

# Prospectus

and

# Trust agreement

including fund-specific annexes

Status: 10.2024

## Gain Alpha Equity Fund

UCITS under Liechtenstein law  
in the legal form of a trusteeship

(hereinafter the "UCITS")

Asset Manager:



Investment advisor:



management company:



## The organisation of the UCITS at a glance

<b>management company:</b>	IFM Independent Fund Management AG Landstrasse 30, 9494 Schaan
<b>Board of Directors:</b>	Heimo Quaderer H.R.H. Archduke Simeon of Habsburg Hugo Quaderer
<b>Management:</b>	Luis Ott Alexander Wymann Michael Oehry Ramon Schäfer
<b>Asset Manager:</b>	Osiris Asset Management AG Austrasse 52, FL-9490 Vaduz
<b>Investment advisor:</b>	Aurum Trust & Finance SA Via Pioda 5, CH-6900 Lugano
<b>Depository:</b>	Liechtensteinische Landesbank Aktiengesellschaft Städtle 44, FL-9490 Vaduz
<b>Distribution point::</b>	Osiris Asset Management AG Austrasse 52, FL-9490 Vaduz
<b>Auditor:</b>	Grant Thornton AG Bahnhofstrasse 15, FL-9494 Schaan

  

<b>Representatives and distributors for qualified investors in Switzerland:</b>	LLB Swiss Investment AG Claridenstrasse 20, CH-8024 Zurich
<b>Paying agent for qualified investors in Switzerland:</b>	Helvetische Bank AG Seefeldstrasse 215, CH-8008 Zurich
<b>Facility for investors in Germany:</b>	IFM Independent Fund Management AG Landstrasse 30, FL-9494 Schaan

## The UCITS at a glance

<b>Name of the UCITS:</b>	<b>Gain Alpha Equity Fund</b>
<b>Legal structure:</b>	UCITS in the legal form of a trusteeship ("collective trusteeship") pursuant to the Law of 28 June 2011 on certain undertakings for collective investment in transferable securities (UCITSG)
<b>Umbrella construction:</b>	No, individual funds
<b>Founding country:</b>	Liechtenstein
<b>Date of incorporation of the UCITS:</b>	23.02.2024
<b>Business year:</b>	The financial year of the UCITS begins on 1 January and ends on 31 December
<b>Invoice currency of the UCITS:</b>	Euro (EUR)
<b>Responsible Supervisory authority:</b>	Financial Market Authority Liechtenstein (FMA); <a href="http://www.fma-li.li">www.fma-li.li</a>

Information on the UCITS can be found in Appendix A "UCITS at a glance".

German is the legally binding language for the trust agreement including fund-specific annexes.

## Note for investors/sales restriction

Units of the UCITS are acquired on the basis of the prospectus, the trust agreement and the key information documents (**PRIP-KID**) as well as the most recent annual report and, if already published, the subsequent semi-annual report. Only the information contained in the prospectus and in particular in the trust agreement including Annex A "UCITS at a glance" is valid. With the acquisition of the units, these are deemed to have been authorised by the investor.

This Prospectus does not constitute an offer or invitation to subscribe for units of the UCITS by any person in any jurisdiction in which such offer or invitation is unlawful or in which the person making such offer or invitation is not qualified to do so or to any person to whom it is unlawful to make such offer or invitation. Information not contained in this Prospectus and Trust Deed or documents available to the public is deemed to be unauthorised and not reliable. Potential investors should inform themselves about possible tax consequences, legal requirements and possible foreign exchange restrictions or controls applicable in the countries of their citizenship, residence or domicile which may be relevant to the subscription, holding, conversion, redemption or realisation of units. Further tax considerations are explained in section 11 "Tax regulations". Appendix B "Specific information for individual countries of distribution" contains information on distribution in various countries. The units of the UCITS are not authorised for distribution in all countries of the world. When units are issued, exchanged and redeemed abroad, the provisions applicable there apply. In particular, the units have not been registered in the United States of America (USA) in accordance with the United States Securities Act of 1933 and therefore cannot be offered or sold in the USA or to US citizens. For example, natural persons who (a) were born in the USA or one of its territories or sovereign territories, (b) are naturalised citizens (or green card holders), (c) were born abroad as the child of a US citizen, (d) reside predominantly in the USA without being a US citizen, (e) are married to a US citizen or (f) are liable for tax in the USA are considered to be US citizens. The following are also considered to be US citizens: (a) investment companies and corporations that were founded under the laws of one of the 50 US states or the District of Columbia, (b) an investment company or partnership that was founded under an Act of Congress, (c) a pension fund that was founded as a US trust, (d) an investment company that is subject to tax in the USA or (e) investment companies that are deemed to be such under Regulation S of the US Securities Act of 1933 and/or the US Commodity Exchange Act. In general, units of the UCITS may not be offered in jurisdictions and to persons in which or to whom this is not permitted.

## Table of contents

The organisation of the UCITS at a glance .....	2
The UCITS at a glance .....	3
Information on the UCITS can be found in Appendix A "UCITS at a glance" .....	3
Note for investors/sales restriction .....	4
<b>PART I: THE PROSPECTUS</b> .....	<b>8</b>
1 Sales documents .....	8
2 The trust agreement .....	8
3 General information on the UCITS .....	9
4 Organisation.....	10
5 General investment principles and restrictions .....	13
6 Investment regulations .....	14
7 Risk warnings.....	25
8 Participation in the UCITS .....	30
9 Utilisation of success .....	36
10 Tax regulations .....	36
11 Costs and fees .....	37
12 Information to investors.....	41
13 Duration, dissolution, merger and structural measures of the UCITS .....	41
14 Applicable law, place of jurisdiction and authoritative language .....	43
15 Specific information for individual sales countries .....	43
<b>PART II : THE TRUST AGREEMENT</b> .....	<b>44</b>
<b>I. General provisions</b> .....	<b>44</b>
Art. 1 The UCITS .....	44
Art. 2 Management company .....	45
Art. 3 Transfer of tasks.....	45
Art. 4 Depositary .....	45
Art. 5 Auditor45	
Art. 6 Calculation of the net asset value per unit .....	45
Art. 7 Issue of shares.....	47
Art. 8 Redemption of units .....	48
Art. 9 Exchange of units .....	49
Art. 10 Late trading and market timing .....	49
Art. 11 Prevention of money laundering and terrorist financing .....	50
Art. 12 Suspension of the calculation of the net asset value and the issue, redemption and conversion of units.....	50
Art. 13 Sales restrictions .....	51
<b>II Structural measures</b> .....	<b>51</b>
Art. 14 Merger51	
Art. 15 Investor information, consent and investor rights .....	52
Art. 16 Costs of the merger .....	52
<b>III. Dissolution of the UCITS and its unit classes</b> .....	<b>52</b>
Art. 17 In general .....	52
Art. 18 Resolution on dissolution .....	52
Art. 19 Reasons for dissolution .....	53
Art. 20 Costs of dissolution .....	53

Art. 21	Dissolution and bankruptcy of the Management Company or the Depositary .....	53
Art. 22	Cancellation of the depositary agreement .....	53
<b>IV.</b>	<b>Creation of unit classes and sub-funds.....</b>	<b>53</b>
Art. 23	Creation of unit classes.....	53
Art. 24	Characteristics of the unit classes .....	53
Art. 25	Formation of sub-funds .....	54
Art. 26	Structural measures for unit classes .....	54
<b>V.</b>	<b>General investment principles and restrictions .....</b>	<b>54</b>
Art. 27	Investment policy .....	54
Art. 28	General investment principles and restrictions .....	54
Art. 29	Authorised installations .....	54
Art. 30	Non-authorised installations.....	55
Art. 31	Use of derivatives, techniques and instruments .....	55
Art. 32	Investment limits .....	56
Art. 33	Joint administration .....	59
<b>VI</b>	<b>Costs and fees .....</b>	<b>59</b>
Art. 34	Current fees.....	59
Art. 35	Costs to be borne by the investors.....	62
Art. 36	Fee dependent on investment performance (performance fee) .....	62
Art. 37	Formation costs .....	62
<b>VII</b>	<b>Final provisions.....</b>	<b>62</b>
Art. 38	Utilisation of profit .....	62
Art. 39	Use of reference values ("benchmarks").....	63
Art. 40	Contributions .....	63
Art. 41	Information for investors .....	64
Art. 42	Reports .....	64
Art. 43	Financial year .....	65
Art. 44	Amendments to the trust agreement .....	65
Art. 45	Statute of limitations .....	65
Art. 46	Applicable law, place of jurisdiction and authoritative language .....	65
Art. 47	General information .....	65
Art. 48	Entry into force .....	65
	<b>Appendix A: UCITS at a glance .....</b>	<b>66</b>
	<b>Gain Alpha Equity Fund .....</b>	<b>71</b>
A.	The UCITS at a glance .....	66
B.	Transfer of tasks.....	67
	a) Asset manager .....	67
	b) Distributor .....	67
C.	Investment advisor .....	67
D.	Depositary .....	68
E.	Auditor .....	68
F.	Investment principles of the UCITS sub-fund .....	68
	a) Investment objective and investment policy.....	68
	b) Invoice/reference currency.....	69
	c) Profile of the typical investor .....	69
G.	Risks and risk profiles of the UCITS .....	69
	a) Fund-specific risks .....	69
	b) General risks.....	70

H.	Costs reimbursed from the UCITS .....	71
I.	Performance fee .....	71
J.	Calculation example for the performance fee .....	72
<b>Appendix B: Specific information for individual sales countries .....</b>		<b>73</b>
Information for qualified investors in Switzerland .....		73
Information for investors in Germany .....		79
Information for qualified investors in Italy .....		80
<b>Appendix C: Regulatory disclosure .....</b>		<b>76</b>
Regulatory disclosure .....		76

# PART I: THE PROSPECTUS

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Units of the UCITS are issued and redeemed on the basis of the currently valid trust agreement and Annex A "UCITS at a glance". This trust agreement is supplemented by the most recent annual report. If the reporting date of the annual report is more than eight months in the past, the semi-annual report must also be offered to the purchaser. The key investor information document (PRIIP-KID) is made available to the investor free of charge in good time before the acquisition of units.

It is not permitted to provide information or declarations that deviate from the prospectus, trust agreement, Annex A "UCITS at a glance" or the Key Investor Information Document. The Management Company shall not be liable if and to the extent that information or statements are made that deviate from the current Prospectus, Trust Agreement or Key Investor Information Document.

The prospectus and trust agreement, including Annex A "UCITS at a glance", are presented here in one document. The main founding document of the fund is the trust agreement including Annex A "UCITS at a glance". Only the trust agreement, including the special provisions on the investment policy in Annex A "UCITS at a glance", are subject to the substantive legal review of the Liechtenstein Financial Market Authority (FMA).

## 1 Sales documents

The prospectus, the key information documents (PRIIP-KID), the trust agreement and Annex A "UCITS at a glance" as well as the latest annual and semi-annual report, if already published, are available free of charge on a durable medium from the management company, the depositary, the paying agents and all distributors in Liechtenstein and abroad as well as on the website of the LAFV Liechtensteinischer Anlagefondsverband at [www.lafv.li](http://www.lafv.li).

At the request of investors, the aforementioned documents will also be made available to them free of charge in paper form. Further information on the UCITS is available on the Internet at [www.ifm.li](http://www.ifm.li) and from IFM Independent Fund Management AG, Landstrasse 30, 9494 Schaan, during business hours.

## 2 The trust agreement

The trust agreement comprises a general section and Annex A "UCITS at a glance". The trust agreement and Annex A "UCITS at a glance" are printed in full in this prospectus. The trust agreement and Annex A "UCITS at a glance" may be amended or supplemented in whole or in part by the management company at any time. Amendments run to the trust agreement and Annex A "UCITS at a glance" require the prior approval of the FMA.

Any amendment to the trust agreement and Annex A "UCITS at a glance" shall be published in the official gazette of the UCITS and shall thereafter be legally binding for all investors. Publications organ of the UCITS is the website of the LAFV Liechtensteinischer Anlagefondsverband [www.lafv.li](http://www.lafv.li).



### 3 General information on the UCITS

The **Gain Alpha Equity Fund** (hereinafter: UCITS) was established on 23 February 2024 as an undertaking for collective investment in transferable securities (UCITS) under the law of the Principality of Liechtenstein.

The trust agreement and Annex A "UCITS at a glance" were approved by the FMA on 20 February 2024 and the UCITS was entered in the Liechtenstein Commercial Register at the Office of Justice on 23 February 2024. The trust agreement and Annex A "UCITS at a glance" entered into force for the first time on 1 March 2024.

The trust agreement and Annex A "Sub-fund overview" were approved by the FMA on 25 October 2024 and entered into force on 28 October 2024.

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

The UCITS 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 investing and managing assets 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 UCITS is not an umbrella structure and is therefore a single fund.

The management of the UCITS consists primarily of investing the monies raised from the public for joint account in accordance with the principle of risk diversification in securities and/or other liquid financial assets pursuant to Art. 51 UCITSG. The UCITS forms special assets in favour of its investors. In the event of the dissolution and bankruptcy of the management company, the special assets do not belong to the bankruptcy estate of the management company.

The UCITSG, the trust agreement and Annex A "UCITS at a glance" specify the investment objects in which the management company may invest the money and the provisions it must observe in doing so.

The securities and other assets of the UCITS are managed in the interests of the investors. Only the investors are entitled to the entire assets of the UCITS in proportion to their units. Claims of investors and creditors which are directed against the UCITS or which have arisen on the occasion of the formation, during the existence or in the liquidation of the UCITS are limited to the assets of the UCITS.

With the acquisition of units of the UCITS, each investor recognises the trust agreement, including fund-specific annexes, which defines the contractual relationships between the investors, the Management Company and the Depositary, as well as the duly executed amendments to this document. With the publication of amendments to the trust agreement and prospectus, the annual or semi-annual report or other documents on the website of the LAFV Liechtenstein Investment Fund Association [www.lafv.li](http://www.lafv.li), these amendments are binding for the investors.

Investors participate in the assets of the UCITS in proportion to the units they have acquired.

