

# Investor Information

according to Art. 105 AIFMG

and

# Trust agreement

including AIF-specific appendices

Status: 09.2023

## CATAM Alternative Investment Fund

AIF under Liechtenstein law  
in the legal form of trusteeship

(hereinafter the "AIF")

(single fund)

Portfolio Management:



AIFM:



# Organizational structure of the AIFM/AIF

## The organizational structure of the AIFM

<b>AIFM:</b>	IFM Independent Fund Management AG Landstrasse 30, FL-9494 Schaan
<b>Board of Directors:</b>	Heimo Quaderer HRH Archduke Simeon of Habsburg Hugo Quaderer
<b>Management:</b>	Luis Ott Alexander Wymann Michael Oehry Ramon Schäfer
<b>Auditor:</b>	Ernst & Young AG Schanzenstrasse 4a, CH-3008 Bern

## The AIF at a glance

<b>Name of the AIF:</b>	<b>CATAM Alternative Investment Fund</b>
<b>Legal Structure:</b>	AIF in the legal form of collective trusteeship pursuant to the Act of December 19, 2012 on Alternative Investment Fund Managers (AIFMG).
<b>Umbrella construction:</b>	No, single fund
<b>Founding country:</b>	Liechtenstein
<b>Establishment date of the AIF:</b>	14.11.2000
<b>Fiscal year:</b>	The AIF's financial year begins on January 1 and ends on December 31.
<b>Accounting currency of the AIF:</b>	US Dollar (USD)
<b>Portfolio Management:</b>	CATAM Asset Management Ltd. Landstrasse 34, FL-9494 Schaan
<b>Investment Advisor:</b>	n/a
<b>Depository:</b>	Liechtensteinische Landesbank Aktiengesellschaft Städtle 44, FL-9490 Vaduz
<b>Distributors:</b>	CATAM Asset Management Ltd. Landstrasse 34, FL-9494 Schaan
<b>Auditor:</b>	Ernst & Young AG Schanzenstrasse 4a, CH-3008 Bern
<b>Competent supervisory authority:</b>	Financial Market Authority Liechtenstein (FMA); <a href="http://www.fma-li.li">www.fma-li.li</a>
<b>Representative for qualified investors in Switzerland:</b>	LLB Swiss Investment AG Claridenstrasse 20, CH-8022 Zurich
<b>Paying agent for qualified investors in Switzerland:</b>	Helvetic Bank AG Seefeldstrasse 215, CH 8008 Zurich

Further information on the AIF can be found in Appendix B "AIF at a glance".

Distribution in Liechtenstein is aimed at professional investors within the meaning of Directive 2014/65/EU (MiFID II) as well as private investors. For any other countries, the provisions set out in Appendix C "Specific information for individual countries of distribution" shall apply.

German is the legally binding language for investor information and trust agreement including AIF-specific annexes.

## Notice to investors/restriction on sale

The acquisition of units of the AIF shall be made on the basis of the respective valid constituent documents (Treu handvertrag including Annex A "Organizational Structure of the AIFM/AIF" and Annex B "AIF at a Glance") as well as the investor formations pursuant to Art. 105 AIFMG and the Key Investor Information Document (the "**KIID**") as well as the latest annual report. Only the information contained in the above-mentioned documents shall be valid. Upon acquisition of the units, they are deemed to have been approved by the investor. **The distribution of the AIF in Liechtenstein is aimed at professional investors within the meaning of Directive 2014/65/EU (MiFID II) as well as at private investors. For any other countries, the provisions set out in Appendix C "Specific information for individual countries of distribution" shall apply.**

This Trust Agreement does not constitute an offer or solicitation to subscribe for Units of the AIF by any person in any jurisdiction in which such offer or solicitation is unlawful or in which the person making such offer or solicitation is not qualified to do so or is making such offer or solicitation to a person to whom it is unlawful to make such offer or solicitation. Information not contained in this Trust Agreement or documents available to the public is deemed to be unaudited and is not reliable. Prospective investors should inform themselves about possible tax consequences, legal requirements and possible foreign exchange restrictions or controls applicable in the countries of their nationality, residence or domicile which may be relevant to the subscription, holding, conversion, redemption or disposal of Units. Further tax considerations are explained in Art. 50 "Tax Regulations". Annex C "Specific information for individual countries of distribution" contains information regarding distribution in various countries. The units of the AIF are not authorized for distribution in all countries of the world. When units are issued, exchanged and redeemed abroad, the provisions applicable in the respective country apply.

In particular, the Shares have not been registered in the United States of America (USA) under the United States Securities Act of 1933 and may therefore not be offered or sold in the USA or to US persons. US citizens are, for example, those natural persons who (a) were born in the USA or one of its territories or sovereign territories, (b) are a naturalized citizen (or green card holder), (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 subject to tax in the USA. The following are also considered to be US citizens: (a) investment companies and corporations formed under the laws of one of the 50 US states or the District of Columbia, (b) an investment company or partnership formed under an Act of Congress, (c) a pension fund formed as a US trust, (d) an investment company subject to US tax, or (e) investment companies deemed to be such under Regulation S of the US Securities Act of 1933 and/or the US Commodity Exchange Act. Generally, units of the AIF may not be offered in jurisdictions and to persons in which or to whom it is not permitted.

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# P A R T I: INVESTOR INFORMATION ACCORDING TO ART. 105 AIFMG

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IFM Independent Fund Management AG, Schaan, as AIFM, provides **the** investors of the **CATAM Alternative Investment Fund with the** following information in an up-to-date form.

In addition to this information, express reference is made to the constituent documents (trust agreement, Appendix A "Organizational structure of the AIFM/AIF" and Appendix B "AIF at a glance"). With the acquisition of the units, these are deemed to have been approved by the investor. This document does not replace a careful review of the constituent documents.

This AIF is intended for **professional investors within the** meaning of Directive 2014/65/EC (MiFID II) as well as **retail investors**.

## 1 General information

The publication medium of the AIF is the website of the LAFV Liechtensteinischer Anlagefondsverband ([www.lafv.li](http://www.lafv.li)) as well as other media specified in the trust agreement.

All notices to investors, including those concerning amendments to the trust agreement and Annex B "AIF at a glance", shall be published on the website of LAFV Liechtensteinischer Anlagefondsverband ([www.lafv.li](http://www.lafv.li)) as the organ of publication of the AIF as well as other media and data carriers specified in the trust agreement.

The net asset value as well as the issue and redemption price of the units of the AIF or unit class shall be announced on each valuation day on the website of the LAFV Liechtensteinischer Anlagefondsverband ([www.lafv.li](http://www.lafv.li)) as the organ of publication of the AIF as well as other media and permanent data carriers (letter, fax, email or similar) specified in the fund documents.

The annual report, audited by an auditor, is made available to investors free of charge at the registered office of the AIFM and depositary.

## 2 Supplementary investor information pursuant to Art. 105 AIFMG

### 2.1 Description of the investment strategy and objectives of the AIF (Art. 105 No. 1 lit. a AIFMG)

See Appendix B "AIF at a glance" under "Investment principles of the AIF".

### 2.2 Information on the domicile of a possible master AIF if the AIF is a feeder AIF (Art. 105, No. 1, lit. b AIFMG)

The AIF is not a feeder AIF.

### 2.3 Information on the domicile of the target funds if the AIF is a fund of funds (Art. 105, No. 1, lit. c AIFMG)

The target funds are open-ended investment funds or closed-ended investment funds of any legal structure traded on a stock exchange or another regulated market open to the public, in particular collective investment schemes or investment companies, trusts or limited partnerships, the majority of which are valued at least monthly and the majority of which permit redemptions at least quarterly. The AIF invests primarily in foreign funds **worldwide for** which, due to a lack of equivalent supervision at the domicile,



no distribution license can be obtained in the Principality of Liechtenstein. In the case of the foreign target funds, there is no restriction with regard to their domicile, i.e. their domicile or registered office may be outside Liechtenstein in any country.

**2.4 Description of the type of assets in which the AIF may invest (Art. 105 No. 1 lit. d 1. AIFMG)**

See Appendix B "AIF at a glance" under "Investment principles of the AIF".

**2.5 Description of the techniques it may use and any associated risks, any investment restrictions, the circumstances under which the AIF may use leverage, the nature and source of the leverage to be used and any associated risks, any other restrictions on the use of leverage and agreements on collateral and on the reuse of assets, as well as the maximum amount of leverage the AIFM may use for the AIF (Art. 105 No. 1 lit. d 2 AIFMG). 105 No. 1 lit. d 2nd AIFMG).**

See Trust Agreement "General Risks" and Appendix B "AIF at a Glance" under "Risks and Risk Profiles of the AIF".

**2.6 Description of the procedure and conditions for changing the investment strategy and policy (Art. 105, No. 1, lit. d, 3 AIFMG)**

A change in the investment policy within the legally and contractually permissible investment spectrum may change the content of the risk associated with the AIF. The AIFM may change the investment policy of the AIF within the applicable trust agreement by amending the trust agreement including Annex B "AIF at a glance" at any time and substantially. Information on the publication prior to writings can be found in Section 1 "General Information ma tions".

**2.7 Description of the most important legal features of the contractual relationship entered into for the investment , including information on the permanent courts to be (Art. 105, No. 1, lit. e, 1 AIFMG)**

The AIFM and the AIF are subject to the laws of Liechtenstein. The exclusive place of jurisdiction for all disputes between the investors, the AIFM, delegated third-party companies and the depositary is Vaduz.

However, the AIFM and/or the depositary may submit itself and the AIF to the jurisdiction of the countries in which units or shares of the AIF are offered and sold with regard to claims of investors from these countries. This is subject to any mandatory legal provisions to the contrary.

The legally binding language for this Trust Agreement as well as Appendix A "Organizational Structure of the AIFM/AIF and Appendix B "AIF at a Glance" is the German language.

**2.8 Description of the most important legal features of the contractual relationship entered into for the investment , including the applicable law (Art. 105, No. 1, lit. e, 2 AIFMG)**

The AIFM or the AIF is subject to Liechtenstein law.

**2.9 Description of the most important legal features of the contractual relationship entered into for the investment , including the enforceability of judgments in the state in which the AIF is domiciled (Art. 105, No. 1, lit. e, 3 AIFMG)**

However, the AIFM and/or the depositary may submit itself and the AIF to the jurisdiction of the countries in which units or shares of the AIF are offered and sold with regard to claims of investors from these countries. The AIFM and the depositary reserve the right to submit the AIF and the AIF to the jurisdiction of the countries in which the AIF is offered and sold.



The enforceability of judgments in Liechtenstein is governed by the Execution Code (EO). In order for a foreign judgment to be enforceable in the Principality of Liechtenstein (country of domicile of the AIF), separate proceedings may be required in the Principality of Liechtenstein.

- 2.10 Information on the identity and duties of all service providers acting on behalf of the AIF, in particular the AIFM, the depositary of the AIF and the auditors, with a description of the rights of the investors; (Art. 105 No. 1 lit. f AIFMG)**  
See Chapter II of the Trust Agreement "The Organization" as well as Appendix A "Organizational Structure of the AIFM/AIF" and Appendix B "AIF at a Glance".
- 2.11 Description of how the AIFM covers potential liability arising from professional activities; (Art. 105 No. 1 lit. g AIFMG).**  
See trust agreement "The AIFM".
- 2.12 Description of delegated management or custodial functions, the designation of the contractor and any conflict of interest associated with the delegation (Art. 105 No. 1 lit. h AIFMG)**  
See Appendix B "AIF at a glance" at "Delegation of tasks by the AIFM" and "Depositary" and Appendix D Regulatory disclosure .
- 2.13 Description of the valuation procedures and methodologies used by the AIF (Art. 105 No. 1 lit. i AIFMG)**  
See Appendix B "AIF at a glance" under "Valuation".
- 2.14 Description of the procedures for dealing with liquidity risks of the AIF, taking into account redemption rights under normal and extraordinary circumstances and the redemption agreements with the investors (Art. 105 No. 1 lit. k AIFMG).**  
See Trust Agreement "General Risks" and, if applicable, Appendix B "AIF at a Glance" under "AIF-specific Risks".
- 2.15 Description of all fees, charges and other costs, stating the respective maximum amount, insofar as these are to be borne directly or indirectly by the investors (Art. 105 No. 1 lit. l AIFMG)**  
See Chapter X of the Trust Agreement "Costs and Fees" and Appendix B "AIF at a Glance".
- 2.16 Description of the manner in which the AIFM ensures fair treatment of the investors and, if applicable, a description of the equitable treatment, indicating the type of beneficiary investors as well as, if applicable, the legal or economic links between these investors, the AIF or the AIFM (Art. 105 No. 1 lit. m AIFMG).**  
The AIFM always acts in the interest of the AIF, the investors and the market integrity. In this context, the equal treatment of investors is paramount. Preferential treatment of individual investors is expressly excluded .  
Every investor is treated equally:
- ◆ Information is always published simultaneously in a known way
  - ◆ The subscription and redemption of fund units is the same for each unit class and for each investor.
  - ◆ No investor is informed individually or receives benefits
- 2.17 The latest annual report; (Art. 105 No. 1 lit. n AIFMG)**  
See Trust Agreement "Information for Investors".
- 2.18 Procedure and conditions for the issue and sale of units or shares of an AIF; (Art. 105 No. 1 lit. o AIFMG)**  
See Trust Agreement under "Issue of Shares" and under "Redemption of Shares".

- 2.19 Last net asset value of the AIF or the last market price of its units according to Art. 43 AIFMG (Art. 105 No. 1 lit. p AIFMG)**  
See Trust Agreement under "Information for Investors".
- 2.20 Past performance of the AIF (Art. 105 No. 1 lit. q AIFMG)**  
See Trust Agreement under "Information for Investors".
- 2.21 if applicable to the prime broker: its identity (Art. 105, No. 1, lit. r, 1 AIFMG)**  
n/a
- 2.22 if applicable to the prime broker: a description of any material agreement between the AIF and the prime brokers, the manner in which any conflicts of interest relating thereto are resolved, the provision in the agreement with the depositary on the possibility of transferring and reusing assets of the AIF, and information on any transfer of liability to the prime broker (Art. 105, No. 1, lit. r, 2 AIFMG)**  
n/a
- 2.23 Description of how and when the information required under Art. 106(1)(b) and (2) will be disclosed (Art. 105, para. 1, lit. s AIFMG).**  
The information required under Art. 106(1)(b) and (2) AIFMG shall be disclosed in the annual report in each case.

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

According to the applicable law in the Principality of Liechtenstein, the constituent documents are notified to the FMA. This notification of distribution only relates to information concerning the implementation of the provisions of the AIFMG. For this reason, the following Appendix C "Specific Information for Individual Countries of Distribution", which is based on foreign law, is not subject to review by the FMA and is excluded from the distribution notice.

Current status of this document, which has been brought to the attention of the FMA: September 19, 2023.

# P A R T I: THE TRUST AGREEMENT

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## Preamble

The trust agreement as well as Annex A "Organizational structure of the AIFM/AIF" and Annex B "AIF at a glance" form an essential unit. The Trust Agreement, Annex A "Organizational Structure of the AIFM/AIF" and Annex B "AIF at a Glance" are printed in full. The Trust Agreement, Appendix A "Organizational Structure of the AIFM/AIF" and Appendix B "AIF at a Glance" may be amended or supplemented by the AIFM in whole or in part at any time. Amendments to the trust agreement, Annex A "Organizational structure of the AIFM/AIF" and Annex B "AIF at a glance" require the prior consent of the FMA.

To the extent that a matter is not regulated in this trust agreement, the legal relationships between the investors and the AIFM shall be governed by the Act of December 19, 2012 on Alternative Investment Fund Managers (AIFMG) and the Regulation on Alternative Investment Fund Managers (AIFMV) as amended and, to the extent that no provisions are made therein, by the provisions of the Persons and Companies Act (PGR) on trusteeship.

## I. General provisions

### Art. 1 General information about the AIF

The **CATAM Alternative Investment Fund** (hereinafter: AIF) was established pursuant to Art. 4 (1) (a) of the Investment Undertakings for Other Assets or Real Estate Act (IUA) as a legally dependent open-ended investment fund in the legal form of a collective trusteeship. The Fund received its license from the Liechtenstein Government on November 14, 2000 and was entered in the Liechtenstein Commercial Register on November 28, 2000.

The **CATAM Alternative Investment Fund** was converted from an investment undertaking for other assets with increased risk into an AIF pursuant to the Act of December 19, 2012 on Alternative Investment Fund Managers (AIFMG) and the Regulation on Alternative Investment Fund Managers (AIFMV), as amended, with the **approval of the** FMA dated June 19, 2017. The Trust Agreement as well as Annex A "Organizational Structure of the AIFM" and Annex B "AIF at a Glance" entered into force for the first time on July 1, 2017.

The Trust Agreement as well as Annex A "Organizational Structure of the AIFM/AIF" and Annex B "AIF at a Glance" were last notified to the FMA by means of a notice of amendment dated September 19, 2023 and entered into force on December 1, 2023.

The valid version is available on the website of the LAFV Liechtensteinischer Anlage fonds verband at [www.lafv.li](http://www.lafv.li) or can be obtained free of charge from the AIFM and the Ver wahrstelle.

The AIF is a legally dependent open-ended collective investment scheme and is subject to the Act of 19 December 2012 on Alternative Investment Fund Managers (hereinafter "AIFMG").

