

# Investor information

pursuant to Section 105 AIFMG

and

# Articles of Association

and

# investment conditions

including sub-fund-specific appendices

As of: 05/2025

## European Entrepreneurs Funds SICAV

AIF under Liechtenstein law  
in the legal form of an investment company

(hereinafter referred to as "the investment company" or "the AIF")  
(umbrella structure that may comprise several sub-funds)

Portfolio management:



Investment advisor:



AIFM:



## The organisational structure of the investment company

<b>Investment company:</b>	European Entrepreneurs Funds SICAV Landstrasse 30, FL-9494 Schaan
<b>Board of Directors:</b>	IFM Independent Fund Management AG Landstrasse 30, FL-9494 Schaan

## The organisational structure of the AIFM

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

## The AIF at a glance

<b>Name of the AIF:</b>	<b>European Entrepreneurs Funds SICAV</b>
<b>Legal structure:</b>	Externally managed alternative investment fund (AIF) in the legal form of an investment company with variable capital under Liechtenstein law ("investment company") in accordance with the Law of 19 December 2012 on Alternative Investment Fund Managers (AIFMG)
<b>Umbrella structure:</b>	Umbrella structure with one sub-fund
<b>Domicile:</b>	Liechtenstein
<b>Date of establishment of the AIF:</b>	10 May 2023
<b>Financial year:</b>	The financial year of the AIF begins on 1 January and ends on 31 December.
<b>AIF accounting currency:</b>	Euro (EUR)
<b>AIFM:</b>	IFM Independent Fund Management AG Landstrasse 30, FL-9494 Schaan
<b>Portfolio management:</b>	Sub-fund: <b>European Entrepreneurs Fund I</b> Principal Asset Management AG Landstrasse 30, FL-9494 Schaan
<b>Investment advisor:</b>	Sub-fund: <b>European Entrepreneurs Fund I</b> Direttissima Growth Partners AG Feldlistrasse 10c, CH-9413 Oberegg
<b>Custodian:</b>	VP Bank AG Aeulestrasse 6, FL-9490 Vaduz
<b>Share register management:</b>	IFM Independent Fund Management AG Landstrasse 30, FL-9494 Schaan
<b>Distribution agent:</b>	Principal Vermögensverwaltung AG Landstrasse 30, FL-9494 Schaan
<b>Auditor:</b>	BDO (Liechtenstein) AG Wuhrstrasse 14, FL-9490 Vaduz
<b>Competent supervisory authority:</b>	Liechtenstein Financial Market Authority (FMA); <a href="http://www.fma-li.li">www.fma-li.li</a>
<b>Information centre for professional investors in Germany (until 31 December 2025):</b>	Hauck Aufhäuser Lampe Privatbank AG Kaiserstrasse 24, D-60311 Frankfurt am Main

<b>Institution for professional investors in Germany</b> (from 1 January 2026):	IFM Independent Fund Management AG Landstrasse 30, FL-9494 Schaan
<b>Representative for qualified investors in Switzerland</b>	LLB Swiss Investment AG Claridenstrasse 20, CH-8002 Zurich
<b>Paying agent for qualified investors in Switzerland</b>	Helvetische Bank AG Seefeldstrasse 215, CH-8008 Zurich

Further information on the sub-funds can be found in Appendix B, "Sub-funds at a glance".

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

German is the legally binding language for the Investor information pursuant to Section 105 AIFMG, the Articles of Association and investment conditions including sub-fund-specific appendices.

## Notes for investors/sales restrictions

The acquisition of shares in the investment company or the respective sub-fund is based on the articles of association, the investment conditions and the latest annual report. Only the information contained in the above-mentioned documents is valid. Upon acquisition of the shares, these are deemed to have been approved by the investor. **In Liechtenstein, the AIF or the respective sub-fund is distributed to professional investors within the meaning of Directive 2014/65/EU (MiFID II).** For any other countries, the provisions set out in Appendix C "Specific information for individual distribution countries" apply.

These Articles of Association and the Investment Conditions do not constitute an offer or invitation to subscribe for shares in the AIF by any person in any jurisdiction where such an offer or invitation is unlawful or where the person making such an offer or invitation is not qualified to do so or is made to a person to whom such an offer or invitation is unlawful. Information not contained in these Articles of Association and the Investment Conditions or in documents available to the public is considered unaudited and is not reliable. Potential investors should inform themselves about the possible tax consequences, legal requirements and possible foreign exchange restrictions or control regulations that apply in the countries of their nationality, residence or domicile and that may be relevant to the subscription, holding, conversion, redemption or sale of shares. Further tax considerations are explained in § 55 "Tax Regulations" of the Terms and Conditions of Investment. Appendix C "Specific Information for Individual Distribution Countries" contains information regarding distribution in various countries. The shares of the AIF are not authorised for distribution in all countries worldwide. The provisions applicable in the respective country apply to the issue, conversion and redemption of shares abroad.

The units of the sub-funds have not been registered under the United States Securities Act of 1933, particularly in the United States of America (USA), and may therefore not be offered or sold in the USA or to US citizens. US citizens are, 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) are not US citizens but reside primarily in the USA, (e) are married to a US citizen, or (f) are liable for tax in the USA. The following are also considered US citizens: (a) investment companies and corporations established under the laws of one of the 50 US states or the District of Columbia, (b) an investment company or partnership established under an Act of Congress, (c) a pension fund established as a US trust, (d) an investment company that is liable for tax in the US, or (e) investment companies that are considered as such under Regulation S of the US Securities Act of 1933 and/or the US Commodity Exchange Act. In general, shares in the investment company may not be offered in jurisdictions or to persons in which or to whom this is not permitted.

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# PART I: INVESTOR INFORMATION PURSUANT TO ART. 105 AIFMG

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IFM Independent Fund Management AG, Schaan, as AIFM, provides investors in the **European Entrepreneurs Fund SICAV** with the following information in its current form.

In addition to this information, express reference is made to the constituent documents (Articles of Association, Investment Conditions, Appendix A "Overview of the Investment Company's Organisational Structure" and Appendix B "Overview of Sub-Funds"). Upon purchase of the shares, these are deemed to have been approved by the investor. This document does not replace a careful review of the constituent documents.

This AIF is aimed at **professional investors** within the meaning of Directive 2014/65/EC (MiFID II).

## 1 General information

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

All communications to investors, including changes to the investment conditions, Appendix A "Overview of the investment company's organisational structure" and Appendix B "Overview of sub-funds" are published on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the investment company's publication organ, as well as in other media and data carriers specified in the investment conditions.

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

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

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

The following investor information applies in principle to all sub-funds. Any deviations for individual sub-funds are listed separately in the respective section.

### 2.1 Description of the investment strategy and objectives of the AIF (Section 105(1)(a) AIFMG)

See Appendix B "Sub-funds at a glance" under "Investment principles of the sub-fund".

### 2.2 Information on the registered office of any master AIF if the AIF is a feeder AIF (Art. 105, para. 1, lit. b AIFMG)

The sub-funds are not feeder AIFs.

### 2.3 Information on the registered office of the target funds if the AIF is a fund of funds (Art. 105, para. 1, lit. c AIFMG)



The AIF or its sub-funds are not fund of funds.

The AIF or a sub-fund has the option of investing up to 100% of its assets in units of closed-end and/or open-end investment funds and may therefore have a fund of funds structure. Most target investments are subject to the laws of countries whose legal framework and supervision do not necessarily correspond to the standards prevailing in the Principality of Liechtenstein. The investments are domestic and foreign funds with different legal structures that pursue traditional and non-traditional investment strategies. There are no restrictions on the domicile of foreign target funds, i.e. their domicile or registered office may be in any country outside Liechtenstein.

**2.4 Description of the type of assets in which the AIF may invest (Art. 105(1)(d) 1. AIFMG)**

See Appendix B "Sub-funds at a glance" under "Investment principles of the sub-fund".

**2.5 Description of the techniques it may use and all associated risks, any investment restrictions, the circumstances under which the AIF may use leverage, the type and origin of the permissible leverage and associated risks, other restrictions on the use of leverage and agreements on collateral and the reuse of assets, and the maximum amount of leverage that the AIFM may use on behalf of the AIF (Art. 105(1)(d)(2) AIFMG)**

See the investment conditions "General risks" and Appendix B "Sub-funds at a glance" under "Risks and risk profiles of the sub-fund".

**2.6 Description of the procedure and conditions for changing the investment strategy and policy (Art. 105, para. 1, lit. d, 3 AIFMG)**

A change in the investment policy within the legally and contractually permissible investment spectrum may alter the nature of the risk associated with the AIF or the sub-fund. The AIFM may change the investment policy of the AIF or the relevant sub-fund within the applicable investment conditions at any time and in a significant manner by amending the investment conditions, including Appendix B "Sub-funds at a glance". Information on the publication requirements can be found in Section 1 "General information".

**2.7 Description of the most important legal characteristics of the contractual relationship entered into for the investment, including information on the competent courts (Art. 105, Section 1, lit. e, 1 AIFMG)**

The AIFM and the AIF with its established sub-funds are subject to Liechtenstein law. The exclusive place of jurisdiction for all disputes between investors, the AIFM, commissioned third-party companies and the custodian is Vaduz.

However, the AIFM and/or the custodian may submit themselves and the AIF to the jurisdiction of the countries in which units of the AIF or sub-fund are offered and sold with regard to claims by investors from these countries. Mandatory jurisdictions to the contrary remain reserved.

The German language is the legally binding language for these investment conditions as well as Appendix A "Overview of the organisational structure of the investment company" and Appendix B "Overview of sub-funds".

**2.8 Description of the most important legal features of the contractual relationship entered into for the investment, including the applicable law (Art. 105, para. 1, lit. e, 2 AIFMG)**

The AIFM and the AIF with its established sub-funds are subject to Liechtenstein law.

**2.9 Description of the most important legal characteristics of the contractual relationship entered into for the investment, including the enforceability of judgments in the country where the AIF is domiciled (Art. 105, para. 1, lit. e, 3 AIFMG)**

However, the AIFM and/or the depositary may submit themselves and the AIF with its sub-funds to the jurisdiction of the countries in which units of the AIF or sub-fund are offered and sold with regard to claims by investors from these countries. Mandatory jurisdictions stipulated by law remain reserved.

The enforceability of judgments in Liechtenstein is governed by the Enforcement Ordinance (EO). The enforceability of a foreign judgment in the Principality of Liechtenstein (the country where the AIF is domiciled) may require separate proceedings in the Principality of Liechtenstein.

