner is limited to 5% of the value of the sub-fund 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. Derivative transactions traded over the counter that are concluded with a central clearing house of a stock exchange or another organized market as counterparty 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 assets against an intermediary are to be counted towards the limits, even if the derivative is traded on a stock exchange or another organized market.

#### **7.5.3 Securities lending**

The Investment Company or the Management Company on its behalf does not engage in securities lending.

#### **7.5.4 Repurchase agreements**

The Investment Company or the Management Company on its behalf does not enter into repurchase agreements.

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

##### **General information**

In connection with transactions in OTC financial derivatives and efficient portfolio management techniques, the Management Company may accept collateral on behalf of and for the account of the sub-fund in order to reduce its counterparty risk. This section sets out the collateral policy applied by the Management Company in these cases. All assets received by the Management Company as part of efficient portfolio management techniques (securities lending, repurchase agreements, reverse repurchase agreements) in the

name of and for the account of the sub-fund are treated as collateral for the purposes of this section.

### **Permissible securities**

The Management Company may use the collateral it receives 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 in connection with the management of collateral and realizability. Collateral should above all fulfill the following conditions:

#### *Liquidity*

Any collateral not consisting of cash or sight deposits must be highly liquid at a transparent price and must be traded on a regulated market or within a multi-lateral trading facility. In addition, collateral with a short settlement cycle is to be preferred over collateral with a long settlement cycle, as it can be converted into cash more quickly.

#### *Rating*

The value of the collateral must be calculated at least every trading day and must always be up to date. The inability to independently determine the value jeopardizes the investment company. This also applies to "mark to model" valuations and rarely traded assets.

#### *Creditworthiness*

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

#### *Correlation*

The security is not issued, underwritten or guaranteed by the counterparty or by a company belonging to the counterparty's group and does not exhibit a high correlation with the performance of the counterparty. However, investors' attention is drawn to the fact that in a difficult market environment, experience shows that the correlation between different issuers increases massively, regardless of the type of security.

#### *Diversification of collateral*

The collateral received is sufficiently diversified in terms of countries, markets and issuers. The criterion of sufficient diversification with regard to issuer concentration is deemed to be met if the sub-fund receives collateral for which the maximum exposure to a single issuer does not exceed 20% of the net asset value of the sub-fund. In the case of collateral from several securities lending transactions, OTC derivative transactions and repurchase agreements that are attributable to the same issuer, issuer or guarantor, the total risk to this issuer must be added together to calculate the total risk limit. By way of derogation from this sub-item, UCITS may be fully collateralized by various transferable securities and money market instruments issued or guaranteed by an EEA Member State, one or more of its local authorities, a third country or a public international body to which at least one EEA Member State belongs. These UCITS should hold securities issued in at least six different issues, whereby the securities from a single issue should not exceed 30% of the net asset value of the UCITS.

A sub-fund may deviate from these regulations in accordance with the provisions set out above under 7.3.5 - 7.3.7.



### Safekeeping and utilization

If ownership of the transferred collateral has been transferred to the management company of the UCITS, the collateral received must be held by the depository of the UCITS. Otherwise, the collateral must be held by a third-party custodian that is subject to prudential supervision and is independent of the service provider or is legally protected against the default of the related party.

It must be ensured that the UCITS or the corresponding sub-fund can liquidate the collateral immediately at any time without reference to or consent from the counterparty.

### Investment of collateral

Collateral, with the exception of sight deposits (cash and cash equivalents), may not be sold, reinvested or pledged.

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

- Investment in sight deposits pursuant to Art. 51 para. 1 let. d UCITSG with a maximum term of twelve months with credit institutions that have their registered office in an EEA member state or a third country whose supervisory law is equivalent to that of the EEA;
- Debt securities issued by governments with high credit ratings;
- Investments as part of a repurchase agreement within the meaning of Art. 70 UCITSV, provided that the counterparty to the repurchase agreement is a credit institution domiciled in an EEA member state or a third country whose supervisory law is equivalent to that of the EEA;
- Investments in money market funds with a short maturity structure in accordance with ESMA/ 2014/937 no. 43 let. j.

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

In order to assess the value of collateral exposed to a non-negligible risk of fluctuation, the UCITS must apply prudent haircut rates. The Management Company must have a haircut policy for the UCITS for each type of asset received as collateral and take into account the characteristics of the assets, such as in particular the creditworthiness and the price volatility of the respective assets, as well as the results of the stress tests carried out. The haircut policy must be documented and must make every decision to apply or refrain from applying a haircut comprehensible with regard to the respective types of assets.

### Amount of collateral

The Investment Company, or the Management Company on its behalf, determines the required level of collateral for OTC derivative transactions and efficient portfolio management techniques by reference to the counterparty risk limits set out in the Prospectus and taking into account the nature and characteristics of the transactions, the creditworthiness and identity of the counterparties and the prevailing market conditions.

### Rules for haircuts

Collateral is valued daily on the basis of available market prices and taking into account appropriately conservative haircuts, which the Management Company determines for each asset class on the basis of 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, if applicable, the result of liquidity stress tests carried out by the Investment Company or the Management Com-

pany under normal and exceptional liquidity conditions. The table below shows the haircuts that the Management Company considers appropriate as at the date of this Prospectus. These values are subject to change.

<b>Hedging instrument</b>	<b>Valuation multiplier (%)</b>
Account balances (in the reference currency of the respective sub-fund)	95
Account balances (not in the reference currency of the respective sub-fund)	85
Government bonds [debt securities issued or explicitly guaranteed by the following countries (e.g. does not include implicitly guaranteed debt): Austria, Belgium, Denmark, France, Germany, the Netherlands, Sweden, the United Kingdom and the USA, provided these countries each have a minimum rating of AA-/Aa3 and such bonds can be marked to market on a daily basis]	
Term ≤ 1 year	90
Term > 1 year and remaining term ≤ 5 years	85
Term > 5 years and remaining term ≤ 10 years	80
Corporate securities (debt securities issued or explicitly guaranteed by a company (other than a financial institution) and (i) have a minimum rating of AA-/Aa3, (ii) have a maximum residual maturity of 10 years and (iii) are denominated in an OECD currency)	
Term ≤ 1 year	90
Term > 1 year and remaining term ≤ 5 years	85
Term > 5 years and remaining term ≤ 10 years	80

### **Total return swaps**

Total return swaps may be entered into for the Investment Company or its sub-funds. Total return swaps are derivatives in which all income and fluctuations in the value of an underlying asset are exchanged for an agreed fixed interest payment. One contracting party, the protection buyer, thus transfers the entire credit and market risk from the underlying asset to the other contracting party, the protection seller. In return, the protection buyer pays a premium to the protection seller. Total return swaps may be entered into for the investment company or its sub-funds for hedging purposes and as part of the investment strategy. In principle, all assets that can be acquired for the investment company or its sub-funds may be the subject of total return swaps. Up to 100% of the sub-fund assets may be the subject of such transactions. The Investment Company expects that in individual cases no more than 50% of the sub-fund's assets will be the subject of total return swaps. However, this is only an estimated value, which may be exceeded in individual cases. The income from total return swaps - after deduction of transaction costs - flows in full to the Investment Company or its sub-funds.

The contractual partners for total return swaps are selected according to the following criteria:

- Price of the financial instrument,
- Costs of executing the order,
- Speed of execution,
- Probability of execution or settlement,
- Scope and type of order,

- Time of the order,
- Other factors influencing the execution of the order (e.g. creditworthiness of the counterparty)

The criteria can be weighted differently depending on the type of trading order.

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

A sub-fund may invest a maximum of 10% of its assets in units of other UCITS or other undertakings for collective investment comparable to a UCITS. According to their prospectus or constitutive documents, these other undertakings for collective investment may invest a maximum of 10% of their assets in units of another UCITS or another comparable undertaking for collective investment.

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

If units are managed directly or indirectly by the investment company or by the management company on its behalf or by a company with which the investment company or the management company of the UCITS is linked by common management, control or qualified participation, neither the investment company or 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.

#### **7.5.7 Use of reference values ("benchmarks")**

In accordance with the provisions of Regulation (EU) 2016/1011 of the European Parliament and of the Council on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of collective investment undertakings, regulated entities (such as UCITS management companies and AIFMs) may use benchmarks within the meaning of the Benchmarks Regulation ("Benchmark Regulation") in the EU if the benchmark is provided by an administrator that is registered in the list of administrators and benchmarks maintained by ESMA in accordance with the Benchmarks Regulation (the "List").

Benchmarks may be used by the UCITS or its sub-funds in the key information documents (PRIIP-KID) and in any marketing documents as a reference for comparison purposes in order to measure the performance of the UCITS or its sub-funds against them. The UCITS or the sub-funds are actively managed and the asset manager is therefore free to decide in which securities to invest. Consequently, the performance may deviate significantly from that of the benchmark. The benchmark index, if used by the Management Company or the Asset Manager on its behalf, is specified in Appendix A "Sub-funds at a glance".

The benchmark index may change over time. In this case, the prospectus and Appendix A "Sub-funds at a glance" of the constitutive documents will be updated at the next opportunity and investors will be informed by means of a notice in the organ of publication and in the media specified in the prospectus or by means of durable medium (letter, fax, email or similar).

In addition, the UCITS or its sub-funds may use benchmarks when calculating performance fees. Detailed information on any fees dependent on investment performance (performance fee) can be found in section 12.2 of this prospectus and in Annex A "Sub-funds at a glance".

The Investment Company or the Management Company on its behalf assumes no liability for the quality, accuracy or completeness of the data of the benchmark index in relation to a benchmark index, nor that the respective benchmark index is managed in accordance with the index methods described.

The Investment Company, or the Management Company on its behalf, has drawn up a written plan with measures that it will take with regard to the UCITS or its sub-funds if the index changes significantly or is no longer provided. Information relating to this plan is available free of charge on request from the registered office of the Management Company.

## 8 Risk warnings

### 8.1 Sub-fund-specific risks

**The performance of the units depends on the investment policy and the market performance 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 against may rise or fall above the issue price at any time. There is no guarantee that the investor will receive back the capital invested.**

The sub-fund-specific risks of the individual sub-funds can be found in Appendix A "Sub-funds at a glance".

### 8.2 General risks

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

All investments in the sub-funds are associated with risks. Each risk can also occur together with other risks. Some of these risks are briefly discussed in this section. However, it should be noted 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 only make an investment decision once 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 Investment Conditions and the investment policy of the respective sub-fund.

The look-through principle is not used to measure market risk.

#### **Market risk**

This is a general risk associated with all investments, which consists in the fact that the value of a particular investment may have an adverse effect on the unit value of the UCITS or the sub-fund.

#### **Price risk**

Losses in the value of the investments in which the UCITS or sub-fund invests may occur. In this case, the market value of the investments develops unfavorably compared to the purchase price. Investments are also exposed to different price fluctuations (volatility). In extreme cases, there is a risk of a complete loss in value of the corresponding investments.

### **Economic risk**

This is the risk of price losses resulting from the fact that the economic trend is not or not correctly taken into account when making investment decisions and securities investments are therefore made at the wrong time or securities are held in an unfavorable economic phase.

### **Concentration risk**

The investment policy may provide for focal points, which may lead to a concentration of investments, e.g. in certain assets, countries, markets or sectors. The UCITS or the sub-fund is then particularly dependent on the performance of these assets, countries, markets or sectors.

### **Interest rate risk**

Insofar as the UCITS or the sub-fund invests in interest-bearing securities, it is exposed to an interest rate risk. If the market interest rate level rises, the market value of the interest-bearing securities belonging to the assets may fall significantly. This applies to a greater extent if the assets also hold interest-bearing securities with a longer residual term and a lower nominal interest rate.

### **Currency risk**

If the UCITS or the sub-fund holds assets denominated in foreign currency(ies), it is exposed to a direct currency risk (insofar as foreign currency positions are not hedged). Falling exchange rates lead to a reduction in the value of foreign currency investments. 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 have an indirect effect on the price performance of investments.

### **Monetary value risk**

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

### **Psychological market risk**

Sentiment, opinions and rumors can cause a significant fall in share prices, even though the earnings situation and future prospects of the companies in which investments are made may not have changed significantly. Psychological market risk has a particular impact on equities.

### **Risks from derivative financial instruments**

The UCITS or the sub-funds may use derivative financial instruments. These may not only be used for hedging purposes, but may also form part of the investment strategy. The use of derivative financial instruments for hedging purposes may change the general risk profile due to 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 whose valuation -is primarily -derived from the price and the price fluctuations and -expectations of an underlying asset. Investments in derivatives are subject to general market risk, management risk, credit risk and liquidity risk.

However, due to the special features of derivative financial instruments (e.g. leverage), 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. The use of derivatives therefore requires not only an understanding of the underlying instrument, but also in-depth knowledge of the derivatives themselves.

Derivative financial instruments also entail the risk that the UCITS or the corresponding sub-fund may incur a loss because another party to the derivative financial instrument (usually a "counterparty") fails to meet its obligations.

The credit risk for derivatives traded on an exchange is generally lower than the risk for over-the-counter (OTC) derivatives, as the clearing house, which acts as the issuer or counterparty to every derivative traded on the exchange, provides a settlement guarantee. There is no comparable guarantee from the clearing house for derivatives traded over the counter. An OTC derivative may therefore not be concluded under certain circumstances.

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

Further risks associated with the use of derivatives lie in the incorrect pricing or valuation of derivatives. Many derivatives are complex and often subjectively valued. Inappropriate valuations can lead to increased cash payment demands from counterparties or to a loss in value for the respective sub-fund. Derivatives do not always have 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 respective 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.

#### **Risk from collateral management in connection with OTC financial derivatives and efficient portfolio management techniques**

If the UCITS or the sub-fund carries out over-the-counter transactions (OTC transactions/efficient portfolio management techniques), it may be exposed to risks in connection with the creditworthiness of the OTC counterparties: when concluding futures contracts, options and swap transactions, securities lending, repurchase agreements, reverse repurchase agreements or using other derivative techniques, the UCITS or the sub-fund is subject to the risk that an OTC counterparty does not (or cannot) fulfill its obligations under one or more contracts. The sub-fund is subject to the risk that an OTC counterparty does not (or cannot) meet its obligations arising from one or more contracts. The counterparty risk can be reduced by depositing collateral. If the UCITS or the sub-fund is owed collateral in accordance with applicable agreements, this shall be held by or for the Depositary in favor of the respective sub-fund. Bankruptcy, insolvency or other credit default events at the Custodian or within its sub-custodian/correspondent bank network may result in the rights of the UCITS or the sub-fund in connection with the collateral being postponed or restricted in some other way. If the UCITS or the sub-fund owes collateral to the OTC counterparty in accordance with applicable agreements, such collateral shall be transferred to the OTC counterparty as agreed between the UCITS or the sub-fund and the OTC counterparty. Bankruptcy, insolvency or other credit default events of the OTC counterparty, the Depositary or within its sub-custodian/correspondent bank network may result in the rights or recognition of the UCITS or the sub-fund in relation to the collateral being delayed, restricted or even excluded, which would force the UCITS or the sub-fund to meet its obligations under the OTC transaction notwithstanding any collateral provided in advance to cover such an obligation.

The risk associated with the management of collateral, in particular the operational or legal risk, is determined, controlled and mitigated by the risk management applied to the UCITS or the sub-fund.

UCITS or the sub-funds may disregard the counterparty risk provided that the value of the collateral, valued at market price and with reference to the appropriate discounts, exceeds the amount of the risk at all times.



A UCITS or the sub-fund may incur losses when investing the cash collateral it receives. Such a loss may result from a fall in the value of the investment made with the cash collateral received. If the value of the invested cash collateral falls, this reduces the amount of collateral that was available to the sub-fund for return to the counterparty when the transaction was concluded. The UCITS or 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, which would result in a loss for the sub-fund.

#### **Liquidity risk**

Assets may also be acquired for the UCITS or the sub-funds that are not listed on a stock exchange or included in another organized market. There may therefore be a risk that these assets can be resold with a time delay, at a discount or not at all.

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

#### **Counterparty risk**

The risk is that contractual partners (counterparties) do not meet their contractual obligations to fulfill transactions. This may result in a loss for the UCITS or the sub-fund.

#### **Issuer risk (credit risk)**

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

#### **Country or transfer risk**

Country risk is when a foreign debtor is unable to make payments on time or at all (e.g. due to foreign exchange restrictions, transfer risks, moratoria or embargoes) despite being solvent due to the inability or unwillingness of its country of domicile to transfer funds. For example, payments to which the UCITS or 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.

#### **Operational risk**

Operational risk is the risk of loss for a sub-fund's assets resulting from inadequate internal processes and from human or system failure at the Management Company or from external events and includes legal, documentation and reputational risks as well as risks resulting from the trading, settlement and valuation procedures operated for a sub-fund's assets.

#### **Settlement risk**

In particular, when investing in unlisted securities, there is a risk that settlement by a transfer system will not be executed as expected due to delayed or non-agreed payment or delivery.

#### **Key person risk**

UCITS or sub-funds whose investment performance is very positive in a given period also owe this success to the suitability of the persons involved and thus to the correct decisions made by their management. However, the composition of the fund management can change. New decision-makers may then be less successful.

#### **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 country of domicile of the UCITS or the sub-fund. Furthermore, the legal and tax treatment of sub-funds may change in unforeseeable and uncontrollable ways. A change to 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 perspective, even though the investor may not have been invested in the UCITS or the sub-fund at that time. Conversely, investors may find that they no longer benefit from a correction for the current and previous financial years in which they invested in the UCITS or sub-fund, which is generally advantageous from a tax perspective, due to the redemption or sale of units prior to the implementation of the corresponding correction. In addition, a correction of tax data may result in taxable income or tax benefits actually being assessed for tax purposes in a different assessment period than is actually applicable and this may have a negative impact on the individual investor.

#### **Tax risk for investors in Germany**

With effect from January 1, 2018, **30%** of investment income from an investment in an **equity fund** (as defined in **Section 2 (6)** of the German Investment Tax Act) will be exempt from income tax and the solidarity surcharge (and church tax, if applicable) for private investors resident in Germany under the partial exemption rules. Whether these regulations apply is assessed for each calendar year.

An investment fund is deemed to be an **equity fund** if

- ◆ its investment conditions stipulate that it continuously invests at least **51% of its value** in equity investments as defined in Section 2 (8) of the German Investment Tax Act; and
- ◆ this requirement is met on an ongoing basis in the corresponding calendar year.

Similar rules (albeit with different percentages) apply to investment income of corporate investors and corporations resident in Germany for tax purposes, subject to certain exceptions, while a corresponding portion of business expenses and other losses associated with an investment in an **equity fund** is not tax deductible.

As stated in the Investment Conditions, the UCITS or its sub-funds aim to invest on an ongoing basis the minimum holding specified in **Annex A (E1) "Investment principles of the sub-fund"** in equity investments.