The AIF has the legal form of a collective trusteeship. A collective trusteeship is the entering into of a substantively identical trusteeship with an indefinite number of investors for the purpose of investment and management for the account of the investors, whereby the individual investors participate in this trusteeship in proportion to their share and are only personally liable up to the amount of the investment.

The AIF is not an umbrella structure and is therefore an individual fund.

The AIF may invest in accordance with its investment policy. The investment policy of the AIF is determined within the framework of the investment objectives. The AIF shall form special assets for the benefit of its investors. The special assets do not belong to the bankruptcy estate of the AIFM in the event of the dissolution and bankruptcy of the AIFM.

The respective rights and obligations of the owners of the units (hereinafter referred to as "investors") and of the AIFM and the depositary are governed by the present trust agreement. The investors have an interest in the AIF in proportion to the units they have acquired.

By purchasing units (the "Units") of the AIF, each investor acknowledges the Trust Agreement, which sets out the contractual relationships between the investors, the AIFM and the Depositary, as well as the duly executed amendments to this document. Upon publication of amendments to the trust agreement, the annual report or other documents on the website of the Liechtenstein Investment Fund Association, these amendments shall be binding on the investors.

## **II. The organization**

### **Art. 2 State of domicile/competent supervisory authority**

Liechtenstein/Finanzmarktaufsicht Liechtenstein (FMA); [www.fma-li.li](http://www.fma-li.li).

### **Art. 3 Legal relations**

The legal relationship between the investors and the AIFM is governed by the Act of December 19, 2012 on Alternative Investment Fund Managers (AIFMG) and the Ordinance of March 22, 2016 on Alternative Investment Fund Managers (AIFMV) and, to the extent that no provisions are made therein, by the provisions of the Persons and Companies Act (PGR) on trusteeship.

### **Art. 4 The AIFM**

IFM Independent Fund Management Aktiengesellschaft (hereinafter: "AIFM"), Landstrasse 30, FL-9494 Schaan, commercial register number FL-0001-532-594-8.

IFM Independent Fund Management AG was founded on October 29, 1996, in the form of a stock corporation for an unlimited duration. The AIFM has its registered office and head office in Schaan, Principality of Liechtenstein.

Pursuant to the AIFMG, the AIFM is licensed by the Financial Market Authority Liechtenstein (FMA) and entered on the list of AIFMs licensed in Liechtenstein officially published by the FMA.

The share capital of the AIFM amounts to 1 million Swiss francs and is fully paid up.

The AIFM has covered the professional liability risks arising from the management of AIFs and attributable to professional negligence of their bodies or employees by own funds amounting to at least 0.01% of the assets of all managed AIFs. This amount is reviewed and adjusted annually.

The AIFM manages the AIF for the account and in the exclusive interest of the investors in accordance with the provisions of the trust agreement as well as Annex A "Organizational structure of the AIFM/AIF" and Annex B "AIF at a glance".

The AIFM is entitled to dispose of the objects belonging to the AIF in its own name in accordance with the statutory provisions and the trust agreement and to exercise all rights arising therefrom. The details of the rights and obligations of the AIFM are governed by the AIFMG.

The main activities of the AIFM include investment management (portfolio management and/or risk management). In addition, it performs administrative activities and sales activities.

In accordance with the AIFMG, the AIFM may delegate individual tasks to third parties with the corresponding approval of the FMA Financial Market Authority Liechtenstein.

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

The AIFM manages the AIF for the account and in the exclusive interest of the investors in accordance with the provisions of the trust agreement and Annex A "AIF at a glance".

The AIFM is entitled to dispose of the objects belonging to the AIF in its own name in accordance with the statutory provisions and the trust agreement and to exercise all rights arising therefrom.

#### **a) 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 Director of IFM Independent Fund Management AG, Schaan

#### **b) Management**

Chairman: Luis Ott, Managing Director

Members: Alexander Wymann, Deputy Managing Director

Michael Oehry

Ramon Schäfer

### **Art. 5 Task transfer**

The AIFM may, in compliance with the provisions of the AIFMG and the AIFMV, delegate some of its tasks to third parties for the purpose of efficient management. The precise execution of the assignment shall be governed in each case by a contract concluded between the AIFM and the delegate.

#### **a) Portfolio management**

CATAM Asset Management AG, Landstrasse 34, FL-9494 Schaan acts as portfolio manager for the AIF.

CATAM Asset Management AG focuses on investment and asset management for institutional and private clients and is prudentially supervised by the Financial Market Authority Liechtenstein (FMA).

The task of the portfolio manager is in particular the independent daily implementation of the investment policy and the management of the day-to-day operations of the AIF as well as other related services under the supervision, control and responsibility of the AIFM. These tasks are performed in compliance with the principles of the investment policy and the investment restrictions of the AIF as described in this trust agreement incl. AIF-specific annexes.

The portfolio manager undertakes, where it identifies potential conflicts of interest with the AIF or AIFM in the course of its activities, to perform its duties towards the AIFM at all times and to do everything in its power to ensure that such conflicts are resolved in a fair manner. The portfolio manager acknowledges in particular Art. 35 AIFMG (rules of conduct).

The Portfolio Manager is entitled, while safeguarding the interests of the investors, to appoint an investment advisor and/or to obtain advice from appropriate professional bodies for its own account and responsibility.

The exact execution of the mandate is governed by a task transfer agreement concluded between the AIFM and CATAM Asset Management AG (Portfolio management).

#### **b) Distributors**

The distribution agent for the AIF is CATAM Asset Management AG, Landstrasse 34, FL-9494 Schaan.

The exact execution of the order is governed by a distribution agreement concluded between the AIFM and CATAM Asset Management AG.

#### **Art. 6 Investment Advisor**

No investment advisor has been retained.

#### **Art. 7 Depository**

The depository for the AIF is Liechtensteinische Landesbank AG, Städtle 44, FL-9490 Vaduz.

Liechtensteinische Landesbank Aktiengesellschaft has been in existence since 1861. The bank's main activities are investment advice and asset management as well as lending business. Further information on the depository (e.g. annual reports, brochures, etc.) can be obtained directly at its registered office or online at its web site [www.llb.li](http://www.llb.li).

The depository fulfills its duties and assumes the responsibilities under the AIFMG and the depository agreement as amended from time to time ("Depository Agreement"). Pursuant to the Law and the Depository Agreement, the Depository is responsible for (i) the general supervision of all assets of the AIF and (ii) the safekeeping of assets of the AIF entrusted to the Depository and held by or on behalf of the Depository and (iii) the administrative activities related to the relevant obligations.

The attention of investors is drawn to the fact that there may be jurisdictions in which the effect of the generally prescribed segregation of assets is not recognized with respect to property rights located in that state in the event of bankruptcy. In

cooperation between the AIFM and the depositary, efforts will be made to avoid the preservation of assets in such jurisdictions.  
The depositary keeps the unit register of the AIF on behalf of the AIFM.

The depositary may delegate its safekeeping duties to one or more agents ("sub-custodians") in accordance with the aforementioned decrees and provisions. A list of the sub-custodians used for the custody of the assets held in the name and for the account of the AIF may be requested from the depositary.

No conflicts of interest arise from this transfer.

The Depositary shall be subject to the provisions of the Liechtenstein FATCA Agreement and the corresponding implementing regulations in the Liechtenstein FATCA Act, as amended from time to time.

## **Art. 8 Primebroker**

Only a credit institution, regulated investment firm or other entity subject to regulatory oversight and continuous supervision that provides services to professional investors primarily to finance or execute transactions in financial instruments as a counterparty and that may also provide other services such as clearing and settlement of transactions, custody services, securities lending and customized technology and operational support facilities may be appointed as a prime broker.

A prime broker may be appointed by the depositary as a sub-custodian, or by the AIFM as a business partner.

No prime broker has been appointed for the AIF.

## **Art. 9 Auditor of the AIFM and the AIF**

Ernst & Young AG, Schanzenstrasse 4a, CH-3008 Bern

The AIFM and the AIF must have their business activities audited annually by an auditor independent of them and recognized by the FMA pursuant to the AIFMG.

# **III. Distribution**

## **Art. 10 Sales information / sales restrictions**

The AIFM shall make the information required under the AIFMG available to investors in its current form prior to their acquisition of units or shares of the AIF on the website of the LAFV Liechtenstein Investment Fund Association at [www.lafv.li](http://www.lafv.li) and the website of the AIFM at [www.ifm.li](http://www.ifm.li), or it may be obtained free of charge from the AIFM and the depositary.

Shares are purchased on the basis of the constituent documents and the latest annual report, if they have already been published. Only the information contained in the constituent documents is valid. With the acquisition of the shares, they are deemed to be approved by the investor.

The units of the AIF are not authorized for sale in all countries of the world. When units are issued, redeemed and exchanged abroad, the provisions applicable in the respective country apply. Appendix C "Specific information for individual countries of distribution" contains information regarding distribution in various countries.



#### a) Distribution

The **distribution of the units of the AIF** is directed in Liechtenstein to all investors standing after :

- ◆ Professional investor within the meaning of Directive 2014/65/EU (MiFID II)
- ◆ Private investors

Definitions of the various investor groups can be found in Art. 11 below.

#### b) Drawing sites

Units of the AIF may be acquired through the depositary as well as through any other bank domiciled in Switzerland or abroad which is subject to Directive 91/308/EEC as amended by Directive 2015/849/EU or an equivalent regulation and appropriate supervision.

### Art. 11 Professional investor / Private investor

#### A. Professional investor

**The following applies to AIF for professional investors within the meaning of Directive 2014/65/EU (MiFID II):**

A professional client is a client who has sufficient experience, knowledge and expertise to make his or her own investment decisions and to adequately assess the risks involved. To be considered a professional client, a client must meet the following criteria:

##### I. Categories of clients considered as professional clients

The following entities should be considered professional clients for the purposes of the Directive in relation to all investment services and financial instruments:

1. legal entities that must be authorized or supervised in order to operate in the financial markets. The list below is to be understood as including all authorized entities that provide the activities that are characteristic of the entities mentioned: Entities authorized by a Member State under a Directive, entities authorized or supervised by a Member State without reference to a Directive, entities authorized or supervised by a third country:
  - a) Credit institutions
  - b) Investment firms
  - c) other licensed or supervised financial institutions
  - d) Insurance companies
  - e) Undertakings for collective investment and their management companies
  - f) Pension funds and their management companies
  - g) Commodity traders and commodity derivatives traders
  - h) local investors
  - i) other institutional investors.
2. Large companies that meet two of the following requirements at the corporate level.
  - ◆ Balance sheet total: EUR 20 000 000,
  - ◆ Net sales: EUR 40 000 000,
  - ◆ Own resources: EUR 2 000 000.
3. national and regional governments, public debt management agencies, central banks, international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB and other similar international organizations.

4. Other institutional investors whose principal activity is investment in financial instruments, including institutions engaged in the securitization of debt and other financing activities.

The legal entities mentioned above are seen as professional clients at . However, it must be possible for them to request treatment as a non professional client where investment firms are willing to provide a higher level of protection. If the client of a value paper firm is one of the above-mentioned firms, the investment firm must inform them prior to providing any services that, based on the information it has, they will be classified as a professional client and be acted upon, unless the investment firm and the client agree otherwise. The firm must also inform the client that he may request an amendment to the agreed terms and conditions in order to obtain a higher level of protection.

It is the responsibility of the client classified as a professional client to request the higher level of protection if he/she believes that he/she cannot correctly assess or manage the risks associated with the investment.

The higher level of protection is granted when a client classified as a professional client enters into a written agreement with the investment firm not to treat him as a professional client for the purposes of the applicable conduct of business rules. This agreement should specify whether this applies to one or more services or transactions or to one or more types of products or transactions.

5. clients who can be treated as professional clients upon request in accordance with Directive 2014/65/EU (MiFID II) .

## **B. Private investors**

Private investor is any investor who is not a professional investor.

# **IV. Amendments to the trust agreement/structural measures**

## **Art. 12 Amendments to the trust agreement**

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

The AIFM shall notify the FMA in writing of material changes to the information provided pursuant to Art. 112 par. 2 AIFMG at least one month prior to the implementation of the change or immediately after the occurrence of an unplanned de change.

## **Art. 13 General information on structural measures**

All types of structural measures are permissible. The following are considered structural measures

- a) Mergers of:
  1. domestic AIFs or their subfunds to domestic AIFs or their subfunds;
  2. foreign AIFs or their subfunds to domestic AIFs or their subfunds;
  3. domestic AIFs or their sub-funds to foreign AIFs or their sub-funds, unless the law of the country in which the foreign AIF is domiciled precludes this, and
- b) Demergers of AIFs or their sub-funds, whereby the provisions for mergers pursuant to Art. 78 and 79 AIFMG apply mutatis mutandis to the demerger of AIFs.

The provisions of the UCITSG apply to structural measures between AIF and UCITS.

Unless otherwise provided below, the statutory provisions of Art. 76 et seq. AIFMG and the associated provisions of the ordinance apply to structural measures.

## **Art. 14 Merger**

The AIFM may at any time and at its own discretion, if necessary with the approval of the relevant supervisory authority(ies), decide to merge the AIF with one or more other AIF. This is irrespective of the legal form and/or domicile of the funds. Sub-funds and unit classes of the AIF may also be merged with each other, but also the AIF and the unit classes, if any, may be merged with one or more other AIF or their sub-funds and unit classes.

The merger of AIFs requires the prior approval of the FMA.

The FMA shall grant approval provided that:

- ◆ the written consent of the depositaries involved has been obtained;
- ◆ the constituent documents of the AIFs involved in the merger provide for the possibility of the merger;
- ◆ authorizing the AIFM of the acquiring AIF to manage the investment strategies of the AIF to be acquired;
- ◆ on the same day, the assets of the AIFs involved in the merger are valued, the exchange ratio is calculated and the assets and liabilities are taken over.

The merger shall take effect on the merger date. The transferring AIF shall cease to exist when the merger takes effect. The investors will be informed accordingly about the completion of the merger. The AIFM of the merging AIF shall notify the FMA of the completion of the merger and shall send the confirmation of the auditor to be appointed on the proper execution as well as on the exchange ratio at the time the merger becomes effective. In the annual report of the acquiring AIF, the merger will be listed on in the following year. An audited final report shall be prepared for the transferring AIF.

If an AIF involved in the merger is also marketed to retail investors, the following additional requirements shall apply in addition to the provisions set forth in Art. 78 AIFMG. :

- a) retail investors shall be notified of the proposed merger at least 30 days prior to the effective date; and
- b) neither the AIF nor the private investors may be charged with costs of the merger unless the private investors have approved the costs by a qualified majority.

All assets of the AIF may be transferred to another existing AIF or subfund or to a new AIF or subfund established as a result of the merger on any transfer date.

Until five working days prior to the planned transfer date, investors have the option either to redeem their units without a redemption charge or to exchange their units for units of another AIF that is also managed by the AIFM and has an investment policy similar to that of the AIF to be merged or its sub-fund.

On the transfer date, the values of the acquiring and the transferring AIF or its sub-funds are calculated, the exchange ratio is determined and the entire process is audited by the auditor. The exchange ratio shall be determined according to the ratio of the net asset values of the acquiring and the receiving AIF or sub-fund at the time of the acquisition. The investor will receive the number of units in the new AIF or sub-fund corresponding to the value of its units in the transferring AIF or sub-fund. There is also the possibility that investors in the transferring AIF or sub-fund will be paid up to 10 percent of the value of their units in cash. If the merger takes place during the current financial

year of the transferring AIF or sub-fund, its managing AIFM must prepare a report on the transfer date that complies with the requirements for an annual report.

The AIFM shall make an announcement in the publication organ of the AIF, the website of the LAFV Liechtenstein Investment Fund Association [www.lafv.li](http://www.lafv.li), if the AIF has absorbed another AIF and the merger has become effective. If the AIF ceases to exist as a result of a merger, the AIFM shall take over the announcement managing the absorbing or newly established AIF.

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

In all other respects, the provisions pursuant to Art. 78 AIFMG shall apply to the merger. If private investors are involved, Art. 79 AIFMG must be observed in particular.

## **Art. 15 Information, consent and investor rights**

The information to the investors shall be provided on a durable medium or in the organ of publication in accordance with Art. 85 AIFMV, provided that the constituent documents provide for provision in the organ of publication .

Information regarding mergers is provided on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the organ of publication of the AIF.

If the units or shares of the AIFs involved in the merger are marketed only to professional investors, the merger plan shall contain at least the following information:

- a) the AIFs involved;
- b) The background and rationale for the proposed merger; and
- c) the planned effective merger date.

Investors shall be informed adequately and precisely about the planned merger. The investor information must enable investors to make an informed judgment about the effects of the proposed merger on their investment and the exercise of their rights.

The AIFM shall provide the merger plan free of charge upon request of an investor. It is not obliged to publish the merger plan.

## **Art. 16 Costs of structural measures**

If an AIF involved in the merger is also marketed to retail investors, neither the AIF nor the retail investors may be charged with costs of the merger, unless the retail investors have agreed to bear the costs by qualified majority.

In the case of an AIF that is marketed exclusively to professional investors, legal, consulting or administrative costs associated with the preparation and implementation of structural measures may be charged to the assets of the AIF. In this case, the expected costs must be disclosed in the investor information both in total and roughly per unit or share.

This applies mutatis mutandis to the demerger.