The units are not securitised but are only kept in the books, i.e. no certificates are issued. There is no provision for a meeting of investors. By subscribing to or acquiring units at , the investor is aware of the trust agreement and Annex A "UCITS at a glance". Investors,

heirs or other persons may not demand the division or dissolution of the UCITS. The details of the UCITS are described in Annex A "UCITS at a glance".

In principle, all units of the UCITS embody the same rights, unless the Management Company decides to issue different unit classes within the UCITS.

### **3.1 Duration of the UCITS**

The duration of the UCITS is set out in Annex A "UCITS at a glance".

### **3.2 Share classes**

The Management Company is authorised to create several unit classes within the UCITS, which may differ from the existing unit classes in terms of 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 or a combination of these features. The rights of investors who have acquired units from existing unit classes remain unaffected by this.

The unit classes established in connection with the UCITS as well as the fees and remuneration incurred in connection with the units of the UCITS are listed in Annex A "UCITS at a glance". Further information on the unit classes can be found in section 8.2.

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

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

## **4 Organisation**

### **4.1 Country of domicile / competent supervisory authority**

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

### **4.2 Legal relationships**

The legal relationships between the investors and the Management Company are governed by the Law of 28 June 2011 on certain undertakings for collective investment in transferable securities (UCITSG) and the Ordinance of 5 July 2011 on certain undertakings for collective investment in transferable securities (UCITSV) and, insofar as no provisions are made therein, by the provisions of the Persons and Companies Act (PGR) on trusteeship.

### **4.3 Management company**

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

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

in Schaan, Principality of Liechtenstein. The Management Company is authorised by the Liechtenstein supervisory authority pursuant to Chapter III of the Law of 28 June 2011 on Undertakings for Collective Investment and is entered on the official list of Liechtenstein management companies.

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

The Management Company manages the UCITS for the account and in the interests of the investors in accordance with the principle of risk diversification and in accordance with the provisions of the Trust Agreement and Annex A "UCITS at a glance". schliesslicher Interesse der Anleger nach dem Grundsatz der Risikoverreuung und gemäß den Bestimmungen des Treuhandvertrages und des Anhangs A "OGAW im Überblick".

The Management Company is vested with the broadest possible rights to perform all administrative and management activities on behalf of the investors. In particular, it is authorised to buy, sell, subscribe and exchange securities and other assets and to exercise all rights relating to the assets of the UCITS.

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

#### 4.3.1 Board of Directors

President:	Heimo Quaderer, Managing Partner of Principal Vermögensverwaltung AG, Schaan
Members:	H.R.H. Simeon von Habsburg, Archduke of Austria, Managing Partner of Principal Vermögensverwaltung AG, Schaan
	Hugo Quaderer, independent member of the Board of Directors of IFM Independent Fund Management AG, Schaan

#### 4.3.2 Management

Chairman:	Luis Ott, Managing Director
Members:	Alexander Wymann, Deputy Managing Director Michael Oehry Ramon Schäfer

### 4.4 Asset Manager

Osiris Asset Management AG, Austrasse 52, FL-9490 Vaduz, acts as asset manager for the UCITS.

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

The task of the Asset Manager is in particular the independent daily implementation of the investment policy and the management of the day-to-day business of the UCITS as well as other associated services under the supervision, control and responsibility of the Management Company. The fulfilment of these tasks is carried out in compliance with the principles of the investment policy and the investment restrictions of the UCITS, as described in this prospectus, as well as the statutory investment restrictions.

The Asset Manager has the right to seek advice from third parties at its own expense and responsibility.

The precise execution of the mandate is governed by an asset management agreement concluded between the management company and Osiris Asset Management AG.

#### **4.5 Investment advisor**

Aurum Trust & Finance SA, Via Pioda 5, CH-6900 Lugano acts as investment advisor without decision-making authority for the UCITS.

The management and employees of Aurum Trust & Finance SA have many years of experience in the field of investment consulting for institutional clients.

The precise execution of the mandate is governed by an investment advisory agreement concluded between the Management Company and Aurum Trust & Finance SA.

#### **4.6 Sales office**

The distribution agent for the UCITS is Osiris Asset Management AG, Austrasse 52, FL-9490 Vaduz.

The precise execution of the order is governed by a distribution agreement concluded between the management company and Osiris Asset Management AG.

#### **4.7 Depositary**

Liechtensteinische Landesbank AG, Städtle 44, FL-9490 Vaduz, acts as depositary.

Liechtensteinische Landesbank Aktiengesellschaft has been in existence since 1861 and its main activities are investment advice, asset management and lending. Further information on the depositary (e.g. annual reports, brochures, etc.) can be obtained directly from its head office or online on its website [www.llb.li](http://www.llb.li).

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

The function of the Depositary and its liability are governed by the UCITSG and the corresponding ordinance as amended, the Depositary Agreement and the constitutive documents of the UCITS. It acts independently of the Management Company and exclusively in the interests of the investors.

The UCITSG provides for a separation of the management and custody of UCITS. The Custodian shall hold the financial instruments eligible for custody in separate accounts opened in the name of the UCITS or the management company acting on behalf of the UCITS and shall monitor whether the instructions of the management company regarding the assets comply with the provisions of the UCITSG and the constituent documents. For these purposes, the Custodian shall in particular monitor compliance with the investment restrictions and leverage limits by the UCITS. The Depositary also maintains the unit register of the UCITS on behalf of the Management Company.

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

- ◆ The sale, issue, redemption, payment and cancellation of units of the UCITS shall be carried out in accordance with the provisions of the UCITSG and the constituent documents,
- ◆ the valuation of the units of the UCITS is carried out in accordance with the provisions of the UCITSG and the constituent documents,
- ◆ in the case of transactions involving assets of the UCITS, the equivalent value is transferred to the UCITS within the usual time limits,
- ◆ the income of the UCITS is utilised in accordance with the provisions of the UCITSG and the constituent documents;
- ◆ the cash flows of the UCITS are properly monitored and in particular to ensure that all payments made by or on behalf of investors on the subscription of units of a UCITS have been received and that all monies of the UCITS have been accounted for in accordance with the provisions of the UCITSG and the constitutive documents.

#### **Sub-custody**

The custodian may delegate the custodian task to other companies (sub-custodians). The Custodian may delegate the custodian function to other companies (sub-custodians). A list of the sub-custodians used for the safekeeping of the assets held in the name and for the account of the UCITS may be requested from the Custodian.

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

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

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

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

### **4.8 Auditors of the UCITS and the management company**

Auditors of the UCITS: Grant Thornton AG, Bahnhofstrasse 15, FL-9494 Schaan

Auditors of the Management Company: Ernst & Young AG, Schanzenstrasse 4a, CH-3008 Bern

The UCITS and the Management Company must have their business activities audited annually by an independent auditor recognised by the FMA in accordance with the UCITSG.

## **5 General investment principles and restrictions**

The assets of the UCITS are invested in compliance with the principle of risk diversification within the meaning of the rules of the UCITSG and in accordance with the investment policy principles described in Article 28 of the Trust Agreement and in Annex A "UCITS at a glance" and within the investment restrictions.

### **5.1 Objective of the investment policy**

The objective of the investment policy of the UCITS is described in Annex A "UCITS at a glance".

## 5.2 Investment policy of the UCITS

The fund-specific investment policy for the UCITS is described in Annex A "UCITS at a glance".

The general investment principles and investment restrictions set out in Articles 27 and 28 of the Trust Agreement shall apply to the UCITS, unless deviations or additions are contained in Annex A "UCITS at a glance".

## 5.3 Invoice -/reference currency of the UCITS

The accounting currency of the UCITS and the reference currency per unit class are specified in Annex A "UCITS at a glance".

The accounting currency is the currency in which the UCITS' accounts are kept. The reference currency is the currency in which the performance and the net asset value of the unit classes are calculated. Investments are made in the currencies that are best suited to the performance of the UCITS.

## 5.4 Profile of the typical investor

The profile of the typical investor of the UCITS is described in Appendix A "UCITS at a glance".

# 6 Investment regulations

## 6.1 Authorised systems

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

### 6.1.1 Securities and money market instruments:

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

### 6.1.2 Securities from new issues, if:

- a) the terms and conditions of issue contain the obligation that admission to official listing or trading on one of the stock exchanges mentioned in Section 6.1.1 a) to c) or on a regulated market mentioned there regel has been applied for, and
- b) this authorisation is obtained no later than one year after the issue.

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

**6.1.4** Sight deposits or callable deposits with a maximum term of twelve months with credit institutions that have their registered office in an EEA member state or a third country whose supervisory law is equivalent to that of EEA law;

**6.1.5** Derivatives whose underlying assets are investment objects within the meaning of Art. 51 UCITSG or financial indices, interest rates, exchange rates or currencies. In the case of transactions with OTC derivatives, the counterparties must be supervised institutions of a category authorised by the FMA and the OTC derivatives must be subject to reliable and verifiable valuation on a daily basis and must be able to be sold, liquidated or closed by an offsetting transaction at any time at fair value at the initiative of the UCITS;

**6.1.6** Money market instruments that are not traded on a regulated market, provided that the issue or the issuer of these instruments is subject to regulations on deposit and investor protection, provided that they are traded on a regulated market:

- a) issued or guaranteed by a central, regional or local authority or the central bank of an EEA Member State, the European Central Bank, the Community or the European Investment Bank, a third state or, if this is a federal state, a member state of the federation or by an international public law body to which at least one EEA Member State belongs;
- b) issued by a company whose securities are traded on the regulated markets referred to under a);
- c) issued or guaranteed by an institution that is subject to supervision in accordance with the criteria laid down in EEA law or by an institution whose supervisory law is equivalent to EEA law and which complies with that law; or
- d) issued by an issuer belonging to a category authorised by the FMA, provided that investments in these instruments are subject to investor protection provisions equivalent to those in points a) to c) and the issuer is a company with equity capital of at least EUR 10 million and prepares its annual financial statements in accordance with the provisions of Directive 78/660/EEC, implemented in Liechtenstein by PGR, or is a group-affiliated legal entity that is responsible for financing the group of companies with at least one listed company or is a legal entity that is to finance the value added of the group of companies by utilising a credit line granted by a bank.

**6.1.7** The management company may also hold liquid assets.

## **6.2 Non-authorised systems**

The management company may not:

**6.2.1** invest more than 10% of the assets of the UCITS in securities and money market instruments other than those referred to in section 6.1 ;

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

**6.2.3** still make uncovered short sales.

## **6.3 Investment limits**

**A. The following investment limits must be observed for the UCITS:**

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



- 6.3.2** The default risk from transactions of the UCITS with OTC derivatives with a credit institution as counterparty that has its registered office in an EEA member state or a third country whose supervisory law is equivalent to that of EEA law may not exceed 10% of the assets of the UCITS ; for other counterparties, the maximum default risk is 5% of the assets.
- 6.3.3** If the total value of the securities and money market instruments of the issuers in which the UCITS invests more than 5% of its assets does not exceed 40% of its assets, the issuer limit of 5% referred to in Section 6.3.1 is raised to 10%. The limit of 40% does not apply to deposits or transactions with OTC derivatives with financial institutions supervised by. When utilising the increase, the securities and money market instruments in accordance with section 6.3.5 and the debt securities in accordance with section 6.3.6 are not taken into account.
- 6.3.4** Notwithstanding the individual upper limits set out in sections 6.3.1 and 6.3.2, a UCITS may not combine the following if this would lead to an investment of more than 20% of its assets in one and the same institution:
- a) securities or money market instruments issued by this institution;
  - b) Deposits with this institution;
  - c) OTC derivatives acquired by this institution.
- 6.3.5** If the securities or money market instruments are issued or guaranteed by an EEA member state or its local authorities, by a third country or by a public international body to which at least one EEA member state belongs, the upper limit of 5% specified in section 6.3.1 is raised to a maximum of 35%.
- 6.3.6** If bonds are issued by a credit institution domiciled in an EEA member state that is subject to special public supervision on the basis of statutory provisions to protect the holders of these bonds and, in particular, must invest the income from the issue of these bonds in assets that adequately cover the resulting liabilities throughout the term of the bonds and are intended primarily for the repayment of the capital and interest due in the event of the issuer's default, the upper limit of 5% referred to in section 6.3.1 is raised to a maximum of 25% for such bonds. In this case, the total value of the investments may not exceed 80% of the assets of the UCITS.
- 6.3.7** The limits specified in sections 6.3.1 to 6.3.6 may not be cumulated. The maximum issuer limit is 35% of the assets of the UCITS.
- 6.3.8** Companies of the same corporate group are deemed to be a single issuer for the calculation of the investment limits provided for in Section 6.3. For investments in securities and money market instruments of the same group of companies, the issuer limit is raised to a total of 20% of the assets of the UCITS.
- 6.3.9** The UCITS may invest a maximum of 10% of its assets in units of other UCITS or other undertakings for collective investment comparable to a UCITS.
- 6.3.10** If the investments in Point 6.3.9 account for a significant proportion of the assets of the UCITS, the fund-specific Annex must provide information on the maximum amount and the annual report on the maximum proportion of the management fees to be borne by the UCITS itself and by the undertakings for collective investment pursuant to Point 6.3.9 whose units have been acquired.
- 6.3.11** If units are managed directly or indirectly by the management company of the UCITS or by a company with which the management company of the UCITS is linked by common management, control or qualified participation, neither the management company of the UCITS nor the other company may charge fees for the issue or redemption of units to or from the UCITS.



**6.3.12** A management company shall not acquire voting shares of the same issuer for any UCITS it manages with which it can exercise a significant influence on the management of the issuer. Significant influence is presumed to exist from 10% of the issuer's voting rights. If a lower limit for the acquisition of voting shares of the same issuer applies in another EEA member state, this limit is decisive for the UCITS if it acquires shares of an issuer domiciled in this EEA member state for a UCITS.

**6.3.13** The UCITS may hold financial instruments of the same issuer in a maximum amount of:

- a) 10% of the share capital of the issuer may be acquired, insofar as non-voting shares are concerned;
- b) 10% of the total nominal amount of the outstanding debt securities or money market instruments of the issuer are acquired, insofar as debt securities or money market instruments are concerned. This limit need not be observed if the total nominal amount cannot be determined at the time of acquisition;
- c) 25% of the units of the same undertaking are acquired, insofar as units of other UCITS or undertakings for collective investment comparable to a UCITS are concerned. This specific limit need not be complied with if the net amount cannot be determined at the time of acquisition.