**2.10 Information on the identity and duties of all service providers working for the AIF, in particular the AIFM, the custodian of the AIF and the auditors, with a description of the rights of investors; (Art. 105(1)(f) AIFMG)**

See Chapter B of the Investment Conditions, "The Organisation", as well as Appendix A, "Overview of the Investment Company's Organisational Structure", and Appendix B, "Overview of Sub-Funds".

**2.11 Description of how the AIFM covers potential liability arising from professional activities; (Art. 105(1)(g) AIFMG)**

See the investment conditions, "The AIFM".

**2.12 Description of delegated management or custody functions, the name of the contractor and any conflicts of interest associated with the delegation (Art. 105(1)(h) AIFMG)**

See Appendix B "Sub-funds at a glance" under "Delegation of tasks by the AIFM" and "Depositary" as well as Appendix D Regulatory disclosure.

**2.13 Description of the valuation procedures and methods used by the AIF (Art. 105(1)(i) AIFMG)**

See Appendix B, "Sub-funds at a glance," under "Valuation."

**2.14 Description of the procedures for managing the AIF's liquidity risks, taking into account redemption rights under normal and exceptional circumstances and the redemption agreements with investors (Art. 105(1)(k) AIFMG)**

See the investment conditions, "General risks", and, where applicable, Appendix B, "Sub-funds at a glance", under "Sub-fund-specific risks".

**2.15 Description of all fees, charges and other costs, stating the maximum amount in each case, insofar as these are to be borne directly or indirectly by investors (Art. 105(1)(l) AIFMG)**

See the investment conditions "Costs and Fees" and Appendix B "Sub-funds at a Glance".

**2.16 Description of how the AIFM ensures fair treatment of investors and a description of any preferential treatment granted, specifying the type of investors benefiting and, where applicable, the legal or economic links between these investors, the AIF or the AIFM (Art. 105(1)(m) AIFMG)**

The AIFM always acts in the interests of the AIF or its sub-funds, the investors and market integrity. The equal treatment of investors is a priority. Preferential treatment of individual investors is expressly excluded.

All investors are treated equally:

- ◆ Information is always published simultaneously in a known manner
- ◆ The terms and conditions for subscribing to or redeeming fund units are the same for every investor in each unit class

◆ No investor is informed individually or receives preferential treatment

**2.17 The latest annual report; (Art. 105(1)(n) AIFMG)**

See investment conditions "Information for investors".

**2.18 Procedures and conditions for the issue and sale of units of an AIF; (Art. 105(1)(o) AIFMG)**

See investment conditions under "Issue of units" and "Redemption of units".

**2.19 Latest net asset value of the AIF or the latest market price of its units in accordance with Art. 43 AIFMG (Art. 105(1)(p) AIFMG)**

See investment conditions "Information for investors".

**2.20 Past performance of the AIF (Art. 105(1)(q) AIFMG)**

See investment conditions "Information for investors".

**2.21 If applicable, for the prime broker: its identity (Art. 105, para. 1, lit. r, 1 AIFMG)**

n/a

**2.22 If applicable, regarding the prime broker: a description of each material agreement between the AIF and the prime brokers, the manner in which any conflicts of interest in this regard are resolved, the provision in the contract with the depositary regarding the possibility of transferring and reusing AIF assets, and details of any transfer of liability to the prime broker (Art. 105, (1)(r)(2) AIFMG)**

n/a

**2.23 Description of how and when the information required under Art. 106 para. 1 lit. b and para. 2 is disclosed (Art. 105, para. 1, lit. s AIFMG)**

The information required under Art. 106 para. 1 lit. b and para. 2 AIFMG is disclosed in the annual report.

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

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

Current status of this document, which has been brought to the attention of the FMA: 5 June 2025.

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

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## Preamble

Insofar as a matter is not regulated in these Articles of Association, the legal relationships between the investors, the investment company and the AIFM shall be governed by the Act of 19 December 2012 on Alternative Investment Fund Managers (AIFMG), the Ordinance on Alternative Investment Fund Managers (AIFMV) in its current version and, insofar as no provisions are made therein, the provisions of the Law on Persons and Companies (PGR) and, insofar as no provisions are made therein, the provisions of the General Civil Code (ABGB) on public limited companies.

## I. General provisions

### Art. 1 Name of the investment company

Under the name **European Entrepreneurs Funds SICAV** (the "Investment Company"), there is an investment company in the form of a public limited company with variable share capital.

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

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

The registered office of the company is in Schaan, Principality of Liechtenstein.

### Art. 3 Purpose of the Investment Company

The sole purpose of the Investment Company is to invest the capital collected from a number of investors for their benefit in accordance with the investment strategy set out in the Articles of Association, including sub-fund-specific appendices.

The investment company may take all measures and actions it deems appropriate to achieve its corporate purpose, subject to the restrictions set out in the AIFMG.

### Art. 4 Duration of the investment company

The investment company is established for an indefinite period.

## II. Share capital and shares

### Art. 5 Share capital (founder shares)

The share capital (own assets) of the investment company amounts to EUR 60,000 (in words: sixty thousand euros) and is divided into 600 registered founder shares with a nominal value of EUR 100 each. The shares are fully paid up.

The share capital may be increased by gradually issuing new shares to existing shareholders or third parties, and the share capital may be reduced by gradually repaying all or part of the share capital through the redemption of shares, without having to

comply with the procedure laid down for increasing or reducing the share capital. When new shares are issued, existing shareholders' subscription rights are waived.

Founder shares are issued to the founders of the investment company. They certify the right to participate in the general meeting and entitle the holder to exercise voting rights at the general meeting.

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

Instead of individual founder shares, the board of directors may issue share certificates for any number of founder shares or refrain from issuing share certificates.

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

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

The share capital may be increased by the gradual issue of new investor shares (units) to existing investors or third parties, and the share capital may be reduced by the gradual full or partial repayment of the share capital through the redemption of investor shares (units), without the need to comply with the procedure provided for the increase or reduction of the share capital. There is no general subscription right when new shares are issued.

The general meeting may decide to convert registered shares into bearer shares or bearer shares into registered shares.

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

There is no entitlement to delivery of physical certificates. For the purpose of smooth transferability, the shares may be held in collective custody. The investment company may provide for securitisation in global certificates.

All shares in a sub-fund shall in principle have the same rights, unless the Board of Directors decides to issue different share classes within a sub-fund.

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

The organs of the investment company are the general meeting, the board of directors and the auditor, who must be a certified public accountant in accordance with the AIFMG.

### **A. General meeting**

#### **Art. 7 Rights of the general meeting**

The supreme body of the investment company is the general meeting.

It has the following powers:

1. Electing the Board of Directors and the auditor, who must be a certified public accountant in accordance with the AIFMG;
2. Approving the income statement, balance sheet and annual report;
3. Resolving on the appropriation of net profit, in particular the determination of dividends in conjunction with Art. 312 PGR (interim distribution);
4. discharging the Board of Directors;
5. passing resolutions on the adoption of the articles of association and on the dissolution or merger of the investment company;
6. Resolving on amendments to the articles of association, for which a simple majority is sufficient;
7. Resolution on matters reserved for the General Meeting by law or the Articles of Association or submitted to it by the Board of Directors.

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

Eligibility to participate in the general meeting is governed by Articles 5 and 6 of these Articles of Association.

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

If all founder shares are present or represented and no objection is raised, they may form a General Meeting without observing the otherwise prescribed formal requirements for convening a meeting, and valid deliberations and resolutions may be made at this meeting on matters within its competence (universal meeting).

## **Art. 9 Extraordinary general meeting**

Extraordinary general meetings may be convened at any time in the manner prescribed by law.

If all founder shares are present or represented and no objection is raised, they may also form an extraordinary general meeting without observing the formal requirements otherwise prescribed for the convening of such a meeting, and valid deliberations and resolutions may be passed at this meeting on matters within their authority (universal meeting).

## **Art. 10 Convocation**

Invitations to general meetings shall be issued by publication in the investment company's official publication, unless the addresses of the shareholders are fully registered with the board of directors.

The general meeting must be convened at the request of founding shareholders representing at least one tenth of the investment company's voting shares.

The invitation must be issued at least twenty days before the date of the meeting, together with the agenda.

## **Art. 11 Organisation**

The General Meeting shall be chaired by the Chairman of the Board of Directors. If he is unable to attend, the meeting shall be chaired by a member of the Board of Directors appointed by the Board of Directors or by a Chairman elected by the General Meeting.

The chairperson shall appoint the minute-taker and vote counter. The minute-taker shall sign the minutes of the proceedings together with the chairperson.

## **Art. 12 Resolutions and voting rights**

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

Unless otherwise required by law, the general meeting shall conduct its elections and pass its resolutions by an absolute majority of the votes represented.

In the event of a tie, the chairperson shall have the casting vote.

If no election is held in the first ballot, a second ballot shall be held in which the relative majority shall decide.

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

Article 10 of these Articles of Association shall apply *mutatis mutandis* to separate general meetings of one or more sub-funds.

## **B. Board of Directors**

### **Art. 13 Composition**

The Board of Directors consists of at least one member.

The members are natural persons or legal entities.

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

If a member of the Board of Directors resigns before the end of his or her term of office, the remaining members of the Board of Directors may appoint a temporary successor until the next General Meeting. The successor appointed in this manner shall assume the term of office of his or her predecessor and shall be confirmed by the next General Meeting.

Members of the Board of Directors are eligible for re-election at any time.

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

The Board of Directors constitutes itself. It elects the Chairman and Vice-Chairman (Deputy) from among its members.



## **Art. 15 Duties**

The Board of Directors is responsible for the overall management of the investment company and for supervising and controlling the management.

It represents the investment company externally and handles all matters that are not assigned to another body of the investment company or to third parties by law, the Articles of Association, special regulations or a separate agreement.

The Board of Directors is authorised to appoint an AIFM, a custodian for each sub-fund and investment committees for each sub-fund.

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

The Board of Directors is authorised, under its own responsibility, to appoint an AIFM that has been authorised as an AIFM in accordance with the AIFMG to manage the company by means of a separate agreement, in accordance with the Articles of Association, where applicable, the provisions of the AIFMG, the Ordinance and other relevant laws. The same applies to AIFMs authorised in another EEA member state that are permitted to perform corresponding activities through a domestic branch or within the framework of cross-border services. Under this agreement, the AIFM provides management services for the investment company in accordance with the Articles of Association.

In any case, the board of directors shall be responsible for determining the investment policy for each sub-fund, making fundamental decisions on the issue and redemption of investor shares, and making decisions on structural measures for individual sub-funds or share classes.

## **Art. 17 Resolutions and meetings**

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

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

The Board of Directors has a quorum when the majority of its members are present.

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

The chairperson shall vote and shall have the casting vote in the event of a tie.