## V. Dissolution of the AIF of its share classes

### Art. 17 Resolution on dissolution

Dissolution of the AIF is mandatory in the cases provided for by law. In addition, the AIFM is entitled to dissolve the AIF at any time.

Share classes may be dissolved by resolution of the AIFM.

Investors, their heirs and other persons may not demand the division or dissolution of the AIF or an individual unit class.

The resolution on the dissolution of the AIF or a unit class shall be published on the website of the Liechtenstein Investment Fund Association LAFV ([www.lafv.li](http://www.lafv.li)) as the publication body of the AIF and, if applicable, other media specified in the fund documents or by means of permanent data carriers (letter, fax, e-mail or comparable). The FMA shall be provided with a copy of the investor notification. From the day of the resolution to dissolve the fund, no more units shall be issued, exchanged or redeemed.

Upon dissolution of the AIF, the AIFM may immediately liquidate the assets of the AIF in the best interest of the investors. In all other respects, the liquidation of the AIF shall be carried out in accordance with the provisions of the Liechtenstein Persons and Companies Act (PGR).

If the AIFM dissolves a unit class without dissolving the AIF, all units of this unit class will be redeemed at their then valid net asset value at . This redemption is published by the AIFM and the redemption price is paid out by the depositary for the benefit of the investors.

### Art. 18 Reasons for the dissolution

To the extent that the net assets of the AIF fall below a value required for economically efficient management, as well as in the event of a material change in the political, economic or monetary environment or in the context of a ratification, the AIFM may decide to redeem all units or shares of the AIF or a unit or share class at the net asset value (taking into account the actual realization prices and realization costs of the investments) of the valuation date on which the relevant decision becomes effective.

### Art. 19 Dissolution costs

The costs of the liquidation shall be charged to the net assets of the AIF.

### Art. 20 Dissolution and bankruptcy of the AIFM or the depositary, respectively

In the event of the dissolution and bankruptcy of the AIFM, the assets managed for the purpose of collective investment for the account of the investors shall not become part of the bankruptcy estate of the AIFM and shall not be dissolved together with its assets. The AIF shall form special assets for the benefit of its investors. With the consent of the FMA, each special asset shall be transferred to another AIFM or dissolved by way of separate satisfaction for the benefit of the investors of the AIF.

In the event of the bankruptcy of the depositary, the assets under management of the AIF must be transferred to another depositary with the consent of the FMA or dissolved by way of separate satisfaction for the benefit of the investors of the AIF.

## **Art. 21 Termination of the depositary agreement**

In the event of termination of the depositary agreement, the net assets of the AIF shall, with the consent of the FMA, be transferred to another depositary or dissolved by way of separate satisfaction for the benefit of the investors of the AIF.

## **VI. Creation of subfunds and share classes**

### **Art. 22 Creation of subfunds**

The AIF is not an umbrella fund and therefore there are no sub-funds. The AIFM may decide at any time to convert the AIF into an umbrella fund and thus launch sub-funds. The constituent documents must then be adapted accordingly.

### **Art. 23 Formation of share classes**

The AIFM is authorized to create units of different unit classes within the AIF and to dissolve or merge existing unit classes.

Unit classes may be formed that may differ from the existing unit classes, for example with regard to the appropriation of income, the front-end load, the reference currency and the use of currency hedging transactions, the management fee, the minimum investment amount, the lock-up period, or a combination of these features. However, the rights of investors who have acquired units from existing unit classes remain unaffected by this, per .

There are currently share classes with the designations **"USD"**, **"USD-I"**, **"CHF "**, **"CHF-I"**, **"EUR"** and **"EUR-I"**. Units of unit class "USD" and "USD-I" are issued and redeemed in the accounting currency of the AIF, the US dollar, units of unit class "CHF" and "CHF-I" in Swiss francs and units of unit class "EUR" and "EUR-I" in euros. The currency risks of the currency classes issued in CHF and EUR may be hedged in whole or in part; this may have a negative impact on the NAV of the currency classes issued in USD. Any costs of a currency hedge of the CHF and EUR unit classes are allocated to this accordingly.

The unit classes issued in connection with the AIF and the fees and remunerations arising in connection with the units of the AIF are listed in Annex B "AIF at a glance".

#### **Side Pockets:**

With the approval of the supervisory authority (FMA), the AIFM is entitled to spin off illiquid asset components and place them in separate subfunds (side pockets). This is the case if a significant portion of the assets of the AIF (more than 10%) cannot be properly valued in the longer term or develops as unsaleable. The unitholders receive shares in the side pocket in proportion to their share in the original assets of the AIF. For the period of the formation of the side pockets, unit trading shall be suspended. After the formation of the side pocket, this sub-fund will be put into liquidation and will distribute the liquidation proceeds to the unitholders as soon as the securities held therein can be valued or sold again. Until the liquidation is completed, no units will be issued or redeemed in the side pockets formed.

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

The respective assets of the AIF shall be invested in accordance with the rules of the AIFMG and in accordance with the investment policy principles described below and within the investment restrictions.

## **Art. 24 Investment objective**

The AIF-specific investment objective is described in Appendix B "AIF at a glance".

## **Art. 25 Investment Policy**

The AIF-specific investment policy is described in Appendix B "AIF at a glance".

The following general investment principles and restrictions apply to the AIF, unless deviations or additions are included for the AIF in Appendix B "AIF at a Glance".

## **Art. 26 Invoice/reference currency**

The accounting currency of the AIF as well as the reference currency per unit class are stated in Annex B "AIF at a glance".

The accounting currency is the currency in which the AIF's accounts are kept. The reference currency is the currency in which the performance and the net asset value of the unit classes are calculated. The investments are made in the currencies that are best suited for the performance of the AIF.

## **Art. 27 Profile of the typical investor**

The profile of the typical investor in the AIF is described in Appendix B "AIF at a glance".

## **Art. 28 Approved plants**

In principle, an AIF may invest in all asset classes. Any restrictions can be found in Appendix B "AIF at a glance".

## **Art. 29 Non-permitted installations**

The AIF's unauthorized investments are identified in Appendix B, "AIF at a Glance."

The AIFM may at any time impose further investment restrictions in the interest of the unitholders to the extent necessary to comply with the laws and regulations of those countries in which the units or shares of the AIF are offered and sold.

## **Art. 30 Investment limits**

The statutory provisions of the AIFMG do not provide for investment limits. Any restrictions set by the AIFM can be found in Annex B "AIF at a glance".

### **A. Investment periods within which the corresponding investment limits must be reached**

The investment limits must be reached within the period specified in Annex B "AIF at a glance".

### **B. Procedure in the event of deviations from the investment limits**

1. The assets of the AIF do not have to comply with the investment limits when exercising subscription rights from securities or money market instruments that are part of its assets.



2. If the investment limits are exceeded, the AIFM must aim to normalize this situation in its sales as a priority objective, taking into account the interests of the investors.
3. Any loss incurred as a result of an active violation of the investment limits/investment regulations must be reimbursed to the AIF without delay.
4. The AIF may deviate from the investment limits of this chapter "General investment principles and restrictions" or the chapter "Investment limits" in Annex B "AIF at a glance" within the first six months after its launch. Articles 28 and 29 of the Trust Agreement shall remain unaffected by this exception and shall be complied with at all times. The requirement of risk diversification shall continue to be complied with.

## **Art. 31 Derivatives use, techniques and instruments**

The use of derivatives, borrowing, securities lending and repurchase agreements is governed by the statutory provisions of the AIFMG.

Further information on the risk management process, securities lending and repurchase agreements can be found in Appendix B "AIF at a glance" of the AIF.

### **a) Risk management procedures**

The AIFM must use a risk management process which allows it to monitor and measure at any time the risk associated with the investment positions and their respective share in the overall risk profile of the investment portfolio; it must also use a process which allows an accurate and independent assessment of the value of the OTC derivative instruments. The AIFM must submit reports to the FMA at least once a year containing information that gives a true and fair view of the derivative financial instruments used for the AIF, the underlying risks, the investment limits and the methods used to estimate the risks associated with the derivative transactions.

The total exposure ("Total Exposure") of the AIF is calculated using either the Commitment Method or the Value-at-Risk Method (VaR Method), taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

**The risk management methodology applied by the AIFM can be found in Appendix B "AIF at a glance".**

### **b) Leveraged finance (leverage)**

The leverage of the AIF is the ratio between the risk of the AIF and its net asset value.

Leverage is any method by which the AIFM increases the investment level of the AIF (leverage). This may follow through the conclusion of leverage embedded in derivative financial instruments, repurchase agreements or by other means.

Leverage is calculated by dividing the total exposure of the AIF by its net asset value. For this purpose, the total exposure is calculated using two different methods, i.e. depending on the method, a different value for the leverage results.

Using the sum of the nominal amounts approach ("gross method"), the calculation is made by summing the absolute values of all positions of the AIF without offsets.

The commitment method ("net method") converts positions in derivative financial instruments into equivalent positions in the related underlyings. In doing so, the calculation is made taking into account hedging transactions, i.e. after offsetting netting and hedging effects.

**The expected leverage according to the gross and commitment method can be found at Appendix B "AIF at a glance".**

**c) Liquidity Management**

The AIFM shall use appropriate methods to manage liquidity and shall operate procedures that enable it to monitor the liquidity risks of the AIF. The AIFM shall ensure that the AIF it manages takes into account the investment strategy, liquidity profile and redemption policy of the AIF.

**d) Derivative financial instruments**

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

**The use of derivative financial instruments can be found in Annex B "AIF at a glance". In this context, the AIFM applies the risk management process set out in Annex A "AIF at a glance".**

The AIFM 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 AIF with these derivatives in the AIF:

1. futures contracts on securities, money market instruments, financial indices within the meaning of Article 9 (1) of Directive 2007/16/EC, interest rates, precious metals, raw materials, volatilities, exchange rates or currencies;
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, precious metals, commodities, volatilities, exchange rates or currencies and on futures contracts pursuant to item 1 of this subparagraph (d), 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 and becomes zero if the difference has the other sign;
3. interest rate swaps, currency swaps or cross-currency interest rate swaps;
4. Options on swaps under item 3 of this subparagraph (d), provided they have the characteristics described in item 2 of this subparagraph (d) (swaptions);
5. Credit default swaps, provided that they are used exclusively and comprehensively to hedge the credit risk of precisely allocable assets of the AIF.

The above financial instruments may be assets in their own right, but may also be components of assets.

**e) Securities lending and borrowing**

The AIFM may also lend parts of the AIF's securities portfolio to third parties ("securities lending"). In general, securities lending transactions may only be carried out via recognized clearing organizations, such as Clearstream International or Euroclear, as well as via first-class banks, securities firms, financial services institutions or insurance companies which are specialized in securities lending within their established framework conditions. In the case of a value paper lending transaction, the AIFM or the depositary of the AIF must in principle receive collateral whose value is at least equal to the total value of the securities lent and any

accrued interest. Such collateral must be sought in an acceptable form of financial collateral. Such collateral is not required if the securities are lent via Clearstream International or Euroclear or another equivalent organization, whereby the AIF is assured reimbursement of the value of the securities lent.

Whether the AIFM may lend parts of the securities portfolio of the AIF to third parties ("**securities lending**") or borrow investments from third parties to settle the permitted short sales ("**securities borrowing**") can be found in **Annex B "AIF at a glance"**. For the borrowing of securities the aforementioned provisions shall be applied analogously.

#### **f) Repurchase agreements**

The AIFM may participate on behalf of the AIF in **repurchase** agreements ("repurchase agreements" or "reverse repurchase agreements") consisting of purchases and sales of securities where the agreements give the seller the right or the obligation to repurchase the securities sold from the acquirer at a price and within a period agreed between the two parties at the time the agreement is entered into.

The AIFM may act either as a buyer or a seller in repurchase agreements. However, participation in such transactions is subject to the following guidelines :

- ◆ Securities may only be bought or sold via a repurchase agreement if the counterparty is a financial institution with a first-class credit rating that specializes in this type of transaction.
- ◆ During the term of a repurchase agreement, the purchased securities may not be sold prior to the exercise of the right to repurchase such securities or prior to the expiration of the repurchase term.
- ◆ In addition, it must be ensured that the scope of obligations for repurchase agreements is such that the AIF can/can meet its obligations to redeem units at any time according to .
- ◆ Securities which have been committed or lent as underlying assets in connection with derivative financial instruments or have been taken over under "Reverse Repurchase Agreements" may not be sold under "Repurchase Agreements".

The applicability of repurchase agreements can be found in Annex B "AIF at a glance".

**For further information on the risk management process, securities lending and pension transactions, please refer to Annex B "AIF at a glance".**

#### **g) Collateral policy and investment of collateral**

##### **General**

In connection with OTC financial derivative transactions and efficient portfolio management techniques, the AIFM may accept collateral in the name and for the account of the AIF in order to reduce its counterparty risk. This section sets out the collateral policy applied by the AIFM in these cases. All assets received by the AIFM in the name and on behalf of the AIF under efficient portfolio management techniques (securities lending, repurchase agreements, reverse repurchase agreements) are treated as collateral for the purposes of this section.

##### **Permissible collateral and strategies for its diversification and correlation**

The AIFM may use the collateral it accepts to reduce counterparty risk if it complies with the criteria set out in the relevant laws, regulations and guidelines issued by the FMA, in particular with regard to liquidity, valuation, issuer

creditworthiness, correlation, risks associated with the management of collateral and realizability. Collateral should, above all, meet the following conditions:

#### *Liquidity*

Any collateral other than cash or demand deposits shall be highly liquid at a transparent price and shall be traded on a regulated market or within a multilateral trading facility. In addition, collateral with a short settlement cycle shall be preferred over collateral with a long settlement cycle, as it can be converted into cash more quickly.

#### *Evaluation*

The value of the collateral must be calculated at least on each trading day and must always be up-to-date. The inability to independently determine the value puts the AIF at risk. This also applies to "mark to model" valuations and rarely traded assets.

#### *Credit rating*

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 strong volatility in the value of the collateral, this is only permissible if suitable conservative haircuts are applied.

#### *Correlation*

The security is not issued, issued or guaranteed by the counterparty or by a company belonging to the counterparty's group and does not show a high correlation with the counterparty's performance. However, investors' attention is drawn to the fact that in a difficult market environment, experience has shown 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 in terms of issuer concentration is deemed to be met if the AIF receives collateral where the maximum exposure to any single issuer does not exceed 20% of the net asset value of the AIF. In the case of collateral from multiple securities lending transactions, OTC derivative transactions and repurchase agreements attributable to the same issuer, issuer or guarantor, the total exposure to such issuer shall be aggregated for the purpose of calculating the overall risk limit. By way of derogation from this sub-paragraph, AIFs 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 territorial entities, a third country or a public international body of which at least one EEA Member State is a member. These AIFs should hold securities issued in the context of at least six different issues, whereby the securities from a single issue should not exceed 30% of the net asset value of the AIF.

The AIF may derogate from these rules in accordance with the provisions set out in Art. 31 above.

#### **Custody and recovery**

Provided that ownership of the collateral transferred has passed to the AIFM on behalf of the AIF, the collateral received must be held by the AIF's depositary. Otherwise, the collateral must be held by a third party custodian which is subject to prudential supervision and is independent of the service provider or is legally secured against the default of the related party.

It must be ensured that the AIF can liquidate the collateral at any time without delay without reference to or consent of the counterparty.

### Collateral investment

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

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

- ◆ Investment in demand deposits with a term of no more than 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 sovereigns with high credit ratings;
- ◆ Investments in the context of a repurchase agreement, provided that the counterparty to the repurchase agreement is a credit institution domiciled in an EEA member state or in a third country whose supervisory law is equivalent to that of the EEA;
- ◆ Investments in money market funds with a short maturity structure pursuant to ESMA/2014/937 item 43 subparagraph j.

The reinvestment of demand deposits and deposits redeemable at notice must comply with the provisions of regarding the risk diversification of non-cash collateral.

For the valuation of the value of collateral which is exposed to a non-negligible volatility risk, the AIF must apply prudent haircut rates. The AIFM shall have a haircut policy for the AIF for each type of asset received as collateral and shall take into account the characteristics of the assets, such as the creditworthiness and the price volatility of the respective assets, as well as the results of the stress tests performed. The valuation haircut policy must be documented and, with regard to the respective types of assets, must make each decision to apply or refrain from applying a valuation haircut comprehensible.

### Amount of collateral

The AIFM determines the required level of collateral for OTC derivative transactions and efficient portfolio management techniques by reference to the counterparty risk limits applicable under the trust agreement and taking into account the nature and characteristics of the transactions, the creditworthiness and identity of the counterparties and the prevailing market conditions.

### Haircuts rules

Collateral is valued daily using available market prices and taking into account appropriately conservative haircuts determined by the AIFM for each asset class based on its haircut rules. Depending on the type of collateral received, these rules take into account various factors such as the creditworthiness of the issuer, the maturity, the currency, the price volatility of the assets and, where applicable, the outcome of liquidity stress tests performed by the AIFM under normal and exceptional liquidity conditions. The table below sets forth the haircuts that the new AIFM considers appropriate as of the date of the trust agreement. These values are subject to change from time to time.