However, whether these requirements will be met on an ongoing basis in each calendar year - and thus whether the partial exemption rules will apply - depends on a number of conditions, some of which are beyond the control of the manager of the UCITS or sub-fund. of the sub-fund, in particular on how the tax authorities and courts in Germany interpret the tax law provisions, in particular the concept of capital participation, how the assets in which the UCITS or the sub-fund invests are classified (by their respective issuers and/or the corresponding database operators) and on the value (market price) of the assets held by the UCITS or the sub-fund. **Therefore, no guarantee can be given that the rules on partial exemption will be applied. As a result, investors resident in Germany for tax purposes may be subject to taxation in Germany on 100% of their investment income from their investment in the UCITS or the sub-fund.**

#### **Risks associated with the use of benchmarks**

If the EU or third-country index provider does not comply with the Benchmark Regulation, or if the benchmark changes significantly or ceases to exist, a suitable alternative benchmark must be identified for the UCITS or for its sub-funds if a benchmark index is used. In certain cases, this may prove difficult or impossible. If a suitable substitute benchmark cannot be identified, this may have a negative impact on the relevant UCITS or sub-fund - and in certain circumstances also on the ability of the asset manager to implement the investment strategy of the relevant UCITS or sub-fund. Compliance with the Benchmark Regulation may also result in additional costs for the UCITS or sub-fund concerned. The benchmark index may change over time. In this case, the prospectus will be updated at the next opportunity and investors will be informed by



means of a notice in the organ of publication and in the media specified in the prospectus or by means of durable medium (letter, fax, email or similar).

### **Custody risk**

The safekeeping of assets entails a risk of loss that may result from insolvency or breaches of the custodian's duty of care or force majeure.

### **Changes to the investment policy and fees**

The risk associated with the sub-fund may change as a result of a change in the investment policy within the legally and contractually permissible investment spectrum. The Management Company may increase the fees to be charged to the sub-fund and/or significantly change the investment policy of the sub-fund within the applicable investment conditions at any time by amending the Prospectus and the Investment Conditions, including Annex A "Overview of the sub-fund".

### **Amendment of the Articles of Association and the Terms of Investment**

The Management Company reserves the right to amend the Terms and Conditions of Investment. The Articles of Association may also be amended in compliance with the conditions under company law. In accordance with the investment conditions, it is also possible to dissolve the sub-fund completely or to merge it with another sub-fund. Investors therefore run the risk of not being able to realize their 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 exceptional circumstances and only redeem the units later at the price applicable at that time (see "Suspension of the calculation of the net asset value and the issue, redemption and conversion of units" for details). This price may be lower than the price before the suspension of redemption. A suspension of the redemption of units may be directly followed by the dissolution of the sub-fund.

### **Hedging risk**

Unit classes whose reference currency is not the same as the portfolio currency can be hedged against exchange rate fluctuations (hedging). This is intended to protect investors in the respective unit class as far as possible against possible losses due to negative exchange rate developments, but at the same time they cannot fully benefit from positive exchange rate developments. Due to fluctuations in the volume hedged in the portfolio and ongoing subscriptions and redemptions, it is not always possible to maintain hedges to exactly the same extent as the net asset value of the unit class being hedged. It is therefore possible that the net asset value per unit of a hedged unit class will not develop identically to the net asset value per unit of an unhedged unit class.

### **Sustainability risks**

The term "sustainability risks" refers to the risk of an actual or potential loss in value of an investment due to the occurrence of environmental, social or governance-related events (ESG = Environment/ Social/Governance). The management company or asset manager includes sustainability risks in its investment decisions in accordance with its corporate strategy.

Their valuation has no relevant impact on the return because, due to the broad diversification and the performance achieved in the past, no relevant impact on the overall portfolio can be assumed, although of course past performance is not indicative of future performance.

## 9 Participation in UCITS

### 9.1 Sales restrictions

In general, units of the sub-funds may not be offered in jurisdictions and to persons in which or to whom this is not permitted. The units of the UCITS are not authorized for distribution in all countries of the world. When units are issued, exchanged and redeemed abroad, the provisions applicable there shall apply.

In particular, the shares have **not** been registered in the United States of America (USA) in accordance with the United States Securities Act of 1933 and may therefore not be offered or sold in the USA or to US citizens.

For example, natural persons are considered US citizens if they (a) were born in the USA or one of its territories or sovereign territories, (b) are naturalized citizens (or green card holders), (c) were born abroad as the child of a US citizen, (d) reside predominantly in the USA without being a US citizen, (e) are married to a US citizen or (f) are liable to pay tax in the USA.

The following are also considered US citizens: (a) investment companies and corporations organized under the laws of one of the 50 US states or the District of Columbia, (b) an investment company or partnership organized under an Act of Congress, (c) a pension fund organized as a US trust, (d) an investment company that is taxable in the US, or (e) investment companies that qualify as such under Regulation S of the US Securities Act of 1933 and/or the US Commodity Exchange Act.

### 9.2 General information on the shares

The units are only managed in book-entry form, i.e. there will be no certificates issued .

The Investment Company is authorized to create, cancel or merge several unit classes within the sub-funds, which may differ from the existing unit classes in terms of, for example, the appropriation of profits, the front-end load, 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 from existing unit classes remain unaffected.

There are currently unit classes with the designations "**EUR-I**"; "**EUR-R**"; "**EUR-I-Hedged**"; "**EUR-R-Hedged**"; "**EUR-IN**", "**USD-I**" and "**USD-R**". Units of the unit classes "EUR-I", "EUR-R", "EUR-IN" "EUR-I-Hedged"; "EUR-R-Hedged" are issued and redeemed in the accounting currency of the sub-fund, the euro, and units of the unit classes "USD-I" and "USD-R" are issued and redeemed in US dollars. The currency risks of the unit classes issued in "EUR-I", "EUR-R", "USD-I" and "USD-R" may be hedged in whole or in part; this may have a negative impact on the NAV of the unit classes issued. The possible costs of currency hedging of the "EUR-I", "EUR-R", "EUR-IN", "USD-I" and "USD-R" unit classes are allocated accordingly.

The "**EUR-I-Hedged**" and "**EUR-R-Hedged**" unit classes are **currency-hedged unit classes**. These unit classes may be affected by obligations arising from liabilities of another unit class due to the hedging of the currency risk. Derivatives are used for these unit classes with the aim of avoiding losses in unit value due to exchange rate-related losses on assets of the sub-fund that are not denominated in the reference currency of the respective unit class. Although an attempt is generally made to **hedge at least 70% of** the net asset value of the currency-hedged unit classes, it is possible that **less than 70% will be hedged in order to avoid transaction costs as a result of minor adjustments**.

The unit classes issued in connection with each sub-fund and the fees and remuneration incurred in connection with the units of the sub-funds are listed in Appendix A "Sub-funds at a glance".

In addition, certain other fees, remunerations and costs are paid from the assets of the sub-funds. See also sections 11 and 12 (tax before tions and costs and fees).

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

The net asset value (the "NAV") per unit of a sub-fund or unit class of the sub-fund is calculated by the Investment Company or by the Management Company on its behalf at the end of the accounting year and on the respective valuation day on the basis of the last known prices, taking into account the valuation interval.

The NAV of a unit of the sub-fund or a unit class of the sub-fund is expressed in the accounting currency of the sub-fund or, if different, in the reference currency of the corresponding unit class and is calculated by dividing the proportion of the assets of this sub-fund attributable to the relevant unit class, less any debt obligations of the same sub-fund allocated to the relevant unit class, by the number of units of the corresponding unit class in circulation. It is rounded as follows when units are issued and redeemed:

- ◆ to EUR 0.01 if the currency is the euro; and
- ◆ to USD 0.01 if the currency is the US dollar.

The respective net sub-fund assets are valued at market value in accordance with the following principles:

1. Securities that are officially listed on a stock exchange are valued at the last available price. If a security is officially listed on several stock exchanges, the last available price of the stock exchange that is the main market for this security is decisive.
2. 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 security is traded on various markets open to the public, the last available price of the market with the highest liquidity is generally taken into account.
3. Securities or money market instruments with a remaining term of less than 397 days can be written up or down 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 whose price is not in line with the market and those assets that do not fall under item 1, item 2 and item 3 above are used at the price that would probably be achieved if they were sold carefully at the time of valuation and that is determined in good faith by the management of the Management Company or under its direction or supervision by authorized agents.
5. OTC derivatives are valued on the basis of a verifiable valuation to be determined by the Investment Company or Management Company on a daily basis, as determined by the Investment Company or Management Company in good faith and in accordance with generally recognized valuation models that can be verified by auditors on the basis of the sales value that is likely to be achieved.
6. UCITS or other undertakings for collective investment (UCIs) are valued at the last established and available net asset value. If redemption is suspended for units or

no redemption prices are set, these units and all other assets are valued at the respective market value as determined by the Investment Company or Management Company in good faith and in accordance with generally recognized valuation models that can be verified by auditors.

7. If no tradable price is available for the respective assets, these assets, as well as the other legally permissible assets, are valued at the respective market value as determined by the Investment Company or Management Company in good faith and in accordance with generally recognized valuation models verifiable by auditors on the basis of the likely sale value.
8. Cash and cash equivalents are measured at their nominal value plus accrued interest.
9. The market value of securities and other investments denominated in a currency other than the respective sub-fund currency is converted into the corresponding sub-fund currency at the last mean rate of exchange.

The Investment Company or the Management Company on its behalf is authorized to temporarily apply other adequate valuation principles for the respective sub-fund assets if the above-mentioned valuation criteria appear impossible or inappropriate due to extraordinary events. In the event of massive redemption requests, the Investment Company may value the units of the relevant sub-fund assets on the basis of the prices at which the necessary sales of securities are expected to be made. In this case, the same calculation method is used for subscription and redemption applications submitted at the same time.

#### **9.4 Issue of shares**

Units of a sub-fund or unit class are issued on each valuation day (issue date) from at the net asset value per unit of the corresponding unit class, plus any issue premium and plus any taxes and duties.

The shares are not securitized.

Subscription applications must be received by the Depositary by the acceptance deadline at the latest. If a subscription application is received after the acceptance deadline, it will be reserved for the following issue date. Earlier closing times for the submission of applications may apply for applications placed with distributors in Liechtenstein and abroad 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 valuation interval, the acceptance deadline and the amount of the maximum issue premium, if any, can be found in Appendix A "Overview of the sub-fund".

Payment must be received within the period specified in Appendix A "Sub-fund overview" after the relevant issue date.

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

All taxes and duties arising from the issue of units will be charged to the investor if applicable. If units are acquired via banks that are not entrusted with the distribution of the units, it cannot be ruled out that such banks may charge additional transaction costs.

If payment is made in a currency other than the accounting currency, the equivalent value from the conversion of the payment currency into the accounting currency, less any fees, is used to purchase units.

The minimum investment that must be held by an investor in a particular unit class can be found in Appendix A "Sub-funds at a glance". The minimum investment may be waived at the discretion of the Investment Company or Management Company.

Contributions in kind are not permitted.

The Investment Company may also decide to suspend the issue of units completely or temporarily if new investments could impair the achievement of the investment objective.

The Depositary and/or the Investment Company or the Management Company and/or the distributors may at any time reject a subscription application 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 Investment Company or the respective sub-fund or the investors. In this case, the Depositary will immediately refund, without interest, any payments received for subscription applications that have not already been executed, if necessary with the assistance of the paying agents.

The issue of units shall be temporarily suspended in particular if the calculation of the net asset value per unit is suspended. If the issue of units is discontinued, investors will be informed immediately of the reason and the date of the discontinuation by means of a notice in the publication organ and in the media specified in the prospectus or by means of permanent data carriers (letter, fax, email or similar).

The issue of fund units may be suspended in cases where Art. 9.7 applies.

## 9.5 Redemption of units

Units of a sub-fund or unit class are redeemed on each valuation day (redemption date) at the net asset value per unit of the corresponding unit class of the relevant sub-fund, less any redemption discounts and any taxes and duties.

Redemption applications must be received by the Depositary by the acceptance deadline at the latest. If a redemption application is received after the acceptance deadline, it will be reserved for the following redemption day. For applications placed with distributors in Liechtenstein and abroad, earlier closing times for the submission of applications may apply to ensure timely forwarding to the custodian in Liechtenstein. These can be obtained from the respective distribution agent.

Information on the redemption date, the valuation interval, the acceptance deadline and the amount of any maximum redemption discount can be found in Appendix A "Sub-fund overview".

Since an appropriate proportion of liquid assets must be ensured in the assets of the respective sub-fund, the payment of units will be made within the period specified in Appendix A "Sub-funds at a glance" after the relevant redemption date. This does not apply in the event that the transfer of the redemption amount proves to be impossible in accordance with statutory regulations such as foreign exchange and transfer restrictions or due to other circumstances beyond the control of the Depositary.

If, at the request of the investor, payment is to be made in a currency other than the currency in which the units in question are issued, the amount to be paid is calculated

from the proceeds of the conversion from the accounting currency into the payment currency, less any fees and charges.

The corresponding unit expires upon payment of the redemption price.

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

1. there is a suspicion that the respective investor has engaged in market timing, late trading "market timing", "late trading" or other market techniques with the purchase of the units which could harm the investors as a whole,
2. the investor does not meet the conditions for acquiring the shares or
3. the units are distributed in a country in which the respective sub-fund or unit class is not authorized for distribution or the respective unit class is not authorized for distribution or have been acquired by a person for whom the acquisition of the units is not permitted.

The Investment Company or the Management Company shall ensure that the redemption of units is settled on the basis of a net asset value per unit that is unknown to the investor at the time the application 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 relevant sub-fund or unit class listed in Appendix A "Sub-fund overview", the Investment Company or the Management Company may, without further notice to the investor, treat this redemption request as a request to redeem all units held by the relevant investor in this sub-fund or unit class or as a request to convert the remaining units into another unit class of the sub-fund with the same reference currency whose participation requirement the investor fulfills.

Material expenses are not permitted.

The redemption of fund units may be suspended in cases where Art. 9.7 applies.

## 9.6 Exchange of shares

The conversion of units into another sub-fund or unit class is only possible if the investor fulfills the conditions for the direct purchase of units of the respective sub-fund or unit class.

If different unit classes are offered, units of one unit class may also be exchanged for units of another unit class, both within one and the same sub-fund and from one sub-fund to another sub-fund. In the event of an exchange within one and the same sub-fund, no exchange fee will be charged. If an exchange of units is not possible for certain sub-funds or unit classes, this will be mentioned for the sub-fund or unit class concerned in Appendix A "Sub-funds at a glance".

The number of units into which the investor wishes to convert his holding is calculated using the following formula:

$$A = \frac{(B \times C)}{(D \times E)}$$

A = Number of units of the new sub-fund or unit class into which the conversion is to take place

- B = number of units of the sub-fund or unit class, if any, from which the conversion is to be carried out
- C = net asset value or redemption price of the units presented for conversion
- D = exchange rate between the sub-funds or unit classes concerned. If both sub-funds or unit classes are valued in the same accounting currency, this coefficient is 1.
- E = net asset value of the units of the sub-fund or unit class, if any, into which the switch is to be made, plus taxes, fees or other charges

In some cases, duties, taxes and stamp duties may be incurred when switching sub-funds or unit classes in individual countries.

The Investment Company or the Management Company may reject a conversion request for a sub-fund or unit class at any time if this appears to be in the interests of the sub-fund, the Investment Company or the investors, in particular if this is in the interests of the investors:

1. there is a suspicion that the respective investor is engaging in market timing, late trading or other market techniques with the acquisition of the units that could harm the investors as a whole;
2. the investor does not meet the conditions for acquiring the shares; or
3. the units are distributed in a country in which the respective sub-fund or the respective unit class is not authorized for distribution or have been acquired by a person for whom the acquisition of the units is not permitted.

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

The conversion of fund units may be suspended in cases where Art. 9.7 applies.

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

The Investment Company or 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 investors, in particular:

1. if a market which forms the basis for the valuation of a significant portion of the assets of the UCITS is closed or if trading on such a market is restricted or suspended;
2. in the event of political, economic or other emergencies; or
3. 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 Investment Company or the Management Company may also decide to suspend the issue of units completely or temporarily if new investments could impair the achievement of the investment objective.

The issue of units shall be temporarily suspended in particular if the calculation of the net asset value per unit is suspended. If the issue of units is discontinued, investors shall



be informed immediately of the reason for and the date of the discontinuation by means of a notice in the medium of publication and in the media specified in the prospectus and the Articles of Association or by means of a durable medium (letter, fax, email or similar).

In addition, the Investment Company or the Management Company is authorized, while safeguarding the interests of the investors, to make significant redemptions, i.e. to temporarily suspend redemptions, only after corresponding assets of the respective sub-fund have been sold without delay while safeguarding the interests of the investors.

As long as the redemption of units is suspended, no new units of this sub-fund will be issued. The conversion of units whose redemption is temporarily restricted is not possible. The temporary suspension of the redemption of units of a sub-fund does not lead to the temporary suspension of the redemption of other sub-funds that are not affected by the events in question.

The Investment Company or the Management Company shall ensure that sufficient liquid assets are available to the respective sub-fund assets so that units can be redeemed or converted at the request of investors without delay under normal circumstances.

The Investment Company or the Management Company shall immediately notify the FMA and the investors in an appropriate manner of the suspension of unit redemption and payment. Subscription, redemption and conversion applications shall be settled after the calculation of the net asset value has been resumed. Investors may revoke their subscription, redemption or conversion applications until the resumption of unit trading.

## 10 Use of income

The realized income of a sub-fund consists of the net income and the net realized capital gains. Net income comprises income from interest and/or dividends as well as other or miscellaneous income received less expenses.

The Investment Company or Management Company may distribute the net income and/or the net realized capital gains of a sub-fund or a unit class to the investors of the sub-fund or the corresponding unit class or reinvest this net income and/or these net realized capital gains in the sub-fund or the respective unit class (reinvestment) or carry them forward to new account.

The net income and the net realized capital gains of those unit classes that have a distribution in accordance with Appendix A "Sub-funds at a glance" may be distributed annually in full or in part.

The net income and/or the net realized capital gains as well as the net income carried forward and/or the net realized capital gains carried forward of the sub-fund or the respective unit class may be distributed. Interim distributions of net income carried forward and/or net realized capital gains carried forward are permitted.

Distributions are paid out on the units issued on the distribution date. No interest is paid on declared distributions from the date on which they fall due.



## 11 Tax regulations

### 11.1 Investment company and fund assets

All Liechtenstein funds are subject to unlimited tax liability in Liechtenstein and are subject to income tax. The income from the assets under management constitutes tax-free income. When determining the modified equity capital for investment companies, only the equity capital that is not attributable to the assets under management is to be taken into account. The income tax amounts to 12.5% of the taxable net income.

#### Emission and sales taxes<sup>1</sup>

The issue of founder's shares or shares in the share capital (as part of the equity capital) of a public limited company with variable capital (AGmvK) or an investment company with variable capital (SICAV) is not subject to the issue tax or the formation tax. The same applies to the issue of shares in the assets under management. The transfer of ownership of units in the assets under management for consideration is subject to stamp duty if a party or an intermediary is a domestic securities dealer. The redemption of founders' shares or units in the share capital and units in the assets under management is exempt from the sales tax. The UCITS or the fund in the legal form of an investment company with variable capital or an investment company with variable capital is deemed to be an investor exempt from the turnover tax.