Minutes shall be kept of the proceedings and resolutions of the Board of Directors. The minutes shall be signed by the Chairman and the minute-taker.

## **Art. 18 Representation of the investment company**

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

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

1. No contract, settlement or other legal transaction concluded by the investment company with other investment companies shall be invalidated by the fact that one or more members of the Board of Directors or managers of the investment

company have interests in or holdings in another investment company, or by the fact that they are members of the Board of Directors, partners, directors, managers, authorised representatives or employees of the other investment company.

2. Any member of the board of directors, director, managing director or authorised representative of the investment company who is also a member of the board of directors, director, managing director, authorised representative or employee of another company with which the investment company has concluded contracts or with which it has business relations in any other way, shall not thereby lose the right to advise, vote and act on matters relating to such contracts or transactions.
3. If a member of the board of directors, director or authorised representative has a personal interest in a matter concerning the investment company, this member of the board of directors, director or authorised representative of the investment company must inform the board of directors of this personal interest and shall neither participate in the deliberations nor vote on this matter. A report on this matter and on the personal interest of the member of the board of directors, director or authorised representative must be presented at the next general meeting. If this person nevertheless votes, the vote shall be void.

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

## **C. Auditor**

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

The audit of the annual reports of the investment company shall be entrusted to an auditor, who must be a certified public accountant in accordance with the AIFMG, licensed in the Principality of Liechtenstein and appointed by the general meeting. The auditor shall be appointed for a term of one year, may be re-elected and may be dismissed by the general meeting at any time.

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

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

The costs of establishing the investment company and the initial issue of shares shall be amortised over three years and charged to the assets of the sub-funds existing at the time of establishment. The establishment costs shall be allocated pro rata to the respective sub-fund assets. Costs incurred in connection with the launch of additional sub-funds shall be amortised over three years and charged to the respective sub-fund assets to which they are attributable.

### **Art. 22 Information for founding shareholders**

Notifications to founding shareholders shall be sent by post, fax, e-mail, on the website of the Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) or similar.

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

All communications to investors, including amendments to the Articles of Association, shall be published on the website of the LAFV Liechtenstein Investment Fund Associa-

tion (as well as other media and permanent data carriers specified in the Articles of Association and the investment conditions (letter, fax, e-mail or similar)).

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

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

The financial year of the investment company begins on 1 January of each year and ends on 31 December of the same year. The first financial year begins with the entry of the company in the commercial register and ends on **31 December 2023**.

### **V. Dissolution of the investment company**

#### **Art. 25 Resolution on dissolution**

The investment company may be dissolved by resolution of the general meeting. The resolution must be passed in compliance with the legal provisions prescribed for amendments to the articles of association.

#### **Art. 26 Costs of dissolution**

The costs of dissolution shall be borne by the investment company.

#### **Art. 27 Dissolution and bankruptcy of the investment company**

In the event of the dissolution and bankruptcy of the investment company, the assets managed for the purpose of collective investment on behalf of investors shall not form part of the bankruptcy estate and shall not be liquidated together with the company's own assets. The investment company or each sub-fund shall form a special fund for the benefit of its investors.

### **VI. Final provisions**

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

The investment company is subject to Liechtenstein law. The place of jurisdiction for all disputes is Vaduz.

The German language shall be the legally binding language for these Articles of Association.

#### **Art. 29 Entry into force**

These Articles of Association shall enter into force upon entry in the Commercial Register.

Schaan/Vaduz, 22 December 2023

#### **The AIFM:**

IFM Independent Fund Management AG, Schaan

#### **The Depositary:**

VP Bank AG, Vaduz

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

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### Preamble

The Investment Conditions, Appendix A "Overview of the Investment Company's Organisational Structure" and Appendix B "Overview of Sub-Funds" form an integral whole. The Investment Conditions, Appendix A "Overview of the Investment Company's Organisational Structure" and Appendix B "Overview of Sub-Funds" are printed in full. The Investment Conditions, Appendix A "Overview of the Investment Company's Organisational Structure" and Appendix B "Overview of Sub-Funds" may be amended or supplemented in whole or in part by the AIFM at any time. Amendments to the Investment Conditions, Appendix A "Overview of the Investment Company's Organisational Structure" and Appendix B "Overview of Sub-Funds" must be notified to the Liechtenstein Financial Market Authority (FMA) in accordance with the AIFMG. The FMA may object to a material amendment within one month.

Insofar as a matter is not regulated in these investment conditions, the legal relationships between the investors, the investment company and the AIFM are governed by the Articles of Association, the Act of 19 December 2012 on Alternative Investment Fund Managers (AIFMG) and the Ordinance on Alternative Investment Fund Managers (AIFMV) as amended and, insofar as no provisions are made therein, to the provisions of the Law on Persons and Companies (PGR) and, insofar as no provisions are made therein, to the provisions of the General Civil Code (ABGB) on public limited companies.

### A. General provisions

#### § 1 The AIF

**European Entrepreneurs Funds SICAV** (hereinafter: investment company) was established on the basis of the Act of 19 December 2012 on Alternative Investment Fund Managers (AIFMG) and the Regulation on Alternative Investment Fund Managers (AIFMV), as amended, in the legal form of an investment company. The AIFM notified the FMA of its management on 28 March 2023. The FMA's acknowledgement of this notification was delivered to the AIFM on 27 April 2023. The AIF was entered in the Liechtenstein Commercial Register at the Office of Justice on 10 May 2023. The investment conditions, including Appendix A "Overview of the organisational structure of the investment company" and Appendix B "Overview of sub-funds", came into force for the first time on 10 May 2023.

The investment conditions, Appendix A "Organisational Structure of the AIFM/AIF" and Appendix B "Sub-funds at a Glance" were last amended with the approval of the FMA on 5 June 2025 and came into force on 6 June 2025.

The current version is available on the website of the LAFV Liechtenstein Investment Fund Association at [www.lafv.li](http://www.lafv.li) or can also be obtained free of charge from the AIFM and the custodian.

The investment company is a legally independent open-ended collective investment scheme and is subject to the Law of 19 December 2012 on Alternative Investment Fund Managers (hereinafter referred to as "AIFMG").

On the basis of its articles of association, the investment company has issued founder shares with a nominal value of EUR 60,000 and bearer participation rights in An leger (shares) with no nominal value. Investors participate in the assets and income of the in-

dividual sub-funds in proportion to the shares they have acquired. The investor shares do not confer any right to participate in the general meeting, do not carry any voting rights and, moreover, do not confer any right to participate in the profits of the investment company's own assets.

The investment company is not limited in terms of time or amount. The investment company is an umbrella structure that can comprise several sub-funds. The various sub-funds are separate in terms of assets and liability. The management of the investment company consists primarily of investing the funds raised from the public for joint account.

The investment company or each of its sub-funds forms a special fund for the benefit of investors. In the event of the dissolution or bankruptcy of the AIFM, the special fund does not form part of the AIFM's bankruptcy estate. In the event of the dissolution or bankruptcy of the investment company, the assets managed for the purpose of collective investment on behalf of investors do not form part of its bankruptcy estate.

The investment objects in which the investment company may invest the money and the provisions it must observe in doing so are set out in the AIFMG, the investment conditions and Appendix B "Sub-funds at a glance".

The AIFM shall notify the FMA in writing of any significant changes at least one month before implementing a planned change or immediately after an unplanned change occurs. The FMA shall review the changes for legality; unlawful changes shall be prohibited.

The assets of each sub-fund are managed in the best interests of investors. Only the investors in a sub-fund are entitled to the total assets of that sub-fund in proportion to their shares. These assets are separated from the assets of other sub-funds for liability purposes. In the case of an AIF comprising more than one sub-fund, each sub-fund is to be regarded as a separate AIF. Claims by investors and creditors against a sub-fund or arising in connection with the establishment, existence or liquidation of a sub-fund are limited to the assets of that sub-fund.

The investment company may dissolve existing sub-funds and/or launch new sub-funds at any time, as well as launch or dissolve various share classes with specific characteristics within these sub-funds. These constituent documents shall be updated each time a new sub-fund or additional share class is launched.

By acquiring shares in the investment company, each investor acknowledges the constituent documents, which set out the contractual relationships between the investors, the investment company and the custodian, as well as any amendments to these documents that have been duly implemented. Upon publication of amendments to the constituent documents, the annual report or other documents on the website of the LAFV Liechtenstein Investment Fund Association [www.lafv.li](http://www.lafv.li), these amendments shall be binding on investors.

## **§ 2 General information on the sub-funds**

Investors participate in the respective sub-fund assets of the investment company in proportion to the shares they have acquired.

The shares are not certificated but are only kept in the books, i.e. no certificates are issued. There are no plans to hold a meeting of investors. By subscribing to or acquiring shares, the investor acknowledges the Articles of Association, the terms and conditions, Appendix A "Overview of the organisational structure of the investment company" and Appendix B "Overview of sub-funds". Investors, heirs or other persons may not demand the division or dissolution of the investment company or its sub-funds. Details of the re-

spective sub-funds of the investment company are described in Appendix B "Overview of Sub-Funds".

All units of a sub-fund generally embody the same rights, unless the investment company decides to issue different unit classes within a sub-fund in accordance with Section 26 of the Investment Conditions.

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

These constituent documents and the investor information pursuant to Art. 105 AIFMG apply to all sub-funds of **European Entrepreneurs Funds SICAV**.

The investment company is currently offering the following sub-funds for subscription:

- ◆ European Entrepreneur Fund I

## **B. The organisation**

### **§ 3 Country of domicile / Competent supervisory authority**

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

### **§ 4 Legal relationships**

The legal relationships between investors and the AIFM are governed by the Law of 19 December 2012 on Alternative Investment Fund Managers (AIFMG) and the Regulation on Alternative Investment Fund Managers (AIFMV) as amended and, insofar as no provisions are made therein, by the provisions of the Law on Persons and Companies (PGR) and, insofar as no provisions are made therein, by the provisions of the General Civil Code (ABGB) on public limited companies.

### **§ 5 The AIFM**

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

IFM Independent Fund Management AG was founded on 29 October 1996 as a public limited company for an unlimited period. The AIFM has its registered office and head office in Schaan, Principality of Liechtenstein.

Based on a determination and delegation agreement, the investment company has designated IFM Independent Fund Management Aktiengesellschaft as an AIFM within the meaning of the AIFMG.

The AIFM is authorised by the Liechtenstein Financial Market Authority (FMA) in accordance with the AIFMG and is entered in the register of AIFMs authorised in Liechtenstein published by the FMA.

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

The AIFM has covered the professional liability risks arising from the management of AIFs and attributable to professional negligence on the part of its organs or employees with own funds amounting to at least 0.01% of the assets of all AIFs under management. The coverage amount is reviewed on an ongoing basis and adjusted if necessary.