Hedging instrument	Valuation multiplier (%)
Account balances (in reference currency of the AIF)	95
Account balances (not in reference currency of the AIF)	85
Government bonds [debt securities issued or explicitly guaranteed by the following countries (does not include, for example, implicitly guaranteed debt): Austria, Belgium, Denmark mark, France, Germany, the Netherlands, Sweden, the United Kingdom and the United States, provided that each of these	

<b>Hedging instrument</b>	<b>Valuation multiplier (%)</b>
countries has a minimum rating of AA-/Aa3 and such debt securities can be marked to market on a daily basis]	
Residual term ≤ 1 year	90
Residual term > 1 year and ≤ 5 years	85
Residual term > 5 years and ≤ 10 years	80
Corporate debt securities (debt securities issued or explicitly guaranteed by a corporation (other than a financial institution) that (i) have a minimum rating of AA-/Aa3, (ii) have a residual maturity of 10 years or less, and (iii) are denominated in an OECD currency)	
Residual term ≤ 1 year	90
Residual term > 1 year and ≤ 5 years	85
Residual term > 5 years and ≤ 10 years	80

### Total return swaps

Total return swaps may be entered into for the AIF. Total return swaps are derivatives in which all income and fluctuations in the value of an underlying are exchanged for an agreed fixed interest payment. One party to the contract, the protection buyer, thus transfers the entire credit and market risk from the underlying asset to the other party, the protection seller. In return, the protection buyer pays a premium to the protection seller. The AIFM may enter into total return swaps for the AIF for hedging purposes and as part of the investment strategy. In principle, all assets that can be acquired for the AIF may be the subject of total return swaps. Up to 100 percent of the AIF's assets may be subject to such transactions. The AIFM expects that in individual cases no more than 50 percent of the AIF's assets will be subject to 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 - accrues in full to the AIF.

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

- ◆ Price of the financial instrument,
- ◆ Cost of execution of the order,
- ◆ Speed of execution,
- ◆ Probability of execution or settlement,
- ◆ Scope and nature of the 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 at .

## Art. 32 Investments in other undertakings for collective investment (UCIs)

In accordance with its individual investment policy, the AIF may, if necessary, invest its assets in units of other undertakings for collective investment (UCIs). The relevant investment limits for the assets of the AIF can be found in Annex B "AIF at a glance".

The attention of investors is drawn to the fact that additional indirect costs and fees are incurred at the level of the indirect investments and that remunerations and fees are charged, but are charged directly to the individual indirect investments. If the

investments pursuant to this article constitute a substantial part of the assets of the AIF, the maximum amount of the management fees can be found in Annex B "AIF at a glance" and in the annual report.

If units or shares are managed directly or indirectly by the AIFM or by a company to which the AIFM is linked by common management, control or qualified participation, neither the AIFM nor the other company may charge fees for the issue or redemption of units or shares to or from the AIF .

### **Art. 33 Limitation of borrowing**

- a) The assets of the AIF may not be pledged or otherwise encumbered, transferred by way of security or assigned by way of security, except in the case of borrowings within the meaning of lit. b below or in the case of security provided in connection with the settlement of transactions with financial instruments.
- b) The AIF may borrow on market terms both for investment purposes and to satisfy redemption requests. The level of borrowing by the AIF is set out in Appendix B "AIF at a glance" under "Investment rationale of the AIF". The borrowing limit does not apply to the acquisition of foreign currencies through a "back-to-back loan". The AIF has no claim against the depositary for the granting of the maximum permissible borrowing limit. The sole decision as to whether, in what manner and in what amount a loan is granted is incumbent on the depositary in accordance with its credit and risk policy. This policy may change under certain circumstances during the term of the AIF.
- c) The previous paragraph does not prevent the acquisition of financial instruments that have not yet been fully paid up.

### **Art. 34 Joint management**

In order to reduce operating and management costs while allowing for a broader diversification of investments, the AIFM may decide to manage some or all of the assets of the AIF jointly with assets belonging to other collective investment undertakings.

The assets of this AIF are currently managed individually and thus not jointly with assets belonging to other undertakings for common investment.

## **VIII. Risk information**

### **Art. 35 AIF-specific risks**

The performance of the units depends on the investment policy and the market development of the individual investments of the AIF 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. It cannot be guaranteed that the investor will receive his invested capital back.

The AIF-specific risks of the AIF can be found in Appendix B "AIF at a glance".

### **Art. 36 General risks**

In addition to the AIF-specific risks, the investments of the AIF may be subject to general risks .

All investments in the AIF are associated with risks. The risks may include or be associated with equity and bond market risks, exchange rate risks, interest rate risks,



credit risks, volatility risks and political risks. Each of these risks may also occur together with other risks. Some of these risks are briefly discussed in this section. It should be noted, however, that this is not an exhaustive list of all possible risks.

**Potential investors should be aware of the risks associated with an investment in the units and should not make an investment decision until they have obtained comprehensive advice from their legal, tax and financial advisors, auditors or other experts on the suitability of an investment in units of this AIF, taking into account their personal financial and tax situation and other circumstances, the information contained in this Trust Agreement and the investment policy of the AIF.**

#### **Market risk**

This is a general risk associated with all investments, which is that the value of a particular investment may change adversely on the unit value of the AIF.

#### **Price risk**

Losses in value of the investments in which the AIF invests may occur. In this case, the market value of the investments develops adversely compared to the cost price. Investments are also exposed to different price fluctuations (volatility). In extreme cases, there may be a risk of a complete loss of value of the corresponding investments.

#### **Economic risk**

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

#### **Concentration risk**

The investment policy may provide for focal points, which may lead to a concentration of the investments, e.g. in certain assets, countries, markets or sectors. In this case, the AIF is particularly dependent on the development of these assets, countries, markets or sectors.

#### **Interest rate risk**

To the extent that the AIF invests in interest-bearing securities, it is exposed to interest rate risk. If the market interest rate level rises, the market value of the interest-bearing securities belonging to the assets may fall considerably. This applies to an even greater extent if the assets also hold interest-bearing securities with longer remaining maturities and lower nominal interest rates.

#### **Currency risk**

If the AIF holds assets denominated in foreign currency(ies), it is exposed (to the extent that foreign currency positions are not hedged) to a direct currency risk. Falling foreign exchange rates lead to a reduction in the value of the foreign currency assets. 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 development of investments from.

#### **Monetary value risk**

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

#### **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 need not have changed in the long term. Psychological market risk has a particular impact on equities.

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

The AIF 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 may affect the general risk profile through additional opportunities and risks. The use of derivative financial instruments can be found in Appendix B "AIF at a glance".

Derivative financial instruments are not investment instruments in their own right, but are rights whose valuation is derived primarily 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 the 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. Therefore, the use of derivatives requires not only an understanding of the underlying instrument, but also a sound knowledge of the derivatives themselves.

Derivative financial instruments also entail the risk that the AIF may incur a loss because another party to the derivative financial instrument (usually a "counterparty") fails to comply with its obligation .

The credit risk for derivatives traded on an exchange is generally lower than the risk for over-the-counter (OTC) derivatives because the clearing house, which acts as the issuer or counterparty of each derivative traded on the exchange, provides a settlement guarantee. There is no comparable clearing house guarantee for derivatives traded over-the-counter. An OTC derivative may therefore not be closed out.

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

Further risks in connection with the use of derivatives lie in incorrect price determination or valuation of derivatives. Many derivatives are complex and often subjectively valued. Inappropriate valuations may result in increased cash demands from counterparties or a loss of value for the AIF. Derivatives do not always bear a direct or parallel relationship to the value of the assets, interest rates or indices from which they are derived. Therefore, the use of derivatives by the AIF may not always be an effective means of achieving the AIF's investment objective and may sometimes even have the opposite effect.

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

If the AIF conducts over-the-counter transactions (OTC transactions/ efficient portfolio management techniques), it may be exposed to risks related to the credit worthiness of the OTC counterparties: When entering into forward contracts, options and swap transactions, securities lending, securities repurchase transactions, reverse repurchase transactions or using other derivative techniques, the AIF is subject to the risk that an OTC counterparty may not (or may not) meet its obligations under a particular contract or contracts. Counterparty risk may be mitigated by the posting of collateral. If collateral is owed to the AIF in accordance with the applicable agreements, it will be held in custody by or for the depositary for the benefit of the AIF. Bankruptcy, insolvency or other credit default events at the depositary or within its sub depositary/correspondent banking network may result in the AIF's rights in connection with the collateral being postponed

or otherwise restricted. If the AIF owes collateral to the OTC counterparty under applicable agreements, such collateral shall be transferred to the OTC counterparty as agreed between the AIF and the OTC counterparty. Bankruptcy, insolvency or other credit default events of the OTC Counterparty, the Depositary or within its sub-custodian/correspondent banking network may result in the AIF's rights or recognition in respect of the collateral being delayed, restricted or even excluded, which would require the AIF to meet its obligations under the OTC Transaction notwithstanding any collateral provided in advance to cover such obligation. .

The risk associated with the management of the collateral, such as operational or legal risk in particular, is identified, managed and mitigated by the risk management applied to the AIF.

The AIF may disregard counterparty risk provided that the value of the collateral, valued at market price and with reference to the appropriate haircuts, exceeds the amount of the risk at all times.

An AIF may incur losses on the investment of the cash collateral it receives. Such a loss may arise from a decline in the value of the investment made with the cash collateral received. If the value of the cash collateral invested declines, this reduces the amount of collateral that was available to the AIF to return to the counterparty when the transaction was entered into. The AIF would have to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, resulting in a loss to the AIF.

#### **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 AIF 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 AIF - and in certain circumstances also on the Portfolio Manager's ability to implement the AIF's investment strategy. The AIF may also incur additional costs as a result of complying with the benchmark regulation. The benchmark index may change over time. In this case, the constituent documents will be updated at the next opportunity and investors will be informed by notice in the publication organ as well as in the media mentioned in the constituent documents or by means of durable data carriers (letter, fax, email or equivalent).

#### **Liquidity risk**

Assets may also be acquired for the AIF that are not listed on a stock exchange or included in another organized market. Thus, there may 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 certain 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 fulfill their contractual obligations to perform transactions. The AIF may incur a loss as a result.

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

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

### **Country or transfer risk**

Country risk is defined as the risk that a foreign debtor, despite its ability to pay, is unable to make payments on time or at all due to the inability or unwillingness of its country of domicile to make transfers (e.g., due to foreign exchange restrictions, transfer risks, moratoria, or embargoes). For example, payments to which the AIF 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 to the assets of the AIF resulting from internal processes not covered by and from human or system failures at the AIFM 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 the assets of the AIF.

### **Settlement risk**

In particular, when investing in unlisted securities, there is a risk that settlement by a transfer system may not be executed as expected due to a delayed payment or delivery that is not in accordance with the agreement.

### **Key person risk**

AIFs whose investment results are very positive in a given period owe this success in part to the suitability of the people involved and thus to the correct decisions made by their management. However, the composition of the fund management team can change. New decision-makers may then be less able to act successfully.

### **Legal and tax risk**

The purchase, holding or sale of investments of the AIF may be subject to tax law requirements (e.g. withholding tax) outside the country of domicile of the AIF. Furthermore, the legal and tax treatment of AIFs may change in ways that cannot be seen or influenced. A change in incorrectly determined tax bases of the AIF for previous financial years (e.g. due to external tax audits) may result in the investor having to bear the tax burden from the correction for previous financial years in the event of a correction that is fundamentally disadvantageous for the investor from a tax point of view, even though the investor may not have been invested in the AIF at that time. Conversely, the investor may be faced with the situation that a correction for the current and for previous financial years in which he was invested in the AIF, which is in principle tax disadvantageous before, no longer benefits him due to the redemption or sale of the units before 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 effect on the individual investor.

### **Sustainability risks**

The term "sustainability risks" is understood to mean the risk of a material loss of value of an investment due to environmental, social or corporate governance (ESG=Environment/Social/Governance) events. If the AIF should consider sustainability risks in the investment process, a detailed description in this regard is provided in Appendix B "AIF at a glance". Investors are advised that ESG criteria are not systematically taken into account in the investment process of the AIF, as the risk of a material loss of value of an investment due to an environmental, social or governance (ESG) incident is generally considered financially irrelevant.

### **Custody risk**

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

### **Change in investment policy and fees**

By changing the investment policy within the legally and contractually permitted investment spectrum, the risk associated with the AIF may change. The AIFM may increase the fees to be charged to the AIF and/or substantially change the investment policy of the AIF within the applicable trust agreement by amending the trust agreement including Annex A "Organizational structure of the AIFM/AIF" and Annex B "AIF at a glance" at any time.

### **Amendment of the trust agreement**

The AIFM reserves the right in the trust agreement to amend the trust terms. Furthermore, according to the trust agreement, it is possible for it to dissolve the AIF entirely or to merge it with another AIF or subfund. For the investor, there is therefore a risk that he may not be able to realize his planned holding period.

### **Risk of suspension of redemption**

In principle, investors may request the AIFM to redeem their units in accordance with the valuation interval of the AIF. However, the AIFM may temporarily suspend the redemption of units in the event of exceptional circumstances and only redeem the units at a later date at the price then applicable (see in detail "Suspension of the calculation of the net asset value and the issue, redemption and conversion of units"). This price may be lower than the price prior to the suspension of redemption. A suspension of redemption of units may be directly followed by a liquidation of the AIF.

### **Hedging risk**

Unit classes whose reference currency is not the same as the portfolio currency can be hedged against exchange rate fluctuations. This is intended to protect the investors of 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 as well as ongoing subscriptions and redemptions, it is not always possible to maintain hedges at exactly the same level as the net asset value of the unit class being hedged. It is therefore possible that the net asset value per unit in a hedged unit class will not develop identically to the net asset value per unit in an unhedged unit class.

## **IX. Valuation and share deal**

### **Art. 37 Calculation of the net asset value per unit**

The net asset value (NAV) per unit or share of the AIF or of a unit or share class shall be calculated by the AIFM or its delegate at the end of the accounting year and on the respective valuation date on the basis of the last known prices, taking into account the valuation interval.

The NAV of a unit in a unit class of the AIF is expressed in the accounting currency of the AIF or, if different, in the reference currency of the relevant unit class from and results from the proportion of the assets of the AIF attributable to the relevant unit class, reduced by any debt obligations of the AIF allocated to the unit class concerned, divided by the number of units of the relevant unit class in circulation.

The AIFM is entitled to calculate a so-called special NAV for the AIF in deviation from the usual valuation interval in order to enable the prompt issue and redemption of units in special cases. Information on this is provided in the respective Annex B "AIF at a glance".

**The valuation principles of the AIF as well as further information on the calculation of the net asset value per share can be found in Appendix B "AIF at a glance".**

## Art. 38 Issue of shares

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

The shares are not certificated as securities.

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 earmarked for the following issue date. For applications placed with distributors in Germany and abroad, earlier closing times for the submission of applications may apply in order to ensure timely forwarding to the depositary in Liechtenstein. These can be obtained from the respective distributors.

Information on the issue date, the valuation interval, the acceptance deadline and the amount of the maximum issue premium, if any, can be found in Appendix B "AIF at a glance".

Payment must be received within the period (value date) specified in Annex B "AIF at a glance" after the relevant issue date on which the issue price of the units was determined. However, the AIFM is entitled to extend this period if the period provided for proves to be too short.

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

All taxes and duties incurred through 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 further transaction costs.

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

The minimum investment that must be subscribed by an investor in a particular share class is set out in Annex B "AIF at a glance". The minimum investment may be waived at the discretion of the AIFM.

Units may also be subscribed at the request of an investor with the consent of the AIFM against transfer of investments at the respective daily price (contribution in kind or payment in specie). The AIFM is not obliged to act on such a request.

Contributions in kind must be reviewed and evaluated by the AIFM based on objective criteria. The transferred investments must be in line with the investment policy of the AIF and, in the opinion of the AIFM, there must be a current investment interest in the securities. The value of the contribution in kind must be verified by the AIFM or the auditor. All costs incurred in this connection (including costs of the auditor, other expenses and any taxes and duties) shall be borne by the relevant investor and may not be charged to the relevant fund assets.

The AIFM may also take the decision to fully or temporarily suspend the issuance of units if new investments could impair the achievement of the investment objective.

The depositary and/or the AIFM may at any time reject a subscription application or temporarily restrict, suspend or permanently discontinue the issue of units or shares if this appears necessary in the interest of the investors, in the public interest, for the protection of the AIFM or the AIF or the investors. In this case, the depositary will immediately refund, without interest, any payments received on subscription



applications not already made from , with the assistance of the paying agents if necessary.

The issue of units of the AIF may be discontinued in cases of application of Art. 41 of this Trust Agreement.

### **Art. 39 Redemption of shares**

Units of the AIF shall be redeemed on each valuation day (redemption day), taking into account any redemption period specified in Appendix B "AIF at a glance", at the net asset value per unit of the corresponding unit class of the AIF, less any redemption fees and any taxes and levies.

Redemption requests must be received by the depositary by the acceptance deadline at the latest. If there is a notice period for redemptions, this can be found in Appendix B "AIF at a glance". If a redemption request is received after the acceptance deadline , it will be noted for the following redemption day. For applications placed with distributors in Germany and abroad, earlier closing times for the submission of applications may apply in order to ensure that they are forwarded to the depositary in Liechtenstein in good time. These can be obtained from the respective distributors .

For information on the redemption date, the valuation interval, the acceptance deadline and the amount of the maximum redemption fee, if any, please refer to Appendix B "AIF at a glance".