#### Withholding and paying agent taxes

Both income and capital gains, whether distributed or reinvested, may be partially or fully subject to paying agent tax, depending on the person who directly or indirectly holds the units of the investment company or any sub-funds.

The fund in the legal form of the investment company with variable capital is otherwise not subject to any withholding tax liability in the Principality of Liechtenstein, in particular no coupon or withholding tax liability. Foreign income and capital gains generated by the fund in the legal form of the investment company with variable capital or the investment company with variable capital or any sub-funds (segments) of the fund may be subject to the respective withholding tax deductions of the country of investment. Any double taxation agreements remain reserved.

The Investment Company or any sub-funds have the following tax status tus:

#### Automatic exchange of information (AEOI)

In relation to the UCITS or the sub-funds, a Liechtenstein paying agent may be obliged to report the unitholders to the local tax authority or to carry out the corresponding statutory reporting in compliance with the AEOI agreements.

#### FATCA

The UCITS is subject to the provisions of the Liechtenstein FATCA Agreement and the corresponding implementing provisions of the Liechtenstein FATCA Act.

### 11.2 Natural persons with tax domicile in Liechtenstein

Private investors domiciled in the Principality of Liechtenstein must declare their units as assets subject to wealth tax. Any income distributions or reinvested income of the fund in the legal form of the investment company with variable capital or the investment company with variable capital or any sub-funds of the fund are exempt from acquisition tax. Capital gains realized on the sale of units

<sup>1</sup> According to the customs affiliation 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 deemed to be domestic.

are exempt from acquisition tax. Capital losses cannot be deducted from the taxable acquisition.

### 11.3 Persons with tax domicile outside Liechtenstein

For investors domiciled outside the Principality of Liechtenstein, taxation and the other tax consequences of holding, buying or selling investor units are governed by the tax legislation of the country of domicile in question, and in particular with regard to final withholding tax by the country of domicile of the paying agent.

#### Disclaimer

The tax information is based on the current legal situation and practice. We expressly reserve the right to make changes to legislation, case law or decrees and the practice of the tax authorities.

**Investors are urged to consult their own professional advisor regarding the relevant tax consequences. Neither the Investment Company, the Management Company, the Asset Manager, the Custodian Bank nor their agents can accept any responsibility for the individual tax consequences for the investor arising from the purchase or sale or holding of investor units.**

## 12 Costs and fees

### 12.1 Costs and fees charged to investors

#### 12.1.1 Issue premium

To cover the costs incurred in placing the units, the Investment Company or Management Company may levy an issue premium on the net asset value of the newly issued units in favor of the Management Company, the Depositary and/or distributors in Switzerland or abroad in accordance with Annex A "Sub-funds at a glance".

Any issue surcharge in favor of the respective sub-fund can also be found in Appendix A "Sub-funds at a glance".

#### 12.1.2 Redemption discount

For the redemption of redeemed units, the Investment Company or Management Company charges a redemption fee on the net asset value of the redeemed units in favor of the sub-fund in accordance with Appendix A "Sub-fund overview".

Any redemption discount in favor of the Investment Company, Management Company, Depositary and/or distributors in Switzerland or abroad can also be found in Appendix A "Sub-funds at a glance".

#### 12.1.3 Exchange fee

If the investor wishes to switch from one sub-fund to another or from one unit class to another, the Investment Company or Management Company shall charge a fee on the net asset value of the original sub-fund or unit class in accordance with Appendix A "Sub-funds at a glance".

## 12.2 Costs and fees charged to the sub-fund

### A. Expense dependent on assets (individual expense)

**12.2.1** The Investment Company charges a fee for the management, administration, investment decisions (asset management and investment advice), risk management and distribution of the respective sub-fund in accordance with Appendix A "Sub-fund overview". These fees are calculated on the basis of the average net sub-fund assets or the corresponding unit class at each valuation and are subsequently deducted from the respective sub-fund assets on a quarterly basis. The fees of the respective sub-fund or the respective unit class can be found in Appendix A "Sub-funds at a glance". The Investment Company is free to set different management fees for one or more unit classes.

This also includes portfolio management commissions that can be paid to third parties for the brokerage and support of investors.

**12.2.2** The Custodian receives remuneration for its activities from the respective sub-fund assets of the Investment Company in accordance with Appendix A "Sub-funds at a glance". The Custodian fee is calculated on the basis of the average net sub-fund assets or the corresponding unit class at each valuation and is subsequently deducted from the respective sub-fund assets on a quarterly basis. The Investment Company is free to set different depositary fees for one or more sub-funds or for one or more unit classes.

**12.2.3 Fee dependent on investment performance (performance fee)**

A schematic calculation example can be found in Appendix A "Sub-funds at a glance".

### B. Expense independent of assets (individual expense)

The Investment Company or the Management Company on its behalf and the Depositary are also entitled to reimbursement of the following expenses incurred in the performance of their duties:

**12.2.4** Costs for the audit of the sub-funds by the auditor and fees of tax advisors, insofar as these expenses are incurred in the interests of the investors;

**12.2.5** Fees and costs for authorizations and the supervision of the UCITS or the sub-funds in Liechtenstein and abroad;

**12.2.6** all taxes levied on the assets of the sub-fund and its income and expenses charged to the corresponding sub-fund assets of the Investment Company;

**12.2.7** any taxes incurred in connection with the costs of administration and safe-keeping;

**12.2.8** Fees, costs and professional fees in connection with the determination and publication of tax factors for the countries of the EU/EEA and/or all countries where distribution authorizations exist and/or private placements exist, in accordance with the actual expenses at market rates.

**12.2.9** Costs for the preparation, printing and dispatch of the annual and semi-annual reports and other publications required by law;

**12.2.10** Costs for the publication of notices of the UCITS or its sub-funds, including price publications, addressed to investors in the publication media and any

additional newspapers or electronic media specified by the Investment Company;

- 12.2.11** Costs incurred in connection with the fulfillment of the requirements and follow-up obligations of a distribution of the units in Germany and abroad (e.g. fees for paying agents, representatives and other representatives with a comparable function, fees for fund platforms (e.g. listing fees, setup fees, etc.), consulting, legal and translation costs);
- 12.2.12** Costs and expenses for regular reports and reporting, including to insurance companies, pension funds and other financial services companies (e.g. GroMiKV, Solvency II, VAG, MiFID II, ESG/SRI reports and sustainability ratings, etc.);
- 12.2.13** Costs for the preparation or amendment, translation, filing, printing and dispatch of the prospectus and the constituent documents (Articles of Association, PRIIP KID, SRRI/SRI calculation, etc.) in the countries in which the units are distributed;
- 12.2.14** Costs incurred in connection with obtaining, maintaining and terminating stock exchange listings of the shares;
- 12.2.15** Costs for the preparation, the publication of the tax bases and the certificate that the tax information was determined in accordance with the rules of the respective foreign tax law;
- 12.2.16** Expenses in connection with the exercise of voting rights or creditors' rights by the UCITS, including fees for external advisors;
- 12.2.17** Administrative fees and reimbursement of costs by government agencies;
- 12.2.18** Costs for legal representation and tax advice incurred by the Management Company or the Depositary when acting in the interests of the investors in the relevant sub-fund;
- 12.2.19** Internal and external costs for the reclaiming of foreign withholding taxes, insofar as these can be carried out for the account of the Investment Company or the UCITS and the respective sub-fund. With regard to the reclaiming of foreign withholding taxes, it should be noted that the Management Company does not undertake to reclaim such taxes and will only do so if the procedure is justified according to the criteria of the materiality of the amounts and the proportionality of the costs in relation to the possible amount to be reclaimed. With regard to investments that are the subject of securities lending, the Management Company will not reclaim withholding tax.
- 12.2.20** Remuneration paid to governing bodies or agents of the investment company for the performance of duties under company law, in particular fees paid to the Board of Directors;
- 12.2.21** Costs for the credit rating of the respective sub-fund assets or its target investments by nationally or internationally recognized rating agencies;
- 12.2.22** Costs for legal and tax advice with regard to the respective sub-fund assets;
- 12.2.23** an appropriate share of costs for printed matter and advertising incurred directly in connection with the offering and sale of units;

**12.2.24** Fees and costs arising from other legal or regulatory requirements to be met by the management company in the implementation of the investment strategy (such as reporting and other costs incurred in complying with the European Market Infrastructure Regulation (EMIR, EU Regulation 648/2012));

**12.2.25** Research costs;

**12.2.26** External costs for the assessment of the sustainability ratings (ESG research) of the sub-fund's assets or its target investments;

**12.2.27** License fees for the use of any reference values ("benchmarks");

**12.2.28** Costs for the establishment and maintenance of additional counterparties, if it is in the interest of the investors;

**12.2.29** The applicable amount of expenses per sub-fund is stated in the semi-annual and annual reports.

**12.2.30 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 when charges (e.g. withholding taxes on foreign income). The sub-funds also bear any external costs, i.e. third-party fees incurred when buying and selling the investments. These costs are offset directly against the purchase or sale value of the relevant investments.

**12.2.31 Any costs for currency hedging of unit classes**

Any currency hedging costs for unit classes are allocated to the corresponding unit class.

**12.2.32 Service fee**

Any periodic service fees for additional services provided by the Depositary can be found in Appendix A "Sub-funds at a glance".

**12.2.33 Formation costs**

The costs for the formation of the Investment Company and the initial issue of units are amortized over three years against the assets of the sub-funds existing at the time of formation. The formation costs are allocated pro rata to the respective sub-fund assets. Costs incurred in connection with the launch of further sub-funds are amortized over three years at the expense of the respective sub-fund assets to which they are attributable.

**12.2.34 Liquidation fees**

In the event of the dissolution of the UCITS or the corresponding sub-fund, the Management Company may charge a liquidation fee of up to CHF 10,000 in its favor. In addition to this amount, all third-party costs incurred shall be borne by the UCITS or the sub-fund concerned.

**12.2.35 Extraordinary disposition costs**

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

Extraordinary disposition costs consist of expenses that are incurred solely for the purpose of safeguarding interests, that arise in the course of regular business activities and that were not foreseeable when the fund or the corresponding sub-fund was established. Extraordinary disposition costs are, in particular, costs for legal proceedings in the interests of the Investment Compa-

ny, the sub-fund or the investors. In addition, this includes all costs of any extraordinary dispositions that may become necessary in accordance with UCITSG and UCITSV (e.g. amendments to the fund documents).

#### **12.2.36 Contributions**

In connection with the acquisition and disposal of assets and rights for the UCITS or its sub-funds, the Investment Company or Management Company, the Custodian and any agents shall ensure that, in particular, inducements directly or indirectly benefit the UCITS or its sub-funds.

#### **12.2.37 Ongoing fees (total expense ratio, TER)**

The total ongoing charges before any performance-related expenses (total expense ratio before performance fee; TER) is calculated in accordance with the general principles laid down in the rules of conduct and, with the exception of transaction costs, comprises all costs and fees that are charged on an ongoing basis to the assets of the investment company or the respective sub-fund assets. The TER of the respective sub-fund or unit class must be stated in the semi-annual and annual reports and published on the website of the LAFV Liechtenstein Investment Fund Association at [www.lafv.li](http://www.lafv.li) when the next semi-annual and annual reports are published.

## **13 Information for investors**

The medium of publication of the Investment Company 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 amendments to the Articles of Association, the Terms and Conditions of Investment and Annex A "Sub-funds at a glance", are published on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the publication medium of the Investment Company and in other media and data carriers specified in the Prospectus.

The net asset value and the issue and redemption price of the Investment Company's units or of each sub-fund/unit class shall be published for each valuation date in the above-mentioned publication medium of the Investment Company and in other media and permanent data carriers (letter, fax, email or similar) specified in the Prospectus.

The annual report audited by an auditor and the semi-annual report, which does not have to be audited, are made available to investors free of charge at the registered office of the Investment Company and the Depositary.

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

### **14.1 Duration**

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

## 14.2 Resolution

### 14.2.1 In general

The provisions on the dissolution of the Investment Company also apply to its sub-funds and unit classes.

### 14.2.2 Resolution on dissolution

The Investment Company may be dissolved by resolution of the General Shareholders' Meeting. The resolution must be passed in compliance with the statutory provisions for amendments to the Articles of Association.

Sub-funds and unit classes may be dissolved by resolution of the Board of Directors of the Investment Company.

Investors, heirs and other persons may not request the dissolution of the Investment Company or an individual sub-fund or unit class.

The resolution on the dissolution of a sub-fund or unit class shall be published on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the organ of publication of the Investment Company and, where applicable, in other media and permanent data carriers (letter, fax, e-mail or similar) specified in the Prospectus, the Articles of Association and the Terms and Conditions of Investment. No more units will be issued, exchanged or redeemed from the date of the dissolution resolution.

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

If the Management Company dissolves a unit class without dissolving the Investment Company or the sub-fund, all units of this class will be redeemed at their then applicable net asset value. This redemption is published by the Management Company and the redemption price is paid out by the Depository in favor of the former investors.

### 14.2.3 Reasons for the dissolution

If the net assets of the Investment Company or one of its sub-funds fall below a value required for economically efficient management, or in the event of a significant change in the political, economic or monetary environment or as part of a rationalization, the Investment Company may decide to redeem or cancel all units of the Investment Company, a sub-fund or a unit class at the net asset value (taking into account the actual realisation prices and realisation costs of the investments) on the valuation date on which the corresponding decision becomes effective.

### 14.2.4 Dissolution and bankruptcy of the investment company or the depository

In the event of the dissolution and bankruptcy of the Investment Company, the assets managed for the purpose of collective investment for the account of the investors shall not become part of its bankruptcy estate and shall not be liquidated together with its own assets. The Investment Company or a sub-fund shall form a special fund for the benefit of its investors. Each special fund must be transferred to another management or investment company with the approval of the FMA or dissolved by way of separate satisfaction for the benefit of the investors of the investment company or a sub-fund. The restructuring of the investment company from an externally managed to a self-managed investment company remains reserved.



In the event of the bankruptcy of the depositary, the assets under management of the investment company or a sub-fund must be transferred to another depositary with the approval of the FMA or liquidated by way of separate satisfaction in favor of the investors of the investment company or a sub-fund.

#### **14.2.5 Termination of the determination and delegation agreement or the depositary agreement**

In the event of termination of the determination agreement between the investment company and the management company managing it, each investment fund must be transferred to another management company with the approval of the FMA or dissolved by way of separate satisfaction in favor of the investors of the investment company or a sub-fund. The restructuring of the investment company from an externally managed to a self-managed investment company remains reserved.

In the event of termination of the depositary agreement, the assets under management of the Investment Company or the sub-fund must be transferred to another depositary with the approval of the FMA or liquidated by way of separate satisfaction in favor of the investors of the Investment Company or a sub-fund.

#### **14.2.6 Costs of dissolution**

The costs of dissolving a sub-fund shall be borne by the respective sub-fund assets. The costs of dissolving the Investment Company shall be borne by the founding shareholders.

### **14.3 Merger**

Within the meaning of Art. 38 UCITSG, the investment company may, by resolution of the general meeting, at any time and at its own discretion, with the approval of the relevant supervisory authority, decide to merge with one or more other UCITS, irrespective of the legal form of the other UCITS and whether or not the other UCITS has its registered office in Liechtenstein. The resolution of a simple majority is sufficient, without the requirement of a minimum quorum. The resolution of the general meeting to merge the investment company shall be published in accordance with the statutory provisions. Sub-funds and unit classes of the Investment Company may also be merged with each other, but also with one or more other UCITS or their sub-funds and unit classes.

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

Investors are informed about the planned merger. The investor information must enable investors to make an informed judgment about the impact of the project on their investment and the exercise of their rights under Art. 44 and 45 UCITSG.

The investors have no right of co-determination with regard to the merger.

#### **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 sub-fund assets involved in the merger or to the investors.

This applies mutatis mutandis to structural measures pursuant to Art. 49 lit. a to c UCITSG.

If a sub-fund exists as a master UCITS, a merger will only become effective if the sub-fund concerned provides its investors and the competent authorities of the home Member State of its feeder UCITS with the information required by law up to 60 days

before the proposed effective date. In this case, the sub-fund concerned shall also grant the feeder UCITS the possibility to redeem or pay out all units before the merger takes effect, unless the competent authority of the feeder UCITS' home Member State authorizes the investment in units of the master UCITS resulting from the merger.

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

The Investment Company is subject to Liechtenstein law. The exclusive place of jurisdiction for all disputes between the investors, the Investment Company and the Depositary is Vaduz.

However, the Investment Company and/or the Depositary may submit to the jurisdiction of the countries in which units are offered and sold with regard to claims by investors from these countries. The right to submit to other mandatory legal jurisdictions is reserved.

The legally binding language for the prospectus, articles of association, investment conditions and all annexes is German.

This prospectus comes into force on August 01, 2024.

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

Under current law in the Principality of Liechtenstein, the constituent documents are approved by the FMA. This approval only relates to information concerning the implementation of the provisions of the UCITSG. For this reason, Annex B "Specific information for individual distribution countries", which is based on foreign law, is not subject to review by the FMA and is excluded from approval.

# PART II: ARTICLES OF ASSOCIATION FOR THE EXTERNALLY MANAGED INVESTMENT COMPANY

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## Preamble

Insofar as a matter is not regulated in these Articles of Association, the legal relationships between the investors, the Investment Company and the Management Company are governed by the Law of June 28, 2011 on certain undertakings for collective investment in transferable securities (UCITSG), the Ordinance of July 5, 2011 on certain 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 the stock corporation.

## I. General provisions

### Art. 1 Company name of the Investment Company

VAU SICAV ("the Investment Company") is an investment company in the form of a public limited company with variable capital.

The Investment Company is an umbrella structure that may comprise several sub-funds.

### Art. 2 Registered office of the Investment Company

The company is based in Schaan, Principality of Liechtenstein.

### Art. 3 Purpose of the Investment Company

The sole purpose of the Investment Company is to invest the capital collected from a number of investors for their benefit in accordance with the investment strategy set out in the Terms and Conditions of Investment, including sub-fund-specific annexes, by investing in permissible assets in accordance with the principle of risk diversification pursuant to the Law on Certain Undertakings for Collective Investment in Transferable Securities ("UCITSG").

The Investment Company may take all other measures and actions that it deems appropriate to achieve its corporate purpose, taking into account the restrictions set out in the UCITSG.

### Art. 4 Duration of the Investment Company

The investment company is established for an indefinite period.

## II. Share capital and shares

### Art. 5 Share capital (founders' shares)

The share capital (own assets) of the investment company amounts to EUR 65,000 (in words: sixty-five thousand euros) and is divided into 650 registered founders' shares with a nominal value of EUR 100 each. The shares are fully paid up.

Founder shares are issued to the founders of the investment company. They certify the right to participate in the Annual General Meeting and entitle the holder to exercise

voting rights at the Annual General Meeting. There is a reciprocal pre-emptive right among the founding shareholders.

The share capital of the founders' shares represents the investment company's own assets and is separate from the assets under management. Founder shareholders participate exclusively in the investment company's own assets.

The Board of Directors may issue share certificates for any number of founders' shares instead of individual founders' shares or waive the issue of share certificates.