The AIFM manages the AIF or sub-funds on behalf of and in the exclusive interest of investors in accordance with the provisions of the constituent documents.

The AIFM is entitled to dispose of the assets belonging to the AIF or its sub-funds in its own name in accordance with the statutory provisions and the constituent documents, as well as the investor information, and to exercise all rights arising therefrom. The details of the rights and obligations of the AIFM are regulated in the AIFMG.

The main activities of the AIFM include portfolio management and/or risk management. It may also perform administrative and distribution activities. The AIFM has the right to seek advice from third parties in connection with real estate investments at the expense of the AIF or the sub-fund.

In accordance with the AIFMG, the AIFM may delegate individual tasks to third parties. The AIFM shall notify the FMA of the transfer of tasks before it takes effect.

An overview of AIFs managed by the AIFM and their sub-funds can be found on the website of the LAFV Liechtenstein Investment Fund Association at [www.lafv.li](http://www.lafv.li).

#### **a) Board of Directors**

Chairman: 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 Director of IFM Independent Fund Management AG, Schaan

#### **b) Management**

Chairman: Luis Ott, Managing Director

Members: Alexander Wymann, Deputy Managing Director

Michael Oehry

Ramon Schäfer

### **§ 6 Transfer of tasks**

The AIFM may delegate some of its tasks to third parties for the purpose of efficient management, subject to the provisions of the AIFMG and the AIFMV. The exact execution of the mandate is regulated in a contract concluded between the AIFM and the delegate.

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

- a.** Principal Vermögensverwaltung AG, Landstrasse 30, FL-9494 Schaan, acts as portfolio manager for the following sub-fund:

◆ European Entrepreneurs Fund I

Principal Vermögensverwaltung AG focuses on investment and asset management for professional and private clients and is subject to prudential supervision by the Liechtenstein Financial Market Authority (FMA).

The portfolio manager's task is in particular to independently implement the investment policy and manage the day-to-day business of the investment com-



pany or its sub-funds, as well as other related services, under the supervision, control and responsibility of the AIFM. These tasks are performed in accordance with the investment policy and investment restrictions of the investment company and its sub-funds, as described in the investment conditions, including sub-fund-specific appendices.

Where the portfolio manager identifies potential conflicts of interest with the AIF or AIFM in the course of its activities, it undertakes to fulfil its obligations towards the AIFM at all times and to make every effort to ensure that such conflicts are resolved in a fair manner. In particular, the portfolio manager acknowledges Art. 35 AIFMG (rules of conduct).

The portfolio manager is entitled, while safeguarding the interests of investors, to appoint an investment advisor on its own account and responsibility and/or to seek advice from relevant expert committees.

The precise execution of the mandate is governed by a task transfer agreement (portfolio management) concluded between the AIFM and Principal Vermögensverwaltung AG.

- b.** The portfolio managers may be supported by an investment advisory board in selecting the investments of the AIF or its sub-funds. Any appointment shall be made by the portfolio manager, who shall bear any costs incurred in this connection. The members of the investment advisory board act as strategy advisors and may make recommendations in this regard. The portfolio manager informs the AIFM of the appointment of an investment advisory board and its members and ensures that the AIFM is immediately informed of any subsequent changes in the composition of the investment advisory board.

## **b) Distributor**

Principal Vermögensverwaltung AG, Landstrasse 30, FL-9494 Schaan, acts as the distributor for the sub-funds.

The exact execution of the order is governed by a distribution agreement concluded between the AIFM and Principal Vermögensverwaltung AG.

The AIFM may appoint distributors in various distribution countries at any time.

## **§ 7 Investment advisor**

Direttissima Growth Partners AG, Feldlistrasse 10c, CH-9413 Oberegg, acts as investment advisor without decision-making authority for the following sub-fund.

- ◆ European Entrepreneurs Fund I

The management of Direttissima Growth Partners AG has many years of experience in the field of private equity investments.

The precise execution of the mandate is governed by an investment advisory agreement concluded between the AIFM and Direttissima Growth Partners AG. The investment advisor may advise both the AIFM and the portfolio manager.

## § 8 Custodian

The investment company has appointed a bank or securities firm under Liechtenstein banking law with its registered office or branch in the Principality of Liechtenstein or another institution approved in accordance with the AIFMG as the custodian for each sub-fund. The assets of the individual sub-funds may be held in custody by different custodians. The function of the custodian is governed by the AIFMG, the custodian agreement and these investment conditions.

VP Bank AG, Aeulestrasse 6, FL-9490 Vaduz, acts as custodian.

The custodian fulfils its duties and assumes the responsibilities arising from the AIFMG and the custodian agreement in its currently valid version (the "custodian agreement"). In accordance with the law and the Custodian Agreement, the custodian is responsible for (i) the general supervision of all assets of the AIF and (ii) the custody of assets of the AIF entrusted to the custodian and held by the custodian or on its behalf and (iii) the administrative activities in connection with the relevant obligations.

Investors should note that there may be jurisdictions in which the effect of the mandatory separation of assets is not recognised in relation to property rights located in that country in the event of bankruptcy. The AIFM and the Depositary shall cooperate to avoid the custody of assets in such jurisdictions.

All investors can subscribe to and redeem shares with the AIFM.

The AIFM handles the issue and redemption of units.

The depositary may delegate its custody duties to one or more agents ("sub-custodians") in accordance with the aforementioned decrees and provisions. A list of the sub-custodians appointed to hold assets on behalf of and for the account of the AIF may be requested from the custodian. The sub-custodians (depositaries) used for this AIF or sub-fund are listed in the annual report for the respective sub-fund.

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

The custodian is subject to the provisions of the Liechtenstein FATCA Agreement and the corresponding implementing provisions in the Liechtenstein FATCA Act, as amended.

## § 9 Prime broker

Only a credit institution, a regulated investment firm or another entity that is subject to regulatory supervision and ongoing monitoring and offers services to professional investors, primarily to finance or execute transactions in financial instruments as a counterparty, and which may also offer other services such as clearing and settlement of transactions, custody services, securities lending and customised technologies and facilities for operational support.

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

No prime broker has been appointed for the AIF.

## § 10 Auditor

Auditor of the AIFM:	Ernst & Young AG, Schanzenstrasse 4a, CH-3008 Bern
Auditor of the AIF:	BDO (Liechtenstein) AG, Wuhrstrasse 14, FL-9490 Vaduz

The investment company, its sub-funds and the AIFM must have their business activities audited annually by an auditor who is independent of them and recognised by the FMA in accordance with the AIFMG.

## **C. Distribution**

### **§ 11 Distribution information / sales restrictions**

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

Shares are purchased on the basis of the constituent documents and the latest annual report, provided that it has already been published. Only the information contained in the constituent documents is valid. Upon purchase of the shares, these are deemed to have been approved by the investor.

The shares of the AIF or its sub-funds are not authorised for distribution in all countries worldwide. The provisions applicable in the respective country apply to the issue, redemption and conversion of shares abroad. Appendix C, "Specific information for individual distribution countries", contains information regarding distribution in various countries.

#### **a) Distribution**

The distribution of the shares of the investment company or the respective sub-funds in Liechtenstein is aimed at all of the following investors:

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

Definitions of the various investor groups can be found in § 12 below.

#### **b) Subscription agents**

Shares in the AIF or its sub-funds can be purchased through the custodian and through any other bank based in Liechtenstein or abroad that is subject to Directive 91/308/EEC, as amended by Directive 2015/849/EU, or an equivalent regulation and appropriate supervision.

### **§ 12 Professional investor / private investor**

#### **A. Professional investor**

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

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

##### **I. Categories of clients considered to be professional clients**

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

1. Legal entities that must be authorised or supervised in order to operate in the financial markets. The following list is to be understood as covering all authorised legal entities that perform the activities characteristic of the legal entities mentioned: legal entities authorised by a Member State under a directive, legal entities authorised or supervised by a Member State without reference to a directive, legal entities authorised or supervised by a third country:
  - a) credit institutions
  - b) Investment firms
  - c) Other authorised or supervised financial institutions
  - d) Insurance companies
  - e) Undertakings for collective investment and their management companies
  - f) Pension funds and their management companies
  - g) Commodity dealers and commodity derivatives dealers
  - h) Local investors
  - i) other institutional investors.
2. Large companies that meet two of the following requirements at company level:
  - ◆ Total assets: EUR 20,000,000
  - ◆ Net turnover: EUR 40,000,000,
  - ◆ Own funds: EUR 2,000,000.
3. National and regional governments, government debt management agencies, central banks, international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB and other comparable international organisations.
4. Other institutional investors whose main activity is investing in financial instruments, including institutions engaged in securitisation and other financing activities.

The above legal entities are considered professional clients. However, they must be able to request treatment as non-professional clients, in which case investment firms are prepared to grant a higher level of protection. If the client of an investment firm is one of the above-mentioned entities, the investment firm must, before providing any services, inform the client that, based on the information available to it, the client will be classified and treated as a professional client, unless the investment firm and the client agree otherwise. The firm must also inform the client that they may request a change to the agreed terms in order to obtain a higher level of protection.

It is the responsibility of the client classified as a professional client to request the higher level of protection if they believe that they are unable to correctly assess or manage the risks associated with the investment.

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

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

## **B. Retail investor**

A retail investor is any investor who is not a professional investor.

## **D. Changes to the investment conditions / structural measures**

### **§ 13 Changes to the investment conditions**

These investment conditions may be amended or supplemented in whole or in part by the AIFM at any time.

The AIFM shall notify the FMA in writing of any material changes to the information provided pursuant to Art. 112 para. 2 AIFMG at least one month before the change is implemented or immediately after an unplanned change occurs. The FMA may object to the change within one month.

Investors who do not agree with changes to the fund contract have the option of redeeming their units within 30 calendar days of the publication of the respective change on the website of the Liechtenstein Investment Fund Association. In such a case, no redemption fee will be applied to investors.

### **§ 14 General information on structural measures**

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

- a) Mergers of:
  - 1. domestic AIFs or their sub-funds into domestic AIFs or their sub-funds;
  - 2. foreign AIFs or their sub-funds into domestic AIFs or their sub-funds;
  - 3. domestic AIFs or their sub-funds with foreign AIFs or their sub-funds, provided that this is not contrary to the law of the country in which the foreign AIF is domiciled; and
- b) demergers of AIFs or their sub-funds, whereby the provisions for mergers under Articles 78 and 79 AIFMG apply mutatis mutandis to the demerger of AIFs.

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

Unless otherwise specified below, the statutory provisions of Art. 76 ff. AIFMG and the associated ordinance provisions apply to structural measures.