Repayment shall be made within a specified period (value date) after the valuation date. The AIFM is entitled to extend this period if the regular value date proves to be too short. Information on the value date can be found in Appendix B "AIF at a glance". This does not apply in the event that the transfer of the redemption amount proves impossible in accordance with legal regulations such as foreign exchange and transfer restrictions or due to other circumstances beyond the control of the depositary.

In the case of large redemption requests, the AIFM may decide not to settle a redemption request until corresponding assets of the AIF can be sold without undue delay. If such a measure is necessary, all redemption requests received on the same day shall be settled at the same price. In particular, the AIFM reserves the right not to fully execute redemption requests on a redemption day on which the totality of the redemption requests would result in a cash outflow of more than 10% of the total net assets of the fund on the redemption day in question. In such circumstances, the AIFM may decide to execute such redemption requests only on a pro rata basis and to defer the unexecuted redemption requests of the redemption day to the next redemption day.

If, at the request of the investor, payment is to be made in a currency other than the invoicing currency, the amount payable shall be calculated from the proceeds of the exchange from the invoicing currency into the payment currency, less any fees and charges.

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

If the execution of a redemption request results in the relevant investor's holding falling below the minimum investment of the relevant unit class listed in Annex B "AIF at a glance", the AIFM may, without further notice to the investor, treat such redemption request as a request for redemption of all units held by the relevant investor in that unit class or as a request for conversion of the remaining units into another unit class of the AIF with the same reference currency for which the investor fulfills the participation requirements. .



The AIFM and/or depositary may redeem units against payment of the redemption price against the investor's will, to the extent that this appears necessary in the interest or for the protection of the investors, the AIFM or the AIF, 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 shares, which could be detrimental to the investors as a whole,
2. the investor does not fulfill the conditions for an acquisition of the shares or
3. the units are marketed in a country in which the AIF is not authorized for marketing or have been acquired by a person for whom the acquisition of the units is not permitted.

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

The redemption of units of the AIF may be discontinued in cases of application of Art. 41 of this Trust Agreement.

Payments in kind are permitted and must be reviewed and evaluated by the AIFM on the basis of objective criteria. Units may also be redeemed against transfer of investments of the AIF or its sub-funds at the respective daily price (payment in kind or payment in specie). The value of the transferred investments must be confirmed by a report of the auditor.

#### **Art. 40 Exchange of shares**

If different unit classes are offered, units of one unit class may also be exchanged for units of another unit class within the AIF. Any conversion fees can be found in Appendix B "AIF at a glance". If an exchange of units is not possible for certain unit classes, this is mentioned for the unit classes concerned in Annex B "AIF at a glance".

The number of shares into which the investor wishes to exchange his holding is calculated according to the following formula:

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

- A = Number of units of the unit class into which the units are to be exchanged  
B = number of units of the unit class from which the exchange is to be executed  
C = Net asset value or redemption price of the units presented for exchange  
D = foreign exchange rate between the share classes concerned. If both share classes are valued in the same accounting currency, this coefficient is 1.  
E = Net asset value of the units of the unit class into which the switch is to be made, plus taxes, fees or other levies

On a case-by-case basis, duties, taxes and stamp duties may be payable in individual countries when switching share classes.

The AIFM may reject a conversion request for a share class at any time if this appears to be in the interest of the AIF, the AIFM or the investors, in particular if:

1. there is a suspicion that the investor in question is using market timing, late trading or other market techniques to acquire the shares which could be detrimental to the investors as a whole;
2. the investor does not meet the conditions for acquiring the shares; or
3. the units are marketed in a country in which the AIF is not permitted to be marketed or have been acquired by a person for whom the acquisition of the units is not permitted.

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

The exchange of units of the AIF may be discontinued in cases of application of Art. 41 of this Treu handvertrag.

#### **Art. 41 Suspension of the calculation of the net asset value and of the issue and redemption of units**

The AIFM may temporarily suspend the calculation of the net asset value and/or the issue of units or shares of the AIF if this is justified in the interest of the investors, in particular:

1. if a market which forms the basis for the valuation of a substantial part of the assets of the AIF 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 AIF due to restrictions on the transfer of assets.

The AIFM may also decide to suspend the issuance of units, in whole or in part, 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 discontinued. If the issue of units is discontinued, investors shall be informed immediately of the reason and the time of the discontinuation by means of a notice in the organ of publication and the media specified in the fund documents or by means of permanent data carriers (letter, fax, e-mail or similar).

In addition, the AIFM is entitled, while safeguarding the interests of the investors, to make significant redemptions only, i.e. to temporarily suspend redemption, after the corresponding assets of the AIF 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 the AIF will be issued . The exchange of units whose redemption is temporarily restricted is not possible.

The AIFM shall ensure that the AIF has sufficient liquid assets available from so that redemption of units upon request of investors can be effected without undue delay under normal circumstances.

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

## Art. 42 Lock-up period for unit redemption (lock-up)

Unit classes may provide for a so-called lock-up. A **lock-up** is a **period** during which no redemption of units takes place. Redemption applications are only accepted and settled again after the lock-up period has expired and the notice period has been observed. If redemption requests are received during the lock-up period, they will be rejected. Further information and details can be found in Appendix B "AIF at a glance".

Upon decision of the AIFM, units may be compulsorily redeemed against payment of the redemption price without the consent of an investor prior to the expiry of the lock-up .

## Art. 43 Late Trading and Market Timing

If there is any suspicion that an applicant is engaging in late trading or market timing, the AIFM and/or the depositary will refuse to accept the subscription, conversion or redemption application until the applicant has resolved any doubts regarding its application.

### Late Trading

Late trading is understood to mean the acceptance of a subscription, conversion or redemption order received after the order acceptance deadline (cut-off time) of the day in question 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 cut-off time of the orders 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 met the official acceptance deadline. The advantage of this investor is even more significant if he can combine late trading with market timing.

### Market Timing

Market timing means the arbitrage process by which an investor systematically subscribes and resells or converts units of the same AIF or unit class on a short-term basis by taking advantage of time differences and/or errors or weaknesses in the system to calculate the net asset value of the AIF or unit class.

## Art. 44 Prevention of money laundering and terrorist financing

The AIFM shall ensure that the domestic distributors undertake vis-à-vis the AIFM 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 due diligence agents to identify the subscriber in accordance with the Due Diligence Act and the Due Diligence Ordinance, to determine the beneficial owner, to draw up a profile of the business relationship and to comply with all local regulations applicable to them for the prevention of money laundering.

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

## X. Costs and fees

### Art. 45 Ongoing charges

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

##### **Management and administration fee:**

The AIFM shall charge annual fees for portfolio management, risk management and distribution as well as for the administration of the AIF in accordance with Annex B "AIF at a glance". These fees are calculated on the basis of the average net assets of the fund or the corresponding share class, capped at each valuation date from and levied pro rata temporis each quarter in arrears. The fees of the AIF or the respective unit class can be found in Annex B "AIF at a glance". The AIFM is free to set different management fees for one or more unit classes of the AIF.

This also includes portfolio maintenance commissions, which can be paid to third parties for the brokerage and servicing of investors.

##### **Custodian fee:**

For the performance of its duties under the depositary agreement, the depositary shall receive a fee as set out in Annex B "AIF at a glance". The depositary fee is calculated on the basis of the average net fund assets or the corresponding unit class, accrued on each valuation date and levied pro rata temporis each quarter in arrears. The AIFM is free to set different depositary fees for one or more unit classes of the AIF.

#### B. Expenses independent of assets Fees (individual expense):

##### **Ordinary expense**

In addition to the remuneration from the preceding paragraphs, the following expenses independent of the assets may be charged to the assets of the AIF. The applicable amount of the expenses of the AIF shall be stated in the annual report. The AIFM and the depositary are entitled to reimbursement of the following expenses incurred in the performance of their functions:

- ◆ Costs of preparing, printing and mailing the annual reports and other publications required by law;
- ◆ Costs for the publication of the AIF's notices addressed to investors in the publication media and any additional newspapers or electronic media determined by the AIFM, including price publications;
- ◆ Fees and costs for authorizations and supervision of the AIF in Liechtenstein and abroad;
- ◆ all taxes levied on the assets of the AIF and its income and expenses at the expense of the AIF;
- ◆ taxes related to the costs of administration and custody, if any ;
- ◆ Fees incurred in connection with any listing (bringing about, maintaining and terminating) of the AIF and its distribution in Switzerland and abroad (e.g. consulting, legal, translation costs);
- ◆ Costs and expenses for regular reports to insurance companies, pension funds and other financial service providers (e.g. GroMiKV, Solvency II, MiFID II, VAG, ESG/SRI report and ratings, etc.);
- ◆ Fees, costs and charges in connection with the determination and publication of tax factors for the countries of the EU/EEA and/or all countries where distribution licenses exist and/or private placements are in place, according to the actual expenses at market rates;
- ◆ Costs incurred in connection with the fulfillment of the prerequisites and follow-up obligations of the distribution of the units of the AIF in Germany and abroad

(e.g. fees for paying agents, representatives and other agents with a comparable function, fees for fund platforms (e.g. listing fees, setup fees, etc.), consulting, legal, settlement costs);

- ◆ Costs for preparation or amendment, translation, filing, printing and mailing of the constituent documents (Treu handvertrag, KIID, PRIIP, calculation SRRI/SRI, etc.) in the countries where the units are distributed;
- ◆ Administrative fees and reimbursement of costs of government agencies;
- ◆ a reasonable share of costs for printed matter and advertising directly incurred in connection with the offering and sale of shares;
- ◆ Fees of the auditor and of legal and tax advisors, insofar as these expenses are incurred in the interests of the investors;
- ◆ Costs for the preparation, the announcement of the taxation bases and the certificate that the tax information was determined according to the rules of the respective foreign tax law;
- ◆ Internal and external costs for the recovery of foreign withholding taxes, to the extent that these can be made for the account of the AIF. With respect to the recovery of foreign withholding taxes, it should be noted that the AIFM does not undertake to recover such taxes and such recovery will only be made if the procedure is justified according to the criteria of materiality of the amounts and proportionality of the costs in relation to the possible amount to be recovered. With respect to investments that are subject to securities lending, the AIFM will not make a withholding tax recovery;
- ◆ Expenses related to the exercise of voting rights or creditors' rights by the AIF, including fees or costs for external advisors;
- ◆ Costs for the credit rating of the assets of the AIF or its target investments by nationally or internationally recognized rating agencies;
- ◆ Costs in connection with legal requirements for the AIF (e.g. reporting to authorities, material investor information, etc.);
- ◆ Fees and costs incurred as a result of other legal or regulatory requirements to be met by the AIFM as part of the implementation of the investment strategy (such as reporting and other costs incurred as part of compliance with the European Market Infrastructure Regulation (EMIR, EU Regulation 648/2012));
- ◆ The costs of the performance of in-depth tax, legal, accounting, business and market audits and analyses (due diligence) by third parties, with which in particular a private equity investment is examined in depth for its investment suitability for the AIF. These costs may be charged to the AIF even if an investment is subsequently not made;
- ◆ Research costs;
- ◆ External costs for assessing the sustainability ratings (ESG research) of the AIF's assets or its target investments;
- ◆ License fees for the use of any reference values ("benchmarks");
- ◆ Costs of establishing and maintaining additional counterparties when it is in the interest of investors.

### **Transaction costs**

In addition, the AIF shall bear all ancillary costs arising from the management of the assets of the AIF (market compliant brokerage fees, commissions, duties) as well as all taxes levied on the assets of the AIF as well as its income and expenses (e.g. withholding taxes on foreign income). The AIF also bears any external costs, i.e. fees from third parties, incurred in the purchase and sale of the investments. These costs are charged directly against the cost or sales value of the relevant investments.

Consideration which is included in a fixed flat fee may not be additionally charged as an individual expense.

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

The costs, if any, of currency hedging of unit classes are allocated to the corresponding unit class.

**Service fee**

Any periodic service fees for additional services provided by the depositary can be found in Appendix B "AIF at a glance".

**Formation costs**

The costs of setting up the AIF and the initial issue of units are amortized over three years at the expense of the AIF's assets.

**Liquidation fees**

In the event of the liquidation of the AIF, the AIFM may charge a liquidation fee in the amount of max. CHF 10,000 or the corresponding counter value in another currency in its favor. In addition to this amount, all costs of authorities, the auditor and the depositary shall be borne by the AIF.

**Extraordinary disposition costs**

In addition, the AIFM may charge costs for extraordinary dispositions to the assets of the AIF.

Extraordinary management costs consist of expenses incurred exclusively for the purpose of safeguarding the investor's interest, which arise in the course of the regular business activity and which were not foreseeable at the time the AIF was established. Extraordinary disposition costs are in particular legal advice and procedural costs in the interest of the AIF or the investors. In addition, all costs of any extraordinary dispositions that may become necessary in accordance with the AIFMG and AIFMV (e.g. amendments to the fund documents) are also included.

**Grants**

In connection with the acquisition and disposal of property and rights for the AIF, the AIFM, the depositary and all due agents shall ensure that in particular donations directly or indirectly benefit the AIF.

**Ongoing charges (total expense ratio, TER)**

The total ongoing charges before any performance fee (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, includes all costs and fees charged on an ongoing basis to the assets of the AIF. The TER of the AIF or the respective unit class is shown on the website of the LAFV Liechtensteiner Anlagefonds verband at [www.lafv.li](http://www.lafv.li) as well as in the respective annual report, if it has already been published.

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

In addition, the AIFM may charge a performance fee. If a performance fee is charged, this is described in detail in Annex B "AIF at a glance" at .

**Art. 46 Costs borne by investors****Issue surcharge:**

In order to cover the costs incurred in the placement of the units, the AIFM may charge an issue premium on the net asset value of the newly issued units for the benefit of the AIFM, the distributor and/or distributors in Switzerland or abroad in accordance with Annex B "AIF at a glance".

Any issue premium in favor of the AIF can also be found at Appendix B "AIF at a glance".

**Redemption discount**

For the payment of redeemed units, the AIFM shall levy a redemption charge on the net asset value of the redeemed units for the benefit of the AIF in accordance with Annex B "AIF at a glance".

Any redemption discount in favor of the AIFM, the depositary and/or distributors in Switzerland or abroad can also be found in Appendix B "AIF at a glance".

### **Conversion fee**

For the change from one unit class to another unit class requested by the investor, the AIFM may charge a fee on the net asset value of the original unit class in accordance with Annex B "AIF at a glance".

## **XI. Final provisions**

### **Art. 47 Use of success**

The realized income of the AIF is composed of net income and net realized capital gains. Net income consists of income from interest and/or dividends and other or miscellaneous income less expenses.

The AIFM may distribute the net income and/or the net realized capital gains of the AIF or a share class to the investors of the AIF or the respective share class or reinvest (the same) such net income and/or net realized capital gains in the AIF or the respective share class or carry them forward.

The realized income of those unit classes which are reinvested in accordance with Appendix B "AIF at a glance" is reinvested on an ongoing basis, i.e. accumulated.

The net income and/or the net realized capital gains of those unit classes which show a distribution in accordance with Appendix B "AIF at a glance" may be distributed annually or more frequently, in whole 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 of the AIF or the respective unit class carried forward may be distributed. Interim distributions of net income carried forward and/or realized capital gains carried forward are permitted.

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

### **Art. 48 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 a reference ("benchmark") in financial instruments and financial contracts or to measure the performance of a collective investment undertaking, regulated entities (such as UCITS management companies and AIFMs) may use benchmarks within the meaning of the Benchmark Regulation ("Benchmark Regulation") in the EU if the benchmark is provided by an administrator registered in the Administrators and Benchmarks Directory maintained by ESMA pursuant to the Benchmark Regulation (the "Directory").

Benchmarks may be used by the AIF in any Key Investor Information Document (KIID) and in any marketing material as a reference for comparison purposes in order to measure the performance of the AIF against them. The AIF is actively managed and the portfolio manager is therefore free to decide in which securities it invests. Consequently, the performance may differ significantly from that of the benchmark. The benchmark index, if used by the AIFM or the portfolio manager on its behalf, is disclosed in Appendix B "AIF at a glance".



The benchmark index may change over time. In this case, Annex B "AIF at a glance" of the constituent documents will be updated at the next opportunity and investors will be informed by notice in the organ of publication as well as in the media mentioned in the constituent documents or by means of durable data carriers (letter, fax, email or equivalent).

In addition, the AIF may use benchmarks for the calculation of performance fees. Detailed information on any performance fee can be found in Art. 45 of this trust agreement and in Appendix B "AIF at a glance".

The AIFM assumes no liability with respect to a Benchmark Index 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 described index methodologies.

The AIFM has prepared a written plan of actions it will take with respect to the AIF in the event that the index changes significantly or is no longer provided. Information in relation to this plan is available free of charge upon request at the registered office of the AIFM.

## **Art. 49 Grants**

The AIFM reserves the right to grant inducements to third parties for the provision of services. As a rule, the basis of assessment for such grants shall be the commissions, fees, etc. charged to and/or assets placed with the AIFM /asset portfolio parts. Their amount shall correspond to a percentage share of the respective measurement ground laid. Upon request, the AIFM shall disclose to the investor at any time further individual conditions regarding the agreements made with third parties. The investor hereby waives any right to further information from the AIFM, in particular the AIFM shall not be subject to any detailed accounting obligation with respect to effectively paid contributions.