**6.3.14** Sections 6.3.12 and 6.3.13 are not applicable:

- a) on securities and money market instruments issued or guaranteed by a government issuer;
- b) to shares held by the UCITS in the capital of a company of a third country which invests its assets mainly in securities of issuers domiciled in that third country, if a participation of the kind represents the only possibility for the UCITS to invest in securities of issuers of that country under the legislation of that third country. The requirements of the UCITS Directive must be observed;
- c) to shares held by management companies in the capital of their subsidiaries that organise the repurchase of shares at the request of investors in the country of establishment exclusively for the management company.

In addition to the restrictions listed in sections 6.3.1 - 6.3.14, any further restrictions in Annex A "UCITS at a glance" must be observed.

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

**6.3.15** The UCITS must not comply with the investment limits when exercising subscription rights from securities or money market instruments belonging to its assets, but must correct them within a reasonable period of time.

**6.3.16** In the event of a breach of the investment limits, the management company's primary objective is to normalise this situation, taking into account the interests of the investors.

**6.3.17** The UCITS may deviate from the investment limits set out in this section "General investment principles and restrictions" within the first six months after it is launched. Sections 6.1 and 6.2 remain unaffected by this exception and must be complied with at all times. The principle of risk diversification must continue to be observed.

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

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

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

- 6.4.1** The assets of the UCITS may not be pledged or otherwise encumbered, transferred by way of security or assigned by way of security, except in the case of borrowing within the meaning of Section 6.4.2 below or the provision of collateral in connection with the settlement of transactions involving financial instruments.
- 6.4.2** Borrowing by the UCITS is limited to temporary loans where the borrowing does not exceed 10% of the assets of the UCITS; the limit does not apply to the acquisition of foreign currencies through a "back-to-back loan".
- 6.4.3** A UCITS may neither grant loans nor act as guarantor for third parties. Neither the UCITS nor the investors are bound by agreements that violate these prohibitions.
- 6.4.4** Section 6.4.3 does not prevent the acquisition of financial instruments that are not yet fully paid up.

## **6.5 Use of derivatives, techniques and instruments**

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

Provided there are no conflicts with the protection of investors and the public interest, investments of the UCITS in index-based derivatives are not to be taken into account with regard to the upper limits of Art. 54 UCITSG.

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

With the authorisation of the FMA, the UCITS may use techniques and instruments involving securities and money market instruments for the efficient management of the portfolios in compliance with the provisions of the UCITSG. These transactions must be taken into account when determining the overall risk.

### **6.5.1 Risk management procedures**

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

The Management Company may use the following derivative financial instruments, techniques and instructions \_COPY0 for the UCITS in particular son:

#### **6.5.2 Derivative financial instruments**

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

The risk associated with derivative financial instruments may not exceed 100% of the net fund assets. The total risk may not exceed 200% of the respective net fund assets. In the case of borrowing permitted under the UCITSG (section 6.4.2), the total risk may not exceed 210% of the respective net fund assets ( ).

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

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

- 6.5.2.1** Forward contracts on securities, money market instruments, financial indices within the meaning of Article 9(1) of Directive 2007/16/EC, interest rates, exchange rates or currencies;
- 6.5.2.2** Options or warrants on securities, money market instruments, financial indices within the meaning of Article 9(1) of Directive 2007/16/EC, interest rates, exchange rates or currencies and on forward contracts in accordance with section 6.5.2.1, if
  - ♦ exercise is possible either during the entire term or at the end of the term and
  - ♦ the option value is a fraction or a multiple of the difference between the strike price and the market price of the underlying asset and becomes zero if the difference has the opposite sign;
- 6.5.2.3** Interest rate swaps, currency swaps or cross-currency interest rate swaps;
- 6.5.2.4** Options on swaps in accordance with section 6.5.2.3, provided they have the characteristics described in section 6.5.2.2 (swaptions);
- 6.5.2.5** Credit default swaps, provided they serve exclusively and comprehensibly to hedge the credit risk of precisely attributable assets of the UCITS.

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

#### **Forward contracts**

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

### Options transactions

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

### Swaps

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

### Swaptions

Swaptions are options on swaps. Only swaptions consisting of the options and swaps described above may be acquired for the account of the UCITS. A swaption is the right, but not the obligation, to enter into a swap with precisely specified conditions at a certain point in time or within a certain period of time. Otherwise, the principles described in connection with option transactions apply.

### Credit default swaps

Credit default swaps are credit derivatives that make it possible to transfer a potential credit default volume to others. In return for assuming the credit default risk, the seller of the risk pays a premium to its contractual partner. The Management Company may only acquire one standardised credit default swap for the UCITS, which is used to hedge individual credit risks in the UCITS. In all other respects, the comments on swaps apply accordingly.

### Financial instruments securitised in securities

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

### OTC derivatives transactions

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

The Management Company may only enter into derivative transactions that are not admitted to trading on a stock exchange or included in another organised market with suitable credit institutions or financial services institutions on the basis of standardised framework agreements. In the case of derivatives traded over the counter, the counterparty risk in relation to a contractual partner is limited to 5% of the value of the assets of the UCITS. If the counterparty is a credit institution domiciled in the European Union, the European Economic Area or a third country with a comparable level of supervision, the counterparty risk may

amount to up to 10% of the value of the assets of the UCITS. Derivative transactions traded off-exchange that are concluded with a central clearing house of a stock exchange or another organised market as the contractual partner are not counted towards the counterparty limits if the derivatives are subject to daily valuation at market prices with daily margin settlement.

However, claims of the UCITS against an intermediary shall be counted towards the limits, even if the derivative is traded on a stock exchange or another organised market.

#### **6.5.3 Securities lending**

The Management Company does not engage in securities lending transactions.

#### **6.5.4 Repurchase agreements**

The Management Company does not engage in repurchase agreements.

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

##### **General information**

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

##### **Permissible securities and strategies for their diversification and correlation**

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

##### **Liquidity**

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

##### **Valuation**

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

##### **Creditworthiness**

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

### Correlation

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

### Diversification of collateral

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

A UCITS may deviate from these rules in accordance with the provisions set out above under 6.3.5 - 6.3.7.

### Safekeeping and realisation

If ownership of the transferred collateral has been transferred to the management company for the UCITS, the collateral received must be held by the depository of the UCITS. Otherwise, the collateral must be held by a third-party custodian that is subject to prudential supervision and is independent of the service provider or is legally protected against the default of the related party. It must be ensured that the UCITS can realise the collateral immediately at any time without reference to or consent from the counterparty.

### Investment of collateral

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

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

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

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

In order to assess the value of collateral exposed to a non-negligible risk of fluctuation, the UCITS must apply prudent haircut rates. The Management



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

#### Amount of collateral

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

#### Rules for haircuts

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

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

#### Total return swaps

Total return swaps may be entered into for the UCITS. Total return swaps are derivatives in which all income and fluctuations in the value of an underlying asset are exchanged for an agreed fixed interest payment. One contracting party,

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

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

- ◆ Price of the financial instrument,
- ◆ Costs of order fulfilment,
- ◆ Speed of execution,
- ◆ Probability of execution or settlement,
- ◆ Scope and type of order,
- ◆ Time of the order,
- ◆ Other factors influencing the execution of the order (e.g. creditworthiness of the counterparty)

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

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

The UCITS may invest a maximum of 10% of its assets in units of other UCITS or other undertakings for collective investment comparable to a UCITS. According to their prospectus or constitutive documents, these other undertakings for collective investment may invest a maximum of 10% of their assets in units of another UCITS or another similar organisation for collective investment.

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

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

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

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

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



from that of the benchmark. The benchmark index, if used by the Management Company or the Asset Manager on its behalf, is indicated in Appendix A "UCITS at a glance".

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

In addition, the UCITS may use benchmarks when calculating performance fees. Detailed information on any performance fee can be found in section 11.2 of this prospectus and in Annex A "UCITS at a glance".

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

The Management Company has prepared a written plan of action that it will take with respect to the UCITS in the event that the Index changes significantly or ceases to be provided. Information in relation to this plan is available free of charge on request from the registered office of the Management Company.

## 7 Risk warnings

### 7.1 Fund-specific risks

**The performance of the units depends on the investment policy and the market performance of the individual investments of the UCITS and cannot be determined in advance. In this context, it should be noted that the value of the units against may rise or fall above the issue price at any time. It cannot be guaranteed that the investor will receive back the capital invested.**

The fund-specific risks of the UCITS can be found in Appendix A "UCITS at a glance".

### 7.2 General risks

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

All investments in a UCITS are associated with risks. Each risk can also occur together with other risks. Some of these risks are briefly discussed in this section. However, it should be noted that this is not an exhaustive list of all possible risks.

**Potential investors should be aware of the risks associated with an investment in the units and should only make an investment decision once they have obtained comprehensive advice from their legal, tax and financial advisors, auditors or other experts on the suitability of an investment in units of this UCITS, taking into account their personal financial and tax situation and other circumstances, the information contained in this prospectus and trust agreement and the investment policy of the UCITS.**

#### Market risk

This is a general risk associated with all investments and consists of the possibility that the value of a particular investment may have a negative impact on the unit value of the UCITS.

### **Price risk**

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

### **Economic risk**

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

### **Concentration risk**

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

### **Interest rate risk**

Insofar as the UCITS 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 significantly. This applies to a greater extent if the assets also hold interest-bearing securities with a longer residual term and a lower nominal interest rate.

### **Currency risk**

If the UCITS holds assets denominated in foreign currency(ies), it is exposed to a direct currency risk (insofar as foreign currency positions are not hedged). Falling exchange rates lead to a reduction in the value of foreign currency investments. In addition to direct currency risks, there are also indirect currency risks. Internationally active companies are more or less dependent on exchange rate developments, which can also have an indirect effect on the price development of investments.

### **Monetary value risk**

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

### **Psychological market risk**

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

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

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

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

However, due to the special features of derivative financial instruments (e.g. leverage), the risks mentioned may be of a different nature and may in some cases be higher than

the risks associated with an investment in the underlying instruments. The use of derivatives therefore requires not only an understanding of the underlying instrument, but also in-depth knowledge of the derivatives themselves.

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

The credit risk for derivatives traded on an exchange is generally lower than the risk for over-the-counter (OTC) derivatives, as the clearing house, which acts as the issuer or counterparty for every 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 concluded under certain circumstances.

There are also liquidity risks, as certain instruments may be difficult to buy or sell. If derivative transactions are particularly large or if the corresponding market is illiquid (as may be the case with OTC derivatives), it may not be possible to execute transactions in full at all times or a position may only be liquidated at increased cost.

Further risks associated with the use of derivatives lie in the incorrect pricing or valuation of derivatives. Many derivatives are complex and often subjectively valued. Inappropriate valuations can lead to increased cash payment demands from counterparties or to a loss in value for the UCITS. Derivatives do not always have a direct or parallel relationship to the value of the assets, interest rates or indices from which they are derived. Therefore, the use of derivatives by the UCITS is not always an effective means of achieving the investment objective of the UCITS and may sometimes have the opposite effect.

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

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

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

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

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

#### **Liquidity risk**

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

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

#### **Counterparty risk**

The risk is that contractual partners (counterparties) do not fulfil their contractual obligations to perform transactions. The UCITS may incur a loss as a result.

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

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

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

Country risk is when a foreign debtor is unable to make payments on time or at all despite being solvent due to the inability or unwillingness of its country of domicile to transfer funds (e.g. due to currency restrictions, transfer risks, moratoria or embargoes). For example, payments to which the UCITS 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 of fund assets resulting from inadequate internal processes and from human or system failure at the management company or from external events and includes legal, documentation and reputational risks as well as risks resulting from the trading, settlement and valuation procedures operated for a fund's assets.

#### **Settlement risk**

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

#### **Key person risk**

The UCITS, whose investment performance is very positive in a given period, also owes this success to the suitability of the persons involved and thus to the correct decisions made by its management. However, the composition of the fund management team may change. New decision makers may then be less successful.

#### **Legal and tax risk**

The purchase, holding or sale of investments of the UCITS may be subject to tax regulations (e.g. withholding tax deduction) outside the country of domicile of the UCITS. Furthermore, the legal and tax treatment of UCITS may change in unforeseeable and

uncontrollable ways. A change in incorrectly determined tax bases of the UCITS for previous financial years (e.g. due to external tax audits) may result in the investor having to bear the tax burden from the correction for previous financial years in the event of a correction that is fundamentally disadvantageous for the investor from a tax perspective, even though he may not have been invested in the UCITS at that time. Conversely, the investor may no longer benefit from a generally favourable tax correction for the current and previous financial years in which he was invested in the UCITS due to the redemption or sale of the units prior to the implementation of the corresponding correction. In addition, a correction of tax data may result in taxable income or tax benefits actually being assessed for tax purposes in a different assessment period than the one actually applicable and this having a negative impact on the individual investor.

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

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

#### **Custody risk**

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

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

The risk associated with the UCITS may change as a result of a change in the investment policy within the legally and contractually authorised investment spectrum. The Management Company may increase the fees to be charged to the UCITS and/or significantly change the investment policy of the UCITS within the applicable trust agreement by amending the prospectus and the trust agreement including Annex A "UCITS at a glance" at any time.

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

The management company reserves the right in the trust agreement to amend the trust conditions. Furthermore, the trust agreement allows it to dissolve the UCITS completely or to merge it with another UCITS or a sub-fund. Investors therefore run the risk of not being able to realise their planned holding period.

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

In principle, investors may request the Management Company to redeem their units in accordance with the valuation interval of the UCITS. However, the Management Company may temporarily suspend the redemption of units in exceptional circumstances and only redeem the units later at the price applicable at that time (see "Suspension of the calculation of the net asset value and the issue, redemption and conversion of units" for details). This price may be lower than the price before the suspension of redemption. A suspension of the redemption of units may be directly followed by the dissolution of the UCITS.

#### **Hedging risk**

Unit classes whose reference currency is not the same as the portfolio currency can be hedged against exchange rate fluctuations (hedging). This is intended to protect investors in the respective unit class as far as possible against possible losses due to negative

exchange rate developments, but at the same time they cannot fully benefit from positive exchange rate developments. Due to fluctuations in the volume hedged in the portfolio and ongoing subscriptions and redemptions, it is not always possible to maintain hedges to exactly the same extent as the net asset value of the unit class being hedged. It is therefore possible that the net asset value per unit of a hedged unit class will not develop identically to the net asset value per unit of an unhedged unit class.