### **§ 15 Merger**

Within the meaning of Art. 78 AIFMG, the AIFM may, at any time and at its discretion, with the approval of the relevant supervisory authority or authorities where applicable, decide to merge the AIF with one or more other AIFs. This applies regardless of the legal form and/or registered office of the funds. Sub-funds of the AIF may also be merged with each other, but also with one or more other AIFs or their sub-funds. Share classes may be merged. In this case, however, this does not constitute a merger.

The merger of AIFs requires the prior approval of the FMA.  
The FMA will grant approval provided that:

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

The merger takes effect on the merger date. The transferring AIF ceases to exist when the merger takes effect. Investors are informed accordingly about the completion of the merger. The AIFM of the transferring AIF shall notify the FMA of the completion of the merger and submit the confirmation of the responsible auditor regarding the proper execution and the exchange ratio at the time the merger takes effect. The merger shall be disclosed in the annual report of the acquiring AIF in the following year. An audited final report shall be prepared for the transferring AIF.

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

- a) private investors must be informed of the intended merger at least 30 days before the effective date; and
- b) neither the AIF nor the private investors may be charged the costs of the merger, unless the private investors have agreed to bear the costs by a qualified majority.

All assets of the AIF or sub-fund may be transferred to another existing AIF or sub-fund or to a new AIF or sub-fund created as a result of the merger on any transfer date.

Up to five working days before the planned transfer date, investors have the option of either redeeming their units without a redemption discount or exchanging their units for units in another AIF that is also managed by the AIFM and has a similar investment policy to the AIF or sub-fund being merged.

On the transfer date, the values of the acquiring and transferring AIF or its sub-funds are calculated, the exchange ratio is determined and the entire process is audited by the auditor. The exchange ratio is determined based on the ratio of the net asset values of the acquired and acquiring AIF or sub-fund at the time of the acquisition. Investors receive the number of units in the new AIF or sub-fund that corresponds to the value of their units in the transferring AIF or sub-fund. It is also possible for investors in the transferring AIF or sub-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 AIF or sub-fund, its managing AIFM must prepare a report on the transfer date that meets the requirements for an annual report.

The AIFM shall announce in the AIF's publication organ, the website of the LAFV Liechtenstein Investment Fund Association [www.lafv.li](http://www.lafv.li), when the AIF has absorbed another AIF and the merger has taken effect. If the AIF ceases to exist as a result of a merger, the AIFM managing the absorbing or newly established AIF shall make the announcement.

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

In all other respects, the provisions of Articles 78 and 79 AIFMG shall apply to the merger.

## **§ 16 Information, consent and investor rights**

The information for investors must be provided on a durable medium or made available in the publication organ pursuant to Art. 85 AIFMV, insofar as the constituent documents provide for its availability in the publication organ.

Information regarding mergers is provided on the website of the Liechtenstein Investment Fund Association LAFV ([www.lafv.li](http://www.lafv.li)) as the publication organ of the investment company. If the units of the AIFs involved in the merger are only distributed to professional investors, the merger plan shall contain at least the following information:

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

Investors shall be informed in an appropriate and precise manner about the planned merger. The investor information must enable investors to make an informed judgement about the impact of the plan on their investment and the exercise of their rights.

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

## **§ 17 Costs of structural measures**

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

In the case of AIFs or their sub-funds that are distributed exclusively to professional investors, legal, advisory or administrative costs associated with the preparation and implementation of structural measures may be charged to the respective sub-fund assets. In this case, the estimated costs, both total and approximate per share, must be disclosed in the investor information.

This applies mutatis mutandis to the split.

## **E. Dissolution of the investment company, its sub-funds and share classes**

### **§ 18 In general**

The provisions governing the dissolution of the investment company also apply to its sub-funds.

The information for investors must be provided on a durable medium or made available in the publication organ pursuant to Art. 85 AIFMV, insofar as the constituent documents provide for its availability in the publication organ.

Information regarding dissolution is published on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the publication organ of the investment company.

### **§ 19 Resolution to dissolve the AIF**

Sub-funds may be dissolved by resolution of the board of directors. The provisions governing the dissolution of the investment company itself can be found in Art. 25 of the Articles of Association.

In addition, the dissolution of the AIF or one of its sub-funds is mandatory in the cases provided for by law.

Investors, their heirs and other persons may not demand the division or dissolution of the investment company or of an individual sub-fund or share class.

The resolution on the dissolution of a sub-fund or a share class shall be published on the official website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the publication organ of the investment company and, if applicable, in other media



specified in the fund documents or by means of permanent data carriers (letter, fax, e-mail or similar). From the date of the resolution to dissolve the fund, no more shares will be issued, exchanged or redeemed.

The FMA shall be notified of the resolution decision by the AIFM and shall publish the dissolution in the register of dissolved funds on its website.

Upon dissolution of the AIF or one of its sub-funds, the AIFM may immediately liquidate the assets of the AIF or sub-fund in the best interests of the investors. Otherwise, the liquidation of the AIF or the relevant sub-fund shall be carried out in accordance with the provisions of the General Civil Code (ABGB) or the provisions of Liechtenstein law on persons and companies (PGR).

If the AIFM dissolves a share class without dissolving the investment company or the corresponding sub-fund, all shares of this share class shall be redeemed at their net asset value valid at that time. This redemption shall be published by the AIFM and the redemption price shall be paid out by the custodian in favour of the investors.

## **§ 20 Reasons for dissolution**

If the net assets of the AIF or its sub-funds fall below a value that is necessary for economically efficient management, or in the event of a significant change in the political, economic or monetary environment, or as part of a rationalisation process, the investment company may decide to redeem all units of the AIF, a sub-fund or a unit class at the net asset value (taking into account the actual realisation prices and realisation costs of the investments) on the valuation date on which the corresponding resolution takes effect.

## **§ 21 Costs of dissolution**

The costs of liquidating a sub-fund shall be borne by the respective sub-fund's assets. The costs of liquidating the investment company shall be borne by the founding shareholders.

## **§ 22 Dissolution and bankruptcy of the AIFM or the custodian**

In the event of the dissolution or bankruptcy of the AIFM, the assets managed for the purpose of collective investment on behalf of investors shall not form part of the bankruptcy estate and shall not be liquidated together with its assets. Each AIF or sub-fund shall constitute a special fund for the benefit of its investors. Each special fund shall be transferred to another AIFM with the consent of the FMA or, if no AIFM agrees to take it over within three months of the opening of bankruptcy proceedings, liquidated by way of separate satisfaction in favour of the investors of the respective AIF or sub-fund. The restructuring of the investment company from an externally managed to a self-managed investment company remains reserved.

In the event of the bankruptcy of the depositary, the assets managed by the AIF shall be transferred to another depositary with the consent of the FMA or liquidated by way of separate satisfaction in favour of the investors of the AIF.

## **§ 23 Termination of the designation agreement or the depositary agreement**

In the event of termination of the designation agreement between the investment company and the AIFM managing it, each special fund shall be transferred to another AIFM with the consent of the FMA or liquidated by way of separate satisfaction in favour of the investors of the investment company or a sub-fund. The restructuring of the

investment company from an externally managed to a self-managed investment company remains reserved.

In the event of termination of the custodian agreement, the assets under management of the AIF or a sub-fund shall be transferred to another custodian with the consent of the FMA or dissolved by way of separate satisfaction in favour of the investors of the AIF or a sub-fund.

## **F. Formation of sub-funds and share classes**

### **§ 24 Formation of sub-funds**

The investment company consists of one or more sub-funds. The investment company may decide at any time, upon notification to the FMA, to launch additional sub-funds and to dissolve or merge existing sub-funds. The investment conditions, including sub-fund-specific Appendix B "Sub-funds at a glance", shall be adjusted accordingly.

Investors participate in the respective sub-fund assets of the investment company in proportion to the shares they have acquired.

In the case of an AIF consisting of more than one sub-fund, each sub-fund is to be regarded as a separate AIF. The rights and obligations of the investors in a sub-fund are separate from those of the investors in the other sub-funds in terms of asset and liability law.

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

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

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

### **§ 26 Formation of share classes**

The investment company may form several share classes for each sub-fund, which relate to the same special fund but have different rights and obligations.

They may differ from the existing share classes in terms of, for example, the appropriation of income, the front-end load, the reference currency and the use of currency hedging transactions, the fees incurred, the minimum investment amount, the lock-up period or a combination of these characteristics. However, the rights of investors who have acquired shares from existing share classes remain unaffected. The share classes EUR C, EUR C-I, EUR C-II, EUR C-III, EUR C-IV, EUR C-V, EUR C-VI, EUR C-VII and EUR C-VIII exist for the corresponding closings. Professional investors who have concluded a separate agreement with the AIFM are entitled to invest in the EUR C share class.

The share classes established in connection with each sub-fund and the fees and remuneration arising in connection with the shares of the sub-fund are listed in Appendix B "Sub-funds at a glance".

#### **Side pockets:**

With the approval of the supervisory authority (FMA), the AIFM is entitled to spin off illiquid assets and place them in separate sub-funds (side pockets). This is the case if a significant portion of the AIF's assets (more than 10%) cannot be properly valued in the longer term or becomes unsaleable. Shareholders receive shares in the side pocket in

proportion to their share in the original assets of the AIF. Share trading must be suspended for the period during which the side pockets are formed. Once the side pocket has been created, this sub-fund is put into liquidation and distributes the liquidation proceeds to the shareholders as soon as the securities it contains can be valued or sold again. Until the liquidation is complete, no shares are issued or redeemed in the side pockets that have been created.

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

The respective sub-fund assets are invested in accordance with the rules of the AIFMG and the investment policy principles described below, and within the investment restrictions.

### **§ 27 Investment objective**

The sub-fund-specific investment objective is described in Appendix B, "Sub-funds at a glance".

### **§ 28 Investment policy**

The sub-fund-specific investment policy is described in Appendix B, "Sub-funds at a glance".

The following general investment principles and restrictions apply to all sub-funds, unless deviations or additions for the respective sub-fund are contained in Appendix B "Sub-funds at a glance".

This is an actively managed AIF or sub-fund without reference to a benchmark.

### **§ 29 Accounting and reference currency**

The accounting currency of the sub-fund and the reference currency per share class are specified in Appendix B, "Sub-funds at a glance".

The accounting currency is the currency in which the sub-funds' accounts are kept. The reference currency is the currency in which the performance and net asset value (NAV) of the share classes are calculated. Investments are made in the currencies that are most suitable for the performance of the respective sub-fund.

### **§ 30 Profile of the typical investor**

The profile of the typical investor in each sub-fund is described in Appendix B, "Sub-funds at a glance".