### **Art. 6 Investor shares (units)**

In addition to the founders' shares, the Investment Company will issue bearer investor shares (units) with no par value to investors, whereby the value of the individual unit is calculated by dividing the value of the sub-fund's assets held for investment purposes by the number of investor shares in circulation. They do not confer any right to participate in the General Meeting, have no voting rights and, moreover, do not embody any right to participate in the profits of the Investment Company's own assets.

The share capital may be increased by gradually issuing new investor shares (units) to existing investors or third parties and the share capital may be reduced by gradually repaying all or part of the share capital by redeeming investor shares (units), without having to follow the procedure provided for increasing or reducing the share capital. There is no general subscription right when new shares are issued.

The General Meeting may decide to convert registered shares into bearer shares or bearer shares into registered shares.

The assets of the founding shareholders are separated from the assets of the investors.

There is no entitlement to delivery of actual units. Units may be held in collective safe custody to ensure easy transferability. The Investment Company may provide for securitization in global certificates.

All units in a sub-fund generally have the same rights, unless the Board of Directors decides to issue different unit classes within a sub-fund.

## **III. Bodies of the investment company**

The governing bodies of the Investment Company are the General Meeting, the Board of Directors and the auditor.

### **A. Annual General Meeting**

#### **Art. 7 Rights of the General Meeting**

The supreme body of the Investment Company is the General Meeting.

It has the following powers:

1. the election of the Board of Directors and the auditor;
2. approval of the income statement, the balance sheet and the annual report;
3. passing resolutions on the appropriation of net profit, in particular the determination of dividends;
4. the discharge of the Board of Directors;

5. Resolutions on the adoption of the Articles of Association and on the dissolution or merger of the Investment Company;
6. passing resolutions on amendments to the Articles of Association, whereby a simple majority is sufficient (however, prior approval by the FMA is required)
7. passing resolutions on matters reserved for the General Meeting by law or the Articles of Association or submitted to it by the Board of Directors.

## **Art. 8 Ordinary General Meeting**

The right to participate in the General Meeting is governed by Articles 5 and 6 of these Articles of Association.

The Annual General Meeting is convened within six months of the end of a financial year at the company's registered office or at any other location specified in the notice convening the meeting.

If all founders' shares are assembled or represented and no objection is raised, they may also form a General Meeting without observing the otherwise prescribed formal requirements for convening a meeting, and valid negotiations and resolutions may be passed at the same meeting on the matters within its competence (universal meeting).

## **Art. 9 Extraordinary General Meetings**

Extraordinary General Meetings may be convened at any time in the manner prescribed by law.

If all founding shares are assembled or represented and no objection is raised, they may also form an Extraordinary General Meeting without observing the otherwise prescribed formal requirements for convening a meeting, and valid negotiations and resolutions may be passed at the same meeting on the matters within its competence (universal meeting).

## **Art. 10 Convening**

Invitations to General Meetings are published in the investment company's organ of publication, unless the addresses of all shareholders are on file with the Board of Directors.

The General Meeting of Shareholders must convene at the request of founding shareholders representing at least one tenth of the voting shares of the investment company.

The invitation must be issued at least twenty days before the date of the hearing and must include the agenda.

## **Art. 11 Organization**

The Chairman of the Board of Directors chairs the General Meeting of Shareholders. If he is unable to do so, a member of the Board of Directors appointed by the Board of Directors or a Chairman elected by the General Meeting of Shareholders shall chair the meeting.

The Chairman appoints the minute taker and vote counter. The former must sign the minutes of the meeting together with the Chairman.

## **Art. 12 Adoption of resolutions and voting rights**

Each founder's share entitles the holder to one vote. Shareholders may represent their shares themselves or be represented by a third party who need not be a shareholder.

The General Meeting of Shareholders conducts its elections and passes its resolutions with an absolute majority of the votes represented, unless otherwise stipulated by law.

In the event of a tie, the Chairman has the casting vote.

If an election is not held in the first ballot, a second ballot is held in which the relative majority decides.

Elections and votes are held openly unless the Chairman or one of the founding shareholders requests that they be held by secret ballot.

Art. 10 of these Articles of Association applies accordingly to separate general meetings of one or more sub-funds.

## **B. Board of Directors**

### **Art. 13 Composition**

The Board of Directors consists of at least one member.

The members are natural persons or legal entities.

As a rule, the Board of Directors is elected at the Annual General Meeting. The term of office of the members of the Board of Directors lasts until a new election is held by the General Meeting of Shareholders. This is subject to prior resignation or dismissal.

If a member of the Board of Directors resigns before the end of their term of office, the remaining members of the Board of Directors may appoint a temporary successor until the next General Meeting. The successor appointed in this way takes up the term of office of his predecessor and must be confirmed by the next General Meeting.

The members of the Board of Directors may be re-elected at any time.

### **Art. 14 Self-constitution**

The Board of Directors is self-constituting. It elects the Chairman and Vice Chairman (Deputy Chairman) from among its members.

### **Art. 15 Tasks**

The Board of Directors is responsible for the ultimate management of the investment company as well as the supervision and control of the management.

It represents the Investment Company externally and deals with all matters that are not delegated to another body of the Investment Company or third parties by law, the Articles of Association, special regulations or a separate agreement.

The Board of Directors is authorized to appoint a management company, a depositary for each sub-fund and investment committees for each sub-fund.

## **Art. 16 Determination of the management**

The Board of Directors is authorized, under its own responsibility and by separate contract, to appoint a management company that is licensed as a management company pursuant to the UCITSG in accordance with the Articles of Association, if applicable, in accordance with the provisions of the UCITSG, the Ordinance and other relevant laws for the management of the company. The same applies to management companies licensed in another EEA member state that are permitted to perform corresponding activities via a domestic branch or within the framework of cross-border service provision. By virtue of this agreement, the Management Company provides management services for the Investment Company in accordance with the Articles of Association.

In any case, the Board of Directors is responsible for determining the investment policy for each sub-fund asset, fundamental decisions on the issue and redemption of investor shares and decisions on structural measures for individual sub-fund assets or unit classes.

## **Art. 17 Adoption of resolutions and meeting**

The Board of Directors meets at the invitation of the Chairman or his deputy.

Any member may request the Chairman to convene a meeting without delay, stating the reasons for doing so.

The Board of Directors is quorate if the majority of its members are present.

Resolutions are passed by a simple majority of the votes cast. Resolutions may also be passed by circular letter, unless a member requests an oral discussion. Circular resolutions must be recorded in the minutes of the next meeting.

The Chairman shall vote and cast the deciding vote in the event of a tie.

Minutes must be kept of the discussions and resolutions of the Board of Directors. The minutes must be signed by the Chairman and the secretary.

## **Art. 18 Representation of the Investment Company**

The members of the Board of Directors sign as follows: Natural persons sign collectively in pairs, legal entities sign individually.

## **Art. 19 Incompatibility provisions/conflict of interests**

- 1) No contract, settlement or other legal transaction that the Investment Company concludes with other investment companies is invalidated by the fact that one or more members of the Board of Directors or managers of the Investment Company have interests in or shareholdings in another investment company, or by the fact that they are a member of the Board of Directors, partner, director, manager, authorized representative or employee of the other investment company.
- 2) Such director, director, manager or authorized representative of the Investment Company who is also a director, director, manager, authorized representative or employee of another company with which the Investment Company has entered into contracts or with which it otherwise has business relations shall not thereby lose the right to advise, vote and act on matters relating to such contract or transactions.
- 3) If a member of the Board of Directors, director or authorized representative has a personal interest in a matter concerning the Investment Company, this member of the Board of Directors, director or authorized representative of the Investment Com-



pany must inform the Board of Directors of this personal interest and will neither advise nor participate in the vote on this matter. A report on this matter and on the personal interest of the member of the Board of Directors, director or authorized representative must be made at the next General Meeting. If this person nevertheless votes, the vote is null and void.

The term "personal interest" as used in the preceding paragraph does not apply to a relationship or interest that arises solely because the legal transaction is concluded between the Investment Company on the one hand and the Management Company, the Depository or any other company designated by the Investment Company on the other.

## **C. Auditor**

### **Art. 20 Duty and appointment of the auditor**

The annual reports of the Investment Company shall be audited by an auditor licensed in the Principality of Liechtenstein and appointed by the general meeting of shareholders. The auditor is appointed for a period of one year, may be re-elected and may be dismissed at any time by the General Meeting of Shareholders.

## **IV. The foundation of the investment company**

### **Art. 21 Formation costs**

The costs for the formation of the Investment Company and the initial issue of units are amortized over three years against the assets of the sub-funds existing at the time of formation. The formation costs are allocated pro rata to the respective sub-fund assets. Costs incurred in connection with the launch of further sub-funds are amortized over three years at the expense of the respective sub-fund assets to which they are attributable.

### **Art. 22 Information to the founding shareholders**

Notifications to the founding shareholders are made by post, fax, e-mail, on the website of the Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) or via bares.

### **Art. 23 Information to investors and to third parties**

All notices to investors, including amendments to the Articles of Association, shall be published on the website of the LAFV Liechtenstein Investment Fund Association (as well as other media and permanent data carriers (letter, fax, e-mail or similar) specified in the Prospectus and Articles of Association).

Notices to third parties are also published on the website of the LAFV Liechtenstein Investment Fund Association as the company's organ of publication.

### **Art. 24 Financial year**

The financial year of the Investment Company begins on January 1 of each year and ends on December 31 of that year. The first financial year begins with the entry of the company in the commercial register and ends on December 31, 2023.

## V. The dissolution of the investment company

### Art. 25 Resolution on dissolution

The Investment Company may be dissolved by resolution of the General Shareholders' Meeting. The resolution must be passed in compliance with the statutory provisions for amendments to the Articles of Association.

### Art. 26 Costs of dissolution

The costs of dissolution shall be borne by the Investment Company.

### Art. 27 Dissolution and bankruptcy of the Investment Company

In the event of the dissolution and bankruptcy of the Investment Company, the assets managed for the purpose of collective investment for the account of the investors shall not become part of its bankruptcy estate and shall not be liquidated together with its own assets. The Investment Company or a sub-fund shall form separate assets for the benefit of its investors.

## VI. Final provisions

### Art. 28 Applicable law, place of jurisdiction and authoritative language

The Investment Company is subject to Liechtenstein law. The place of jurisdiction for all disputes is Vaduz.

The legally binding language for these Articles of Association is German.

### Art. 29 Entry into force

These Articles of Association shall enter into force upon entry in the commercial register on .

Schaan/Vaduz, July 25, 2024

#### **The management company:**

IFM Independent Fund Management Aktiengesellschaft, Schaan

#### **The depositary:**

VP Bank Ltd, Vaduz

# PART III: INVESTMENT CONDITIONS FOR THE EXTERNALLY MANAGED INVESTMENT COMPANY

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## Preamble

Insofar as a matter is not regulated in these Terms and Conditions of Investment, the legal relationships between the investors, the Investment Company and the Management Company are governed by the Articles of Association, the Law of June 28, 2011 on Certain Undertakings for Collective Investment in Transferable Securities (UCITSG), the Ordinance of July 5, 2011 on Certain Undertakings for Collective Investment in Transferable Securities (UCITSV), July 2011 on certain undertakings for collective investment in transferable securities (UCITSV) and, insofar as no provisions are stipulated therein, in accordance with the provisions <of the Persons and Companies Act (PGR) on the stock corporation or the establishment> <or in accordance with those of the SEG on the European company>.

## A. General provisions

### § 1 Depositary

The Investment Company has appointed a bank or investment firm in accordance with the Banking Act with its registered office or branch in the Principality of Liechtenstein as custodian for each sub-fund asset. The assets of the individual sub-fund assets may be held in custody by different custodians. The function of the custodian is governed by the UCITSG, the custodian agreement and these Terms and Conditions of Investment.

The Investment Company is entitled to assert shareholder claims against the Depositary in its own name. This does not exclude the assertion of claims against the Depositary by the shareholders.

### § 2 Transfer of tasks

In compliance with the provisions of the UCITSG and the UCITSV, the Management Company may delegate some of its tasks to third parties for the purpose of efficient management. The precise execution of the mandate is regulated in a contract concluded between the Management Company and the delegate.

### § 3 Calculation of the net asset value per unit

The net asset value (the "NAV") per unit of a sub-fund or a unit class of the sub-fund is calculated by the Investment Company or by the Management Company on its behalf at the end of the financial year and on the respective valuation day on the basis of the last known prices, taking into account the valuation interval.

The NAV of a unit of the sub-fund or a unit class of the sub-fund is expressed in the accounting currency of the sub-fund or, if different, in the reference currency of the corresponding unit class and is calculated by dividing the proportion of the assets of this sub-fund attributable to the relevant unit class, less any debt obligations of the same sub-fund allocated to the relevant unit class, by the number of units of the corresponding unit class in circulation. It is rounded as follows when units are issued and redeemed:

- ◆ to EUR 0.01 if the currency is the euro; and
- ◆ to USD 0.01 if the currency is the US dollar.

The respective net sub-fund assets are valued at market value in accordance with the following principles:

1. Securities that are officially listed on a stock exchange are valued at the last available price. If a security is officially listed on several stock exchanges, the last available price of the stock exchange that is the main market for this security is decisive.
2. 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 security is traded on various markets open to the public, the last available price of the market with the highest liquidity is generally taken into account.
3. Securities or money market instruments with a remaining term of less than 397 days can be written up or down 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 whose price is not in line with the market and those assets that do not fall under item 1, item 2 and item 3 above are used at the price that would probably be achieved if they were sold carefully at the time of valuation and that is determined in good faith by the management of the Management Company or under its direction or supervision by authorized agents.
5. OTC derivatives are valued on the basis of a verifiable valuation to be determined by the Investment Company or Management Company on a daily basis, as determined by the Investment Company or Management Company in good faith and in accordance with generally recognized valuation models that can be verified by auditors on the basis of the sales value that is likely to be achieved.
6. UCITS or other undertakings for collective investment (UCIs) are valued at the last established and available net asset value. If redemption is suspended for units or no redemption prices are set, these units and all other assets are valued at the respective market value as determined by the Investment Company or Management Company in good faith and in accordance with generally recognized valuation models that can be verified by auditors.
7. If no tradable price is available for the respective assets, these assets, as well as the other legally permissible assets, are valued at the respective market value as determined by the Investment Company or Management Company in good faith and in accordance with generally recognized valuation models verifiable by auditors on the basis of the likely sale value.
8. Cash and cash equivalents are measured at their nominal value plus accrued interest.
9. The market value of securities and other investments denominated in a currency other than the respective sub-fund currency is converted into the corresponding sub-fund currency at the last mean rate of exchange.

The Investment Company or the Management Company on its behalf is authorized to temporarily apply other adequate valuation principles for the respective sub-fund assets if the above-mentioned valuation criteria appear impossible or inappropriate due to extraordinary events. In the event of massive redemption requests, the Investment Company may value the units of the relevant sub-fund assets on the basis of the prices at which the necessary sales of securities are expected to be carried out. In this case, the same calculation method is used for subscription and redemption applications submitted at the same time.

The valuation is carried out by the management company.

The Investment Company or the Management Company on its behalf is authorized to temporarily apply other adequate valuation principles for the respective sub-fund assets if the above-mentioned valuation criteria appear impossible or inappropriate due to extraordinary events. In the event of massive redemption requests, the Investment Company may value the units of the relevant sub-fund assets on the basis of the prices at which the necessary sales of securities are expected to be carried out. In this case, the same calculation method is used for subscription and redemption applications submitted at the same time.

## § 4 Issue of shares

Units are issued on each valuation day (issue date) from at the net asset value per unit of the corresponding unit class of the relevant sub-fund, plus any issue premium, plus any taxes and duties.

The shares are not securitized.

Subscription applications must be received by the Depositary by the acceptance deadline at the latest. If a subscription application is received after the acceptance deadline, it will be reserved for the following issue date. Earlier closing times for the submission of applications may apply to applications placed with distributors in Liechtenstein and abroad in order to ensure that applications are forwarded to the depositary in Liechtenstein in good time. 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 Appendix A "Sub-fund overview" at .

Payment must be received within the period specified in Appendix A "Sub-fund overview" after the relevant issue date.

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

All taxes and duties arising from the issue of units will also be charged to the investor. 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 additional transaction costs.

If payment is made in a currency other than the accounting currency, the equivalent value from the conversion of the payment currency into the accounting currency, less any fees, is used to purchase units.

The minimum investment that must be held by an investor in a specific sub-fund or in a specific unit class can be found in Appendix A "Sub-funds at a glance". The minimum investment may be waived at the discretion of the Investment Company or Management Company.

Contributions in kind are not permitted.

The Depositary and/or the Investment Company or the Management Company on its behalf and/or the Distributor may at any time reject a subscription application 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 Investment Company or the respective sub-fund or the investors. In this case, the Cus-

todian shall immediately refund without interest any payments received on subscription orders not already made from to , if necessary with the aid of the paying agents.

The issue of fund units may be discontinued in cases where section 9 applies.

## § 5 Redemption of units

Units are redeemed on each valuation day (redemption day) at the net asset value per unit of the corresponding unit class of the corresponding sub-fund, less any redemption discounts and any taxes and duties.

Redemption applications must be received by the Depositary by the acceptance deadline at the latest. If a redemption application is received after the acceptance deadline, it will be reserved for the following redemption day. Earlier closing times for the submission of applications may apply for applications placed with distributors in Liechtenstein and abroad to ensure timely forwarding to the custodian in Liechtenstein. These can be obtained from the respective distributors.

Information on the redemption date, the valuation interval, the acceptance deadline and the amount of the maximum redemption discount, if any, can be found in Appendix A "Sub-fund overview".

Since an appropriate proportion of liquid assets must be ensured in the assets of the respective sub-fund, the payment of units will be made within the period specified in Appendix A "Sub-funds at a glance" after the relevant redemption date. This does not apply in the event that the transfer of the redemption amount proves to be impossible in accordance with statutory regulations such as foreign exchange and transfer restrictions or due to other circumstances beyond the control of the Depositary.

If, at the request of the investor, payment is to be made in a currency other than the currency in which the units in question are issued, the amount to be paid is calculated from the proceeds of the conversion from the accounting currency into the payment currency, less any fees and charges.

The corresponding unit expires upon payment of the redemption price.

The Investment Company or the Management Company on its behalf and/or the Depositary may redeem units against the will of the investor against payment of the redemption price if this appears necessary in the interests of or for the protection of the investors, the Management Company or one or more sub-funds, in particular if

1. there is a suspicion that the respective investor is engaging in "market timing", "late trading" or other market techniques with the acquisition of the units that could harm all investors,
2. the investor does not meet the conditions for acquiring the shares or
3. the units are distributed in a country in which the respective sub-fund is not authorized for distribution or have been acquired by a person for whom the acquisition of the units is not permitted.