### Sustainability risks

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

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

## 8 Participation in UCITS

### 8.1 Sales restrictions

In general, units of the UCITS may not be offered in jurisdictions and to persons in which or to whom this is not permitted. The units of the UCITS are not authorised for distribution in all countries of the world. The issue, conversion and redemption of units abroad are subject to the provisions applicable there.

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

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

The following are also considered 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 that is subject to tax in the USA, or (e) investment companies that qualify as such under Regulation S of the US Securities Act of 1933 and/or the US Commodity Exchange Act.

### 8.2 General information on the shares

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

The Management Company is authorised to create, cancel or merge several unit classes within the UCITS, which may differ from the existing unit classes in terms of, for example, the appropriation of profits, the front-end load, the reference currency and the use of currency hedging transactions, the management fee, the minimumanlage summe or a combination of these features. However, this does not affect the rights of investors who have acquired units from existing unit classes.



There are currently unit classes with the designations **"EUR-P", "EUR-I" and "EUR-I2"**. Units of the unit classes **"EUR-P", "EUR-I" and "EUR-I2"** are issued and redeemed in the accounting currency of the UCITS, in euros (EUR).

The unit classes issued in connection with the UCITS as well as the fees and remunerations incurred in connection with the units of the UCITS are listed in Annex A "UCITS at a glance".

In addition, certain other fees, remunerations and costs are paid from the assets of the UCITS. See sections 10 and 11 (Tax regulations and costs and fees).

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

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

The NAV of a unit in a unit class of the UCITS is expressed in the accounting currency of the UCITS or, if different, in the reference currency of the corresponding unit class and is calculated by dividing the proportion of the assets of the UCITS attributable to the unit class concerned, less any debt obligations of the UCITS allocated to the unit class concerned, by the number of units of the corresponding unit class in circulation. It is rounded as follows for the issue and redemption of units:

- ♦ to EUR 0.01 if the currency is the euro.

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

1. Securities that are officially listed on a stock exchange are valued at the last available price. If a security is officially listed on several stock exchanges, the last available price of the stock exchange that is the main market for this security is decisive.
2. Securities that are not officially listed on a stock exchange but are traded on a market open to the public are valued at the last available price. If a security is traded on various markets open to the public, the last available price of the market with the highest liquidity is generally taken into account.
3. Securities or money market instruments with a remaining term of less than 397 days can be amortised or written up on a straight-line basis at the difference between the cost price (purchase price) and the redemption price (price at final maturity). A valuation at the current market price can be omitted if the redemption price is known and fixed. Any changes in creditworthiness are also taken into account.
4. Investments whose price is not in line with the market and those assets that do not fall under clauses 1, 2 and 3 above are recognised at the price that would probably be achieved in a diligent sale at the time of valuation and that is determined in good faith by the management of the Management Company *sell schaft* or under its direction or supervision by agents.
5. OTC derivatives are valued on a verifiable valuation to be determined by the Management Company on a daily basis, as determined by the *wal tungs* company in good faith and in accordance with generally recognised valuation models verifiable by auditors on the basis of the probable realisable sale value.

- 6 UCITS or other undertakings for collective investment (UCIs) are valued at the last established and available net asset value. If the redemption of units is suspended or no redemption prices are set, these units and all other assets are valued at the respective market value as determined by the Management Company in good faith and in accordance with generally recognised valuation models that can be verified by auditors.
7. if no tradable price is available for the respective assets, these assets, as well as the other legally permissible assets, are valued at the respective market value as determined by the management company in good faith and according to generally recognised valuation models verifiable by auditors on the basis of the probable realisable sales value.
- 8 Cash and cash equivalents are recognised at their nominal value plus accrued interest.
9. the market value of securities and other investments denominated in a currency other than the respective fund currency is converted into the corresponding fund currency at the last exchange rate.

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

## 8.4 Issue of shares

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

The shares are not securitised.

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. Earlier closing times for the submission of applications may apply to applications placed with distributors in Liechtenstein and abroad in order to ensure that applications are forwarded to the custodian in Liechtenstein in good time. These can be obtained from the respective distributors.

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

Payment must be received within the period specified in Annex A "UCITS at a glance" after the relevant issue date.

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

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



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

The minimum investment that must be held by an investor in a particular unit class can be found in Annex A "UCITS at a glance". The minimum investment may be waived at the Management Company's discretion.

Contributions in kind are not permitted.

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

The Depositary and/or the Management Company and/or the Distributor may at any time reject a subscription application or temporarily restrict, suspend or permanently discontinue the issue of units if this appears necessary in the interests of the investors, in the public interest, for the protection of the Management Company or the UCITS or the investors. In this case, the Custodian shall immediately refund, without interest, any payments received for subscription applications not already made from , if necessary with the assistance of the paying agents.

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

## **8.5 Redemption of shares**

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

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

Information on the redemption date, the valuation interval, the acceptance deadline and the amount of any maximum redemption discount can be found in Appendix A "UCITS at a glance".

Since an appropriate proportion of liquid assets must be ensured in the assets of the UCITS, the redemption of units shall be made within the period specified in Annex A "UCITS at a glance" after the relevant redemption date. This shall not apply in the event that the transfer of the redemption amount proves to be impossible in accordance with statutory provisions such as foreign exchange and transfer restrictions or due to other circumstances beyond the control of the Custodian.

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

The corresponding unit expires upon payment of the redemption price.

The Management Company and/or Depositary may redeem units against the will of the investor against payment of the redemption price if this appears necessary in the interests of or for the protection of the investors, the Management Company, the Depositary or the UCITS, in particular if

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

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

If the execution of a redemption request results in the relevant investor's holding falling below the minimum investment of the corresponding unit class listed in Annex A "UCITS at a glance", the Management Company may, without further notice to the investor, treat this redemption request as a request for redemption of all units held by the corresponding investor in this unit class or as a request for conversion of the remaining units into another unit class of the UCITS with the same reference currency whose participation requirements the investor fulfils.

Material expenses are not permitted.

## 8.6 Exchange of shares

The conversion of units of the UCITS into another unit class of the UCITS is only possible if the investor fulfils the conditions for the direct acquisition of units of the respective unit class of the UCITS.

If different unit classes are offered, units of one unit class may also be exchanged for units of another unit class within the UCITS. If an exchange of units is not possible for certain unit classes, this is mentioned for the unit class concerned in Annex A "UCITS at a glance".

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

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

A = Number of units of the unit class, if any, into which the conversion is to be made  
 B = number of units of the unit class, if any, from which the conversion is to be carried out

C = net asset value or redemption price of the units presented for conversion

D = exchange rate between the unit classes concerned. If both unit classes are valued in the same accounting currency, this coefficient is 1.

E = net asset value of the units of the UCITS of the unit class into which the switch is to be made, plus taxes, fees or other charges

In some cases, duties, taxes and stamp duties may be incurred when switching share classes in individual countries.

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

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

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

## **8.7 Suspension of the calculation of the net asset value and the issue and redemption of units**

The Management Company may temporarily suspend the calculation of the net asset value and/or the issue, redemption and conversion of units of the UCITS if this is justified in the interests of the investors, in particular:

1. if a market which forms the basis for the valuation of a significant portion of the assets of the UCITS is closed or if trading on such a market is restricted or suspended;
2. in the event of political, economic or other emergencies; or
3. if transactions become impracticable for the UCITS due to restrictions on the transfer of assets.

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

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

In addition, the Management Company is authorised, while safeguarding the interests of the investors, to make significant redemptions only after corresponding assets of the UCITS can be sold without delay while safeguarding the interests of the investors, i.e. to temporarily suspend the redemption.

No new units of the UCITS will be issued as long as the redemption of units is suspended. The exchange of units whose redemption is temporarily restricted is not possible.

The Management Company shall ensure that sufficient liquid assets are available to the assets of the UCITS so that the redemption or conversion of units at the request of investors can take place without delay under normal circumstances.

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

## 9 Utilisation of success

The realised income of the UCITS consists of the net income and the net realised capital gains. Net income comprises income from interest and/or dividends as well as other or miscellaneous income received less expenses.

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

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

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

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

## 10 Tax regulations

### 10.1 Fund assets

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

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

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

#### Withholding and paying agent taxes

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

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

The UCITS has the following tax status:

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

### Automatic exchange of information (AEOI)

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

### FATCA

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

## 10.2 Natural persons with tax domicile in Liechtenstein

Private investors domiciled in the Principality of Liechtenstein must declare their units as assets and these are subject to wealth tax. Any income distributions or reinvested income of the UCITS in the legal form of a contractual investment fund or collective trusteeship are exempt from acquisition tax. Capital gains realised on the sale of units are exempt from acquisition tax. Capital losses cannot be deducted from the taxable acquisition.

## 10.3 Persons with tax domicile outside Liechtenstein

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

### Disclaimer

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

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

# 11 Costs and fees

## 11.1 Costs and fees charged to investors

### 11.1.1 Issue premium

To cover the costs incurred in placing the units, the Management Company may levy an issue premium on the net asset value of the newly issued units in favour of the Management Company, the Depositary and/or domestic or foreign distributors in accordance with Annex A "UCITS at a glance".

Any front-end load in favour of the UCITS can also be found in Appendix A "UCITS at a glance".

### 11.1.2 Redemption discount

For the redemption of redeemed units, the Management Company shall levy a redemption fee on the net asset value of the redeemed units in accordance with Annex A "UCITS at a glance".

Any redemption discount in favour of the Management Company, the Depositary and/or distributors in Switzerland or abroad can also be found in Appendix A "UCITS at a glance".

### 11.1.3 Exchange fee

If the investor wishes to switch from one UCITS to another or from one unit class to another unit class, the Management Company shall charge a fee on the net asset value of the original UCITS or the original unit class in accordance with Annex A "UCITS at a glance".

## 11.2 Costs and fees charged to the UCITS

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

**11.2.1** The Management Company shall receive remuneration for the administration of the UCITS in accordance with Annex A "The UCITS at a glance". In addition, the Management Company may receive remuneration for investment decisions (asset management and investment advice), risk management and distribution in accordance with Annex A "UCITS at a glance". These fees are calculated on the basis of the average net fund assets or the corresponding unit class at each valuation and are subsequently withdrawn from the fund assets on a quarterly basis. The fees of the UCITS or the respective unit class can be found in Appendix A "UCITS at a glance". The Management Company is free to set different management fees for one or more unit classes.

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

**11.2.2** The Custodian shall receive a fee for its activities from the assets of the UCITS in accordance with Annex A "UCITS at a glance". The depositary fee is calculated on the basis of the average net assets of the UCITS or the corresponding unit class at each valuation and is subsequently deducted from the assets of the UCITS on a quarterly basis. The Management Company is free to set different depositary fees for one or more unit classes.

### 11.2.3 Fee dependent on investment performance (performance fee)

In addition, the Management Company may charge a performance fee. Insofar as a performance fee is charged, this is described in detail in Annex A "UCITS at a glance".

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

In addition to the remuneration from the above paragraphs, the following expenses independent of the assets of the UCITS may be charged to the assets of the UCITS:

**11.2.4** Costs for the audit of the UCITS by the auditor and fees of tax advisors, insofar as these expenses are incurred in the interests of the investors;

**11.2.5** Fees and costs for authorisations and the supervision of the UCITS in Liechtenstein and abroad;

**11.2.6** all taxes levied on the assets of the UCITS as well as its income and expenses charged to the assets of the UCITS;

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

**11.2.8** Fees, costs and professional fees in connection with the determination and publication of tax factors for the countries of the EU/EEA and/or all countries where distribution licences exist and/or provisions are available, in accordance with the actual expenses at market rates.

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



- 11.2.23** Research costs;
- 11.2.24** External costs for the assessment of the sustainability ratings (ESG research) of the sub-fund's assets or its target investments;
- 11.2.25** Licence fees for the use of any reference values ("benchmarks");
- 11.2.26** Costs for the establishment and maintenance of additional counterparties, if it is in the interest of the investors;
- 11.2.27 Transaction costs**  
In addition, the UCITS shall bear all ancillary costs arising from the management of the assets for the purchase and sale of the investments (brokerage fees in line with the market, commissions, duties) as well as all taxes levied on the assets of the UCITS and its income and expenses (e.g. withholding taxes on foreign income). The UCITS shall also bear any external costs, i.e. third-party fees incurred when buying and selling the investments. These costs are offset directly against the purchase or sale value of the relevant investments.
- 11.2.28 Any costs for currency hedging of unit classes**  
Any currency hedging costs for unit classes are allocated to the corresponding unit class.
- 11.2.29 Service fee**  
Any periodic service fees for additional depositary services can be found in Appendix A "UCITS at a glance".
- 11.2.30 Formation costs**  
The costs for the formation of the UCITS and the initial issue of units are amortised over 3 years at the expense of the assets of the UCITS.
- 11.2.31 Liquidation fees**  
In the event of the dissolution of the UCITS, the Management Company may levy a liquidation fee of max. CHF 10,000 in its favour. In addition to this amount, all third-party costs incurred shall be borne by the UCITS.
- 11.2.32 Extraordinary disposition costs**  
In addition, the Management Company may charge costs for extraordinary dispositions to the assets of the UCITS. Extraordinary disposition costs consist of the expenses incurred for the purpose of safeguarding the interests of investors, which arise in the course of regular business activities and were not foreseeable at the time the UCITS was established. Extraordinary disposition costs are in particular costs for legal action in the interests of the UCITS or the investors. In addition, this includes all costs of any extraordinary dispositions that may become necessary pursuant to UCITSG and UCITSV (e.g. amendment of the fund documents, etc.).
- 11.2.33 Contributions**  
In connection with the acquisition and disposal of assets and rights for the UCITS, the Management Company, the Custodian and any authorised agents shall ensure that, in particular, inducements directly or indirectly benefit the UCITS.
- 11.2.34 Ongoing fees (total expense ratio, TER)**  
The total ongoing charges before any performance-related expenses (total expense ratio before performance fee) is calculated in accordance with the general principles laid down in the rules of conduct and, with the exception of



transaction costs, comprises all costs and fees that are charged to the assets of the UCITS on an ongoing basis. The TER of the UCITS or the respective unit class shall be stated in the semi-annual and annual report and shall be published on the website of the LAFV Liechtenstein Investment Fund Association at [www.lafv.li](http://www.lafv.li) when the next semi-annual or annual report is published.