### **§ 31 Permitted investments**

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

### **§ 32 Non-permitted investments**

The non-permitted investments of the respective sub-fund are listed in Appendix B, "Sub-funds at a glance".

The AIFM may at any time impose further investment restrictions in the best interests of investors, insofar as these are necessary to comply with the laws and regulations of those countries in which the units of the AIF or sub-funds are offered and sold.

### **§ 33 Investment limits**

The legal provisions of the AIFMG do not stipulate any investment limits. Any restrictions imposed by the AIFM are listed in Appendix B, "Sub-funds at a glance".

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

The investment limits must be reached within the period specified in Appendix B, "Sub-funds at a glance".

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

1. A sub-fund's assets do not have to comply with the investment limits when exercising subscription rights from securities or money market instruments that form part of its assets, but must correct this within a reasonable period of time.
2. In the event of a breach of the investment limits, the AIFM's primary objective is to normalise the situation, taking into account the best interests of investors.
3. Any loss incurred as a result of an active breach of the investment limits/investment regulations must be compensated to the sub-fund assets without delay.

### **§ 34 Risk management and leverage financing**

#### **Risk management procedures**

The AIFM must use a risk management procedure that allows it to monitor and measure the risk associated with the investment positions and their respective share of the overall risk profile of the investment portfolio at all times; it must also use a procedure that allows for a precise and independent assessment of the value of OTC derivatives.

The total exposure of the AIF or the respective sub-fund is calculated using either the commitment method or the gross method, taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. Furthermore, sustainability risks are identified as part of the risk management process, their impact on individual investments is analysed and included in the overall risk profile.

**The risk management method applied by the AIFM can be found in Appendix B, "Sub-funds at a glance".**

#### **Leverage**

The leverage of a sub-fund refers to the ratio between the risk of a sub-fund and its net asset value.

Leverage is any method used by the AIFM to increase the investment level of the respective sub-fund (leverage effect). This can also be achieved by entering into leveraged financing embedded in derivative financial instruments, repurchase agreements or by other means.

Leverage is calculated by dividing the total exposure of the AIF or its sub-funds by its net asset value. For this purpose, the total exposure is calculated using two different

methods, i.e. depending on the method used, a different value for leverage is obtained.

Using the sum of the nominal values approach ("gross method"), the calculation is performed by adding up the absolute values of all positions of the respective sub-fund without offsetting.

The commitment method converts positions in derivative financial instruments into equivalent positions in the underlying assets. The calculation takes hedging transactions into account, i.e. after netting and hedging effects have been offset.

**The expected leverage according to the gross and commitment methods can be found in Appendix B, "Sub-funds at a glance".**

### **Liquidity management**

The AIFM uses appropriate methods to manage liquidity and employs procedures that enable it to monitor the liquidity risks of the respective sub-fund. The AIFM ensures that the sub-funds it manages take into account the investment strategy, liquidity profile and redemption principles of the respective sub-fund of the AIF.

## **§ 35 Use of derivatives, techniques and instruments**

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

Further information on the use of derivatives, securities lending and repurchase agreements can be found in Appendix B "Sub-funds at a glance" of the relevant sub-fund.

### **Derivative financial instruments**

The AIFM may engage in derivative transactions for the AIF or its sub-funds for the purposes of hedging, efficient portfolio management, generating additional income and as part of the investment strategy. This may increase the risk of loss for the AIF, at least temporarily.

**The use of derivative financial instruments can be found in Appendix B "Sub-funds at a glance". In this context, the AIFM applies the risk management procedure specified in Appendix B "Sub-funds at a glance".**

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

1. Futures contracts on securities, money market instruments, financial indices within the meaning of Article 9(1) of Directive 2007/16/EC, interest rates, precious metals, commodities, volatilities, exchange rates or currencies;
2. options or warrants on securities, money market instruments, financial indices within the meaning of Article 9(1) of Directive 2007/16/EC, interest rates, precious metals, commodities, volatilities, exchange rates or currencies and on futures contracts as referred to in point 1 of this letter d, if
  - ◆ exercise is possible either during the entire term or at the end of the term, and
  - ◆ the option value is a fraction or 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;

3. equity swaps, interest rate swaps, currency swaps, interest rate/currency swaps or special forms;
4. options on swaps in accordance with section 3 (swaptions);
5. Credit default swaps, provided that they serve exclusively and demonstrably to hedge the credit risk of precisely identifiable assets of the AIF or its sub-funds.

The above financial instruments may be independent assets, but may also form part of assets.

### **Securities lending and borrowing**

The AIFM may also lend parts of the securities portfolio of the respective sub-fund to third parties ("**securities lending**"). In general, securities lending transactions may only be carried out through recognised clearing organisations, such as Clearstream International or Euroclear, as well as through first-class banks, securities firms, financial services institutions or insurance companies that specialise in securities lending, within their established framework conditions. The selection of contractual partners is carried out with the necessary expertise, care and diligence. In a securities lending transaction, the AIFM or the depositary of the AIF or its sub-funds must, in principle, receive collateral whose value is at least equal to the total valuation of the securities lent and any interest accrued. This collateral must be issued in an acceptable form of financial collateral. Such collateral is not required if the securities lending is carried out via Clearstream International or Euroclear or another equivalent organisation, whereby the AIF or its sub-funds are guaranteed reimbursement of the value of the securities lent. The depositary may retain up to a maximum of 50% of the income from securities lending to cover its direct and indirect costs.

The AIFM has appointed the custodian as the securities lending agent. The custodian may retain up to 50% of the income from securities lending to cover its direct and indirect costs. The AIFM and the custodian are not affiliated companies.

Securities lending involves risks, in particular the risk arising from collateral management in connection with OTC financial derivatives and efficient portfolio management techniques. For further details on these risks, please refer to VIII. Risk Information.

The annual report provides information on the proportion of the sub-fund's assets that were subject to securities lending transactions as at the reporting date.

**Appendix B, "Sub-funds at a glance"**, indicates whether the AIFM may lend parts of the securities portfolio of the AIF or its sub-funds to third parties ("**securities lending**") or borrow investments from third parties for the purpose of settling permissible short sales ("**securities borrowing**"). The above provisions apply mutatis mutandis to the borrowing of securities.

### **Repurchase agreements**

The AIFM may participate in repurchase agreements or reverse repurchase agreements on behalf of the AIF or its sub-funds, which consist of purchases and sales of securities in which the agreements grant the seller the right or obligation to repurchase the securities sold from the purchaser. (reverse repurchase agreements) consisting of purchases and sales of securities, whereby the agreements grant the seller the right or obligation to repurchase the securities sold from the purchaser at a price and within a period agreed between the two parties at the time the contract is concluded.

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

- ◆ Securities may only be bought or sold through a repurchase agreement if the counterparty is a financial institution with a first-class credit rating that specialises in this type of transaction. The selection of contractual partners shall be made with the necessary expertise, care and diligence.
- ◆ During the term of a repurchase agreement, the securities purchased may not be sold before the right to repurchase these securities is exercised or before the repurchase period expires.
- ◆ It must also be ensured that the scope of the obligations in repo transactions is such that the AIF or sub-funds can meet their obligations to redeem units at any time.
- ◆ Securities that are tied up as underlying assets in connection with derivative financial instruments, lent or acquired under reverse repurchase agreements may not be sold under repurchase agreements.
- ◆ If an AIF enters into a reverse repo transaction, it should ensure that it can reclaim the full amount of cash at any time or terminate the reverse repo transaction either at the total accrued amount or at a mark-to-market value. If the cash amount can be reclaimed at any time at a mark-to-market value, the mark-to-market value of the reverse repo transaction should be used to calculate the net asset value of the AIF.
- ◆ If an AIF enters into a reverse repo transaction, it should ensure that it can reclaim the securities underlying the repo transaction or terminate the agreed repo transaction at any time.
- ◆ Forward repo transactions and reverse repo transactions with a maximum term of seven days should be considered agreements under which the AIF can reclaim the assets at any time.

Repurchase agreements involve risks, in particular the risk arising from collateral management in connection with OTC financial derivatives and efficient portfolio management techniques. For further details on these risks, please refer to VIII. Risk Information.

The annual report provides information on the proportion of the sub-fund's assets that were subject to repurchase agreements on the reporting date.

The depositary may retain up to a maximum of 50% of the income from repurchase agreements to cover its direct and indirect costs. The AIFM and the depositary are not affiliated companies.

The applicability of repurchase agreements can be found in Appendix B, "Sub-funds at a glance".

**Further information on the risk management procedure, securities lending and repurchase agreements can be found in Appendix B "Sub-funds at a glance".**

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

#### **General**

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



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

The AIFM may use the collateral it has received to reduce counterparty risk, provided that 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, credit-worthiness of the issuer, correlation, risks associated with collateral management and realisability. Collateral should primarily meet the following conditions:

#### *Liquidity*

Any collateral that does not consist of cash or sight deposits must be highly liquid at a transparent price and must be traded on a regulated market or within a multilateral trading facility. In addition, collateral with a short settlement cycle is preferable to 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 daily and must always be up to date. The inability to determine the value independently jeopardises the AIF. This also applies to mark-to-model valuations and rarely traded assets.

#### *Credit*

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

#### *Correlation*

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

#### *Diversification of collateral*

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

A sub-fund may deviate from these rules in accordance with the provisions set out above in §31.

### **Custody and realisation**

If ownership of the transferred collateral has been transferred to the AIFM for the AIF, the collateral received must be held by the AIF's depositary. 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 AIF can realise the collateral at any time without delay and without reference to or consent from the counterparty.

### Investment of collateral

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

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

- ◆ Investment in demand deposits 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;
- ◆ High-quality bonds issued by governments;
- ◆ Investments within the framework of a repurchase agreement, 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, section 43(j).

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

In order to assess the value of collateral that is subject to a non-negligible risk of fluctuation, the AIF must apply prudent haircut rates. The AIFM must have a haircut policy for the AIF for each type of asset received as collateral and must take into account the characteristics of the assets, in particular the creditworthiness and 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 it possible to understand any decision to apply or refrain from applying a haircut for each type of asset.

### Amount of collateral

The AIFM shall determine the required amount of collateral for OTC derivative transactions and for efficient portfolio management techniques by reference to the limits applicable to counterparty risks under the investment conditions 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 determined by the AIFM for each asset class on the basis of its haircut rules. Depending on the type of collateral accepted, these rules take into account various factors, such as the creditworthiness of the issuer, the term, the currency, the price volatility of the assets and, where applicable, the results of liquidity stress tests conducted by the AIFM under normal and exceptional liquidity conditions. The table below shows the haircuts that the AIFM considers appropriate as at the date of these investment conditions. These values are subject to change.