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

If the execution of a redemption request results in the holdings of the relevant investor falling below the minimum investment of the relevant sub-fund or unit class listed in Appendix A "Sub-funds at a glance", the Investment Company or the Management Com-

pany on its behalf may, without further notification, treat this redemption request as a request to redeem all units held by the relevant investor in this sub-fund or unit class or as a request to convert the remaining units. the Management Company may, on its behalf and without further notice to the investor, treat this redemption request as a request to redeem all units held by the relevant investor in this sub-fund or unit class or as a request to convert the remaining units into another unit class of the sub-fund with the same reference currency whose participation requirements the investor fulfills.

Material expenses are not permitted.

The redemption of fund units may be suspended in cases where § 9 applies.

## § 6 Exchange of shares

The conversion of units into another sub-fund or unit class is only possible if the investor fulfills the conditions for the direct purchase of units of the respective sub-fund or unit class.

If different unit classes are offered, units of one unit class may also be exchanged for units of another unit class, both within one and the same sub-fund and from one sub-fund to another sub-fund. In the event of an exchange within one and the same sub-fund, no exchange fee will be charged. If an exchange of units is not possible for certain sub-funds or unit classes, this will be mentioned for the sub-fund or unit class concerned in Appendix A "Sub-funds at a glance".

The number of units into which the investor wishes to convert his holding is calculated using the following formula:

$$A = \frac{(B \times C)}{(D \times E)}$$

- A = Number of units of the new sub-fund or unit class into which the conversion is to take place
- B = number of units of the sub-fund or unit class, if any, from which the conversion is to be carried out
- C = net asset value or redemption price of the units presented for conversion
- D = exchange rate between the sub-funds or unit classes concerned. If both sub-funds or unit classes are valued in the same accounting currency, this coefficient is 1.
- E = net asset value of the units of the sub-fund or unit class, if any, into which the switch is to be made, plus taxes, fees or other charges

In some cases, duties, taxes and stamp duties may be incurred when switching sub-funds or unit classes in individual countries.

The Investment Company or the Management Company may reject a conversion request for a sub-fund or unit class at any time if this appears to be in the interests of the sub-fund, the Investment Company or the investors, in particular if this is in the interests of the investors:

1. there is a suspicion that the respective investor is engaging in market timing, late trading or other market techniques with the acquisition of the units that could harm the investors as a whole;
2. the investor does not meet the conditions for acquiring the shares; or



3. the units are distributed in a country in which the respective sub-fund or the respective unit class is not authorized for distribution or have been acquired by a person for whom the acquisition of the units is not permitted.

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

The conversion of fund units may be discontinued in cases where § 9 applies.

## **§ 7 Late trading and market timing**

If there is a suspicion that an applicant is engaging in late trading or market timing, the Investment Company and/or the Depositary will refuse to accept the subscription, conversion or redemption application until the applicant has dispelled any doubts regarding his application.

### **Late Trading**

Late trading is the acceptance of a subscription, conversion or redemption order received after the cut-off time for orders and its execution 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 order cut-off time but not yet reflected in the price at which the investor's order is settled. As a result, this investor has an advantage over investors who have complied with the official cut-off time. The advantage of this investor is even more significant if he can combine late trading with market timing.

### **Market Timing**

Market timing is the arbitrage process by which an investor systematically subscribes and redeems or converts units of the same UCITS in the short term by taking advantage of timing differences and/or errors or weaknesses in the system used to calculate the net asset value of the UCITS or unit class.

## **§ 8 Prevention of money laundering and terrorist financing**

The Investment Company shall ensure that the domestic distributors undertake 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.

If domestic distributors accept funds from investors themselves, they are obliged in their capacity as persons subject to due diligence to identify the subscriber in accordance with the Due Diligence Act and the Due Diligence Ordinance, to determine the beneficial owner, to create a profile of the business relationship and to comply with all local regulations applicable to them for the prevention of money laundering.

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

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

The Investment Company or 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:

1. if a market that forms the basis for the valuation of a significant portion of the sub-fund's assets is closed or if trading on such a market is restricted or suspended;

2. in the event of political, economic or other emergencies; or
3. 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 Investment Company or Management Company may also decide to suspend the issue of units completely or temporarily if new investments could impair the achievement of the investment objective.

The issue of units shall be temporarily suspended in particular if the calculation of the net asset value per unit is suspended. If the issue of units is discontinued, investors shall be informed immediately of the reason for and the date of the discontinuation by means of a notice in the medium of publication and in the media specified in the prospectus and the investment conditions or by means of a durable medium (letter, fax, email or similar).

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

As long as the redemption of units is suspended, no new units of this sub-fund will be issued. Conversions of units whose redemption is temporarily restricted are not possible. The temporary suspension of the redemption of units of a sub-fund does not lead to the temporary suspension of the redemption of other sub-funds that are not affected by the events in question.

The Investment Company or Management Company shall ensure that sufficient liquid assets are available to the respective sub-fund assets so that units can be redeemed or converted at the request of investors without delay under normal circumstances.

The Investment Company or Management Company shall immediately notify the FMA and the investors in an appropriate manner of the suspension of unit redemption and payment. Subscription, redemption and conversion applications shall be settled after the calculation of the net asset value has been resumed. Investors may revoke their subscription, redemption or conversion applications until the resumption of unit trading.

## § 10 Sales restrictions

The units of the Investment Company or the UCITS with its sub-funds are not authorized for sale in all countries of the world. The issue, redemption and conversion of units abroad are subject to the provisions applicable in those countries. Details can be found in the prospectus at .

## B. Structural measures

### § 11 Merger

Within the meaning of Art. 38 UCITSG, the investment company may, by resolution of the general meeting, at any time and at its own discretion, with the approval of the relevant supervisory authority, decide to merge with one or more other UCITS, irrespective of the legal form of the other UCITS and whether or not the other UCITS has its registered office in Liechtenstein. The resolution of a simple majority is sufficient, without the re-

quirement of a minimum quorum. The resolution of the general meeting to merge the investment company shall be published in accordance with the statutory provisions. Sub-funds and unit classes of the Investment Company may also be merged with each other, but also with one or more other UCITS or their sub-funds and unit classes.

All assets of the investment company or sub-fund may be transferred to another existing UCITS or sub-fund or to a new UCITS or sub-fund established as a result of the merger with the approval of the relevant supervisory authority at the end of the financial year (transfer date). The investment company or sub-fund may also be merged with a UCITS or sub-fund that was established in another EU or EEA member state and also complies with the requirements of Directive 2009/65/EC. With the approval of the Liechtenstein Financial Market Authority (FMA), a different transfer date may be determined. All assets of another UCITS or a foreign UCITS that complies with the Directive may also be transferred to a UCITS at the end of the financial year or on another transfer date. Finally, it is also possible to transfer only the assets of a foreign UCITS compliant with the Directive without its liabilities to the investment company.

Investors have up to five working days before the planned transfer date either to redeem their units without a redemption fee or to exchange their units for units in another UCITS that is also managed by the management company and has a similar investment policy to the investment company to be merged.

On the transfer date, the values of the receiving and transferring investment fund or UCITS are calculated, the exchange ratio is determined and the entire process is audited by the auditor. The exchange ratio is determined according to the ratio of the net asset values of the acquired and absorbing investment fund at the time of the transfer. The investor receives the number of units in the new investment fund that corresponds to the value of his units in the transferring investment fund. It is also possible for investors in the merging fund to be paid up to 10% of the value of their units in cash. If the merger takes place during the current financial year of the transferring fund, its management company must prepare a report on the transfer date that meets the requirements for an annual report.

The Management Company shall publish in the Investment Company's organ of publication, the website of the LAFV Liechtenstein Investment Fund Association [www.lafv.li](http://www.lafv.li) if the investment company has absorbed another UCITS and the merger has become effective. Should the investment company cease to exist as a result of a merger, the management company that manages the absorbing or newly established UCITS shall make the announcement.

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

## § 12 Investor information, consent and investor rights

Investors are informed appropriately and precisely about the planned merger. The investor information must enable investors to make an informed judgment about the impact of the project on their investment and the exercise of their rights under Art. 44 and 45 UCITSG.

Investors have no right of co-determination with regard to structural measures.

Investors may, however, invest without incurring any costs other than those retained by the Investment Company or the sub-fund to cover the liquidation costs:

- a) the resale of their shares;
- b) the redemption of their shares; or

- c) the conversion of their units into units of another UCITS with a similar investment policy

demand.

The conversion right only exists if the UCITS or the corresponding sub-fund with a similar investment policy is managed by the same investment company or a company closely associated with the investment company. Investors may receive a fractional compensation.

This right arises with the transmission of the investor information and expires five bank working days before the date for calculating the exchange ratio.

## § 13 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 sub-fund assets involved in the merger or to the investors.

This applies mutatis mutandis to structural measures pursuant to Art. 49 lit. a to c UCITSG.

If a sub-fund exists as a master UCITS, a merger will only become effective if the sub-fund concerned provides its investors and the competent authorities of the home Member State of its feeder UCITS with the information required by law up to 60 days before the proposed effective date. In this case, the sub-fund concerned shall also grant the feeder UCITS the option to redeem or pay out all units before the merger takes effect, unless the competent authority of the feeder UCITS' home Member State approves the investment in units of the master UCITS resulting from the merger.

## C. Dissolution of the Investment Company, its sub-funds and unit classes

### § 14 In general

The provisions on the dissolution of the Investment Company also apply to its sub-funds and unit classes.

### § 15 Resolution on dissolution

The dissolution of the Investment Company or one of its sub-funds is mandatory in the cases provided for by law.

Sub-funds may be dissolved by resolution of the Board of Directors. Unit classes may be dissolved by resolution of the Management Company. The regulations on the dissolution of the Investment Company itself can be found under Art. 25 of the Articles of Association.

Investors, heirs and other persons may not request the dissolution of the Investment Company or an individual sub-fund or unit class.

The resolution on the dissolution of a sub-fund or unit class shall be published on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) and in other media and permanent data carriers (letter, fax, e-mail or similar) specified in the Prospectus, the Articles of Association and the Investment Conditions. No more units will be issued, exchanged or redeemed from the date of the dissolution resolution.

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

If the Management Company dissolves a unit class without dissolving the Investment Company or the sub-fund, all units of this class will be redeemed at their then applicable net asset value. This redemption is published by the Management Company and the redemption price is paid out by the Depositary in favor of the former investors.

## **§ 16 Reasons for the dissolution**

If the net assets of the Investment Company, a sub-fund or a unit class have fallen below a value or have not reached a value required for economically efficient management, or in the event of a significant change in the political, economic or monetary environment or as part of a rationalization, the Investment Company may decide to redeem or cancel all units of the Investment Company, a sub-fund or a unit class at the net asset value (taking into account the actual realisation prices and realisation costs of the investments) on the valuation date on which the corresponding decision becomes effective.

## **§ 17 Costs of dissolution**

The costs of dissolving a sub-fund shall be borne by the respective sub-fund assets. The costs of dissolving the Investment Company shall be borne by the founding shareholders.

## **§ 18 Dissolution and bankruptcy of the management company or the depositary**

In the event of the dissolution and bankruptcy of the Management Company, the assets managed for the purpose of collective investment for the account of the investors shall not become part of its bankruptcy estate and shall not be liquidated together with its own assets. The Investment Company or a sub-fund shall form a special fund for the benefit of its investors. With the approval of the FMA, each special fund must be transferred to another management or investment company or dissolved by way of separate satisfaction for the benefit of the investors of the investment company or a sub-fund. The restructuring of the investment company from an externally managed to a self-managed investment company remains reserved.

In the event of the bankruptcy of the depositary, the assets under management of the investment company or a sub-fund must be transferred to another depositary with the approval of the FMA or liquidated by way of separate satisfaction in favor of the investors of the investment company or a sub-fund.

## **§ 19 Termination of the determination agreement or the depositary agreement**

In the event of termination of the determination agreement between the investment company and the management company managing it, each investment fund must be transferred to another management company with the approval of the FMA or dissolved by way of separate satisfaction in favor of the investors of the investment company or a sub-fund. The restructuring of the investment company from an externally managed to a self-managed investment company remains reserved.

In the event of termination of the depositary agreement, the assets under management of the Investment Company or the sub-fund must be transferred to another de-

positary with the approval of the FMA or liquidated by way of separate satisfaction in favor of the investors of the Investment Company or a sub-fund.

## **D. The sub-funds**

### **§ 20 The sub-funds**

The Investment Company consists of one or more sub-funds. The Investment Company may decide at any time to launch additional sub-funds and amend the Prospectus, Articles of Association and Terms of Investment, including Appendix A "Sub-funds at a glance", accordingly.

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

Each sub-fund is considered an independent asset in the relationship between the investors. The rights and obligations of the investors in a sub-fund are separate from those of the investors in the other sub-funds.

The assets of the individual sub-funds are only liable to third parties for liabilities entered into by the sub-funds concerned.

### **§ 21 Duration of the individual sub-funds**

The sub-funds may be established for a fixed or indefinite period. The duration of a sub-fund is specified for the respective sub-fund in Appendix A "Sub-funds at a glance".

### **§ 22 Structural measures for sub-funds**

The Investment Company may implement all structural measures provided for in § 11 et seq. of these Investment Conditions for each sub-fund.

### **§ 23 Share classes**

The Investment Company is authorized to form several unit classes within a sub-fund.

Unit classes may be formed which may differ from the existing unit classes in terms of, for example, the appropriation of profits, the front-end load, 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 from existing unit classes remain unaffected.

Further information on the unit classes can be found in Appendix A "Sub-funds at a glance".

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

### **§ 24 Investment policy**

The sub-fund-specific investment policy is described for each sub-fund in Appendix A "Sub-funds at a glance".

The following general investment principles and restrictions apply to all sub-funds, unless deviations or additions for the respective sub-fund are contained in the Special Regulations or the Prospectus.

## § 25 General investment principles and restrictions

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

## § 26 Approved systems

Each sub-fund may invest the assets for the account of its investors from finally slice in one or more of the following assets at :

1. securities and money market instruments:
  - a) which are listed or traded on a regulated market within the meaning of Art. 4 (1) no. 21 of Directive 2014/65/EU;
  - b) which are traded on another regulated market of an EEA Member State which is recognized , open to the public and operates regularly;
  - c) that are officially listed on a stock exchange of a third country or traded on another market worldwide that is recognized, open to the public and operates regularly.
2. securities from new issues, if:
  - a) the terms of issue contain the obligation that admission to official listing or trading on one of the stock exchanges mentioned under no. 1 a) to c) or on a market regulated there has been applied for and
  - b) this authorization is obtained no later than one year after the issue.
3. Units of UCITS and other undertakings for collective investment comparable to a UCITS within the meaning of Art. 3 (1) no. 17 UCITSG, provided that these may invest no more than 10% of their assets in units of another UCITS or comparable undertakings for collective investment in accordance with their constitutive documents;
4. demand deposits or deposits redeemable at notice with a maximum term of twelve months with credit institutions that have their registered office in an EEA member state or a third country whose supervisory law is equivalent to that of EEA law;
5. derivatives whose underlying assets are investment objects within the meaning of this article or financial indices, interest rates, exchange rates or currencies. In the case of transactions with OTC derivatives, the counterparties must be supervised institutions in a category approved by the FMA and the OTC derivatives must be subject to reliable valuation on a daily basis that can be verified via and can be sold, liquidated or closed out at fair value at any time at the initiative of the investment company by means of a transaction gen ;
6. money market instruments that are not traded on a regulated market, provided that the issue or the issuer of these instruments is subject to regulations on investment and investor protection, provided that they are traded on a regulated market:
  - 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, if the latter is a federal state, a member state of the federation or by a public international body to which at least one EEA Member State belongs.
  - b) issued by a company whose securities are traded on the regulated markets referred to under a);
  - c) issued or guaranteed by an institution that is subject to supervision in accordance with the criteria laid down in EEA law or by an institution whose supervisory law is equivalent to EEA law and which complies with that law; or



- d) issued by an issuer belonging to a category authorized by the FMA , provided that investments in these instruments are subject to investor protection provisions equivalent to points (a) to (c) and the issuer is either a company with equity capital of at least EUR 10 million and prepares its annual financial statements in accordance with the provisions of Directive 78/660/EEC a to c apply to investments in these instruments and the issuer is either a company with equity capital of at least EUR 10 million and prepares and publishes its annual financial statements in accordance with the provisions of Directive 78/660/EEC, implemented in Liechtenstein by PGR, or is a legal entity belonging to a group that is responsible for financing the group of companies with at least one listed company at all times or is a legal entity that is intended to finance the securitization of liabilities by using a credit line granted by a bank.

7 The Investment Company may also hold liquid assets.

## § 27 Non-authorized systems

The investment company may not:

1. invest more than 10% of the assets of each sub-fund in securities and money market instruments other than those specified in § 26;
2. acquire precious metals or certificates for precious metals;
3. make uncovered short sales.

## § 28 Use of derivatives, techniques and instruments

The total risk associated with derivatives may not exceed the total net value of the respective sub-fund assets. The Investment Company may invest in derivatives as part of its investment strategy within the limits set out in Art. 53 UCITSG. The market value of the underlying assets, the default risk, future market fluctuations and the liquidation period of the positions are taken into account when calculating the risk. The fund may invest in derivatives as part of its investment policy and within the limits of Art. 53 UCITSG, provided that the overall risk of the underlying assets does not exceed the investment limits of Art. 54 UCITSG.

Provided that the protection of investors and the public interest do not conflict with this, investments of the investment company in index-based derivatives are not to be taken into account with regard to the upper limits of Art. 54 UCITSG.

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. 54 UCITSG.

With the approval of the FMA, the Investment Company may use techniques and instruments involving securities and money market instruments for the efficient management of portfolios in compliance with the provisions of the UCITSG.

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

## § 29 Investment limits

### A. The following investment limits must be observed for each individual sub-fund:

1. The sub-fund may invest no more than 5% of its assets in securities or money market instruments of the same issuer and no more than 20% of its assets in deposits of the same issuer.