## 12 Information for investors

The publication medium of the UCITS is the website of the LAFV Liechtenstein Investment Fund Association fondsverband [www.lafv.li](http://www.lafv.li) and other media mentioned in the prospectus.

All notices to investors, including those concerning amendments to the trust agreement and Annex A "The UCITS at a glance", shall be published in the above-mentioned publication medium of the UCITS as well as in other media and data carriers specified in the prospectus.

The net asset value as well as the issue and redemption price of the units of the UCITS or a unit class shall be published in the above-mentioned publication medium of the UCITS as well as in other media and permanent data carriers (letter, fax, e-mail or similar) specified in the prospectus.

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

## 13 Duration, dissolution, merger and structural measures of the UCITS

### 13.1 Duration

The UCITS is established for an indefinite period.

### 13.2 Resolution

#### **Resolution on dissolution**

The dissolution of the UCITS is mandatory in the cases provided for by law. In addition, the Management Company is authorised to dissolve the UCITS at any time.

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

The resolution on the dissolution of the UCITS 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 organ of publication of the UCITS as well as in other media and permanent data carriers (letter, fax, e-mail or similar) specified in the prospectus. From the date of the dissolution resolution, no more units will be issued, exchanged or redeemed.

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

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

#### **Reasons for the cancellation**

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

#### **Costs of dissolution**

The costs of dissolution shall be charged to the net fund assets of the UCITS.

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

In the event of the dissolution and bankruptcy of the management company, the assets managed for the purpose of collective investment for the account of the investors shall not become part of its bankruptcy estate and shall not be liquidated together with its own assets. The UCITS shall form separate assets in favour of its investors. Each special fund shall be transferred to another management company with the approval of the FMA or dissolved by way of separate satisfaction in favour of the investors of the UCITS.

In the event of the bankruptcy of the depositary, the assets under management of the UCITS must be transferred to another depositary with the approval of the FMA pursuant to Art. 31 (2) UCITSG or liquidated by way of separate satisfaction in favour of the investors of the UCITS.

#### **Cancellation of the depositary agreement**

In the event of termination of the depositary agreement, the net fund assets of the UCITS shall be transferred to another depositary with the approval of the FMA or liquidated by way of separate satisfaction in favour of the investors of the UCITS.

### **13.3 Merger**

Within the meaning of Art. 38 UCITSG, the Management Company may at any time and at its own discretion, with the authorisation of the relevant supervisory authority, decide to merge the UCITS with one or more other UCITS, irrespective of the legal form of the UCITS and whether or not the other UCITS has its registered office in Liechtenstein. Unit classes of the UCITS may also be merged with one another, but also with one or more other UCITS and unit classes.

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

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

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

#### **Costs of the merger**

Legal, advisory or administrative costs associated with the preparation and implementation of the merger shall not be charged either to the assets of one of the UCITS involved in the merger or to the investors.

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

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

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

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

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

The legally binding language for the prospectus, the trust agreement and Annex A "UCITS at a glance" is German.

This prospectus enters into force on 28 October 2024.

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

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

# PART II: THE TRUST AGREEMENT

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## Preamble

The trust agreement and Appendix A "UCITS at a glance" form a material unit.

Insofar as a matter is not regulated in this trust agreement, the legal relationships between the investors and the Management Company are governed by the Law of 28 June 2011 on certain undertakings for collective investment in transferable securities (UCITSG) and the Ordinance of 5 July 2011 on certain undertakings for collective investment in transferable securities (UCITSV) and, insofar as no provisions are made therein, by the provisions of the Persons and Companies Law (PGR) on trusteeship.

## I. General provisions

### Art. 1 The UCITS

The **Gain Alpha Equity Fund** (hereinafter: UCITS) was established on 24 February 2024 as an undertaking for collective investment in transferable securities (UCITS) under the law of the Principality of Liechtenstein.

The trust agreement and Annex A "UCITS at a glance" were approved by the FMA on 20 February 2024 and the UCITS was entered in the Liechtenstein Commercial Register at the Office of Justice on 24 February 2024. The trust agreement and Annex A "UCITS at a glance" entered into force for the first time on 1 March 2024.

The trust agreement and Appendix A 'The UCITS at a glance' were approved by the FMA on 25 October 2024 and came into force on 28 October 2024.

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

The UCITS 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 investing and managing assets 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 UCITS is not an umbrella structure and is therefore a single fund.

The UCITS may invest in securities and other assets in accordance with its investment policy. The investment policy of the UCITS is determined within the framework of the investment objectives. The net assets of the UCITS or each unit class and the net asset value of the units of the UCITS or its unit classes are expressed in the respective reference currency.

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

With the acquisition of units (the "units") of the UCITS, each investor recognises the trust agreement, which defines the contractual relationships between the investors, the Management Company and the Depositary, as well as the duly executed amendments to this document.

## Art. 2 Management Company

The UCITS is managed by IFM Independent Fund Management AG, domiciled in Schaan, Principality of Liechtenstein, which was established in the legal form of a public limited company, in accordance with the present trust agreement. The management company is authorised by the Liechtenstein Financial Market Authority (FMA) in accordance with the UCITSG and is entered on the list of management companies authorised in Liechtenstein, which is officially published by the FMA.

The Management Company shall manage the UCITS for the account and in the interests of the investors in accordance with the principle of risk diversification and in accordance with the provisions of the Trust Agreement and Annex A "The UCITS at a glance".

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

## Art. 3 Transfer of duties

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

## Art. 4 Depositary

The Management Company has appointed a bank or investment firm pursuant to the Banking Act with its registered office or branch in the Principality of Liechtenstein as depositary for the UCITS. The assets of the UCITS may be held in custody by different custodians. The function of the depositary is governed by the UCITSG, the depositary agreement, this trust agreement and the prospectus.

## Art. 5 Auditor

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

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

The net asset value (the "NAV") per unit is calculated by the management company at the end of the financial year and on the respective valuation day on the basis of the last known prices, taking into account the valuation interval. The Management Company may make different arrangements for individual UCITS, whereby it must be taken into account that the NAV per unit must be calculated at least twice a month.

The NAV of a unit in a unit class of a UCITS is expressed in the accounting currency of the UCITS or, if different, in the reference currency of the corresponding unit class and is calculated as the proportion of the assets of this UCITS attributable to the unit class concerned, less any debt obligations of the same UCITS allocated to the unit class concerned, divided by the number of units of the corresponding unit class in circulation. It is rounded as follows for the issue and redemption of units:

- ♦ to EUR 0.01 if the currency is the euro.

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

1. securities that are officially listed on a stock exchange are valued at the last available price. If a security is officially listed on several stock exchanges, the last available price of the stock exchange that is the main market for this security is decisive.
2. Securities that are not officially listed on a stock exchange but are traded on a market open to the public are valued at the last available price. If a security is traded on various markets open to the public, the last available price of the market with the highest liquidity shall be taken into account in cases of doubt.
3. Securities or money market instruments with a remaining term of less than 397 days can be amortised or written up on a straight-line basis at the difference between the cost price (purchase price) and the redemption price (price at final maturity). A valuation at the current market price can be omitted if the redemption price is known and fixed. Any changes in creditworthiness are also taken into account.
4. investments whose price is not in line with the market and those assets that do not fall under clauses 1, 2 and 3 above are valued at the price that would probably be realised in a diligent sale at the time of valuation and that is determined in good faith by the management of the management company or under its direction or supervision by agents.
5. OTC derivatives are valued on a daily basis on the basis of a verifiable valuation to be determined by the Management Company in good faith and in accordance with generally recognised valuation models verifiable by auditors on the basis of the probable realisable sales value.
- 6 UCITS or undertakings for collective investment (UCIs) 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 UCIs, there is no redemption right or no redemption prices are set, these units and all other assets are valued at the respective market value as determined by the management company in good faith and in accordance with generally recognised valuation models that can be verified by auditors.
- 7 If no tradable price is available for the respective assets, these assets, as well as the other legally permissible assets, are valued at the respective market value as determined by the Management Company in good faith and in accordance with generally recognised valuation models verifiable by auditors on the basis of the probable realisable sales value.
- 8 Cash and cash equivalents are recognised at their nominal value plus accrued interest.
9. The market value of securities and other investments denominated in a currency other than the fund currency is converted into the corresponding fund currency at the most recent mean rate of exchange.

The valuation is carried out by the management company.

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

## Art. 7 Issue of shares

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

The shares are not securitised.

Subscription applications must be submitted to 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. Earlier closing times for the submission of applications may apply to applications placed with distributors in Liechtenstein and abroad in order to ensure that applications are forwarded to the depositary in Liechtenstein in good time. These can be obtained from the respective distributors. Information on the issue date, the acceptance deadline and the amount of the maximum issue premium, if any, can be found in Appendix A "UCITS at a glance" at.

Payment must be made within the period specified in Annex A "UCITS at a glance" after the valuation date (issue date) to.

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

All taxes and duties arising from the issue of units are also charged to the investor.

If units are acquired via banks that are not entrusted with the distribution of the units, it cannot be ruled out that such banks will charge additional transaction costs.

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

The minimum investment that must be held by an investor in a particular unit class can be found in Annex A "UCITS at a glance". The minimum investment may be waived at the Management Company's discretion.

Contributions in kind are not permitted.

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

The Depositary and/or the Management Company and/or the Distributor may at any time reject a subscription application or temporarily restrict, suspend or permanently discontinue the issue of units if this appears necessary in the interests of the investors, in the public interest, for the protection of the Management Company or the UCITS or the investors. In this case, the Custodian shall immediately refund without interest any payments received for subscription orders that have not already been executed to, if necessary with the assistance of the paying agents.

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



## Art. 8 Redemption of units

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

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

Information on the redemption date, the valuation interval, the acceptance deadline and the amount of any maximum redemption discount can be found in Appendix A "UCITS at a glance" at [neh](#).

Since an appropriate proportion of liquid assets must be ensured in the assets of the UCITS, the redemption of units shall be made within the period specified in Annex A "UCITS at a glance" after the valuation day (redemption day). This shall not apply in the event that the transfer of the redemption amount proves to be impossible in accordance with statutory provisions such as foreign exchange and transfer restrictions or due to other circumstances beyond the control of the Custodian.

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

The corresponding unit expires upon payment of the redemption price.

Material expenses are not permitted.

The Management Company and/or Depositary may redeem units against the will of the investor against payment of the redemption price if this appears necessary in the interests of or for the protection of the investors, the Management Company, the Depositary or the UCITS, in particular if

1. there is a suspicion that the respective investor is engaging in market timing, late trading or other market techniques with the acquisition of the units that could harm the investors as a whole,
2. the investor does not fulfil the conditions for acquiring the units or
3. the units are distributed in a state in which the UCITS is not authorised for distribution or have been acquired by a person for whom the acquisition of the units is not permitted.

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

If the execution of a redemption request results in the relevant investor's holding falling below the minimum investment of the relevant unit class listed in Annex A "UCITS at a glance", the Management Company may, without further notice to the investor, treat this redemption request as a request for redemption of all units held by the relevant investor in this unit class or as a request for conversion of the remaining units into another

unit class of the UCITS with the same reference currency whose participation requirements the investor fulfils.

The redemption of fund units may be suspended in cases where Art. 12 applies.

## **Art. 9 Exchange of shares**

The conversion of units into another unit class of the UCITS is only possible if the investor fulfils the conditions for the direct purchase of units of the respective unit class.

If different unit classes are offered, units of one unit class may also be exchanged for units of another unit class of the UCITS. In the event of an exchange within the UCITS, no exchange commission is charged. If an exchange of units is not possible for certain unit classes, this will be mentioned for the unit class of the UCITS in the prospectus.

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

1. there is a suspicion that the respective investor has engaged in market timing, late trading or other market techniques with the acquisition of the units which may harm the investors as a whole;
2. the investor does not fulfil the conditions for acquiring the units; or
3. the units are distributed in a state in which the UCITS is not authorised for distribution or have been acquired by a person for whom the acquisition of the units is not permitted.

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

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

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

### **Late Trading**

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

### **Market Timing**

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

## **Art. 11 Prevention of money laundering and terrorist financing**

The Management Company shall ensure that the domestic distributors undertake vis-à-vis the Management Company to comply with the provisions of the Due Diligence Act applicable in the Principality of Liechtenstein and the associated Due Diligence Ordinance as well as the guidelines of the FMA as amended from time to time.

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

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

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

The Management Company may temporarily suspend the calculation of the net asset value and/or the issue, redemption and conversion of units of the UCITS if this is justified in the interests of the investors, in particular

1. if a market which forms the basis for the valuation of a significant portion of the assets of the UCITS is closed or if trading on such a market is restricted or suspended;
2. in the event of political, economic or other emergencies; or
3. if transactions become impracticable for the UCITS due to restrictions on the transfer of assets.

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

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

In addition, the Management Company is authorised, while safeguarding the interests of the investors, to make significant redemptions only after corresponding assets of the UCITS can be sold without delay while safeguarding the interests of the investors, i.e. to temporarily suspend the redemption.

No new units of the UCITS will be issued as long as the redemption of units is suspended. Conversions of units whose redemption is temporarily restricted are not possible.

The Management Company shall ensure that sufficient liquid assets are available to the assets of the UCITS so that the redemption or conversion of units at the request of investors can take place without delay under normal circumstances.

The Management Company shall immediately notify the FMA and the investors in an appropriate manner of the suspension of unit redemption and payment. Subscription, redemption and conversion applications shall be settled after the calculation of the net

asset value has been resumed. Investors may revoke their subscription, redemption or conversion applications until the resumption of unit trading.

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

The units of the UCITS are not authorised for distribution in all countries of the world. The issue, redemption and exchange of units abroad are subject to the provisions applicable in those countries. Details can be found in the prospectus at.