The investor acknowledges and accepts that the AIFM may receive inducements from 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"). (hereinafter referred to as "products"; this also includes products managed and/or issued by a group company) may be granted inducements, generally in the form of portfolio payments. The amount of such payments varies depending on the product and the product provider. Portfolio payments are usually measured according to the volume of a product or product group held by the AIFM. Their amount usually corresponds to a percentage of the management fees charged to the respective product, which are remunerated periodically during the holding period. In addition, distribution commissions may also be paid by issuers of securities in the form of discounts on the issue price (percentage discount) or in the form of one-off payments, the amount of which corresponds to a percentage share of the issue price. Subject to any other provision, the investor may at any time before or after the provision of the service (purchase of the product) request further details from the AIFM about the agreements made with third parties regarding such inducements. However, the right to information on further details regarding transactions already made is limited to the 12 months preceding the request. The investor expressly waives any right to further information. If the investor does not request further details prior to the provision of the service or if he/she obtains the service after obtaining further details, he/she waives any right to disclosure within the meaning of Section 1009a of the Austrian Civil Code (Allgemeines Bürgerliches Gesetzbuch, ABGB).

## **Art. 50 Tax regulations**

All Liechtenstein AIF in the legal form of a (contractual) investment fund or collective trusteeship are subject to unlimited tax liability in Liechtenstein and are under subject to

income tax. The income from the assets under management constitutes tax free income.

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

The creation (issue) of units in such an AIF is not subject to the issue and turnover tax. The transfer of ownership of units for consideration is subject to the turnover tax if one party or an intermediary is a domestic securities dealer. The redemption of units is exempt from the turnover tax. The contractual investment fund or the collective trustee company is deemed to be an investor exempt from the turnover tax.

### **Withholding or imprest taxes**

Both income and capital gains, whether distributed or reinvested, may be subject to a so-called paying agent tax (e.g. withholding tax, Foreign Account Tax Compliance Act) in part or in full, depending on the person who directly or indirectly holds the units of the AIF.

The AIF in the legal form of the contractual investment fund or the collective trusteeship is otherwise not subject to any withholding tax liability in the Principality of Liechtenstein, in particular no coupon or withholding tax liability. Foreign earnings and capital gains generated by the AIF in the legal form of the contractual investment fund or the collective trusteeship may be subject to the respective withholding taxes of the country of investment. Any double taxation agreements remain reserved.

The AIF has the following tax status:

### **Automatic tax exchange (AIA)**

With respect to the AIF, a Liechtenstein paying agent may be obliged to report the unitholders to the local tax authority or to make the corresponding statutory reports, in compliance with the AEOI agreements.

### **FATCA**

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

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

The private investor domiciled in the Principality of Liechtenstein must declare his units as assets and these are subject to wealth tax. Any income from distributions or reinvested income of the AIF in the legal form of the contractual investment fund or the collective trusteeship are exempt from acquisition tax. Capital gains realized upon the sale of the units are exempt from acquisition tax. Capital losses may not be deducted from the taxable acquisition.

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

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

### **Disclaimer**

The tax statements are based on the currently known legal situation and practice. We expressly reserve the right to make changes to legislation, case law, decrees and the practice of the tax authorities.

**Investors are encouraged to consult their own professional advisor regarding the relevant tax consequences. Neither the AIFM, the Depositary nor their delegates can**

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

**accept any responsibility for the individual tax consequences to the investor of the purchase or sale or holding of investor shares through .**

## **Art. 51 Information for investors**

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

All notices to investors, including notices of amendments to the trust agreement and Annex A "AIF at a glance", 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 AIF and on other media and data carriers specified in the trust agreement.

The net asset value as well as the issue and redemption price of the units of the AIF or unit class shall be announced on each valuation day on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the publication organ of the AIF as well as on other media and permanent data carriers (letter, fax, email or comparable) mentioned in the fund documents.

The past performance of the AIF or the unit classes is listed on the website of the LAFV Liechtenstein Investment Fund Association at [www.lafv.li](http://www.lafv.li) or in any KIID. The past performance of a unit is no guarantee of the current and future performance to be achieved. The value of a unit may rise or fall at any time.

The annual report, audited by an auditor, is made available to investors free of charge at the registered office of the AIFM and depositary.

## **Art. 52 Reports**

The AIFM shall prepare an audited annual report for each AIF in accordance with the statutory provisions in the Principality of Liechtenstein, which shall be published no later than six months after the end of each financial year.

Additional audited and unaudited interim reports can be generated.

## **Art. 53 Business year**

The financial year of the AIF can be found in Appendix B "AIF at a glance" .

## **Art. 54 Limitation**

The claims of investors against the AIFM, the liquidator, the custodian or the depositary shall become time-barred upon the expiry of five years after the occurrence of the damage, but no later than one year after the redemption of the unit or after knowledge of the damage.

## **Art. 55 Applicable law, place of jurisdiction and authoritative language**

The AIF is subject to Liechtenstein law. The exclusive place of jurisdiction for all disputes between the investors, the AIFM and the depositary is Vaduz.

However, the AIFM and/or the depositary may submit themselves and the AIF to the jurisdiction of the countries in which shares are offered and sold with regard to claims of investors from these countries. The right is reserved to any other legally binding jurisdictions.

The legally binding language for the Trust Agreement as well as for Annex A "Organizational Structure of the AIFM/AIF" and for Annex B "AIF at a Glance" shall be German.

## **Art. 56 General**

In all other respects, reference is made to the provisions of the AIFMG, the provisions of the Austrian General Civil Code (ABGB), the provisions of the Persons and Companies Act (Personen- und Gesellschaftsrecht, PGR) relating to the collective treu händler partnership and the general provisions of the PGR, as amended from time to time.

## **Art. 57 Entry into force**

This Trust Agreement shall become effective on December 1, 2023.

Schaan/Vaduz, September 19, 2023

### **The AIFM:**

IFM Independent Fund Management AG, Schaan

### **Depository:**

Liechtensteinische Landesbank AG, Vaduz

# Appendix A: Organizational Structure of the AIFM /AIF

## The organizational structure of the AIFM

<b>AIFM:</b>	IFM Independent Fund Management AG Landstrasse 30, FL-9494 Schaan
<b>Board of Directors:</b>	Heimo Quaderer HRH Archduke Simeon of Habsburg Hugo Quaderer
<b>Management:</b>	Luis Ott Alexander Wymann Michael Oehry Ramon Schäfer
<b>Auditor:</b>	Ernst & Young AG Schanzenstrasse 4a, CH-3008 Bern

## The AIF at a glance

<b>Name of the AIF:</b>	<b>CATAM Alternative Investment Fund</b>
<b>Legal Structure:</b>	AIF in the legal form of collective trusteeship pursuant to the Act of December 19, 2012 on Alternative Investment Fund Managers (AIFMG).
<b>Umbrella construction:</b>	No, single fund
<b>Founding country:</b>	Liechtenstein
<b>Establishment date of the AIF:</b>	14.11.2000
<b>Fiscal year:</b>	The AIF's financial year begins on January 1 and ends on December 31.
<b>Invoice currency of the AIF:</b>	US Dollar (USD)
<b>Portfolio Management:</b>	CATAM Asset Management Ltd. Landstrasse 34, FL-9494 Schaan
<b>Investment Advisor:</b>	n/a
<b>Depository:</b>	Liechtensteinische Landesbank AG Städtle 44, FL-9490 Vaduz
<b>Distributors:</b>	CATAM Asset Management Ltd. Landstrasse 34, FL-9494 Schaan
<b>Auditor:</b>	Ernst & Young AG Schanzenstrasse 4a, CH-3008 Bern
<b>Competent supervisory authority:</b>	Financial Market Authority Liechtenstein (FMA); <a href="http://www.fma-li.li">www.fma-li.li</a>
<b>Representative for qualified investors in Switzerland:</b>	LLB Swiss Investment AG Claridenstrasse 20, CH-8022 Zurich
<b>Paying agent for qualified investors in Switzerland:</b>	Helvetic Bank AG Seefeldstrasse 215, CH 8008 Zurich

Further information on the AIF can be found in Appendix B "AIF at a glance".

Distribution in Liechtenstein is aimed at professional investors within the meaning of Directive 2014/65/EU (MiFID II) as well as private investors. For any other countries, the provisions set out in Appendix C "Specific information for individual countries of distribution" shall apply.

## Appendix B: AIF at a glance

### CATAM Alternative Investment Fund

#### B.1 The AIF at a glance

Master data and information of the AIF and its unit classes			
	Share classes of the AIF		
Share class <sup>1</sup>	USD	CHF	EUR
ISIN number	LI0011457244	LI0295783893	LI0584744630
Valor number	1.145.724	29.578.389	58.474.463
SFDR classification	Article 6		
Duration of the subfund	Unrestricted		
Listing	No		
Invoicing currency of the AIF	US Dollar (USD)		
Reference currency of the share classes <sup>2</sup>	US Dollar (USD)	Swiss franc (CHF)	Euro (EUR)
Minimum investment	None	None	None
Initial issue price	USD 1'000	CHF 1'454.--	EUR 1'000
Initial subscription date	15.12.2000	25.10.2015	open
Payment (first value date)	19.12.2000	30.10.2015	open
Valuation date (T)	Last banking day of a month		
Evaluation interval	Monthly		
Issue and redemption date	each valuation day		
Value date Issue and redemption date (T+15)	15 banking days after calculation of the net asset value (NAV)		
Deadline drawings	monthly, on the 25th day of each month		
Acceptance deadline redemptions (T-60) <sup>3</sup>	Notice period of 60 calendar days to the end of a calendar quarter		
Denomination	no decimal places		
Securitization	by the book / no issuance of certificates		
Closing financial year	each as of December 31		
End of the first fiscal year	December 31, 2001		
Appropriation of earnings	Accumulating		

  

Information on distribution (circle of investors)			
	Share classes of the AIF		
Share class	USD	CHF	EUR
Professional investors	Permitted	Permitted	Permitted
Private investors	Permitted	Permitted	Permitted

<sup>1</sup> The currency risks of the unit classes issued in CHF and EUR can be hedged in whole or in part.

<sup>2</sup> The reference currency is the currency in which the performance and the net asset value of the respective unit class of the AIF are calculated.

<sup>3</sup> In the case of large redemptions, the AIFM reserves the right not to fully execute redemption requests on a redemption day on which the aggregate of the redemption requests would result in a cash outflow of more than 10% of the total net assets of the AIF on that redemption day. In such circumstances, the AIFM may decide to execute the redemption requests only on a pro rata basis and to defer the unexecuted redemption requests of the redemption day to the next redemption day.

Costs to be borne by investors			
	Share classes of the AIF		
Share class	USD	CHF	EUR
Max. Issue surcharge <sup>4</sup>	1%	1%	1%
Max. Redemption discount in favor of the distributor <sup>4</sup>	0.5%	0.5%	0.5%
Conversion fee when switching from one unit class to another unit class	None	None	None

Costs charged to the assets of the AIF <sup>5,6</sup>			
	Share classes of the AIF		
Share class	USD	CHF	EUR
Max. Management fee <sup>4</sup>	1% p.a.	1% p.a.	1% p.a.
Performance fee	10%	10%	10%
Hurdle rate	No	No	No
High Watermark	Yes	Yes	Yes
Max. Administration fee <sup>4</sup>	0.20% p.a. or min. CHF 25'000.-- p.a. plus CHF 5'000.-- p.a. per unit class as of the 2nd unit class		
Max. Depository fee <sup>4</sup>	0.15% p.a.		

Estimated indirect costs at the level of indirect assets	
For single hedge funds	maximum 3% p.a. plus a possible performance fee
For funds of hedge funds	maximum 6% p.a. plus a possible performance fee

Use of benchmarks			
	Share classes of the AIF		
Share class	USD	CHF	EUR
Benchmark	The AIF does not use a benchmark.		

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

<sup>5</sup> Plus taxes and other costs and fees: Transaction costs as well as expenses incurred by the AIFM and the depository in the performance of their functions. The details can be found in Art. 46 (Ongoing fees) as well as in Art. 51 (Tax provisions) of the trust agreement.

<sup>6</sup> In the event of the liquidation of the AIF, the AIFM may charge a liquidation fee in the maximum amount of CHF 10,000 in its favor.



## Master data and information of the AIF and its unit classes

	Share classes of the AIF		
Share class <sup>7</sup>	USD-I	CHF-I	EUR-I
ISIN number	LI1295074168	LI1295074150	LI1295074176
Valor number	129.507.416	129.507.415	129.507.417
SFDR classification	Article 6		
Duration of the subfund	Unrestricted		
Listing	No		
Invoicing currency of the AIF	US Dollar (USD)		
Reference currency of the share classes <sup>8</sup>	US Dollar (USD)	Swiss franc (CHF)	Euro (EUR)
Minimum investment	USD 10 million	CHF 10 million	EUR 10 million
Initial issue price	USD 1'000	CHF 1'000	EUR 1'000
Initial subscription date	29.12.2023	25.04.2025	open
Payment (first value date)	31.12.2023	30.04.2025	open
Valuation date (T)	Last banking day of a month		
Evaluation interval	Monthly		
Issue and redemption date	each valuation day		
Value date Issue and redemption date (T+15)	15 banking days after calculation of the net asset value (NAV)		
Deadline drawings	monthly, on the 25th day of each month		
Acceptance deadline redemptions (T-60) <sup>9</sup>	Notice period of 60 calendar days to the end of a calendar quarter		
Denomination	no decimal places		
Securitization	by the book / no issuance of certificates		
Closing financial year	each as of December 31		
End of the first fiscal year	December 31, 2001		
Appropriation of earnings	Accumulating		

## Information on distribution (circle of investors)

	Share classes of the AIF		
Share class	USD-I	CHF-I	EUR-I
Professional investors	Permitted	Permitted	Permitted
Private investors	Permitted	Permitted	Permitted

<sup>7</sup> The currency risks of the unit classes issued in CHF and EUR can be hedged in whole or in part.

<sup>8</sup> The reference currency is the currency in which the performance and the net asset value of the respective unit class of the AIF are calculated.

<sup>9</sup> In the case of large redemptions, the AIFM reserves the right not to fully execute redemption requests on a redemption day on which the aggregate of the redemption requests would result in a cash outflow of more than 10% of the total net assets of the AIF on that redemption day. In such circumstances, the AIFM may decide to execute the redemption requests only on a pro rata basis and to defer the unexecuted redemption requests of the redemption day to the next redemption day.

Costs to be borne by investors			
	Share classes of the AIF		
Share class	USD-I	CHF-I	EUR-I
Max. Issue surcharge <sup>10</sup>	1%	1%	1%
Max. Redemption discount in favor of the distributor <sup>10</sup>	none	none	none
Conversion fee when switching from one unit class to another unit class	None	None	None

Costs charged to the assets of the AIF <sup>11,12</sup>			
	Share classes of the AIF		
Share class	USD-I	CHF-I	EUR-I
Max. Management fee <sup>10</sup>	0.75% p.a.	0.75% p.a.	0.75% p.a.
Performance fee	10%	10%	10%
Hurdle rate	No	No	No
High Watermark	Yes	Yes	Yes
Max. Administration fee <sup>10</sup>	0.20% p.a. or min. CHF 25'000.-- p.a. plus CHF 5'000.-- p.a. per unit class as of the 2nd unit class		
Max. Depositary fee <sup>10</sup>	0.15% p.a.		

Estimated indirect costs at the level of indirect assets	
For single hedge funds	maximum 3% p.a. plus a possible performance fee
For funds of hedge funds	maximum 6% p.a. plus a possible performance fee

Use of benchmarks			
	Share classes of the AIF		
Share class	USD-I	CHF-I	EUR-I
Benchmark	The AIF does not use a benchmark.		

## B.2 Delegation of tasks by the AIFM

### B.2.1 Portfolio management

The portfolio management for this AIF has been delegated to CATAM Asset Management AG, Landstrasse 34, FL-9494 Schaan.

### B.2.2 Distributors

The distribution of this AIF has been assigned to CATAM Asset Management AG, Land strasse 34, FL-9494 Schaan.

## B.3 Investment Advisor

No investment advisor has been engaged.

## B.4 Depositary

The depositary function for this AIF is performed by Liechtensteinische Landesbank AG, Städtle 44, FL-9490 Vaduz.

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

<sup>11</sup> Plus taxes and other costs and fees: Transaction costs as well as expenses incurred by the AIFM and the depositary in the performance of their functions. The details can be found in Art. 46 (Ongoing fees) as well as in Art. 51 (Tax provisions) of the trust agreement.

<sup>12</sup> In the event of the liquidation of the AIF, the AIFM may charge a liquidation fee in the maximum amount of CHF 10,000 in its favor.

## B.5 Auditor

Ernst & Young AG, Schanzenstrasse 4a, CH-3008 Bern, has been appointed as auditor for the AIF.