2. The default risk from transactions of the Investment Company with OTC derivatives with a credit institution as counterparty that has its registered office in an EEA member state or a third country whose supervisory law is equivalent to that of EEA law may not exceed 10% of the sub-fund's assets ; for other counterparties, the maximum default risk is 5% of the assets.
3. If the total value of the securities and money market instruments of the issuers in which the sub-fund invests more than 5% of its assets at does not exceed 40% of its assets, the issuer limit of 5% referred to in item 1 is raised to 10%. The limit of 40% does not apply to deposits or to transactions with OTC derivatives with financial institutions subject to supervision. If the increase is utilized, the securities and money market instruments pursuant to item 5 and the bonds pursuant to item 6 are not taken into account.
4. Irrespective of the individual upper limits set out in sections 1 and 2, a sub-fund may not combine the following if this would lead to an investment of more than 20% of its assets in one and the same institution :
  - a) securities or money market instruments issued by this institution
  - b) Deposits with this institution;
  - c) OTC derivatives acquired by this institution.
5. If the securities or money market instruments are issued or guaranteed by an EEA member state or its local authorities, by a third country or by an international institution under public law to which at least one EEA member state belongs, the upper limit of 5% specified in item 1 is raised to a maximum of 35%.
6. If bonds are issued by a credit institution domiciled in an EEA member state that is subject to special public supervision due to statutory provisions for the protection of the holders of these bonds and, in particular, must invest the income from the issue of these bonds in assets that sufficiently cover the resulting liabilities during the entire term of the bonds and are primarily intended for the repayment of the principal and interest due in the event of the issuer's default, the upper limit of 5% specified in item 1 is raised 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.
  - a. The limits specified in items 1 to 6 may not be accumulated. The maximum issuer limit is 35% of the assets per sub-fund assets.
  - b. In the case of an exemption granted by the FMA, this limit may also exceed 35%. This must be clearly stated in the prospectus and in the advertising .
8. Companies of the same group of companies are deemed to be a single issuer for the calculation of the investment limits provided for in this article. For investments in 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 a maximum of 10% of its assets in units of other UCITS or other undertakings for collective investment comparable to a UCITS.
10. The sub-funds may subscribe, acquire and/or hold units that are to be or have been issued by one or more other sub-funds, provided that
  - ◆ the target sub-fund does not in turn invest in the sub-fund that invests in this target sub-fund; and
  - ◆ the proportion of the assets that the target sub-funds whose acquisition is intended may invest in total in units of other UCITS or undertakings for collective investment comparable to UCITS in accordance with their prospectus or constitutive documents does not exceed 10%; and

- ◆ any voting rights attached to the 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 case, the value of these securities is 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 measure of net assets pursuant to the UCITSG for as long as these securities are held by the respective sub-fund; and
  - ◆ there is no multiple charging of fees for the issue or redemption of units at the level of the sub-fund that has invested in the target sub-fund on the one hand and at the level of the target sub-fund on the other.
11. If the investments pursuant to no. 9 account for a significant proportion of the sub-fund's assets, the sub-fund-specific Annex A "Sub-fund overview" must provide information on the maximum amount and the annual report on the maximum proportion of the management fees to be borne by the sub-fund itself and by the undertakings for collective investment pursuant to no. 9 whose units have been acquired.
  12. If units are managed directly or indirectly by the investment company or by the management company on its behalf or by a company with which the investment company or the management company of the UCITS is linked by common management, control or qualified participation, neither the investment company or 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.
  13. An investment company does not acquire voting shares of the same issuer for any UCITS or sub-funds it manages with which it can exercise a significant influence on the management of the issuer. Significant influence is presumed to exist from 10% of the issuer's voting rights. If a lower limit for the acquisition of voting shares of the same issuer applies in another EEA Member State, this limit shall apply to the investment company if it acquires shares of an issuer domiciled in this EEA Member State for a UCITS.
  14. Each sub-fund may hold financial instruments from the same issuer in a maximum amount of:
    - a) 10% of the share capital of the issuer may be acquired, insofar as non-voting shares are concerned;
    - b) 10% of the total nominal amount of the outstanding debt securities or money market instruments of the issuer are acquired, insofar as debt securities or money market instruments are concerned. This limit need not be observed if the total nominal amount cannot be determined at the time of acquisition;
    - c) 25% of the units of the same undertaking are acquired, insofar as units of other UCITS or undertakings for collective investment comparable to a UCITS are concerned. This specific limit need not be observed if the net amount cannot be determined at the time of acquisition.
  15. Clauses 13 and 14 are not applicable:
    - a) on securities and money market instruments issued or guaranteed by a government issuer;
    - b) to shares held by a sub-fund in the capital of a company of a third country which invests its assets mainly in securities of issuers domiciled in that third country if, under the legislation of that third country, such a holding represents the only way for the sub-fund to invest in securities on the part of issuers of that country. The requirements of the UCITSG must be observed;

- c) to shares held by investment companies in the capital of their subsidiaries ge sellschaften, which in the country of establishment exclusively organize the repurchase of shares for the investment ge company at the request of the investors or ganization.

In addition to the restrictions listed in accordance with § 29, letter A, clauses 1 - 15, any further restrictions in Appendix A "Sub-fund overview" must be observed.

**B. Deviations from the investment limits are permitted in the following cases:**

1. A sub-fund does not have to comply with the investment limits when exercising subscription rights from securities or money market instruments belonging to its assets.
2. If the aforementioned limits are exceeded, the sub-fund's primary objective when making sales is to normalize this situation, taking into account the interests of the investors.
3. A sub-fund may deviate from the investment limits within the first six months after it is paid up. §Section 26 and Section 27 remain unaffected by this exception and must be complied with at all times. The requirement to diversify risk must continue to be complied with.

**C. Active investment limit violations:**

Any loss incurred as a result of an active breach of the investment limits/investment regulations must be compensated immediately to the UCITS or sub-fund in accordance with the applicable rules of conduct.

**D. Limitation of borrowing and ban on granting loans and guarantees**

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 borrowing within the meaning of the following paragraph or the provision of collateral as part of the settlement of transactions involving financial instruments.

Borrowing by a sub-fund is limited to temporary loans where the borrowing does not exceed 10% of the sub-fund's assets; the limit does not apply to the acquisition of foreign currencies through a "back-to-back loan".

The sub-funds may neither grant loans nor act as guarantor for third parties. Neither the Investment Company or the sub-funds nor the investors are bound by agreements that violate these prohibitions.

The above paragraph does not prevent the acquisition of financial instruments that are not yet fully paid up.

**E. Special techniques and instruments relating to securities and money market instruments**

As stipulated under § 28 of these Investment Conditions, the Investment Company may, under the conditions and within the limits laid down by law, use special techniques and financial instruments whose underlying assets are securities, money market instruments and other financial instruments as a key element in achieving the investment policy for each sub-fund.

The investment company must use a **risk management procedure** that allows it to monitor and measure the risk associated with the investment positions and their re-

spective share of the overall risk profile of the investment portfolio at all times; it must also use a procedure that allows a precise and independent assessment of the value of the OTC derivatives. The investment company must 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 Investment Company is also permitted to make use of techniques and instruments relating to securities and money market instruments in compliance with the conditions and limits laid down by the FMA, provided that these techniques and instruments are used for the purpose of efficient portfolio management. 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 in these transactions.

The Investment Company ensures that the overall risk associated with derivatives does not exceed the total net value of its portfolio. When calculating the risks, the market value of the underlying assets, the default risk, foreseeable future market developments and the liquidation period of the positions are taken into account.

The Investment Company may invest in derivatives as part of its investment strategy within the limits set out in section 26(5), provided that the overall risk of the underlying assets does not exceed the investment limits set out in section 29 "Investment limits". A sub-fund's investments in index-based derivatives do not have to be taken into account in the investment limits set out in section 29 "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 section 29 "Investment limits".

The Investment Company or the Management Company on its behalf does not engage in **securities lending**.

The Investment Company or the Management Company on its behalf does not enter into **repurchase agreements**.

### § 30 Joint administration

In order to reduce operating and management costs and at the same time enable a broader diversification of investments, the Investment Company or the Management Company may decide to manage some or all of the assets of one or more sub-funds jointly with assets belonging to other undertakings for collective investment.

The assets of this investment company or this UCITS with its sub-funds are currently managed individually and therefore not jointly with assets belonging to other undertakings for collective investment in transferable securities.

## F. Costs and fees

### § 31 Current fees

#### A. Expense dependent on assets (individual expense)

##### Administration, investment decisions, risk management and distribution

The Investment Company charges a fee for the administration, investment decisions (asset management and investment advice), risk management and distribution of the respective sub-fund or unit class in accordance with Appendix A "Sub-fund overview". These fees are calculated on the basis of the average net sub-fund assets or the corresponding unit class at each valuation and are subsequently deducted from the respective sub-fund assets on a quarterly basis. The fees of the respective sub-fund or unit class can be found in Appendix A "Sub-funds at a glance". The Investment Company is free to set different management fees for one or more unit classes.

This also includes portfolio management commissions that can be paid to third parties for the brokerage and support of investors.

##### Depository

The Custodian receives a fee for its activities from the respective sub-fund assets of the Investment Company in accordance with Appendix A "Sub-funds at a glance". The custodian fee is calculated on the basis of the average net sub-fund ver mö assets or the corresponding unit class at each valuation and is taken from the respective sub-fund assets in arrears on a quarterly basis. The Investment Company is free to set different depository fees for one or more unit classes. In addition, the Custodian receives a periodic service fee for its services for the respective sub-fund in accordance with Appendix A "Sub-funds at a glance".

Any compensation for commissioned third parties is included in the fees pursuant to § 31 of the Investment Conditions.

#### B. Expense independent of assets (individual expense)

The Investment Company or the Management Company on its behalf and the Depository are also entitled to reimbursement of the following expenses incurred in the performance of their duties:

- ◆ Costs for the audit of the sub-funds by the auditor and fees of tax advisors, insofar as these expenses are incurred in the interests of the investors;
- ◆ Fees and costs for authorizations and the supervision of the UCITS or the sub-funds in Liechtenstein and abroad;
- ◆ all taxes levied on the assets of the sub-fund and its income and expenses charged to the corresponding sub-fund assets of the Investment Company;
- ◆ Fees, costs and professional fees in connection with the determination and publication of tax factors for the countries of the EU/EEA and/or all countries where distribution authorizations exist and/or private placements exist, in accordance with the actual expenses at market rates;
- ◆ any taxes incurred in connection with the costs of administration and safekeeping;
- ◆ Costs for the preparation, printing and dispatch of the annual and semi-annual reports and other publications required by law;

- ◆ Costs for the publication of a sub-fund's notices to investors in the publication media and any additional newspapers or electronic media specified by the Investment Company, including price publications;
- ◆ Costs incurred in connection with the fulfillment of the requirements and follow-up obligations of a distribution of the units in Germany and abroad (e.g. fees for paying agents, representatives and other representatives with a comparable function, fees for fund platforms (e.g. listing fees, setup fees, etc.), consulting, legal and translation costs);
- ◆ Costs and expenses for regular reports and reporting, including to insurance companies, pension funds and other financial services companies (e.g. GroMiKV, Solvency II, VAG, MiFID II, ESG/SRI reports and sustainability ratings, etc.);
- ◆ Costs for the preparation or amendment, translation, filing, printing and dispatch of the prospectus and the constituent documents (Articles of Association, PRIIP KID, SRRI/SRI calculation, etc.) in the countries in which the units are distributed;
- ◆ Costs incurred in connection with obtaining, maintaining and terminating stock exchange listings of the shares;
- ◆ costs for the determination, the publication of the tax bases and the certificate that the tax information was determined in accordance with the rules of the respective foreign tax law;
- ◆ Expenses in connection with the exercise of voting rights or creditors' rights by the sub-fund, including fees for external advisors;
- ◆ Administrative fees and reimbursement of costs by government agencies;
- ◆ Costs for legal and tax advice incurred by the Management Company or the Depository when acting in the interests of the investors in the relevant sub-fund;
- ◆ Internal and external costs for the reclaiming of foreign withholding taxes, insofar as these can be carried out for the account of the UCITS or the respective sub-fund. With regard to the reclaiming of foreign withholding taxes, it should be noted that the Management Company does not undertake to reclaim such taxes and will only do so if the procedure is justified according to the criteria of the materiality of the amounts and the proportionality of the costs in relation to the possible amount to be reclaimed. With regard to investments that are the subject of securities lending, the Management Company will not reclaim withholding tax.
- ◆ Costs for the credit rating of the assets of the respective sub-fund or its target investments by nationally or internationally recognized rating agencies;
- ◆ an appropriate share of costs for printed matter and advertising incurred directly in connection with the offering and sale of units;
- ◆ Fees and costs arising from other legal or regulatory requirements to be met by the management company in the implementation of the investment strategy (such as reporting and other costs incurred in complying with the European Market Infrastructure Regulation (EMIR, EU Regulation 648/2012));
- ◆ Research costs;
- ◆ External costs for the assessment of the sustainability ratings (ESG research) of the sub-fund's assets or its target investments;



- ◆ License fees for the use of any reference values ("benchmarks");
- ◆ Costs for the establishment and maintenance of additional counterparties, if it is in the interest of the investors.

#### **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. third-party fees incurred when buying and selling investments. These costs are offset directly against the purchase or sale value of the relevant investments.

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

Any currency hedging costs for unit classes are allocated to the corresponding unit class.

#### **Liquidation fees**

In the event of the dissolution of the Investment Company or the sub-fund, the Management Company may charge a liquidation fee of up to CHF 10,000 in its favor. In addition to this amount, all third-party costs incurred in connection with the liquidation shall be borne by the UCITS or the respective sub-fund.

#### **Extraordinary disposition costs**

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

Extraordinary disposition costs consist of expenses that are incurred solely for the purpose of safeguarding interests, that arise in the course of regular business activities and that were not foreseeable when the fund or the corresponding sub-fund was established. Extraordinary disposition costs are in particular costs for legal proceedings in the interests of the Investment Company, the sub-fund or the investors. They also include all costs of any extraordinary dispositions that may become necessary in accordance with UCITSG and UCITSV (e.g. amendments to the fund documents).

#### **Contributions**

In connection with the acquisition and disposal of assets and rights for the UCITS or its sub-funds, the Management Company, the Custodian and any agents shall ensure that, in particular, inducements directly or indirectly benefit the UCITS or its sub-funds.

#### **Ongoing fees (total expense ratio, TER)**

The total ongoing charges before any performance-related expenses (total expense ratio before performance fee; TER) is calculated in accordance with the general principles laid down in the investment regulations and, with the exception of transaction costs, comprises all costs and fees charged on an ongoing basis to the assets of the investment company or the UCITS and its sub-funds. The TER of the respective sub-fund or unit class must be stated in the semi-annual and annual report and published on the website of the LAFV Liechtenstein Investment Fund Association at [www.lafv.li](http://www.lafv.li) when the next semi-annual or annual report is published.

## **§ 32 Costs and fees charged to investors**

Issue, redemption and conversion fees and any associated taxes and duties shall be borne by the investor.

### § 33 Fee dependent on investment performance (performance fee)

In addition, the Investment Company or the Management Company may charge a performance fee. Insofar as a performance fee is charged for the corresponding sub-fund, this is described in detail in Appendix A "Sub-funds at a glance".

### § 34 Formation costs

The costs for the formation of the investment company or UCITS and the initial issue of units are amortized over three years at the expense of the assets of the sub-funds existing at the time of formation. The formation costs are allocated pro rata to the respective sub-fund assets. Costs incurred in connection with the launch of further sub-funds are amortized over three years at the expense of the respective sub-fund assets to which they are attributable.

## G. Final provisions

### § 35 Use of the success

The realized income of a sub-fund consists of the net income and the net realized capital gains. Net income comprises income from interest and/or dividends as well as other or miscellaneous income received less expenses.

The Investment Company or Management Company may distribute the net income and/or the net realized capital gains of a sub-fund or a unit class to the investors of the sub-fund or the corresponding unit class or reinvest this net income and/or these net realized capital gains in the sub-fund or the respective unit class (reinvestment) or carry them forward to new account.

The net income and the net realized capital gains of those unit classes that have a distribution in accordance with Appendix A "Sub-funds at a glance" may be distributed in full or in part annually or more frequently.

The net income and/or the net realized capital gains as well as the net income carried forward and/or the net realized capital gains carried forward of the sub-fund or the respective unit class may be distributed. Interim distributions of net income carried forward and/or net realized capital gains carried forward are permitted.

Distributions are paid out on the units issued on the distribution date. No interest is paid on declared distributions from the date on which they fall due.

### § 36 Use of reference values ("benchmarks")

In accordance with the provisions of Regulation (EU) 2016/1011 of the European Parliament and of the Council on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of collective investment undertakings, regulated entities (such as UCITS management companies and AIFMs) may use benchmarks within the meaning of the Benchmarks Regulation ("Benchmark Regulation") in the EU if the benchmark is provided by an administrator that is registered in the list of administrators and benchmarks maintained by ESMA in accordance with the Benchmarks Regulation (the "List").

Benchmarks may be used by the UCITS or its sub-funds in the key information documents (PRIIP-KID) and in any marketing documents as a reference for comparison purposes in order to measure the performance of the UCITS or its sub-funds against them. The UCITS or the sub-funds are actively managed and the asset manager is therefore free to decide in which securities to invest. Consequently, the performance may devi-

ate significantly from that of the benchmark. The benchmark index, if used by the Management Company or the Asset Manager on its behalf, is specified in Appendix A "Sub-funds at a glance".

The benchmark index may change over time. In this case, the prospectus and Appendix A "Sub-funds at a glance" of the constitutive documents will be updated at the next opportunity and investors will be informed by means of a notice in the medium of publication and in the media specified in the prospectus or by means of durable medium (letter, fax, email or similar).

In addition, the UCITS or its sub-funds may use benchmarks when calculating performance fees. Detailed information on any fees dependent on investment performance (performance fee) can be found in Section 12.2 of this Prospectus and § 31 of the Investment Conditions as well as in Annex A "Sub-funds at a glance".

With regard to a benchmark index, the Investment Company or Management Company assumes no liability for the quality, accuracy or completeness of the data of the benchmark index, nor for the fact that the respective benchmark index is managed in accordance with the index methods described.

The Investment Company or Management Company has drawn up a written plan with measures that it will take with regard to the UCITS or its sub-funds if the index changes significantly or is no longer provided. Information relating to this plan is available free of charge on request from the registered office of the Management Company.

## § 37 Contributions

The Investment Company reserves the right to grant inducements to third parties for the provision of services. The basis of assessment for such inducements is generally the commissions, fees, etc. charged and/or assets/asset components placed with the Investment Company. Their amount corresponds to a percentage of the respective assessment basis. Upon request, the Investment Company will disclose further details of the agreements made with third parties at any time. The investor hereby expressly waives any further right to information from the Investment Company; in particular, the Investment Company is under no obligation to provide a detailed account of inducements actually paid.

The investor acknowledges and accepts that the Investment Company may be granted inducements by third parties (including group companies) in connection with the introduction of investors, the acquisition/distribution of collective investment schemes, certificates, notes, etc. (hereinafter referred to as "products"; this also includes those managed and/or issued by a group company). (hereinafter referred to as "products", including those managed and/or issued by a group company) may be granted inducements, generally in the form of portfolio payments. The amount of such inducements varies depending on the product and product provider. As a rule, portfolio payments are based on the volume of a product or product group held by the investment company. Their amount usually corresponds to a percentage of the management fees charged to the respective product, which are paid periodically during the holding period. In addition, sales commissions may also be paid by securities 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 of the issue price. Unless otherwise agreed, the investor may at any time before or after the provision of the service (purchase of the product) request further details from the Investment Company about the agreements made with third parties regarding such inducements. However, the right to information on further details of transactions already carried out is limited to the 12 months preceding the request. The investor expressly waives any further right to information. If the investor does not request any further details before the service is provided

or if he receives the service after obtaining further details, he waives any claim for surrender within the meaning of Section 1009 of the Austrian Civil Code (ABGB).

## § 38 Information for investors

The investment company's publication medium is the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) and other media specified in the prospectus.

All notices to investors, including changes to the Terms of Investment and Annex A "Sub-fund overview", are published on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as well as in other media and permanent data carriers (letter, fax, e-mail or similar) specified in the Prospectus and the Terms of Investment.

The net asset value and the issue and redemption price of the units of the Investment Company or of each sub-fund or unit class are published on each valuation day on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the medium of publication of the Investment Company and on other media and permanent data carriers (letter, fax, email or similar) specified in the Prospectus and the Terms and Conditions of Investment.