## **II. Structural measures**

### **Art. 14 Merger**

Within the meaning of Art. 38 UCITSG, the Management Company may at any time and at its own discretion decide to merge the UCITS with one or more other UCITS with the authorisation of the relevant supervisory authority, irrespective of the legal form of the UCITS and whether or not the other UCITS has its registered office in Liechtenstein. Unit classes of the UCITS may also be merged with one another, but also with one or more other UCITS or their sub-funds and unit classes.

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

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

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

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

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

## **Art. 15 Investor information, consent and investor rights**

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

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

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

Legal, advisory or administrative costs associated with the preparation and implementation of the merger will not be charged to any of the UCITS involved in the merger or to the investors.

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

Where a UCITS exists as a master UCITS, a merger will only become effective if the UCITS concerned provides its investors and the competent authorities of the home Member State of its feeder UCITS with the information required by law up to 60 days before the proposed effective date. In this case, the UCITS concerned shall also grant the feeder UCITS the possibility to redeem or redeem all units before the merger takes effect, unless the competent authority of the feeder UCITS home Member State does not authorise the investment in units of the master UCITS resulting from the merger.

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

## **Art. 17 In general**

The provisions on the dissolution of the UCITS also apply to its unit classes.

## **Art. 18 Resolution on dissolution**

The dissolution of the UCITS or unit classes is mandatory in the cases provided for by law. In addition, the Management Company is authorised to dissolve the UCITS or an individual unit class at any time.

Investors, heirs and other persons may not request the division or dissolution of the UCITS or an individual unit class.

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

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

If the Management Company dissolves a unit class without dissolving the UCITS, all units of this class shall be redeemed at their then applicable net asset value. This redemption is published by the Management Company and the redemption price is paid out by the Depositary in favour of the former investors.

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

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

## **Art. 20 Costs of dissolution**

The costs of dissolution shall be charged to the net assets of the UCITS.

## **Art. 21 Dissolution and bankruptcy of the management company or the custodian**

In the event of the dissolution and bankruptcy of the management company, the assets managed for the purpose of collective investment for the account of the investors shall not become part of its bankruptcy estate and shall not be liquidated together with its own assets. The UCITS shall form separate assets in favour of its investors. Each special fund shall be transferred to another management company with the approval of the FMA or dissolved by way of separate satisfaction in favour of the investors of the UCITS.

In the event of the bankruptcy of the depositary, the assets under management of the UCITS must be transferred to another depositary with the approval of the FMA or liquidated by way of separate satisfaction in favour of the investors of the UCITS.

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

In the event of termination of the depositary agreement, the net assets of the UCITS must be transferred to another depositary with the approval of the FMA or liquidated by way of separate satisfaction in favour of the investors of the UCITS.

# **IV. Creation of unit classes and sub-funds**

## **Art. 23 Creation of unit classes**

The Management Company may form several unit classes for the UCITS. The formation of unit classes is permitted at any time and is at the discretion of the Management Company. The prospectus and the trust agreement, including the fund-specific Annex A "UCITS at a glance", must be amended accordingly.

## **Art. 24 Characteristics of the unit classes**

Unit classes may be formed for the UCITS that differ from the existing unit classes in terms of the utilisation of income, the front-end load, the reference currency and the use of currency hedging transactions, the management fee, the minimum investment amount or a combination of these features. However, the rights of investors who have acquired units from existing unit classes remain unaffected.

The unit classes issued in connection with the UCITS as well as the fees and remunerations incurred in connection with the units of the UCITS are listed in Annex A "UCITS at a glance".

## **Art. 25 Creation of sub-funds**

The UCITS is not an umbrella structure and therefore there are no sub-funds. The Management Company may decide at any time to convert the UCITS into an umbrella structure and thus set up sub-funds. The prospectus and the trust agreement, including the fund-specific Annex A "UCITS at a glance", must be amended accordingly.

## **Art. 26 Structural measures for unit classes**

The Management Company may implement all structural measures provided for in Art. 14 et seq. of this Trust Agreement.

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

## **Art. 27 Investment policy**

The fund-specific investment policy is described in Appendix A "UCITS at a glance".

The following general investment principles and restrictions apply to the UCITS, unless deviations or additions for the UCITS are contained in Annex A "UCITS at a glance".

## **Art. 28 General investment principles and restrictions**

The assets of the UCITS are invested in compliance with the principle of risk diversification in accordance with the rules of the UCITSG and in accordance with the policy principles described below at la ge and within the investment restrictions.

## **Art. 29 Authorised installations**

The assets of the UCITS may be invested in one or more of the following assets for the account of its investors from which in one or more of the following assets:

1. securities and money market instruments:
  - a) which are listed or traded on a regulated market within the meaning of Art. 4 (1) no. 21 of Directive 2014/65/EU;
  - b) which are traded on another regulated market of an EEA member state that is recognised, open to the public and operates regularly;
  - c) which are officially listed on a stock exchange of a third country or traded on another market worldwide which is recognised, open to the public and operates regularly.
2. securities from new issues, if:
  - a) the terms and conditions of issue contain the obligation that admission to official listing or trading on one of the stock exchanges mentioned under no. 1 a) to c) or on a market regulated there has been applied for and
  - b) this authorisation is obtained no later than one year after the issue.
3. Units of UCITS and other collective investment undertakings comparable to a UCITS within the meaning of Art. 3 (1) no. 17 UCITSG, provided that these may invest no more than 10% of their assets in units of another UCITS or comparable collective investment undertaking in accordance with their constitutive documents;
4. demand deposits or deposits redeemable at notice with a maximum term of twelve months at credit institutions domiciled in an EEA member state or a third country whose supervisory law is equivalent to that of EEA law;



5. derivatives whose underlying assets are investment objects within the meaning of this article or financial indices, interest rates, exchange rates or currencies. In the case of transactions with OTC derivatives, the counterparties must be supervised institutions of a category authorised by the FMA and the OTC derivatives must be subject to a reliable and verifiable valuation on a daily basis via and must be able to be sold, liquidated or closed by a transaction at fair value at any time at the initiative of the UCITS;
6. money market instruments that are not traded on a regulated market, provided that the issuer or the issuer of these instruments is subject to regulations on investment and investor protection, provided that they are traded on a regulated market:
  - a) issued or guaranteed by a central, regional or local authority or the central bank of an EEA Member State, the European Central Bank, the Community or the European Investment Bank, a third country or, if the latter is a federal state, a member state of the federation, or by a public international body to which at least one EEA Member State belongs.
  - b) issued by a company whose securities are traded on the regulated markets referred to under a);
  - c) issued or guaranteed by an institution that is subject to supervision in accordance with the criteria laid down in EEA law or by an institution whose supervisory law is equivalent to EEA law and which complies with that law; or
  - d) issued by an issuer belonging to a category authorised by the FMA, provided that investments in these instruments are subject to investor protection provisions equivalent to points (a) to (c) and the issuer is either a company with equity capital of at least EUR 10 million and prepares its annual financial statements in accordance with the provisions of Directive 78/660/EEC or a to c apply to investments in these instruments and the issuer is either a company with equity capital of at least EUR 10 million and prepares and publishes its annual financial statements in accordance with the provisions of Directive 78/660/EEC, implemented in Liechtenstein by PGR, or is a group-affiliated legal entity that is responsible for financing the group of companies with at least one listed company at all times or is a legal entity that is intended to finance the securitisation of liabilities by using a credit line granted by a bank.
7. The Management Company may also hold liquid assets.

### **Art. 30 Non-authorised installations**

The management company may not:

1. invest more than 10% of the assets of the UCITS in securities and money market instruments other than those specified in Art. 29;
2. acquire precious metals or certificates for precious metals;
3. make uncovered short sales.

### **Art. 31 Use of derivatives, techniques and instruments**

The total risk associated with derivatives may not exceed the total net value of the assets of the UCITS. As part of the investment policy, the UCITS or the sub-fund may invest in derivatives within the limits laid down in Art. 53 UCITSG. When calculating this risk, the market value of the underlying assets, the default risk, future market fluctuations and the liquidation period of the positions are taken into account. The UCITS may invest in derivatives as part of its investment policy and within the limits of Art. 53 UCITSG, provided that the overall risk of the underlying assets does not exceed the investment limits of Art. 54 UCITSG.

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

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

With the authorisation of the FMA, the Management Company may use techniques and instructions relating to securities and money market instruments for the efficient management of the portfolios in compliance with the provisions of the UCITSG.

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

## **Art. 32 Investment limits**

### **A. The following investment limits must be observed for the UCITS:**

1. The assets of the UCITS may invest no more than 5% of its assets in securities or money market instruments of the same issuer and no more than 20% of its assets in deposits of the same issuer.
2. The default risk from transactions of the UCITS with OTC derivatives with a credit institution as counterparty that has its registered office in an EEA member state or a third country whose supervisory law is equivalent to that of EEA law may not exceed 10% of the assets of the UCITS; for other counterparties, the maximum default risk is 5% of the assets.
3. Insofar as the total value of the securities and money market instruments of the issuers in which the UCITS invests more than 5% of its assets does not exceed 40% of its assets, the issuer limit of 5% referred to in item 1 is raised to 10%. The limit of 40% does not apply to deposits or to transactions with OTC derivatives with financial institutions subject to supervision. When utilising the increase, the securities and money market instruments in accordance with item 5 and the bonds in accordance with item 6 are not taken into account.
4. Irrespective of the individual upper limits pursuant to items 1 and 2, a UCITS may not combine the following assets if this would lead to an investment of more than 20% of its assets with one and the same institution:
  - a) securities or money market instruments issued by this institution;
  - b) Deposits with this institution;
  - c) OTC derivatives acquired by this institution.
5. If the securities or money market instruments are issued or guaranteed by an EEA member state or its local authorities, by a third country or by an international institution under public law to which at least one EEA member state belongs, the upper limit of 5% specified in item 1 is raised to a maximum of 35%.
6. If bonds are issued by a credit institution domiciled in an EEA member state that is subject to special public supervision on the basis of statutory provisions to protect the holders of these bonds and, in particular, must invest the income from the issue of these bonds in assets that adequately cover the resulting liabilities during the entire term of the bonds and are intended primarily for the repayment of the principal and interest due in the event of the issuer's default, the upper limit of 5% specified in item 1 is raised to a maximum of 25% for such bonds. In this case, the total value of the investments may not exceed 80% of the assets of the UCITS.

7. a. The limits specified in items 1 to 6 may not be accumulated. The maximum issuer limit is 35% of the assets of the UCITS.
  - b. In the case of exceptional authorisation by the FMA, this limit may also exceed 35%. This must be clearly stated in the prospectus and in the advertising.
8. Companies belonging to the same group of companies shall be regarded as a single issuer for the purposes of calculating the investment limits laid down in this Article. For investments in securities and money market instruments of the same group of companies, the issuer limit is raised to a total of 20% of the assets of the UCITS.
9. The UCITS may invest a maximum of 10% of its assets in units of other UCITS or other undertakings for collective investment comparable to a UCITS.
10. If the investments pursuant to item 9 represent a significant portion of the assets of the UCITS, the prospectus must provide information on the maximum amount and the annual report on the maximum proportion of the management fees to be borne by the UCITS or the undertakings for collective investment comparable to a UCITS pursuant to item 9 whose units have been acquired.
11. If units are managed directly or indirectly by the management company or by a company with which the management company is linked by common management, control or qualified participation, neither the management company nor the other company may charge fees for the issue or redemption of units in or from the assets of the UCITS.
12. A management company shall not acquire voting rights of the same issuer for any UCITS it manages with which it can exercise a significant influence on the management of the issuer. Significant influence is presumed to exist from 10% of the issuer's voting rights. If a lower limit for the acquisition of voting shares of the same issuer applies in another EEA member state, this limit is decisive for the management company if it acquires shares of an issuer domiciled in this EEA member state on behalf of a UCITS.
13. The UCITS may hold financial instruments of the same issuer in a maximum amount of:
  - a) 10% of the share capital of the issuer may be acquired, insofar as non-voting shares are concerned;
  - b) 10% of the total nominal amount of the outstanding debt securities or money market instruments of the issuer are acquired, insofar as debt securities or money market instruments are concerned. This limit need not be observed if the total nominal amount cannot be determined at the time of acquisition;
  - c) 25% of the units of the same undertaking are acquired, insofar as units of other UCITS or undertakings for collective investment comparable to a UCITS are concerned. This specific limit need not be complied with if the net amount cannot be determined at the time of acquisition.
14. Items 12 and 13 are not applicable:
  - a) on securities and money market instruments issued or guaranteed by a government issuer;
  - b) to shares held by the UCITS in the capital of a company of a third country which invests its assets mainly in securities of issuers domiciled in that third country, where such a holding represents the only way for the UCITS to invest in the securities *pari passu* of issuers of that country under the legislation of that third country. The requirements of the UCITSG must be observed;

- c) to shares held by management companies in the capital of their subsidiaries ge sellschaften, which in the country of establishment exclusively for the wal tungs ge sellschaft or ganise the repurchase of shares at the request of the investors.

In addition to the restrictions listed pursuant to Art. 32, let. A, clauses 1 - 14, any further restrictions in Annex A "UCITS at a glance" must be observed.

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

1. The UCITS does not have to comply with the investment limits when exercising subscription rights from securities or money market instruments belonging to its assets.
2. if the aforementioned limits are exceeded, the UCITS' assets must be sold with the primary aim of normalising this situation, taking into account the interests of the investors.
3. The UCITS may deviate from the investment limits set out in this chapter "Investment policy provisions" within the first six months of its launch. Articles 29 and 30 remain unaffected by this exception and must be complied with at all times. The requirement of risk diversification must continue to be complied with.

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

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

#### **D. Special techniques and instruments relating to securities and money market instruments**

As stipulated under Art. 29 (5) of this trust agreement, the management company may, under the conditions and within the limits laid down by law, utilise special techniques and financial instruments whose underlying assets are securities, money market instruments and other financial instruments as a central element in achieving the investment policy for the UCITS.

The management company must use a **risk management procedure** that allows it to monitor and measure the risk associated with the investment positions and their respective share in the overall risk profile of the investment portfolio at all times; it must also use a procedure that allows a precise and independent assessment of the value of the OTC derivatives. The wal tungs company must submit reports to the FMA at least once a year containing information that provides a true and fair view of the derivatives used for each managed UCITS, the underlying risks, the investment limits and the methods used to estimate the risks associated with the derivative transactions.