Collateral	Valuation multiplier (%)
Account balances (in the AIF's reference currency)	95
Account balance (not in the AIF's reference currency)	85

Government bonds [debt securities issued or expressly guaranteed by the following countries (does not include implicitly guaranteed liabilities, for example): Austria, Belgium, Denmark, France, Germany, the Netherlands, Sweden, the United Kingdom and the United States, provided that these countries have a

<b>Collateral</b>	<b>Valuation multiplier (%)</b>
minimum rating of AA-/Aa3 and such bonds can be valued daily at market prices (mark to market))	
Remaining term ≤ 1 year	90
Residual maturity > 1 year and ≤ 5 years	85
Residual maturity > 5 years and ≤ 10 years	80
Corporate bonds (bonds issued or explicitly guaranteed by a company (excluding financial institutions) that (i) have a minimum rating of AA-/Aa3, (ii) have a residual maturity of no more than 10 years, and (iii) are denominated in an OECD currency)	
Residual maturity ≤ 1 year	90
Residual maturity > 1 year and ≤ 5 years	85
Residual maturity > 5 years and ≤ 10 years	80

### **Total return swaps**

Total return swaps may be entered into for the AIF or its sub-funds. Total return swaps are derivatives in which all income and value fluctuations of an underlying asset are exchanged for an agreed fixed interest payment. One contracting party, the protection buyer, thereby 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 AIFM may use total return swaps for the AIF or its sub-funds for hedging purposes and as part of the investment strategy. In principle, all assets that can be acquired for the AIF or its sub-funds may be the subject of total return swaps ( ). Up to 100 per cent of the sub-fund's assets may be the subject of such transactions. The AIFM expects that in individual cases no more than 50 per cent of the sub-fund's assets will be subject to total return swaps. However, this is only an estimated value, which may be exceeded in individual cases. The income from total return swaps flows in full to the AIF or its sub-funds after deduction of transaction costs.

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

- ◆ Price of the financial instrument
- ◆ Costs of order execution,
- ◆ 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 (including the creditworthiness of the counterparty)

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

## **§ 36 Use of 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 an undertaking for collective investment, supervised entities (such as UCITS management companies and AIFMs) may use benchmarks within the meaning of the Benchmarks Regulation in the EU if the benchmark is provided by an administrator listed in the administrator and benchmark

register maintained by the European Securities and Markets Authority (ESMA) in accordance with the Benchmarks Regulation (the "Register").

Benchmarks may be used by the AIF or its sub-funds as a reference for comparison purposes in order to measure the performance of the AIF or its sub-funds. The AIF or sub-funds are actively managed and the portfolio manager is therefore free to decide which securities to invest in. As a result, performance may differ significantly from that of the benchmark. The benchmark index, if used by the AIFM or the portfolio manager on its behalf, is specified in Appendix B "Sub-funds at a glance".

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

In addition, the AIF or its sub-funds may use benchmarks when calculating performance-related fees. Detailed information on any performance-related fees can be found in Appendix B "Sub-funds at a glance".

The AIFM accepts no liability for the quality, accuracy or completeness of the data of a benchmark index, nor for the fact that the respective benchmark index is managed in accordance with the index methods described.

The AIFM has drawn up a written plan setting out the measures it will take with regard to the AIF or its sub-funds if the index changes significantly or is no longer provided. Information regarding this plan is available free of charge upon request at the registered office of the AIFM.

## **§ 37 Investments in other undertakings for collective investment (UCIs)**

A sub-fund may, in accordance with its individual investment policy, invest its assets in units of other undertakings for collective investment (UCIs). The relevant investment limits for each sub-fund's assets can be found in Appendix B, "Sub-funds at a glance".

Investors should note that additional indirect costs and fees are incurred at the level of indirect investments, and that remuneration and fees are charged, but these are charged directly to the individual indirect investments. If the investments referred to in this article constitute a significant portion of the assets of the respective sub-fund, the maximum amount of management fees can be found in Appendix B "Sub-funds at a glance" and in the annual report.

If units are managed directly or indirectly by the AIFM or by a company with which the AIFM is linked by common management, control or qualifying holdings, neither the AIFM nor the other company may charge fees for the issue or redemption of units to or from the AIF or its sub-funds.

## **§ 38 Limitation on borrowing**

Sub-fund assets may not be pledged or otherwise encumbered, transferred by way of security or assigned as collateral, unless this involves borrowing within the meaning of the following paragraph or the provision of collateral in connection with the settlement of transactions in financial instruments.

A sub-fund may borrow funds on market terms for investment purposes and to satisfy redemption requests. The amount of borrowing by the respective sub-fund is specified in Appendix B, "Sub-funds at a glance", under "Investment principles of the sub-fund". The borrowing limit does not apply to the acquisition of foreign currencies through a

back-to-back loan. The investment company or the respective sub-fund has no claim against the custodian for the granting of the maximum permissible credit line. The sole decision as to whether, in what manner and in what amount a loan is granted is the responsibility of the custodian in accordance with its credit and risk policy. This policy may change during the term of the investment company or its sub-funds.

The previous paragraph does not preclude the acquisition of financial instruments that have not yet been fully paid up.

## § 39 Joint management

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

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

## H. Risk information

### § 40 AIF- or sub-fund-specific risks

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

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

### § 41 General risks

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

All investments in the sub-funds involve risks. These risks may include or be associated with, among other things, equity and bond market risks, exchange rate, interest rate, credit and volatility risks, as well as political risks. Each of these risks may also occur in conjunction 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 investing in the shares and should only make an investment decision after obtaining comprehensive advice from their legal, tax and financial advisers, auditors or other experts on the suitability of an investment in shares of a sub-fund of this investment company, taking into account their personal financial and tax situation and other circumstances, the information contained in these Articles of Association and the Investment Conditions, and the investment policy of the respective sub-fund.**

#### Market risk

This is a general risk associated with all investments, which consists in the fact that the value of a particular investment may change adversely to the value of the AIF or sub-fund units.

**Price risk**

The investments in which the AIF or sub-fund invests may lose value. In this case, the market value of the investments develops unfavourably compared to the purchase price. Investments are also subject to various price fluctuations (volatility). In extreme cases, there is a risk of a complete loss of value of the corresponding investments.

**Economic risk**

This refers to the risk of price losses arising from investment decisions that do not take economic developments into account, or do so inaccurately, resulting in securities being purchased at the wrong time or held during an unfavourable economic phase.

**Concentration risk**

The investment policy may provide for a focus on certain assets, countries, markets or sectors, which can lead to a concentration of investments. In this case, the AIF or sub-fund is particularly dependent on the performance of these assets, countries, markets or sectors.

**Interest rate risk**

If the AIF or sub-fund invests in interest-bearing securities, it is exposed to interest rate risk. If market interest rates rise, the market value of the interest-bearing securities held in the portfolio may fall significantly. This applies to an even greater extent if the portfolio also holds interest-bearing securities with longer remaining maturities and lower nominal interest rates.

**Currency risk**

If the AIF or sub-fund holds assets denominated in foreign currencies, it is exposed to direct currency risk (unless foreign currency positions are hedged). Falling exchange rates lead to a decline 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 impact on the price performance of investments.

**Monetary value risk**

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

**Psychological market risk**

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

**Management risk**

Management risk refers to the risk of negative value fluctuations, measured in absolute terms or relative to a benchmark index, due to the investment decisions of the manager of an actively managed fund.

**Risks from derivative financial instruments**

The AIF or sub-funds may use derivative financial instruments. These can be used not only for hedging purposes, but can also form part of the investment strategy. The use of derivative financial instruments for hedging purposes can change the overall risk profile due to correspondingly lower opportunities and risks. The use of derivative financial instruments for investment purposes can affect the overall risk profile due to additional opportunities and risks. The use of derivative financial instruments can be found in Appendix B "Sub-funds at a glance".



Derivative financial instruments are not independent investment instruments, but rather rights whose valuation is primarily derived from the price and 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 different and in some cases higher than the risks associated with an investment in the underlying instruments. Therefore, the use of derivatives requires not only an understanding of the underlying instrument, but also a sound knowledge of the derivatives themselves.

Derivative financial instruments also carry the risk that the AIF or the relevant sub-fund may incur a loss because another party involved in 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 each derivative traded on the exchange, provides a settlement guarantee. There is no comparable guarantee from the clearing house for over-the-counter derivatives. An OTC derivative may therefore not be closed 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 relevant market is illiquid (as may be the case with over-the-counter derivatives), transactions may not be able to be executed 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 may lead to increased cash payment claims from counterparties or to a loss in value for the respective sub-fund. Derivatives do not always have a direct or parallel relationship to the value of the assets, interest rates or indices from which they are derived. Therefore, the use of derivatives by the respective sub-fund does not always constitute an effective means of achieving the investment objective of the respective sub-fund, but can sometimes even have the opposite effect.

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

If the AIF or the sub-fund carries out over-the-counter transactions (OTC transactions/efficient portfolio management techniques), it may be exposed to risks relating to the creditworthiness of the OTC counterparties: When entering into futures contracts, options and swap transactions, securities lending, securities repurchase agreements, reverse repurchase agreements or using other derivative techniques, the AIF or sub-fund is subject to the risk that an OTC counterparty will not (or cannot) meet its obligations under one or more contracts. Counterparty risk can be reduced by depositing collateral. If the AIF or sub-fund is owed collateral in accordance with applicable agreements, this will be held by or on behalf of the custodian for the benefit of the respective sub-fund. Bankruptcy and insolvency cases or other credit default events at the custodian or within its sub-custodian/correspondent bank network may result in the rights of the AIF or sub-fund in connection with the collateral being postponed or otherwise restricted. If the AIF or the sub-fund owes collateral to the OTC counterparty in accordance with applicable agreements, such collateral shall be transferred to the OTC counterparty as agreed between the AIF or the sub-fund and the OTC counterparty. Bankruptcy and insolvency cases or other credit default events at the OTC counterparty, the custodian or within its sub-custodian/ correspondent banking network may result in the rights or recognition of the AIF or sub-fund in relation to the collateral being delayed, restricted or even excluded, which would force the AIF or sub-fund to meet its obligations



under the OTC transaction regardless of any collateral provided in advance to cover such obligation.

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

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

AIFs or sub-funds may incur losses when investing the cash collateral they receive. Such losses may arise from a decline in the value of the investments made with the cash collateral received. If the value of the invested cash collateral declines, this reduces the amount of collateral available to the sub-fund for return to the counterparty upon completion of the transaction. The AIF or sub-fund would have to cover the difference in value between the collateral originally received and the amount available for return to the counterparty, which would result in a loss for the sub-fund.