## B.6 Investment principles of the AIF

The following provisions govern the AIF-specific investment principles of the **CATAM Alternative Investment Fund**:

### Investment principles of the AIF in brief

Non-permitted installations	See point B.7.3
Investments in other funds	Yes, unlimited
Leveraged finance (leverage) Gross method Net method	< 2.50 < 1.25
Risk management procedures	Commitment Approach
Borrowing	Yes, maximum 25% of the assets of the AIF
Derivative financial instruments	Yes, for hedging currency risks
Short sales	Inadmissible at the level of the AIF
Securities lending Securities borrowing Securities Lending	No No No
Repurchase agreements	No
Investment period within which the investment objective and policy must be achieved	6 months after payment of the AIF

### B.6.1 Investment objective and investment policy of the AIF

The investment objective of the **CATAM Alternative Investment Fund** is to achieve a long-term increase in the value of the assets of the AIF in line with the risk. In doing so, the AIF or most of its target funds focus on achieving an "absolute return", i.e. an increase in value that is less dependent on the movements of the individual markets than traditional investments (**low correlation**). To this end, the AIF invests in a diversified portfolio of alternative investment funds (hedge funds). It is an actively managed AIF without reference to a benchmark.

In order to achieve the investment objective, the **CATAM Alternative Investment Fund** invests **predominantly (at least 51%)** in **non-classical funds / hedge funds** using the fund-of-funds **approach** (see in this regard section B6.5 "Definition of individual investment strategies").

As a rule, these investments ("target funds") are foreign undertakings for collective investment (UCIs) of any legal structure for which no distribution license can be obtained in the Principality of Liechtenstein due to the lack of equivalent supervision at the domicile. The foreign funds are open-ended or closed-ended funds of any kind traded on a stock exchange or other regulated market open to the public, in particular collective investment schemes, trusts, investment companies and limited partnerships.

Investments are primarily made in assets denominated in US dollars (USD). However, assets denominated in other currencies may also be held. In order to minimize the currency risk, assets that are not denominated in US dollars can be hedged against the US dollar. The currency risks of the unit classes issued in CHF and EUR can be hedged in whole or in part; this may have a negative impact on the NAV of the unit classes issued in USD. The possible

costs of a currency hedge of the CHF and EUR unit classes are allocated accordingly.

The use of derivative financial instruments is only permitted to hedge currency risks.

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

To the extent that no deviating investment rules are specified for the AIF in section B.6, the investment rules pursuant to section B.7 shall apply.

**There can be no guarantee that the investment objective of the selected investment policy will be achieved; in particular, it is possible that individual target funds may suffer a total loss.**

**The AIF-specific risks in para. B.9 of this Annex as well as the all common risks in Art. 36 of the Trust Agreement.**

#### **B.6.2 Differentiation of traditional and alternative investment funds**

A traditional portfolio traditionally consists of equities, bonds and money market investments in various currencies, with the disadvantage that its risk and return characteristics are directly dependent on those of the capital markets concerned (high correlation).

Hedge funds are investment products that belong to the category of alternative investments and are interesting as a supplement to a traditional portfolio. Hedge funds use various alternative investment styles and strategies that show a low correlation to equity and bond markets. By investing in hedge funds, it is possible to improve the risk-return ratio of a traditional portfolio (i.e. higher expected return with the same level of risk or the same expected return with lower risk) without compromising its return prospects.

In alternative investment strategies, securities are also sold short (so-called short positions) and leverage is achieved through borrowing and derivative financial instruments. Many of these hedge funds can make unrestricted use of derivative financial instruments (e.g. options, futures, forward exchange contracts and swaps, and interest rate swaps).

**Investments in hedge funds involve further risks in addition to the usual market, credit and liquidity risks of traditional investment funds. Therefore, the attention of investors in the CATAM Alternative Investment Fund is expressly drawn to the general and fund-specific risks which are described in detail in section B.9, although the list contained therein is not an exhaustive list of all potential risk factors.**

#### **B.6.3 Fund of Funds Structure**

Using the fund of funds approach, the AIF invests in several target funds. Through this division, the asset management is carried out by different fund managers. The objective of a fund of funds is to select the best investment products within a defined investment policy and to subject them to continuous performance monitoring. The target funds differ in investment style and investment strategy, use different investment techniques and invest in different investment markets. This broad diversification leverages the expertise of different fund managers. This results in higher opportunities for the investor with reduced investment risk.

The advantages and disadvantages of a fund of funds structure as opposed to a direct investment in a specific target fund (hedge fund) are as follows:

**Advantages:**

- ◆ The risk is reduced by investing in different target funds and thus additional diversification is achieved;
- ◆ the investor benefits from the portfolio manager's extensive knowledge and experience regarding fund manager selection, portfolio construction and risk management of hedge fund portfolios.

**Disadvantages:**

- ◆ Due to the broad risk diversification, a lower return compared to individual investments may have to be accepted;
- ◆ in the case of funds of funds, the management fees, custodian fees and other costs are incurred at the level of the target funds and at the level of the CATAM Alternative Investment Fund and are therefore charged twice;
- ◆ Possibility of opposite positions with respect to the same investment in different acquired investment funds;
- ◆ the individual target funds may use leverage, in some cases to a considerable extent, which cannot be influenced by the AIFM and their agents.

**B.6.4 Audit, selection and control procedures (due diligence process)**

The portfolio manager of the CATAM Alternative Investment Fund relies on a standardized review, selection and monitoring process (due diligence process) to identify, analyze, select and monitor individual hedge funds.

Due diligence process means that target funds are screened for all aspects relevant to an investment in a defined procedure according to selected criteria.

The AIFM and the portfolio manager of the CATAM Alternative Investment Fund shall endeavor to minimize any risks as far as possible through an appropriate diversification of the underlying target funds and their managers. By periodically updating the data collected, the portfolio manager is able to monitor the correspondence between the target and the investment strategy of the **CATAM Alternative Investment Fund** on a continuous basis and, if necessary, to take appropriate corrective measures. Nevertheless, it cannot be ruled out that in exceptional cases a total loss may occur for individual underlying hedge funds.

The due diligence process with regard to the individual target funds takes particular account of the following qualitative and quantitative criteria:

**Qualitative criteria:**

- ◆ Quality and transparency or availability of information such as memoranda, prospectuses, and annual and semi-annual reports of target funds;
- ◆ Reputation or experience of auditor, custodian and administrator;
- ◆ Internal and external industry references.

**Quantitative criteria:**

- ◆ Periodic monitoring of the net asset values of the individual target funds. The main focus is on the plausibility of the net asset values ;
- ◆ Development of the volumes and performance of the individual target funds from a long-term perspective;
- ◆ Comparison of target funds in terms of performance and risk mass;

- ◆ Fee Structure;
- ◆ Redemption and subscription conditions.

### B.6.5 Definition of individual investment strategies

When selecting and monitoring investments, the portfolio manager attaches great importance to the fact that the selected investment funds, in contrast to traditional investments, have only a low correlation to global equity and bond markets.

The implementation of the investment policy includes an appropriate diversification in various investment funds that apply one or more of the best known and most common investment strategies with the following main styles. The following list is exemplary and not exhaustive:

Investment strategy	Investment style		
	Fixed Income:	Equities:	Currencies and Commodities:
Event Driven	<ul style="list-style-type: none"> <li>◆ Bank Loans</li> <li>◆ Distressed Securities</li> <li>◆ High yield bonds</li> <li>◆ Special Situations</li> </ul>	<ul style="list-style-type: none"> <li>◆ Distressed Securities</li> <li>◆ Special Situations</li> <li>◆ Takeover/merger/risk arbitrage</li> </ul>	
Equity hedged		<ul style="list-style-type: none"> <li>◆ Equity Market Neutral</li> <li>◆ Long-Short Equities</li> <li>◆ Long-Short Sectors</li> <li>◆ Long-Biased Equities</li> <li>◆ Short-Biased Equities</li> </ul>	
Relative Value	<ul style="list-style-type: none"> <li>◆ Asset-backed securities</li> <li>◆ Arbitrage</li> <li>◆ Convertible Bond Arbitrage</li> <li>◆ Fixed Income Arbitrage</li> <li>◆ Index and Options Arbitrage</li> <li>◆ Mortgage-backed Securities Arbitrage</li> </ul>	<ul style="list-style-type: none"> <li>◆ Convertible Bond Arbitrage</li> <li>◆ Index and Options Arbitrage</li> <li>◆ Statistical Equity Arbitrage</li> </ul>	<ul style="list-style-type: none"> <li>◆ Commodities Arbitrage</li> <li>◆ Derivatives Arbitrage</li> </ul>
Managed Futures or CTA's	<ul style="list-style-type: none"> <li>◆ Discretionary Managed Futures</li> <li>◆ Long Term Systematic Trader</li> <li>◆ Short Term Statistical Trader</li> </ul>	<ul style="list-style-type: none"> <li>◆ Discretionary Managed Futures</li> <li>◆ Long Term Systematic Trader</li> <li>◆ Short Term Statistical Trader</li> </ul>	<ul style="list-style-type: none"> <li>◆ Currency Traders</li> <li>◆ Discretionary Managed Futures</li> <li>◆ Long Term Systematic Traders</li> <li>◆ Short Term Statistical Traders</li> </ul>
Global Macro	<ul style="list-style-type: none"> <li>◆ Emerging Markets Debt</li> <li>◆ Interest Rates</li> </ul>	<ul style="list-style-type: none"> <li>◆ Equities</li> <li>◆ Emerging Markets Equity</li> </ul>	<ul style="list-style-type: none"> <li>◆ Commodities</li> <li>◆ Currencies</li> </ul>
Multiple Strategies	<ul style="list-style-type: none"> <li>◆ Multi-Strategy Funds</li> </ul>	<ul style="list-style-type: none"> <li>◆ Multi-Strategy Funds</li> </ul>	<ul style="list-style-type: none"> <li>◆ Multi-Strategy Funds</li> </ul>

In the interest of the investors, the AIFM reserves the right at any time to modify the composition of the portfolio of the **CATAM Alternative Investment Fund as well as to** supplement or reduce the universe of investment strategies and styles.

#### B.6.5.1 Event Driven:

Exposures to companies that are subject to substantial change, such as changes in capital structure, acquisitions, mergers, takeovers, liquidations or reorganizations. Typical event driven strategies are merger arbitrage, distressed securities, special situations, high yield securities and bank loans. Profit is generated by the difference

between the purchase price and the eventual realized price at the termination of the event.

#### **B.6.5.2 Equity Hedged:**

Classic and largest segment of the hedge fund industry. Equities and equity-like securities as well as derivative instruments are both bought (long positions) and sold short (short positions). Investment selection focuses on evaluating individual companies (stock picking). Quantitative equity hedged funds apply trading strategies based on mathematical/statistical risk models (market risk is neutralized). Undervalued stocks are held long (as a long position), overvalued stocks are held short (as a short position). The funds can be net long, net short or market neutral.

#### **B.6.5.3 Relative Value:**

By trading related assets or different instruments of the same security or currency, an attempt is made to achieve an almost risk-free profit. Type of arbitrage strategies are Convertible-Bond Arbitrage, Fixed-Income Arbitrage, Mortgagebacked securities Arbitrage, Derivatives Arbitrage and Statistical Equity Arbitrage. The returns of relative value strategies are largely independent of the direction of market development.

#### **B.6.5.4 Managed Futures or CTA:**

CTA (Commodity trading advisors) trade global financial instruments such as government bonds, stock indices, global currencies as well as commodities (coffee, gold, etc.) on the worldwide futures markets. They invest long and short. Normally, sophisticated computer programs are used which - based on historical data - try to predict future price movements (systematic investment process).

#### **B.6.5.5 Global Macro:**

Global Macro have an opportunistic approach that benefits from changes in macroeconomic trends. The managers base their decisions, among other things, on expected changes in interest rates and inflation (macroeconomic changes). All markets and all classes of securities (equities, bonds, currencies and commodity markets) are traded, using all types of investment techniques and instruments. Global Macro Funds can use high leverage. The return depends very much on the trading and risk management skills of the manager.

#### **B.6.6 Invoicing currency of the AIF**

The accounting currency of the AIF as well as the reference currency per share class are specified in section B.1 of this Appendix "AIF at a glance".

The accounting currency is the currency in which the AIF's accounts are kept. The reference currency is the currency in which the performance and the net asset value of the relevant unit class of the AIF are calculated and not the investment currency of the relevant unit class of the AIF. The investments are made in the currencies that are best suited for the performance of the AIF.

#### **B.6.7 Profile of the typical investor**

The **CATAM Alternative Investment Fund** is only suitable for risk-tolerant investors with a long-term investment horizon who wish to invest in an appropriately diversified portfolio of alternative investment funds (hedge funds) in ve . In particular, the investor must be willing and able to accept



any - even substantial - price losses. It cannot be concluded from ge that in extraordinary cases a total loss of individual investments may occur. **Therefore, it is recommended to invest only a limited part of the total portfolio in shares of the CATAM Alternative Investment Fund.**

## B.7 Investment regulations

In addition, the following provisions apply to the AIF's investments:

### B.7.1 Approved plants

The AIF may in principle invest its assets in the investments listed below. The investments may be made in instruments traded on a stock exchange or on another regulated market open to the public as well as in unlisted or regularly traded instruments.

The AIF may invest up to 10% of its assets in securities other than those listed in section B.7.1 mentioned in section B.7.1.

The AIF's investments consist of:

- B.7.1.1** units of domestic and foreign non-classical target funds (UCIs, AIFs, ETFs, investment funds of any kind). These funds are open-ended or closed-ended investment funds of any legal structure traded on a stock exchange or another regulated market open to the public, in particular collective investment schemes or investment companies, trusts or limited partnerships, the majority of which are valued at least monthly and the majority of which allow redemptions at least quarterly. The AIF invests primarily in foreign funds for which, due to a lack of equivalent supervision at the domicile, no trieb license is available in the Principality of Liechtenstein. For the foreign target funds, there is no restriction as to their domicile, i.e. their domicile or registered office may be outside Liech tenstein in any country;
- B.7.1.2** Units of traditional domestic and foreign open-ended investment funds or closed-ended investment funds traded on a stock exchange or another regulated market open to the public (UCITS, UCI, AIF, ETF, investment funds of any kind);
- B.7.1.3** the AIF may invest its assets in units of funds of funds;
- B.7.1.4** the AIF may invest its assets in units of other funds managed by the AIFM itself (see restriction under B.7.4.5 below) ;
- B.7.1.5 Derivative financial instruments:**
  - a) derivative financial instruments that are traded on a stock exchange or another regulated market open to the public;
  - b) derivative financial instruments that are not traded on a regulated market (OTC derivatives) if:
    1. the other party is subject to supervision equivalent to that of Liechtenstein ; and
    2. they can be valued, sold, liquidated or offset by an offsetting transaction at any time in a comprehensible manner;
  - c) derivative financial instruments embedded in a security or money market instrument (e.g. structured financial instruments, certificates).

**B.7.1.6 Inserts:**

Sight deposits or callable deposits with a term of no more than 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 EEA law;

**B.7.1.7** The legal form of the collective investment undertakings (investment assets such as UCITS, AIF, ETF, etc.) is irrelevant. They can be, among others, collective investment undertakings under contract law, collective investment undertakings in corporate form or collective investment undertakings in the form of trusteeship (unit trusts) ;

**B.7.1.8** Investments in other undertakings for collective investment (investment funds such as AIF, ETF, etc.) may be undertakings for collective investment for which no distribution license can be obtained in the Principality of Liechtenstein due to a lack of equivalent supervision at the domicile;

**B.7.1.9** The AIF may acquire units of other collective investment undertakings (UCITS, AIF, ETF) which are managed, directly or indirectly, by the AIFM or by another company with which the AIFM or the management company is linked by common management or control, or by a substantial direct or indirect holding. To the extent of such investments, the AIFM or the other company may not charge fees for the subscription, redemption of units of the other or gains for collective investment or conversion of individual sub funds by the AIF.

**B.7.2 Cash and cash equivalents**

The AIF may hold liquid assets in the amount of up to 49% of its assets with the depositary. In exceptional cases, these may temporarily exceed 49% if and to the extent that this appears to be in the interest of the unitholders. Liquid assets are deemed to be sight and time bank deposits with maturities of up to twelve months.

**B.7.3 Non-permitted installations**

In particular, the following facilities are not permitted:

**B.7.3.1** Direct investment in real estate;

**B.7.3.2** Direct investments in physical commodities (raw materials, works of art, antiques or similar). However, it cannot be ruled out that individual target funds in which the AIF has invested may temporarily take on such positions ;

**B.7.3.3** Physical short sales of investments of any kind;

**B.7.3.4** The AIFM may at any time impose further investment restrictions in the interest of the unitholders to the extent necessary to comply with the laws and regulations of those countries in which the units or shares of the AIF are offered and purchased.

**B.7.4 Investment limits**

The AIF is subject to the following investment restrictions:

**B.7.4.1** The AIF may invest up to a maximum of 40% of its assets in units of a single open-ended investment fund or a single closed-ended

investment fund of any legal structure (UCITS, UCI, AIF, ETF, investment fund of any kind) traded on a stock exchange or another regulated market open to the public;

**B.7.4.2** up to a maximum of 40% of the fund assets may be managed by the same fund manager;

**B.7.4.3** the AIF may invest up to a total of 100% of its assets in units of funds of funds;

**B.7.4.4** the AIFM does not issue individual mandates for asset management (so-called managed accounts);

**B.7.4.5** the AIFM may invest up to a maximum total of 40% of its assets in units of other funds managed by the AIFM itself;

**B.7.4.6** the target funds acquired by the AIFM are subject only to the investment restrictions imposed in their prospectuses. Neither the AIFM nor the portfolio manager or the depositary shall be liable for the compliance of the individual target funds with such guidelines and restrictions;

**B.7.4.7** In addition to the restrictions listed in accordance with this section, any further restrictions in section B.6 "Investment principles of the AIF" must be observed.