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

Under no circumstances may the UCITS deviate from its investment objectives in these transactions.

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

The Management Company may make investments in derivatives as part of its investment strategy pursuant to Art. 29 (5), provided that the overall risk of the underlying assets does not exceed the investment limits set out in Art. 32 "Investment limits".. Investments of the UCITS in index-based derivatives need not be taken into account in the investment limits of Art. 32 "Investment limits".

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

The Management Company does not engage in **securities lending transactions**.

The Management Company does not engage in **repurchase agreements**.

### **Art. 33 Joint administration**

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

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

## **VI. Costs and fees**

### **Art. 34 Current fees**

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

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

The Management Company shall receive remuneration for the administration of the UCITS in accordance with Annex A "The UCITS at a glance". In addition, the Management Company may receive a fee for investment decisions (asset management and investment advice), risk management and distribution in accordance with Annex A "UCITS at a glance". These fees are calculated on the basis of the average net fund assets of the UCITS or the corresponding unit class at each valuation and are subsequently withdrawn from the assets of the UCITS on a quarterly basis. The fees of the UCITS or the respective unit class can be found in Annex A "UCITS at a glance". The Management Company is free to set different management fees for one or more unit classes.

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

##### **Depositary**

The Custodian shall receive a fee for its activities from the assets of the UCITS in accordance with Annex A "UCITS at a glance". The depositary fee is calculated on the basis of the average net assets of the UCITS or the corresponding unit class at each valuation and is subsequently withdrawn from the assets of the UCITS on a quarterly basis. The Management Company is free to set different depositary fees for one or more unit classes.

Any compensation for commissioned third parties is included in the fees pursuant to Art. 34 of this trust agreement.

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

In addition to the remuneration from the above paragraphs, the following expenses independent of the assets may be charged to the assets of the UCITS:

- ◆ Costs for the audit of the UCITS by the auditor and fees of tax advisors, insofar as these expenses are incurred in the interests of the investors;
- ◆ Fees and costs for authorisations and the supervision of the UCITS in Liechtenstein and abroad;
- ◆ all taxes levied on the assets of the UCITS as well as its income and expenses charged to the assets of the UCITS;
- ◆ any taxes incurred in connection with the costs of administration and safekeeping;
- ◆ Fees, costs and professional fees in connection with the determination and publication of tax factors for the countries of the EU/EEA and/or all countries where distribution licences exist and/or private placements exist, in accordance with the actual expenses at market rates.
- ◆ Costs for the preparation, printing and dispatch of the annual and semi-annual reports and other publications required by law;
- ◆ Costs for the publication of UCITS notices to investors in the publication media and any additional newspapers or electronic media specified by the Investment Company, including price publications;
- ◆ Costs incurred in connection with the fulfilment of the requirements and follow-up obligations of a distribution of the units in Germany and abroad (e.g. fees for paying agents, representatives and other representatives with a comparable function, fees for fund platforms (e.g. listing fees, setup fees, etc.), advisory, legal and translation costs);
- ◆ Costs and expenses for regular reports and reporting, including to insurance companies, pension funds and other financial services companies (e.g. GroMiKV, Solvency II, VAG, MiFID II, ESG/SRI reports and sustainability ratings, etc.);
- ◆ Costs for the preparation or amendment, translation, filing, printing and dispatch of the prospectus and the constituent documents (trust agreement, PRIIP KID, SRRI/SRI calculation, etc.) in the countries in which the units are distributed;
- ◆ Costs incurred in connection with obtaining, maintaining and terminating stock exchange listings of the shares;
- ◆ Costs for the determination, the publication of the tax bases and the certificate that the tax information was determined in accordance with the rules of the respective foreign tax law;
- ◆ Expenses in connection with the exercise of voting rights or creditors' rights by the UCITS, including fees for external advisors;
- ◆ Administrative fees and reimbursement of costs by government agencies;

- ◆ Costs for legal and tax advice incurred by the management company or the depository when acting in the interests of the investors of the UCITS;
- ◆ Internal and external costs for the reclaiming of foreign withholding taxes, insofar as these can be carried out for the account of the UCITS. With regard to the reclaiming of foreign withholding taxes, it should be noted that the Management Company does not undertake to reclaim such taxes and will only do so if the procedure is justified according to the criteria of the materiality of the amounts and the proportionality of the costs in relation to the possible amount to be reclaimed. With regard to investments that are the subject of securities lending, the Management Company will not reclaim withholding tax;
- ◆ Costs for the credit rating of the assets of the UCITS or its target investments by nationally or internationally recognised rating agencies;
- ◆ an appropriate share of costs for printed matter and advertising incurred directly in connection with the offering and sale of units.
- ◆ Fees and costs arising from other legal or regulatory requirements to be met by the management company in the implementation of the investment strategy (such as reporting and other costs incurred in complying with the European Market Infrastructure Regulation (EMIR, EU Regulation 648/2012));
- ◆ Research costs;
- ◆ External costs for the assessment of the sustainability ratings (ESG research) of the sub-fund's assets or its target investments;
- ◆ Licence fees for the use of any reference values ("benchmarks");
- ◆ Costs for the establishment and maintenance of additional counterparties, if it is in the interest of the investors.

#### Transaction costs

In addition, the UCITS shall bear all ancillary costs arising from the management of the assets for the purchase and sale of the investments (brokerage fees in line with the market, commissions, duties) as well as all taxes levied on the assets of the UCITS and its income and expenses (e.g. withholding taxes on foreign income). The UCITS shall also bear any external costs, i.e. third-party fees incurred when buying and selling the investments. These costs are offset directly against the purchase or sale value of the investments concerned.

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

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

#### Service fee

Any periodic service fees for additional depository services can be found in Appendix A "UCITS at a glance".

#### Liquidation fees

In the event of the dissolution of the UCITS, the Management Company may levy a liquidation fee of up to CHF 10,000 in its favour. In addition to this amount, all third-party costs incurred shall be borne by the UCITS.

#### Extraordinary disposition costs

In addition, the Management Company may charge costs for extraordinary dispositions to the assets of the UCITS. Extraordinary disposition costs consist of expenses incurred solely for the purpose of safeguarding the interests of investors, which arise in the course



of regular business activities and were not foreseeable when the UCITS was established. Extraordinary disposition costs are, in particular, costs for legal action in the interests of the UCITS or the investors. In addition, this includes all costs of any extraordinary dispositions that may become necessary pursuant to UCITSG and UCITSV (e.g. amendment of the fund documents, etc.).

### **Contributions**

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

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

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

## **Art. 35 Costs to be borne by the investors**

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

## **Art. 36 Fee dependent on investment performance (performance fee)**

In addition, the Management Company may charge a performance fee. Insofar as a performance fee is charged, this is described in detail in Appendix A "UCITS at a glance".

## **Art. 37 Formation costs**

The costs for the formation of the UCITS and the initial issue of units are amortised over three years at the expense of the assets of the UCITS.

# **VII. Final provisions**

## **Art. 38 Utilisation of profit**

The realised income of the UCITS consists of the net income and the net realised capital gains. Net income comprises income from interest and/or dividends as well as other or miscellaneous income received less expenses.

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

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

The net income and/or the net realised capital gains as well as the net income carried forward and/or the net realised capital gains carried forward of the UCITS or the

respective unit class may be distributed. Interim distributions of net income carried forward and/or realised capital gains carried forward are permitted.

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

### **Art. 39 Use of reference values ("benchmarks")**

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

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

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

In addition, the UCITS may use benchmarks when calculating performance fees. Detailed information on any performance fee can be found in section 11.2 of this prospectus and in Annex A "UCITS at a glance".

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

The Management Company has prepared a written plan of action that it will take with respect to the UCITS in the event that the Index changes significantly or ceases to be provided. Information in relation to this plan is available free of charge on request from the registered office of the Management Company.

### **Art. 40 Benefits**

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

The investor acknowledges and accepts that the Management Company may be granted inducements by third parties (including group companies) in connection with the introduction of investors, the acquisition/distribution of collective investment schemes, certificates, notes, etc. (hereinafter referred to as "Products"; this also includes those managed and/or issued by a group company). (hereinafter referred to as "Products"; this also includes those that are managed and/or issued by a group company), inducements may generally be granted in the form of portfolio payments. The amount of such grants varies depending on the product and product provider. As a rule, portfolio payments are based on the volume of a product or product group held by the management company. Their amount usually corresponds to a percentage of the management fees charged for the respective product, which are paid periodically during the holding period. In addition, distribution commissions may also be paid by securities issuers in the form of discounts on the issue price (percentage discount) or in the form of one-off payments, the amount of which corresponds to a percentage of the issue price. Unless otherwise agreed, the investor may at any time before or after the provision of the service (purchase of the product) request further details of the agreements made with third parties regarding such inducements from the management company. However, the right to information on further details regarding transactions already carried out is limited to the 12 months preceding the request. The investor expressly waives any further right to information. If the investor does not request any further details before the service is provided or if he/she receives the service after obtaining further details, he/she waives any claim to surrender within the meaning of Section 1009 of the Austrian Civil Code (Allgemeines Bürgerliches Gesetzbuch - ABGB).

## **Art. 41 Information for investors**

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

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

The net asset value as well as the issue and redemption price of the units of the UCITS or its unit classes shall be published on each valuation day in the aforementioned organ of publication of the UCITS as well as in other media and permanent data carriers (letter, fax, e-mail or similar) specified in the prospectus.

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

## **Art. 42 Reports**

The Management Company shall prepare an audited annual report and a semi-annual report for each UCITS in accordance with the statutory provisions of the Liechtenstein Commercial Code (Förstentum Liechtenstein).

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

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

Audited and unaudited interim reports can also be created.

## **Art. 43 Financial year**

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

## **Art. 44 Amendments to the trust agreement**

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

Amendments to the trust agreement require the prior approval of the FMA.

## **Art. 45 Statute of limitations**

Investors' claims against the management company, the liquidator, the custodian or the depositary shall become time-barred five years after the occurrence of the loss, but no later than one year after the redemption of the unit or after knowledge of the loss.

## **Art. 46 Applicable law, place of jurisdiction and authoritative language**

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

However, the Management Company and/or the Depositary may subject themselves and the UCITS to the jurisdiction of the countries in which units are offered and sold at with regard to claims by investors from these countries.

The legally binding language for this trust agreement is German.

## **Art. 47 General**

In all other respects, reference is made to the provisions of the UCITSG, the provisions of the ABGB, the provisions of the Personen- und Gesellschaftsrecht (PGR) on collective trusteeship and the general provisions of the PGR as amended.

## **Art. 48 Entry into force**

This trust agreement enters into force on 28 October 2024.

Schaan/Vaduz, 25 October 2024

### **The management company:**

IFM Independent Fund Management Aktiengesellschaft, Schaan

### **The depositary:**

Liechtensteinische Landesbank AG, Vaduz

## Appendix A: UCITS at a glance

The trust agreement and this Annex A "UCITS at a glance" form an essential unit and therefore complement each other.

### Gain Alpha Equity Fund

#### A. The UCITS at a glance

Master data and information of the UCITS and its unit classes			
	Unit classes of the UCITS		
Share classes <sup>1</sup>	EUR-P	EUR-I	EUR-I2
ISIN number	LI1327759471	LI1327759489	LI1359900142
Security number	132.775.947	132.775.948	135.990.014
Suitable as a UCITS target fund	Yes	Yes	Yes
SFDR classification	Article 6		
Duration of the UCITS	indeterminate		
Listing	no		
Accounting currency of the UCITS	Euro (EUR)		
Reference currency of the unit classes	Euro (EUR)	Euro (EUR)	Euro (EUR)
Minimum investment	none	EUR 125'000.--	EUR 5 million.
Initial issue price	EUR 1'000.--	EUR 1'000.--	EUR 1'000.--
First day of subscription	open	open	open
Payment (first value date)	open	open	open
Valuation date <sup>2</sup> (T)	Monday to Friday		
Valuation interval	Daily		
Issue and redemption date <sup>3</sup>	each valuation date		
Value date Issue and re-demption date (T+2)	two bank working days after calculation of the net asset value (NAV)		
Closing date for share transactions (T)	Valuation day at 16.00h (CET) at the latest		
Denomination	three decimal places		
Securitisation	book-entry / no issue of certificates		
Closing of the financial year	as at 31 December in each case		
End of the first financial year	31 December 20**		
Utilisation of profit	Accumulating		

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

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

<sup>3</sup> The issue and redemption date is 31 December. This valuation day is decisive for the annual report of the UCITS.

Costs borne by the investors			
	Unit classes of the UCITS		
Share classes	EUR-P	EUR-I	EUR-I2
Max. Issue premium	5%	5%	5%
Max. Redemption discount	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 UCITS <sup>4,5</sup>			
	Unit classes of the UCITS		
Share classes	EUR-P	EUR-I	EUR-I2
Max. Fee for investment decision, risk management and distribution <sup>4, 6</sup>	2% p.a.	1.50% p.a.	0.90% p.a.
Max. Fee for administration <sup>4</sup>	0.20% p.a. or min. CHF 40'000.-- p.a. plus CHF 5,000 p.a. per unit class from the 2nd unit class onwards		
Max. Depositary fee <sup>4</sup>	0.15% p.a. or min. CHF 15'000.-- p.a. plus CHF 2,000 p.a. per unit class from the 4th unit class onwards and a service fee of CHF 420 per quarter		
Calculation model	High-Watermark (HWM) Model		
Performance fee	20%	15%	10%
Hurdle rate	none	none	none
High Watermark	Yes	Yes	Yes
Basis: Launch	open	open	open

Use of benchmarks			
	Unit classes of the UCITS		
Share classes	EUR-P	EUR-I	EUR-I2
Benchmark	The UCITS does not use a benchmark.		

## B. Transfer of tasks

### a) Asset Manager

Osiris Asset Management AG, Austrasse 52, FL-9490 Vaduz, acts as asset manager for the UCITS.

### b) Sales office

The distribution agent for the UCITS is Osiris Asset Management AG, Austrasse 52, FL-9490 Vaduz.

## C. Investment advisor

Aurum Trust & Finance SA, Via Pioda 5, CH-6900 Lugano acts as investment advisor without decision-making authority for the UCITS.