The annual report audited by an auditor and the semi-annual report, which does not have to be audited, are made available to investors free of charge at the registered office of the Investment Company and the Depositary.

## § 39 Reports

The Investment Company prepares an audited annual report and a semi-annual report in accordance with the legal provisions of the Principality of Liechtenstein.

The Investment Company shall publish an audited annual report in accordance with the provisions of the Principality of Liechtenstein no later than four months after the end of each financial year.

Two months after the end of the first six months of the financial year, the investment company publishes an unaudited semi-annual report.

Audited and unaudited interim reports can also be created.

## § 40 Financial year

The financial year of the Investment Company begins on January 1 of each year and ends on December 31 of the same year. Appendix A "Sub-funds at a glance" shows whether the first financial year is an extended or a shortened financial year.

## § 41 Changes to the investment conditions

These Investment Conditions may be amended or supplemented in whole or in part by the Management Company at any time.

Changes to the investment conditions require the prior approval of the FMA.

## § 42 Statute of limitations

Investors' claims against the Investment Company, the liquidator, custodian or depositary shall lapse five years after the occurrence of the loss, but no later than one year after the redemption of the unit or after knowledge of the loss.

### § 43 Applicable law, place of jurisdiction and authoritative language

The Investment Company is subject to Liechtenstein law. The place of jurisdiction for all disputes between the investors, the Investment Company and the Depositary is Vaduz. The right is reserved to any other mandatory legal venues.

However, the Investment Company and/or the Depositary may submit to the jurisdiction of the countries in which units are offered and sold with regard to claims by investors from these countries.

The legally binding language for these Terms and Conditions of Investment is German.

### § 44 General information

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

### § 45 Entry into force

These investment conditions enter into force on August 01, 2024.

Schaan/Vaduz, July 04, 2024

**The management company:**

IFM Independent Fund Management Aktiengesellschaft, Schaan

**The depositary:**

VP Bank Ltd, Vaduz

## Appendix A: Sub-funds at a glance

The Investment Conditions and this Annex A "Sub-fund overview" form an essential unit and therefore complement each other.

### Sub-fund 1: Vates Equities USA Fund

#### A1. The sub-fund at a glance

Master data and information on the sub-fund and its unit classes				
Share classes <sup>1</sup>	Unit classes of the sub-fund			
	EUR-I	EUR-R	EUR-I-Hedged	EUR-R-Hedged
ISIN number	LI1206088406	LI1206088414	LI1243352526	LI1243352534
Security number	120.608.840	120.608.841	124.335.252	124.335.253
Suitable as a UCITS target fund suitable	Yes	Yes	Yes	Yes
SFDR classification	Article 6			
Duration of the sub-fund	indeterminate			
Listing	no			
Accounting currency of the sub-fund	Euro (EUR)			
Reference currency of the unit classes	Euro (EUR)	Euro (EUR)	Euro (EUR)	Euro (EUR)
Minimum investment	none	none	none	none
Initial issue price	EUR 100.--	EUR 100.--	EUR 100.--	EUR 100.--
First subscription date	10.10.2022	10.10.2022	27.02.2023	open
Liberation (first value date)	12.10.2022	12.10.2022	01.03.2023	open
Valuation date <sup>2</sup> (T)	Monday - Friday			
Valuation interval	daily			
Issue and redemption date <sup>3</sup>	each valuation date			
Value date Issue and redemption date (T+2)	two banking days after the valuation date			
Closing date for share transactions (T-1)	no later than 12:00 noon (CET) on the day before the valuation date			
Denomination	three decimal places			
Securitization	book-entry / no issue of certificates			
Closing of the financial year	as of December 31 in each case			
End of the first financial year	December 31, 2023			
Utilization of profit	Distributing	Distributing	Distributing	Distributing

<sup>1</sup> The currency risks of the unit class issued in EUR can be fully or partially hedged.

<sup>2</sup> If the valuation date falls on a national holiday in Liechtenstein, the valuation date will be moved to the next following bank business day in Liechtenstein.

<sup>3</sup> The issue and redemption date is December 31. This valuation date is decisive for the Investment Company's annual report.

Costs borne by the investors				
Share classes	Unit classes of the sub-fund			
	EUR-I	EUR-R	EUR-I-Hedged	EUR-R-Hedged
Max. Issue premium <sup>4</sup>	None	5%	None	5%
Redemption discount in favor of the sub-fund	None	None	None	None
Conversion fee when switching from one unit class to another unit class	None	None	None	None

Costs charged to the assets of the sub-fund <sup>5,6</sup>				
Share classes	Unit classes of the sub-fund			
	EUR-I	EUR-R	EUR-I-Hedged	EUR-R-Hedged
Max. Fee for investment decision, risk management and distribution <sup>4</sup>	1.00% p.a.	1.75% p.a.	1.00% p.a.	1.75% p.a.
Max. Performance fee	20%	20%	20%	20%
Hurdle rate	10%	10%	10%	10%
Calculation model	High-on-High (HoH) model	High-on-High (HoH) model	High-on-High (HoH) model	High-on-High (HoH) model
High-on-High-Mark	Yes		Yes	
Max. Administration fee <sup>4</sup>	0.20% p.a. or min. CHF 40'000.-- p.a. plus CHF 5,000 p.a. per unit class from the 3rd unit class onwards			
Max. Depositary fee <sup>4</sup>	0.08% p.a. or min. CHF 15'000.-- p.a.			
Basis: Launch	12.10.2022	12.10.2022	open	open

Use of benchmarks				
Share classes	Unit classes of the sub-fund			
	EUR-I	EUR-R	EUR-I-Hedged	EUR-R-Hedged
Benchmark	The sub-fund does not use a benchmark.			

<sup>4</sup> The commission or fee actually charged is shown in the semi-annual and annual reports.

<sup>5</sup> Plus taxes and other costs and fees: Transaction costs and expenses incurred by the Management Company and the Depositary in the performance of their functions. 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 up to CHF 10,000 in its favor.



## Master data and information on the sub-fund and its unit classes

Share classes <sup>7</sup>	Unit classes of the sub-fund		
	USD-I	USD-R	EUR-IN
ISIN number	LI1243352542	LI1243352559	LI1360684875
Security number	124.335.254	124.335.255	136.068.487
Suitable as a UCITS target fund suitable	Yes	Yes	Yes
SFDR classification	Article 6		
Duration of the sub-fund	indeterminate		
Listing	no		
Accounting currency of the sub-fund	Euro (EUR)		
Reference currency of the unit classes	USD	USD	EUR
Minimum investment	none	none	EUR 10 million
Initial issue price	USD 100.--	USD 100.--	EUR 100.--
First subscription date	27.02.2023	open	Open
Liberation (first value date)	01.03.2023	open	open
Valuation date <sup>8</sup> (T)	Monday - Friday		
Valuation interval	daily		
Issue and redemption date <sup>9</sup>	each valuation date		
Value date Issue and redemption date (T+2)	two banking days after the valuation date		
Closing date for share transactions (T-1)	no later than 12:00 noon (CET) on the day before the valuation date		
Denomination	three decimal places		
Securitization	book-entry / no issue of certificates		
Closing of the financial year	as of December 31 in each case		
End of the first financial year	December 31, 2023		
Utilization of profit	Distributing	Distributing	Distributing

## Costs borne by the investors

Share classes	Unit classes of the sub-fund		
	USD-I	USD-R	EUR-IN
Max. Issue premium <sup>10</sup>	None	5%	None
Redemption discount in favor of the sub-fund	None	None	None
Conversion fee when switching from one unit class to another unit class	None	None	None

<sup>7</sup> The currency risks of the unit class issued in EUR can be fully or partially hedged.

<sup>8</sup> If the valuation date falls on a national holiday in Liechtenstein, the valuation date will be moved to the next following bank business day in Liechtenstein.

<sup>9</sup> The issue and redemption date is December 31. This valuation date is decisive for the Investment Company's annual report.

<sup>10</sup> The commission or fee actually charged is shown in the semi-annual and annual reports.

Costs charged to the assets of the sub-fund <sup>11,12</sup>			
	Unit classes of the sub-fund		
Share classes	USD-I	USD-R	EUR-IN
Max. Fee for investment decision, risk management and distribution <sup>4</sup>	1.00% p.a.	1.75% p.a.	1.50% p.a.
Max. Performance fee	20%	20%	none
Hurdle rate	10%	10%	none
Calculation model	High-on-High (HoH) model	High-on-High (HoH) model	none
High-on-High-Mark	Yes	Yes	none
Max. Administration fee <sup>4</sup>	0.20% p.a. or min. CHF 40'000.-- p.a. plus CHF 5,000 p.a. per unit class from the 3rd unit class onwards		
Max. Depositary fee <sup>4</sup>	0.08% p.a. or min. CHF 15'000.-- p.a.		
Basis: Launch	open	open	Open

Use of benchmarks			
	Share class of the sub-fund		
Share classes	USD-I	USD-R	EUR-IN
Benchmark	The sub-fund does not use a benchmark.		

## B1. Transfer of tasks

### a) Asset Manager

LOYS AG, Barckhausstrasse 10, D-60325 Frankfurt am Main, acts as asset manager for this sub-fund.

### b) Distributor

The distribution of the sub-fund's units is not delegated.

## C1. Investment advisor

No investment advisor has been appointed.

## D1. Depositary

VP Bank Ltd, Aeulestrasse 6, FL-9490 Vaduz, acts as depositary for this sub-fund and the investment company.

## E1. Auditor

Grant Thornton AG, Bahnhofstrasse 15, FL-9494 Schaan, has been appointed as auditor for the sub-fund.

## F1. Investment principles of the sub-fund

The following provisions govern the sub-fund-specific investment principles of the **Vates Aktien USA Fund**.

### a) Investment objective and investment policy

The investment objective of the **Vates Aktien USA Fund** is primarily to achieve long-term capital growth by investing in securities and other investments in accordance with the principle of risk diversification as described below. It is an ac-

<sup>11</sup> Plus taxes and other costs and fees: Transaction costs and expenses incurred by the Management Company and the Depositary in the performance of their functions. Details can be found in the prospectus in sections 11 (Tax regulations) and 12.2 (Costs and fees charged to the sub-fund).

<sup>12</sup> In the event of the dissolution of the sub-fund, the Management Company may charge a liquidation fee of up to CHF 10,000 in its favor.

tively managed sub-fund without reference to a benchmark. **No assurance can be given that the investment objective will be achieved.**

The **Vates Aktien USA Fund** invests its assets **predominantly (at least 51%)** directly or indirectly **in equity securities and rights**<sup>13</sup> (shares, shares with warrants, etc. of companies **that have their registered office or carry out the majority of their economic activities in the United States of America (USA)** or, as holding companies, predominantly hold equity interests in companies with their registered office in the United States of America (USA). The sub-fund may make investments in all economic sectors which, in the opinion of the Asset Manager, are particularly suitable for increasing the value of the assets.

The sub-fund is permitted to invest its sub-fund assets in shares of substantial, large, internationally known and important companies (blue chips) as well as in shares of companies with a low market capitalization (small caps) and shares of companies with a medium market capitalization (mid caps).

The sub-fund may invest a maximum of 10% of its assets in units of other UCITS or other undertakings for collective investment comparable to a UCITS. According to their prospectus, these other undertakings for collective investment may invest a maximum of 10% of their assets in units of another UCITS or another comparable undertaking for collective investment.

The sub-fund may hold up to 49% of its net assets in sight deposits or callable deposits with a maximum term of twelve months. In exceptional cases, these may temporarily exceed 49% if and to the extent that this is deemed to be in the interests of the unitholders.

The sub-fund is not subject to any currency allocation restrictions. The proportion of the fund assets invested in securities not denominated in euros will vary depending on the market situation. In order to minimize the currency risk, assets that are not denominated in the accounting currency of the UCITS may be hedged temporarily or permanently.

The **"EUR-I-Hedged"** and **"EUR-R-Hedged"** unit classes are **exchange sel hedged unit classes**. These unit classes may be affected by obligations arising from liabilities of another unit class due to the hedging of the currency risk. Derivatives are used for these unit classes with the aim of avoiding losses in unit value due to exchange rate-related losses on assets of the sub-fund that are not denominated in the reference currency of the respective unit class. Although an attempt is generally made to **hedge at least 70% of the net asset value of the currency-hedged unit classes, it is possible that less than 70% will be hedged in order to avoid transaction costs as a result of minor adjustments.**

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<sup>13</sup> Equity securities and rights include **equity investments** within the meaning of Section 2 (8) of the German Investment Tax Act (InvStG), which are listed as follows in the InvStG:

- Shares in corporations that are admitted to official trading on a stock exchange or admitted to or included in another organized market;
- Shares in corporations with the exception of real estate companies within the meaning of Section 1 (19) No. 22 of the German Investment Code:
  - which are domiciled in a member state of the European Union or in another state party to the Agreement on the European Economic Area and are subject to income taxation for corporations there and are not exempt from it;
  - which are domiciled in a third country and are subject to income taxation for corporations of at least 15% there and are not exempt from it;
- Shares in equity funds within the meaning of Section 2 (6) of the German Investment Tax Act in the version applicable from January 1, 2018 in the amount of 51% of the value of the share; and
- Units in mixed funds within the meaning of Section 2 (7) of the German Investment Tax Act in the version applicable from January 1, 2018 in the amount of 25% of the value of the unit.

**In exceptional cases and to a limited extent, the equity participation ratio may fall below the minimum ratio for the UCITS.** According to a letter from the Federal Ministry of Finance dated May 21, 2019, a material breach is generally not to be assumed if an equity or mixed fund falls below the asset limits of Section 2 (6) or (7) InvStG with regard to **equity investments** on a total of up to 20 individual or consecutive business days in a financial year ("20 business day limit").

For efficient management, the sub-fund may use derivative financial instruments on securities, equity and bond indices, currencies, volatilities and exchange-traded funds as well as forward exchange transactions and swaps for hedging and investment purposes.

The investments underlying this sub-fund (financial product) do not take into account the EU criteria for environmentally sustainable economic activities.

**It should be noted that in addition to the opportunities for price gains and income, investments also involve risks, as prices may fall below the purchase price. Even with careful selection of the investments to be acquired, the risk of loss due to a decline in assets cannot be ruled out.**

**The sub-fund-specific risks in H1 of this Annex and the general risks in section 8.2 of the prospectus must be observed.**

**b) Accounting -/reference currency**

The accounting currency of the sub-fund and the reference currency per unit class are specified in section A1 of this Annex "Sub-fund overview".

The accounting currency is the currency in which the sub-fund's accounts are kept. The reference currency is the currency in which the performance and the net asset value of the respective unit class of the sub-fund are calculated and not the investment currency of the relevant unit class of the sub-fund. Investments are made in the currencies that are best suited to the performance of the sub-fund.

**c) Profile of the typical investor**

The **Vates Aktien USA Fund** is suitable for investors with a long-term investment horizon who wish to invest in a diversified portfolio of equity securities with a focus on the United States of America (USA). It should be noted that investments in this sub-fund should only be held as an addition to a portfolio.

## **G1. Rating**

The valuation is carried out by the management company.

## **H1. Risks and risk profiles of the sub-fund**

**a) Sub-fund-specific risks**

**The performance of the units depends on the investment policy and the market performance of the sub-fund's individual investments 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 is no guarantee that the investor will get back the capital invested.**

Due to the fact that the assets of the **Vates Aktien USA fund** are predominantly invested in equity securities and rights as well as debt securities and rights, this type of investment is subject to market and issuer risk as well as interest rate risk, which can have a negative impact on the net assets. Other risks such as currency risk may also arise.

The use of derivative financial instruments that are not used for hedging purposes may result in increased risks. The risk associated with derivative financial instruments may not exceed 100% of the respective net sub-fund assets. The total risk may not exceed 200% of the respective net sub-fund assets. In the case of borrowing permitted under UCITSG, the total risk may not exceed 210% of the respective net sub-fund assets. The management company uses the modified commitment approach as a recognized calculation method for risk management.

**b) General risks**

In addition to the fund-specific risks, the sub-fund's investments may be subject to general risks. An exemplary but not exhaustive list can be found in section 8.2 of the prospectus.

**11. Costs reimbursed from the sub-fund**

An overview of the costs reimbursed from the sub-fund can be found in the table "Master data and information on the sub-fund and its unit classes" in section A1 of this Annex A "Overview of the sub-fund".

**J1. performance fee**

Furthermore, the Management Company is entitled to receive a performance-related remuneration ("performance fee") in accordance with Annex A "Sub-fund overview" of the increase in value of the unit value of the respective unit class adjusted for any distributions or capital measures, provided that the performance of the net fund assets of the respective unit class exceeds the hurdle rate in accordance with Annex A "Sub-fund overview". The high-on-high (HoH) model is used to calculate the performance fee as follows:

Any performance fee is calculated and accrued on each valuation date on the basis of the number of units in circulation of the respective unit class, provided that the unit price of the corresponding unit class is cumulatively above the hurdle rate and above the high-on-high mark. Any shortfall in the hurdle rate at the end of a previous financial year does not have to be made up in the following financial year.

Based on the result of the daily valuation, each calculated performance fee within the sub-fund is accrued per unit issued or provisions already formed are reversed accordingly. Reversals of provisions are allocated to the sub-fund.

The reference period for the high-on-high mark corresponds to the entire life cycle of the sub-fund.

The accounting period for calculating the performance fee corresponds to the financial year. The settlement period may be shortened in the event of mergers or the dissolution of the sub-fund. The payout is the date from which the accrued performance fee is owed to the asset manager on a fixed basis. In addition, an accrued performance fee is deemed to be owed if units are redeemed before the end of the financial year. The performance fee owed due to unit redemptions is calculated in proportion to the unit redemptions. Any performance fee for the respective unit class is paid in arrears at the end of each financial year.

The calculation is based on the high-on-high-mark principle (basis: launch of the respective unit class). If the sub-fund records a loss in value, the performance fee is only charged again when the unit price of the relevant unit class adjusted for any distributions or capital measures after deduction of all costs is higher than the unit price at which the performance fee was last paid out (high-on-high mark).

A schematic calculation example is provided in section K1. "Sub-fund overview".