#### **B.7.5 Limitation of borrowing**

The AIF is subject to the following restrictions:

**B.7.5.1** The assets of the AIF may not be pledged or otherwise encumbered, transferred by way of security or assigned by way of security, except in the case of borrowings as defined in para. B.7.5.2 or as collateral in connection with the settlement of transactions involving financial instruments.

**B.7.5.2** The AIF may borrow on market terms both for investment purposes and to satisfy redemption requests (see no. B.6 "Investment principles of the AIF").

**B.7.5.3** There is no entitlement vis-à-vis the depositary to the granting of the maximum permissible credit line. The sole decision as to whether, in what manner and in what amount loans are granted is incumbent on the depositary in accordance with the credit and risk policy.

**B.7.5.4** Item B.7.5.2 does not prevent the acquisition of financial instruments that are not yet fully paid up.

### **B.8 Evaluation**

The valuation is carried out by the AIFM in accordance with the principles set out in the constituent documents.

The net asset value (NAV) per unit or share of an AIF or a share class is calculated by the AIFM or its delegate at the end of the accounting year and on the respective valuation date on the basis of the last known prices, taking into account the valuation interval.

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

- ◆ to 0.01 USD if the invoice currency is US dollars;
- ◆ to CHF 0.01 if the invoicing currency is Swiss francs; and
- ◆ to 0.01 EUR if the invoice currency is Euro.

The assets of the AIF are valued according to the following principles:

- B.8.1** 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.
- B.8.2** 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 on the market with the highest liquidity shall be used.
- B.8.3** 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 purchase price and the redemption price. Valuation at the current market price can be omitted if the repayment price is known and fixed. Any changes in creditworthiness are also taken into account;
- B.8.4** Investments whose price is not in line with the market and those assets that do not fall under item B.8.1, item B.8.2 and item B.8.3 above shall be used at the price which would probably be realized in the event of a sale due at the time of the valuation and which is determined in good faith by the management of the AIFM or under its direction or supervision by authorized agents.
- B.8.5** OTC derivatives shall be valued on a daily basis at a verifiable valuation to be determined by the AIFM, as determined by the AIFM in good faith and in accordance with generally accepted valuation models verifiable by auditors, based on the probable realizable value.
- B.8.6** UCITS, AIFs and other undertakings for collective investment (UCI) are valued at the last determined and available net asset value. If the redemption of units is suspended or, in the case of closed-end funds, there is no redemption entitlement or no redemption prices are set, these units and all other assets shall be valued at the respective market value as determined by the AIFM in good faith and in accordance with generally accepted valuation models that can be audited by auditors in accordance with .
- B.8.7** If no tradable price is available for the respective assets, these assets, as well as the other legally permissible assets, shall be valued at the respective market value as determined by the AIFM in good faith and in accordance with generally accepted valuation models verifiable by auditors on the basis of the sales value that can apparently be achieved.

- B.8.8** The valuation of unlisted equity securities is based on the most recent reports prepared by the respective companies and any formal auditors' reports, if available and usable;
- B.8.9** Cash and cash equivalents are measured at their nominal value plus accrued interest.
- B.8.10** The market value of securities and other investments denominated in a currency other than the currency of the AIF shall be converted into the corresponding currency of the AIF at the latest mean rate of exchange at .

The AIFM is entitled to temporarily apply other adequate valuation principles to the assets of the AIF if the above mentioned criteria for valuation appear impossible or inappropriate due to extraordinary events. In the event of massive redemption requests, the AIFM may value the units of the assets of the AIF 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 shall be used for issuance and redemption requests submitted at the same time.

## **B.9 Risks and risk profiles of the AIF**

### **B.9.1 AIF-specific risks**

**The performance of the units depends on the investment policy and the market performance of the individual investments of the AIF and cannot be determined in advance. There is no guarantee that the investment objective will actually be achieved or that the value of the investments will increase. Upon redemption of units, the investor may not receive back the amount originally invested in the AIF.**

Due to its investment policy, the risks of this AIF are not comparable with those of certain undertakings for collective investment in transferable securities within the meaning of the Law on Certain Undertakings for Collective Investment in Transferable Securities (UCITS).

The **CATAM Alternative Investment Fund** invests as a "fund of funds" in various, mostly foreign investment funds of any legal structure, such as collective investment contracts, trusts, investment companies and limited partnerships (hereinafter referred to as target funds), which pursue alternative investment strategies or make alternative investments (commonly known as hedge funds or as non-classical funds).

It should be noted that the **CATAM Alternative Investment Fund** is permitted to take out loans at market conditions for a maximum of 25% of the AIF's assets, both for investment purposes and to satisfy redemption obligations. In addition, the AIF may invest up to a total of 40% of its assets in units of a single investment large fund, in the same fund manager or in units of other funds managed directly or indirectly by the AIFM itself. Furthermore, the AIF may invest up to 100% of its assets in units of funds of funds.

In the case of fund of funds, management fees, custodian fees and other costs are incurred at the level of the respective target funds and at the level of the **CATAM Alternative Investment Fund**. Investors' attention is drawn in particular to the fact that when investing in Fund of Funds, additional costs are incurred in the purchase and sale as well as in the management of the Fund of Funds.

The attention of investors in the **CATAM Alternative Investment Fund** is expressly drawn to the general and fund-specific risks described in detail in

this document. In particular, investors must be willing and able to accept any - even substantial - price losses. When redeeming unit certificates, there is a **notice period of 60 calendar days** to the last banking day of a calendar quarter. Early exit from the AIF without observing the notice period is not possible.

The AIFM and the portfolio manager of the **CATAM Alternative Investment Fund** endeavor to minimize any risks as far as possible through appropriate diversification of the underlying target funds and their managers. Nevertheless, it cannot be excluded that in extraordinary cases a total loss may occur for individual underlying hedge funds.

The value of a unit may be subject to significant fluctuations. The AIFM recommends potential investors to invest only a limited part of their portfolio in shares of the **CATAM Alternative Investment Fund**. An investment in shares of the **CATAM Alternative Investment Fund** is only suitable for investors with a high risk tolerance and a medium to long term time horizon. It cannot be excluded that in extraordinary cases a total loss of individual investments may occur.

#### **Derivative financial instruments**

The use of derivative financial instruments is only permitted for hedging currency risks. For this purpose, the AIF may sell call options and futures on foreign currencies, buy put options on foreign currencies and use forward exchange transactions and swaps exclusively for hedging currency risks. In principle, the currency of the contract must match the currency of the underlying assets to be hedged. Transactions via a third currency (cross-hedges) are exceptionally permitted in the form of futures or forward exchange transactions, provided that the same purpose is achieved as with a direct hedge and no additional costs are incurred overall compared with such a hedge. The contract value of these transactions may not exceed 100% of the market value of the underlying assets to be hedged at the time the contract is concluded.

#### **Leveraged finance (leverage)**

The AIFM expects that the leverage of the AIF under the gross method will generally be **below 2.5**. An indication of the risk content of the AIF, on the other hand, is given by the net method, as it also adequately takes into account the use of derivative financial instruments for hedging purposes.

The AIFM expects that the leverage of the AIF under the net method will in principle be **below 1.25**. Depending on market conditions, the leverage may vary and in exceptional cases the leverage may be higher.

#### **Risk management procedures**

The AIFM uses the commitment approach as a recognized calculation method for risk management.

#### **B.9.2 General risks**

In addition to the AIF-specific risks, the investments of the AIF may be subject to general risks. An exemplary but not exhaustive list can be found under Art. 36 of the trust agreement.

### **B.10 Costs reimbursed from the AIF**

An overview of the costs reimbursed from the AIF is provided in the table "Master data and information of the AIF and its unit classes, if any" from para. B.1 of this Annex "AIF at a glance".

### **B.11 Performance fee**

The AIFM is entitled to receive a performance fee in accordance with Annex B "AIF at a glance" of the increase in value of the unit value of the respective unit class adjusted for any distributions or corporate actions.

The performance fee is calculated on each valuation date on the basis of the number of units in circulation, deferred and paid out in arrears each quarter (March, June, September, December).

The high watermark principle is used as the basis for calculation. If the AIF or its unit classes suffer a loss in value, the performance fee is only charged again when the unit price of the respective unit class, adjusted for any distributions or corporate actions, reaches a new high after deduction of all costs (high watermark). This is an all-time high watermark (all-time high = high watermark principle).

For a calculation example, see section B.12 "Calculation example for the performance fee".

Schaan/Vaduz, September 19, 2023

#### **The AIFM:**

IFM Independent Fund Management AG, Schaan

#### **Depository:**

Liechtensteinische Landesbank AG, Vaduz



## B.12 Calculation example for the performance fee

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

Performance fee	10%
Hurdle rate	No
High Watermark	Yes

Valuation date	NAV Start	High Watermark	NAV before Perf. fee <sup>1</sup>	Perf. fee	cum. Perf. fee	NAV according to Perf. fee
<b>Year 1</b>						
Month 1	100.00	100.00	<b>105.00</b>	0.50	0.50	104.50
Month 2	104.50	<b>105.00</b>	<b>110.00</b>	0.50	1.00	109.50
Month 3	109.50	<b>110.00</b>	<b>120.00</b>	1.00	2.00	119.00
Month 4	119.00	<b>120.00</b>	105.00	0.00	2.00	105.00
Month 5	105.00	120.00	100.00	0.00	2.00	100.00
Month 12	100.00	120.00	95.00	0.00	<b>2.00</b>	95.00
<b>Year 2</b>						
Month 1	95.00	120.00	97.00	0.00	0.00	97.00
Month 2	97.00	120.00	102.00	0.00	0.00	102.00
Month 3	102.00	120.00	112.00	0.00	0.00	112.00
Month 4	112.00	120.00	120.00	0.00	0.00	120.00
Month 5	120.00	120.00	113.00	0.00	0.00	113.00
Month 12	113.00	120.00	109.00	0.00	<b>0.00</b>	109.00
<b>Year 3</b>						
Month 1	109.00	120.00	113.00	0.00	0.00	113.00
Month 2	113.00	120.00	115.00	0.00	0.00	115.00
Month 3	115.00	120.00	<b>122.00</b>	0.20	0.20	121.80
Month 4	121.80	<b>122.00</b>	<b>124.00</b>	0.20	0.40	123.80
Month 5	123.80	<b>124.00</b>	121.00	0.00	0.40	121.00
Month 12	121.00	124.00	119.00	0.00	<b>0.40</b>	119.00

In **year 1**, a performance fee was charged even though the performance of the corresponding share class was negative for the year. The performance fee was calculated on each valuation day, deferred and generally charged at the end of each quarter (March, June, September, December).

In **year 2**, no performance fee was charged as the high watermark principle was applied. A performance fee, if any, shall only be charged again when the value per unit of the respective unit class reaches a maximum after deduction of all costs.

A performance fee is charged in **year 3**. It is limited to the difference between the respective highest net asset value and the respective current high watermark of the corresponding share class.

**It should be noted that a performance fee may be charged on unrealized gains even though the unrealized gains may never be subsequently realized.**

<sup>1</sup> NAV before performance fee includes all current accruals including performance fee accruals of the prior period.

# Appendix C: Specific information for individual sales countries

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## Notes for qualified investors in Switzerland

The AIF is exclusively authorized for distribution to **qualified investors** in Switzerland.

### 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. Place of reference of the relevant documents

The investment information pursuant to Art. 105 AIFMG, the trust agreement, the basic information sheets (PRIIP-KID) as well as the annual reports may be obtained free of charge from the representative as well as from the paying agent in Switzerland.

### 4. Payment of retrocessions and rebates

#### 4.1 Retrocessions

The AIFM and its agents as well as the depositary may pay retrocessions to cover distribution and brokerage activities of fund units in Switzerland 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 all or part of them are ultimately passed on to investors.

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

#### 4.2 Discounts

The Management Company and its agents may pay rebates directly to investors upon request in the distribution in Switzerland. Discounts serve to reduce the fees and/or costs attributable to the investors concerned. Discounts are permissible provided that they

- ♦ are paid from fees of the AIFM and thus do not additionally burden the fund assets;
- ♦ be granted on the basis of objective criteria;
- ♦ be granted to all investors meeting the objective criteria and requesting discounts, under the same time conditions, to the same extent.

The objective criteria for granting discounts by the AIFM are:

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

Upon request by the investor, the AIFM shall disclose the corresponding amount of the rebates free of charge.

### 5. Place of performance and jurisdiction

For units offered in Switzerland, the place of performance is at the registered office of the representative. The place of jurisdiction is at the registered office of the representative or at the registered office or domicile of the investor.

## Appendix D: Regulatory Disclosures

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### Conflicts of interest

The following conflicts of interest may arise for the AIFM:

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

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

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

- ◆ Incentive systems for employees
- ◆ Employee Business
- ◆ Reallocations in the fund
- ◆ Positive presentation of fund performance
- ◆ Transactions between the AIFM and the funds or individual portfolios it manages
- ◆ Transactions between funds and/or individual portfolios managed by the AIFM
- ◆ Combination of several orders (so-called "block trades")
- ◆ Commissioning of closely related companies and persons
- ◆ Individual installations of significant size
- ◆ High turnover rate of assets (so-called "frequent trading")
- ◆ Determination of the cut-off time
- ◆ Suspension of unit redemption
- ◆ IPO allocation
- ◆ Greenwashing

In order to deal with conflicts of interest, the AIFM shall implement the following organizational and administrative measures to avoid and, if necessary, resolve, or mediate, prevent, resolve, monitor and disclose conflicts of interest:

- ◆ Existence of a compliance department that monitors adherence to laws and rules 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 with regard to employee transactions
  - Rules of conduct regarding the acceptance and granting of gifts, invitations, other benefits and donations
  - Prohibition of insider trading
  - Prohibition of front and parallel running
- ◆ Establishment of compensation policies and practices
- ◆ 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)

## Complaint handling

Investors are entitled to submit complaints about the AIFM or its employees, complaints relating to funds managed by the AIFM, as well as their concerns, wishes and needs, free of charge, in writing or orally to the AIFM.

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

## Principles of voting policy at general meetings

The AIFM exercises the shareholder and creditor rights associated with the investments of the managed fund assets independently and exclusively in the interests of the investors.

For the individual transactions, the AIFM 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.

In the absence of express instructions from the AIFM, the respective depositary is authorized, but not obligated, to exercise the rights arising from the investments as a shareholder, co-owner, etc.

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

Voting rights are exercised actively in particular in cases where there is a clearly identified need to protect the investor's interest. Voting rights only have to be exercised if sustainable interests are affected. If the share positions concerned do not account for a significant share of the market capitalization, no sustainable interests are affected.

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

When exercising voting rights, the AIFM shall take into account the investor interests of the assets of the AIF and the requirement that the voting rights are exercised in accordance with the objectives of the investment policy of the assets concerned.

The AIFM's voting policy (strategies for exercising voting and creditor rights, measures, details on how to avoid conflicts of interest, etc.) is available free of charge on the AIFM's website at [www.ifm.li](http://www.ifm.li).

## Best possible execution of trading decisions

The AIFM shall act in the best interest of the funds it manages when executing trading decisions on their behalf in managing their portfolios.

The AIFM shall take all reasonable steps to obtain the best possible result for the funds, taking into account the price, costs, speed of execution, likelihood of execution and settlement, size, nature of the order and other aspects relevant to the execution of the order (best execution).

To the extent that the Portfolio Managers are authorized to execute transactions, they will be contractually bound to apply the relevant best execution policies to the extent that they are not already subject to the relevant best execution laws and regulations.

The Best Execution Policy is available to investors on the AIFM's website at [www.ifm.li](http://www.ifm.li).

## Compensation policies 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 (UCITSG) and to those applicable to AIFMs under the Law on Alternative Investment Fund Managers (AIFMG) with respect to the design of its compensation policies and practices. IFM has regulated the detailed design in an internal directive on remuneration policy and practice, the aim of which is to ensure a remuneration system that is compliant with while avoiding false incentives to take excessive risks. IFM's compensation policies and practices are reviewed at least annually 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) compensation elements.

IFM has established a compensation policy that is consistent with its business and risk policies. In particular, no incentives are created to take excessive risks. Remuneration for implementing and executing 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 his or her department are included in the calculation of the performance-related remuneration. In the target achievement determined as part of the personal performance assessment, the focus is in particular on sustainable business development and protecting the company from excessive risks. The variable compensation elements are not linked to the performance of the funds managed by IFM. Voluntary employer fringe benefits or benefits in kind are permitted.

The definition of ranges for the total compensation also ensures that there is no significant dependence on the variable compensation and that there is an appropriate ratio of variable to fixed compensation. 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 (taking into account salaries in line with the market) if he or she is employed 100%. The members of the Executive Board and the Chairman of the Board of Directors have the final decision on the allocation of the variable compensation. The Chairman of the Board of Directors is responsible for reviewing the compensation principles and practices.

Special rules apply to 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). Risk takers have been identified as employees who can exert a decisive influence on IFM's risk and business policy. For these risk-takers, variable compensation is paid in arrears over several years. It is mandatory that a portion of at least 40% of variable compensation be deferred over a period of at least three years. The portion of compensation deferred at is risk-dependent during this period. Variable compensation, including the deferred portion, is only paid or served if it is sustainable 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 results in a significant reduction in total compensation, taking into account both ongoing compensation and reductions in payouts of previously earned amounts.



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