<sup>4</sup> Plus taxes and other costs and fees: Transaction costs and expenses incurred by the Management Company and the Depositary in the performance of their functions. The details can be found in the prospectus in sections 10 (Tax regulations) and 11.2 (Costs and fees charged to the UCITS).

<sup>5</sup> In the event of the dissolution of the UCITS, the Management Company may charge a liquidation fee of up to CHF 10,000 in its favour.

<sup>6</sup> plus applicable VAT

## D. Depositary

The depositary function for the UCITS is exercised by Liechtensteinische Landesbank AG, Städtle 44, FL-9490 Vaduz.

## E. Auditor

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

## F. Investment principles of the UCITS sub-fund

The following provisions govern the fund-specific investment principles of the **Gain Alpha Equity Fund**.

### a) Investment objective and investment policy

The investment objective of the **Gain Alpha Equity Fund** is primarily to achieve long-term capital appreciation by investing in securities and other investments as described below in accordance with the principle of risk spreading. It is an actively managed UCITS without reference to a benchmark. Insofar as no deviating investment principles are specified for the UCITS in lit. F of this Annex, Section V of the trust agreement "General investment principles and restrictions" applies. **No assurance can be given that the investment objective will be achieved.**

The UCITS invests its assets **predominantly (at least 51%) in equities and other equity-like securities** (shares, cooperative shares, participation certificates, dividend-right certificates, etc.) of companies **worldwide** that are traded on an exchange or another regulated market open to the public.

The investment selection of this UCITS combines **advanced AI-based techniques with** the proven methods of traditional fundamental analysis. This innovative combination allows the asset manager to gain market insights while benefiting from the computational accuracy of artificial intelligence as well as the deep market knowledge and experience of fundamental analysis. The resulting sophisticated, data-driven approach enables the asset manager to apply a technologically advanced and informed investment philosophy.

It should be noted that the selection of companies is independent of their market capitalisation. This means that shares in companies with a low market capitalisation (small caps) and shares in companies with a medium market capitalisation (mid caps) as well as shares in substantial, large, internationally known and important companies (blue chips) can be acquired.

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

The UCITS is also authorised to invest in other permitted investments within the scope of the investment limits set out in Section V of the trust agreement "General investment principles and restrictions". In particular, the UCITS is permitted to invest in financial instruments [e.g. Exchange Traded Funds (ETF), Exchange Traded Commodities (ETC), Exchange Traded Notes (ETN), certificates and derivative financial instruments] that are collateralised by other assets or are linked to the performance of other assets (e.g. precious metals, commodities, raw materials, real estate indices, recognised and sufficiently diversified hedge fund indices), provided that these financial instruments are traded on a regulated market open to the public and provided that physical delivery of these other assets is excluded.



The UCITS may hold up to 49% of its net assets in sight deposits or in callable deposits with a maximum term of twelve months. In special exceptional cases, these may temporarily exceed 49% if and insofar as this is deemed to be in the interests of the unit-holders.

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

For efficient management, the UCITS may utilise derivative financial instruments on securities, equity and bond indices, currencies and exchange-traded funds as well as forward exchange transactions and swaps for hedging and investment purposes. Furthermore, the UCITS is authorised to manage the **volatility** of securities, indices, interest rates, currencies, etc. by means of exchange-traded funds (ETFs), exchange-traded notes (ETNs) and derivative financial instruments. In addition, the UCITS is authorised to use non-deliverable forwards (NDFs) for hedging and investment purposes. Non-deliverable forwards (NDFs) are currency forwards that can be used to enter into a currency exposure between a freely convertible currency (usually USD or EUR) and a currency that is not freely convertible.

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

**No assurance can be given that the investment objective will be achieved. Accordingly, the value of the units and their income may increase as well as decrease.**

**The fund-specific risks in section G of this Annex and the general risks in section 7.2 of the prospectus must be observed.**

**b) Invoice -/reference currency**

The accounting currency of the UCITS and the reference currency for each unit class are specified in section A of this Annex "UCITS at a glance".

The accounting currency is the currency in which the UCITS accounts are kept. The reference currency is the currency in which the performance and the net asset value of the unit classes are calculated. Investments are made in the currencies that are best suited to the performance of the UCITS.

**c) Profile of the typical investor**

The **Gain Alpha Equity Fund** is suitable for investors with a long-term investment horizon who wish to invest in a broadly diversified global portfolio of equity securities and rights.

## **G. Risks and risk profiles of the UCITS**

**a) Fund-specific risks**

**The performance of the units depends on the investment policy and the market performance of the individual investments of the UCITS 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 back the capital invested.**

Due to the fact that the assets of the **Gain Alpha Equity Fund** are predominantly invested in equity securities and rights, this type of investment is subject to market and issuer risk, which can have a negative impact on the net assets. Other risks such as currency risk and interest rate risk may also materialise.

The use of derivative financial instruments that are not used for hedging purposes may result in increased risks. Furthermore, the UCITS is authorised to manage the volatility of securities, indices, interest rates, currencies, etc. by means of exchange-traded funds (ETFs), exchange-traded notes (ETNs) and derivative financial instruments, which may have an impact on the performance of the UCITS. The risk associated with derivative financial instruments may not exceed 100% of the net fund assets. The total risk may not exceed 200% of the net fund assets. In the case of borrowing permitted under the UCITSG, the total risk may not exceed 210% of the net fund assets. The management company uses the modified commitment approach as a recognised calculation method for risk management.

Due to the possible investment in financial instruments [e.g. Exchange Traded Funds (ETF), Exchange Traded Commodities (ETC), Exchange Traded Notes (ETN), certificates and derivative financial instruments] that are collateralised by other assets or are linked to the performance of other assets (e.g. precious metals, commodities, raw materials, real estate indices, recognised and sufficiently diversified hedge fund indices), this fund is subject to a number of additional specific risks, which are listed below. It should be noted that the list is exemplary and not exhaustive:

#### **Investments in hedge fund indices**

In addition to the risks associated with traditional forms of investment (market, credit and liquidity risks), investments in hedge fund indices are associated with a number of specific risks, which are listed below. The hedge funds on which the respective index is based and their strategies are characterised above all by the fact that their investment strategy can include the short selling of securities and that a leverage effect can be achieved through the borrowing of funds and the use of derivatives.

The leverage effect means that the value of a fund's assets increases more quickly if the capital gains from the investments acquired with the help of borrowed capital are higher than the associated costs, namely the interest on the borrowed funds and the premiums on the derivative instruments used. However, if prices fall, this effect is offset by a correspondingly rapid decline in fund assets. In extreme cases, the use of derivative instruments and in particular short selling can lead to a total loss in value.

Most of the hedge funds on which the respective index is based are launched in countries where the legal framework and, in particular, regulatory supervision either does not exist or does not correspond to the level of Western European and comparable countries. The success of hedge funds depends to a large extent on the expertise of the fund managers and the available infrastructure.

#### **Investments in financial instruments that are collateralised by other assets (e.g. precious metals, commodities, raw materials) or are linked to the performance of other assets.**

In addition to the risks associated with traditional forms of investment (market, credit and liquidity risks), investments in precious metals, commodities and raw materials can involve greater price fluctuations than traditional investments. However, as an addition to a broad-based portfolio, investments in commodities and raw materials are generally characterised by a low correlation to traditional investments.

#### **b) General risks**

In addition to the fund-specific risks, the investments of the UCITS may be subject to general risks. An exemplary but not exhaustive list can be found in section 7.2 of the prospectus.

## **H. Costs reimbursed from the UCITS**

An overview of the costs reimbursed by the UCITS can be found in the table "Master data and information on the UCITS and its unit classes" in section A of this Annex A "UCITS at a glance".

## **I. Performance fee**

Furthermore, the Management Company is authorised to receive a performance-related remuneration ("performance fee") in accordance with Annex A "UCITS at a glance" of the growth in value of the unit value of the corresponding unit class adjusted for any distributions or capital measures. The high-water mark model is used as the calculation model for calculating the performance fee as follows:

Any performance fee is calculated and accrued on each valuation date on the basis of the number of units in circulation of the corresponding unit class, provided that the unit price of the corresponding unit class is above the high water mark.

An accrued performance fee is paid quarterly (March, June, September, December) in arrears. The reference period for the high water mark corresponds to the entire life cycle of the UCITS.

The high watermark principle is used as the basis for calculation. If the UCITS or the corresponding unit class records a loss in value, the performance fee is only charged again when the unit price of the corresponding unit class, adjusted for any distributions or capital measures after deduction of all costs, reaches a new high (high watermark). This is an all-time high watermark (all-time high = high watermark principle).

A schematic calculation example is contained in J "Calculation example for the performance fee".

Schaan/Vaduz, 25 October 2024

### **The management company:**

IFM Independent Fund Management Aktiengesellschaft, Schaan

### **The depositary:**

Liechtensteinische Landesbank AG, Vaduz

## J. Calculation example for the performance fee

The following examples schematically describe the calculation of the performance fee at the level of the respective currency unit class. (This also applies analogously to the 15% performance fee on the -I- classes and also to the 10% performance fee on the I2 classes).

Performance fee	20%
Hurdle rate	No
High Watermark	Yes

Valuation date	NAV Start	High NAV before Watermark	Perf. fee <sup>7</sup>	Perf. fee	cum. Perf. fee	NAV according to Perf. fee
<b>Year 1</b>						
Day 1	100.00	100.00	<b>110.00</b>	2.00	2.00	108.00
Day 2	108.00	<b>110.00</b>	<b>120.00</b>	2.00	4.00	118.00
Day 3	118.00	<b>120.00</b>	<b>140.00</b>	4.00	8.00	136.00
Day 4	138.00	<b>140.00</b>	105.00	0.00	8.00	105.00
Day 5	105.00	140.00	100.00	0.00	8.00	100.00
Day 260	100.00	140.00	95.00	0.00	<b>8.00</b>	95.00

<b>Year 2</b>						
Day 1	95.00	140.00	97.00	0.00	0.00	97.00
Day 2	97.00	140.00	102.00	0.00	0.00	102.00
Day 3	102.00	140.00	112.00	0.00	0.00	112.00
Day 4	112.00	140.00	120.00	0.00	0.00	120.00
Day 5	120.00	140.00	113.00	0.00	0.00	113.00
Day 260	113.00	140.00	109.00	0.00	<b>0.00</b>	109.00

<b>Year 3</b>						
Day 1	109.00	140.00	133.00	0.00	0.00	133.00
Day 2	133.00	140.00	135.00	0.00	0.00	135.00
Day 3	135.00	140.00	<b>144.00</b>	0.80	0.80	143.20
Day 4	143.20	<b>144.00</b>	<b>148.00</b>	0.80	1.60	147.40
Day 5	147.20	<b>148.00</b>	141.00	0.00	1.60	141.00
Day 260	141.00	148.00	139.00	0.00	<b>1.60</b>	139.00

In **year 1**, a performance fee was charged even though the performance of the corresponding unit class was negative for the year. The performance fee was calculated on each valuation date, accrued and generally charged at the end of the quarter.

No performance fee was charged in **year 2** as the high watermark principle was applied. Any performance fee will only be charged again when the value per unit of the corresponding 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 water mark of the corresponding unit class.

A deferred performance fee is paid out quarterly (March, June, September, December) in arrears (settlement period). It is possible to shorten the settlement period in the event of mergers or the dissolution of the UCITS. The reference period for the high-water mark corresponds to the entire life cycle of the UCITS.

**It should be noted that a performance fee may be charged on unrealised gains, even though the unrealised gains may never be realised.**

<sup>7</sup> The NAV before performance fee includes all current accruals, including performance fee provisions from the previous period.

# Appendix B: Specific information for individual sales countries

## Information for qualified investors in d Switzerland

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

### 1. Representative

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

### 2. Paying agent

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

### 3. Location of the relevant documents

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

### 4. Payment of retrocessions and rebates

#### 4.1 Retrocessions

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

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

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

#### 4.2 Discounts

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

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

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

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

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

### 5. Place of fulfilment and jurisdiction

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

## Information for investors in Germany

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

### Institution according to § 306a KAGB:

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

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

Investors will be informed by the institution about how the above-mentioned orders can be placed and how redemption proceeds are paid out.

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

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

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

The institution provides investors with relevant information on the tasks that the institution fulfils on a durable medium.

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

### Publications

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

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

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

## Information for qualified investors in Italy

The UCITS is authorised in Italy exclusively for distribution to **qualified investors**.



## Appendix C: Regulatory disclosure

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### Conflicts of interest

The following conflicts of interest may arise with the UCITS:

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

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

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

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

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

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

## Processing of complaints

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

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

## Principles of the voting policy at Annual General Meetings

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

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

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

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

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

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

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

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

## Best possible execution of trading decisions

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

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

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

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

## Remuneration principles and practices

IFM Independent Fund Management AG ("IFM") is subject to the regulatory requirements applicable to management companies under the Act on Certain Undertakings for Collective Investment in Transferable Securities (UCITSG) and those applicable to AIFMs under the Alternative Investment Fund Managers Act (AIFMG) with regard to the organisation of its remuneration principles and practices. IFM has set out the detailed structure in an internal directive on remuneration policy and practice, the aim of which is to ensure a sustainable remuneration system while avoiding false incentives to take excessive risks. IFM's remuneration principles and practices are reviewed at least once a year by the members of the Board of Directors to ensure that they are appropriate and comply with all legal requirements. They comprise fixed and variable (performance-related) remuneration elements.

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

The definition of ranges for total remuneration also ensures that there is no significant dependency on variable remuneration and that there is an appropriate ratio of variable to fixed remuneration. The amount of the fixed salary component is designed in such a way that an employee can cover his or her living expenses with the fixed salary component in isolation in the case of 100% employment (taking into account salaries in line with the market). The members of the Executive Board and the Chairman of the Board of Directors have the final say in the allocation of variable remuneration. The Chairman of the Board of Directors is responsible for reviewing the remuneration principles and practices.

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



**IFM Independent Fund Management AG**

Landstrasse 30 Postfach 355 9494 Schaan Fürstentum Liechtenstein T +423 235 04 50 F +423 235 04 51  
info@ifm.li www.ifm.li HR FL-0001.532.594-8