Schaan/Vaduz, July 04, 2024

**The management company:**

IFM Independent Fund Management Aktiengesellschaft, Schaan

**The depositary:**

VP Bank Ltd, Vaduz

## K1. Calculation example for the performance fee

The following examples schematically describe the calculation of the performance fee at the level of the respective unit class:

<b>Performance fee</b>	<b>20%</b>
<b>Hurdle rate</b>	<b>10%</b>
<b>Hurdle rate update</b>	<b>No</b>
<b>High-on-High-Mark</b>	<b>Yes</b>
<b>Calculation of performance fee</b>	<b>with every NAV calculation</b>
<b>Payout frequency</b>	<b>at the end of each financial year</b>
<b>Calculation model</b>	<b>High-on-High (HoH) model</b>

Valuation date	NAV Start	Hurdle-Value	High-on-High-Mark	NAV before Perf. fee <sup>1)</sup>	Perf. fee	cum. Perf. fee	NAV according to Perf. fee
<b>Year 1</b>							
Day 1	100.00	110.00	100.00	105.00	0.00	0.00	105.00
Day 2	105.00	110.00	100.00	110.50	0.10	0.10	110.40
Day 3	110.40	110.00	100.00	113.75	0.65	0.75	113.10
Day 4	113.10	110.00	100.00	112.50	-0.25	0.50	112.75
Day 5	112.75	110.00	100.00	112.25	-0.05	0.45	112.30
Day 365	112.30	110.00	100.00	114.25	0.40	<b>0.85</b>	<b>113.85</b>
<b>Year 2</b>							
Day 1	113.85	126.17	114.25	114.00	0.00	0.00	114.00
Day 2	114.00	126.17	114.25	113.75	0.00	0.00	113.75
Day 3	113.75	126.17	114.25	111.50	0.00	0.00	111.50
Day 4	111.50	126.17	114.25	108.00	0.00	0.00	108.00
Day 5	108.00	126.17	114.25	105.00	0.00	0.00	105.00
Day 365	105.00	126.17	114.25	103.00	0.00	<b>0.00</b>	<b>103.00</b>
<b>Year 3</b>							
Day 1	103.00	113.30	114.25	113.00	0.00	0.00	113.00
Day 2	113.00	113.30	114.25	115.00	0.15	0.15	114.85
Day 3	114.85	113.30	114.25	122.00	1.40	1.55	120.60
Day 4	120.60	113.30	114.25	124.00	0.40	1.95	123.60
Day 5	123.60	113.30	114.25	121.00	-0.60	1.35	121.60
Day 365	121.60	113.30	114.25	119.00	-0.40	<b>0.95</b>	<b>119.4</b>
<b>Year 4</b>							
Day 1	119.40	132.39	119.00	121.38	0.00	0.00	121.38
...							

<sup>1)</sup> The NAV before performance fee includes all current deferrals including performance fee provisions from the previous period.

## Explanation of the calculation example for the performance fee

<b>High-on-High (HoH) model:</b>	A model for performance-related remuneration in which the performance-related remuneration (performance fee) may only be calculated if the net asset value (NAV) is higher than the net asset value before performance fee at which the performance-related remuneration was last paid out.
<b>High-on-High Mark (HoHM):</b>	The last net asset value (NAV) before performance fee of the business year in which a performance fee was last paid.
<b>Reference period:</b>	The reference period for the high-on-high mark corresponds to the entire life cycle of the sub-fund.
<b>Hurdle value:</b>	The basis for calculating the hurdle rate is the net asset value (NAV) after performance fee at the end of the previous financial year plus the cumulative performance fee for the financial year plus the hurdle rate for the current financial year.
<b>Minimum return (hurdle rate):</b>	A predetermined minimum return rate.
<b>Payout frequency:</b>	The frequency with which the accrued performance-related remuneration is payable to the management company or the AIFM, if applicable.
<b>Year 1:</b>	A performance fee was charged in year 1, as the unit price at the end of the financial year is cumulatively above the hurdle rate and above the high-on-high mark. The performance fee is calculated and accrued on each valuation date. The performance fee set aside for the respective unit class during the year was partially reversed due to the decline in the net asset value (NAV) of the respective unit class.
<b>Year 2:</b>	No performance fee was charged in year 2, as the high-on-high mark principle was applied. Any performance fee will only be charged again if the value per unit of the respective unit class after deduction of all costs is cumulatively above the hurdle rate and above the high-on-high mark.
<b>Year 3:</b>	A performance fee was charged in year 3, as the net asset value (NAV) of the respective unit class cumulatively exceeded the hurdle rate and the high-on-high mark. The performance fee was partially reversed by the decline in the net asset value (NAV) of the respective unit class.
<b>Payout period:</b>	The payout period for calculating the performance fee is one financial year in each case. Any performance fee for the respective unit class is paid out in arrears at the end of each financial year (payout date). In addition, an accrued performance fee is deemed to be owed if units are redeemed before the end of the financial year.
<b>Note:</b>	It should be noted that a performance fee may be charged on unrealized gains, even though the unrealized gains may never be realized.



# Appendix B: Specific information for individual sales countries

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## Information for investors in Germany

The company has notified its intention to distribute shares in the Federal Republic of Germany and has been authorized to do so since the notification procedure was completed.

### Institution according to § 306a KAGB:

IFM Independent Fund Management AG  
Country road 30  
P.O. Box 355  
FL-9494 Schaan  
Email: [info@ifm.li](mailto:info@ifm.li)

Subscription, payment, redemption and conversion applications for the units are processed in accordance with the sales documents.

Investors will be informed by the institution on how to place the aforementioned orders and how redemption proceeds will be paid out.

IFM Independent Fund Management AG has established procedures and made arrangements with regard to the exercise and safeguarding of investor rights in accordance with Article 15 of Directive 2009/65/EC. The institution facilitates access within the scope of this law and investors can obtain information about this from the institution.

The sales prospectus, the key information documents, the trust agreement of the EU UCITS and the annual and semi-annual reports are available free of charge in paper form from the institution or electronically at [www.ifm.li](http://www.ifm.li) or from the Liechtenstein depository.

The issue, redemption and conversion prices as well as other information and documents to be published in the Principality of Liechtenstein (e.g. the relevant contracts and laws) are also available free of charge from the institution.

The institution provides investors with relevant information on the tasks performed by the institution on a durable medium.

The institution also acts as a contact point for communication with BaFin.

### Publications

The issue, redemption and conversion prices are published on [www.fundinfo.com](http://www.fundinfo.com). Other information for investors is published on [www.fundinfo.com](http://www.fundinfo.com).

In the following cases, investors are informed by means of a durable medium in accordance with Section 167 KAGB in German and generally in electronic form:

- Suspension of the redemption of units of the EU UCITS,
- termination of the management of the EU UCITS or its liquidation,
- Changes to the investment conditions that are not compatible with the previous investment principles or changes to material investor rights that are detrimental to investors or changes that are detrimental to investors that affect the remuneration and reimbursement of expenses that can be withdrawn from the investment fund, including the background to the changes and the rights of investors in a comprehensible manner; it must be stated where and how further information on this can be obtained,
- the merger of EU UCITS in the form of merger information to be drawn up in accordance with Article 43 of Directive 2009/65/EC, and
- the conversion of an EU UCITS into a feeder fund or the changes to a master fund in the form of information to be prepared in accordance with Article 64 of Directive 2009/65/EC.

## Information for investors in Austria

### Contact and information center in Austria

Contact and information point in Austria in accordance with the provisions of EU Directive 2019/1160 Art. 92:

Erste Bank der oesterreichischen Sparkassen AG  
Am Belvedere 1  
A-1100 Vienna  
E-mail: [foreignfunds0540@erstebank.at](mailto:foreignfunds0540@erstebank.at)

## Information for qualified investors in Switzerland

This fund (collective investment scheme) may only be offered in Switzerland to **qualified investors** in accordance with Art. 10 of the Collective Investment Schemes Act (CISA).

### 1. Representative

The representative in Switzerland is LLB Swiss Investment AG, Claridenstrasse 20, CH-8002 Zurich.

### 2. Paying agent

The paying agent in Switzerland is Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zurich.

### 3. Location of the relevant documents

The prospectus, the articles of association, the investment conditions, the key information documents (PRIIP-KID) and the annual and semi-annual reports can be obtained free of charge from the representative and the paying agent in Switzerland.

### 4. Payment of retrocessions and rebates

#### 4.1 Retrocessions

The Management Company and its agents as well as the Depositary may pay retrocessions to cover the distribution and brokerage of fund units in or from Switzerland. In particular, any activity aimed at promoting the distribution or brokerage of fund units, such as the organization of road shows, participation in events and trade fairs, the production of advertising material, the training of sales staff, etc., shall be deemed to be distribution and brokerage activities.

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

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

#### 4.2 Discounts

The Management Company and its agents may pay rebates directly to investors upon request when distributing in Switzerland. Rebates serve to reduce the fees and/or costs incurred by the investors concerned. Rebates are permitted provided that they

- ◆ are paid from the management company's fees and therefore do not place an additional burden on the fund assets;
- ◆ be granted on the basis of objective criteria;
- ◆ all investors who meet the objective criteria and request rebates are granted the same amount under the same time conditions.

The objective criteria for the granting of rebates by the management company are:

- ◆ The volume subscribed by the investor or the total volume held by the investor in the collective investment scheme or, where applicable, in the promoter's product range;
- ◆ the amount of fees generated by the investor;
- ◆ the investment behavior practiced by the investor (e.g. expected investment duration);

At the investor's request, the management company will disclose the corresponding amount of the discounts free of charge.

### 5. Place of fulfillment and jurisdiction

For units offered in Switzerland, the place of performance is 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.

# Appendix C: Regulatory disclosure

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## Conflicts of interest

The following conflicts of interest may arise with the UCITS:

The interests of the investor may conflict with the following interests:

- ◆ interests of the management company and the companies and persons closely associated with them
- ◆ Interests of the management company and its clients
- ◆ Interests of the management company and its investors
- ◆ Interests of the various investors in the management company
- ◆ Interests of an investor and a fund
- ◆ Interests of two funds
- ◆ Interests of the management company's employees

Circumstances or relationships that may give rise to conflicts of interest include, in particular:

- ◆ Incentive systems for employees
- ◆ Employee transactions
- ◆ Reallocations in the UCITS
- ◆ Positive presentation of fund performance
- ◆ Transactions between the management company and the funds or individual portfolios it manages
- ◆ Transactions between funds and/or individual portfolios managed by the management company
- ◆ Aggregation of several orders (so-called "block trades")
- ◆ Commissioning of closely associated companies and persons
- ◆ Individual installations of considerable size
- ◆ High turnover frequency of assets (so-called "frequent trading")
- ◆ Determining the cut-off time
- ◆ Suspension of the redemption of shares
- ◆ IPO allocation

To deal with conflicts of interest, the Management Company uses the following organizational and administrative measures to avoid conflicts of interest and, if necessary, to resolve, identify, prevent, settle, monitor and disclose them:

- ◆ Existence of a compliance department that monitors compliance with laws and regulations and to which conflicts of interest must be reported
- ◆ Disclosure obligations
- ◆ Organizational measures such as
  - Assignment of responsibility to prevent improper influence
  - Rules of conduct for employees in relation to employee transactions
  - Rules of conduct regarding the acceptance and granting of gifts, invitations, other benefits and donations
  - Prohibition of insider trading
  - Ban on front and parallel running
- ◆ Establishment of a remuneration policy and practice
- ◆ Principles for the consideration of customer interests
- ◆ Principles for monitoring the agreed investment guidelines
- ◆ Principles for the execution of trading decisions (Best Execution Policy),
- ◆ Principles for the division of partial executions
- ◆ Setting up order acceptance times (cut-off times)

## Processing of complaints

Investors are entitled to submit complaints about the Management Company or its employees, complaints in connection with funds managed by the Management Company, as well as their concerns, wishes and needs to the Management Company in writing or verbally free of charge.

The Management Company's complaints policy and the procedure for dealing with investor complaints can be found free of charge on the Management Company's website at [www.ifm.li](http://www.ifm.li).

## Principles of the voting policy at Annual General Meetings

The Management Company exercises the shareholder and creditor rights associated with the investments of the fund assets under management independently and exclusively in the interests of the investors.

For the individual transactions, the Management Company is free to decide whether to exercise the shareholder and creditor rights for the respective fund assets itself or to delegate the exercise to the Custodian or third parties or to waive the exercise.

Without express instructions from the management company, the respective depositary is authorized, but not obliged, to exercise the rights arising from the investments as shareholder, co-owner, etc.

In the case of transactions that significantly influence the interests of the investors, the management company must exercise the voting right itself or issue explicit instructions.

Voting rights are actively exercised in particular in cases where there is a clearly identified need to protect the interests of investors. Voting rights only have to be exercised if long-term interests are affected. If the share positions concerned do not account for a significant proportion of market capitalization, no long-term interests are affected.

The Management Company aims to prevent conflicts of interest resulting from the exercise of voting rights or to resolve or regulate them in the interests of the investors.

When exercising voting rights, the Management Company shall take into account the investor interests of the assets of the UCITS as well as the requirement that the exercise of voting rights is in line with the objectives of the investment policy of the assets concerned.

The management company's voting rights policy (strategies for exercising voting and creditors' rights, measures, details on avoiding conflicts of interest, etc.) can be accessed free of charge on the management company's website at [www.ifm.li](http://www.ifm.li).

## Best possible execution of trading decisions

The Management Company must act in the best interests of the funds it manages when executing trading decisions on their behalf in the management of its portfolios.

The Management Company must take all reasonable measures to achieve the best possible result for the funds (best execution), taking into account the price, costs, speed of execution, probability of execution and settlement, size, type of order and other aspects relevant to the execution of the order.

To the extent that asset managers are authorized to execute transactions, they will be contractually bound to apply the relevant best execution principles, unless they are already subject to the relevant best execution laws and regulations.

The principles for the execution of trading decisions (Best Execution Policy) are available to investors on the Management Company's website at [www.ifm.li](http://www.ifm.li).

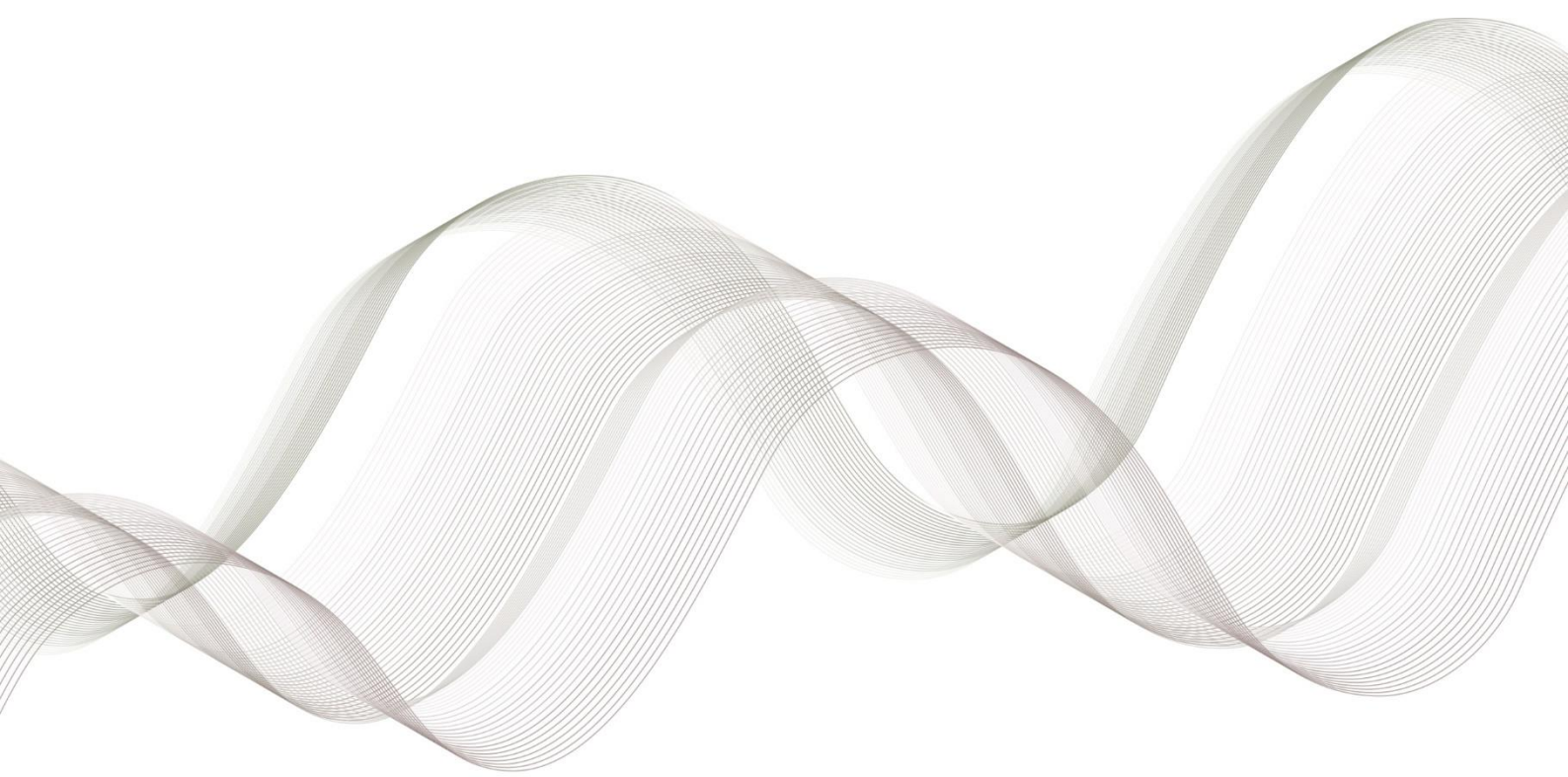
## Remuneration principles and practices

IFM Independent Fund Management AG ("IFM") is subject to the regulatory requirements applicable to management companies under the Law on Certain Undertakings for Collective Investment in Transferable Securities (UCITS/G) and the regulatory requirements applicable to AIFMs under the Alternative Investment Fund Managers Act (AIFMG) with regard to the structure of its remuneration principles and practices. IFM has set out 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 false incentives to take excessive risks. IFM's remuneration principles and practices are reviewed at least once a year by the members of the Board of Directors to ensure that they are appropriate and comply with all legal requirements. They comprise fixed and variable (performance-related) remuneration elements.

IFM has defined a remuneration policy that is compatible with its business and risk policy. In particular, there are no incentives to take excessive risks. Remuneration for the implementation and realization of the sustainability strategy is included in the fixed salary component of the Sustainability Officer. Either the overall result of IFM and/or the personal performance of the employee concerned and their department are included in the calculation of performance-related remuneration. The target achievement defined as part of the personal performance assessment focuses in particular on sustainable business development and protecting the company from excessive risks. The variable remuneration elements are not linked to the performance of the funds managed by IFM. Voluntary employer benefits in kind or non-cash benefits are permitted.

By setting ranges for total remuneration, it is also ensured that there is no significant dependency on variable remuneration and that there is 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 employed 100% (taking into account salaries in line with the market). The members of the Executive Board and the Chairman of the Board of Directors have the final say in the allocation of variable remuneration. The Chairman of the Board of Directors is responsible for reviewing the remuneration principles and practices.

Special rules apply to the members of IFM's Executive Board and employees whose activities have a significant influence on the overall risk profile of IFM and the funds it manages (risk takers). Employees who can exert a decisive influence on IFM's risk and business policy have been identified as risk takers. The variable remuneration for these risk takers is paid in arrears over several years. It is mandatory for at least 40% of the variable remuneration to be deferred over a period of at least three years. The portion of remuneration deferred at is risk-based during this period. The variable remuneration, including the deferred portion, is only paid out or served if it is acceptable in view of IFM's overall financial situation and justified on the basis of the performance of the department and individual concerned. A weak or negative financial performance of IFM generally leads to a significant reduction in total compensation, taking into account both current compensation and reductions in payouts of amounts previously earned.



**VAU SICAV**

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