### **Liquidity risk**

The AIF or sub-fund may also acquire assets that are not listed on a stock exchange or included in another organised market. This may entail the risk that these assets cannot be resold, or can only be resold after a delay or at a discount.

Even for assets traded on an organised market, there may be a risk that the market is not liquid at certain times. This may mean that the assets cannot be sold at the desired time and/or in the desired quantity and/or at the desired price.

### **Counterparty risk**

The risk is that contractual partners (counterparties) will not fulfil their contractual obligations to execute transactions. This may result in a loss for the AIF or the sub-fund. This may also occur as issuer risk, credit risk or default risk:

- ◆ **Issuer risk (credit risk)**  
The deterioration in an issuer's solvency or even its bankruptcy can result in at least a partial loss of assets.
- ◆ **Credit risk**  
Risk consisting of the danger of partial or complete default on contractually agreed interest and principal payments that a borrower is required to make.
- ◆ **Default risk**  
Risk of loss because debtors fail to meet their payments in part or in full, or because tangible assets and securities lose value or become worthless.

### **Country or transfer risk**

Country risk refers to a situation where a foreign debtor, despite being solvent, is unable to make payments on time or at all due to a lack of transferability or willingness on the part of its country of residence (e.g. due to foreign exchange restrictions, transfer risks, moratoriums or embargoes). For example, payments to which the AIF or sub-fund is entitled may not be made or may be made in a currency that is no longer convertible due to foreign exchange restrictions.

### **Operational risk**

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

### Settlement risk

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 a delayed or non-compliant payment or delivery.

### Key person risk

AIFs or sub-funds whose investment results are very positive over a certain period of time owe this success to the suitability of the persons involved and thus to the correct decisions made by their management. However, the composition of the fund management team may change. New decision-makers may then be less successful.

### Legal and tax risk

The purchase, holding or sale of investments in the sub-fund may be subject to tax regulations (e.g. withholding tax) outside the country of domicile of the AIF or sub-fund. Furthermore, the legal and tax treatment of sub-funds may change in unforeseeable and uncontrollable ways. A change in the incorrectly determined tax bases of the AIF or the sub-fund for previous financial years (e.g. due to external tax audits) may, in the event of a correction that is fundamentally disadvantageous to the investor from a tax perspective, result in the investor having to bear the tax burden from the correction for previous financial years, even though he may not have been invested in the AIF or sub-fund at that time. Conversely, investors may find that they no longer benefit from a correction that is fundamentally advantageous for tax purposes for the current and previous financial years in which they held an interest in the AIF or sub-fund due to the redemption or sale of the units before the corresponding correction was implemented. In addition, a correction of tax data may result in taxable income or tax advantages actually being assessed for tax purposes in an assessment period other than the one that actually applies, which may have a negative impact on individual investors.

### Tax risk for investors in Germany

#### a) Partial exemption for equity funds

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

An investment fund is considered an equity fund if

- ◆ its investment conditions stipulate that it will continuously invest at least 51% of its value in equity investments as defined in Section 2 (8) of the German Investment Tax Act; and
- ◆ this requirement is continuously met in the relevant calendar year.

Similar rules (albeit with different percentages) apply to investment income of corporate investors and entities that are tax-ly resident in Germany, subject to certain exceptions, while a corresponding portion of operating expenses and other losses related to an investment in an equity fund is not tax-deductible.

As set out in the Investment Conditions, the UCITS or its sub-funds aim to invest on an ongoing basis the minimum proportion of capital investments specified in Appendix B, section B1.7, "Investment principles of the sub-fund".

However, whether these requirements will be met on an ongoing basis in each calendar year – and thus whether the partial exemption rules will apply – depends on a number of conditions, some of which are beyond the control of the manager of the AIF or sub-fund, in particular how the tax authorities and courts in Germany interpret

the tax law provisions, namely the concept of capital participation how the assets in which the AIF or sub-fund invests are classified (by their respective issuers and/or the relevant database operators) and the value (market price) of the assets held by the AIF or sub-fund. **Therefore, no guarantee can be given that the partial exemption rules will apply. This means that investors who are resident in Germany for tax purposes may be subject to taxation in Germany on 100% of their investment income from their investment in the AIF or sub-fund.**

#### b) Partial exemption for mixed funds

With effect from 1 January 2018, private investors resident in Germany for tax purposes are exempt from income tax and the solidarity surcharge (and, where applicable, church tax) on 15% of investment income from an investment in a mixed fund (as defined in section 2 (7) of the German Investment Tax Act) in accordance with the rules on partial exemption. Whether these rules apply is assessed for each calendar year.

An investment fund is considered a "mixed fund" if

- ◆ its investment conditions stipulate that it will continuously invest at least 25% of its value in equity investments as defined in Section 2 (8) of the German Investment Tax Act; and
- ◆ this requirement is continuously met in the relevant calendar year.

Similar rules (albeit with different percentages) apply to investment income of corporate investors and entities that are resident in Germany for tax purposes, subject to certain exceptions, while a corresponding portion of operating expenses and other losses related to an investment in a "mixed fund" is not tax deductible.

As set out in the Investment Conditions, the UCITS or its sub-funds aim to invest on an ongoing basis the minimum proportion of capital investments specified in Appendix B, Section B1.7, "Investment Principles of the Sub-Fund".

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

#### Custody risk

The custody of assets involves a risk of loss that may result from the insolvency or breach of duty of care on the part of the custodian or from force majeure.

#### Risk arising from changes in investment policy and fees

A change in the investment policy within the legally and contractually permissible investment spectrum may alter the risk associated with the sub-fund. The AIFM may increase the fees charged to the sub-fund and/or significantly change the investment policy of the sub-fund within the applicable investment conditions at any time by amending the investment conditions, including Appendix A "Overview of the organisational structure of the investment company" and Appendix B "Overview of the sub-funds".

### **Risk arising from changes to the Articles of Association and the Investment Conditions or dissolution of the sub-fund**

The AIFM reserves the right to amend the investment conditions. In addition, the articles of association may be amended in compliance with the conditions under company law. Furthermore, in accordance with the investment conditions, it is possible to dissolve the sub-fund entirely or to merge it with another sub-fund. Investors therefore run the risk of not being able to realise their planned holding period.

### **Risk of suspension of redemptions**

Investors may, in principle, request the AIFM to redeem their shares in accordance with the sub-fund's valuation interval. However, the AIFM may temporarily suspend the redemption of units in exceptional circumstances (see "Suspension of the calculation of the net asset value and the issue, redemption and conversion of units" for details). A suspension of the redemption of units may be followed directly by the dissolution of the sub-fund.

### **Hedging risk**

Share classes whose reference currency does not correspond to the portfolio currency may be hedged against exchange rate fluctuations. This is intended to protect investors in the respective share class as far as possible against potential losses due to negative exchange rate developments, but at the same time they cannot benefit fully 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 in exactly the same amount as the net asset value of the share class to be hedged. It is therefore possible that the net asset value per share of a hedged share class may not develop in the same way as the net asset value per share of an unhedged share class.

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

If the EU or third-country index administrator does not comply with the Benchmark Regulation, or if the benchmark changes significantly or ceases to exist, a suitable alternative benchmark must be identified for the AIF or its sub-funds, provided that a benchmark index is used. In certain cases, this may prove difficult or impossible. If a suitable replacement benchmark cannot be identified, this may have a negative impact on the relevant AIF or sub-fund – and, in certain circumstances, on the portfolio manager's ability to implement the investment strategy of the relevant AIF or sub-fund. Compliance with the Benchmark Regulation may also result in additional costs for the relevant AIF or sub-fund. The benchmark index may change over time.

### **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 corporate governance (ESG) events. Sustainability risks occur in various forms. Examples include:

- ♦ **Physical risks:** These risks arise from the consequences of climate change, including global warming, more frequent natural disasters and extreme weather events such as floods, heat waves/droughts, storms or hail.
- ♦ **Transition risks:** Transition risks are risks that arise from the transition to a climate-neutral economy and society and can lead to a decline in the value of assets. Examples include changes in political and legal conditions in the real economy or technological developments.

Sustainability risks can lead to a significant deterioration in the financial situation, reputation and profitability of the companies underlying the investment. This can have a considerable impact on the market price of the investment and, consequently, on the profitability of the sub-fund.

### **Consideration of sustainability risks in the investment decision-making process**

The AIFM/portfolio manager integrates sustainability risks holistically into its investment decision-making process. This includes, in particular, the identification and assessment of potential sustainability risks with regard to investments as part of risk management, as well as the consideration of this risk analysis in the investment decision.

In addition to the conventional types of risk already described, sustainability risks are an essential part of the risk management process, which is created for each sub-fund on the basis of the specific investment strategy and the resulting product categories. Sustainability risks are considered part of market risk and are included in its calculation. In order to assess whether and to what extent such risks exist or are relevant, the investment policy is analysed using qualitative or quantitative methods and planned or existing investment items in the portfolio are reviewed. Listed investments in particular often have ESG ratings that can be used for analysis. However, the corresponding analyses can also be carried out independently.

## **I. Valuation and share trading**

### **§ 42 Calculation of the net asset value per share**

The net asset value (NAV) per share of a sub-fund or share class is calculated by the AIFM or its agent at the end of the financial year and on the respective valuation date on the basis of the last known prices, taking into account the valuation interval.

The NAV of a share in a share class of a sub-fund is expressed in the accounting currency of the sub-fund or, if different, in the reference currency of the corresponding share class and is calculated as follows: the share of the assets of the sub-fund attributable to the relevant share class, less any debt obligations of the same sub-fund allocated to the share class in question, divided by the number of shares of the relevant share class in circulation. divided by the number of shares of the corresponding share class in circulation.

The AIFM is entitled to calculate a so-called special NAV for the AIF or its sub-funds, following a resolution, in deviation from the usual valuation interval, in order to enable the timely issue and redemption of units in special cases. Information on this is provided in the respective Appendix B "Sub-funds at a glance".

The calculation of the net asset value per share of a sub-fund or share class may take some time, i.e. several months, due to the respective investment policy.

**The valuation principles of the investment company or its sub-funds and further information on the calculation of the net asset value per share can be found in Appendix B "Sub-funds at a glance".**

### **§ 43 Issue of shares**

#### **a) Share subscription/issue price**

Shares may be subscribed until the close of subscription for the relevant closing (issue date) at the initial issue price per share of the relevant share class of the relevant sub-fund, plus the relevant premium surcharge and any issue surcharge, plus any taxes and duties.

The shares are not securitised.

Subscription applications must be received by the AIFM no later than the closing date or the closing date of the relevant closing. **It should be noted that after the**

**8th closing, the respective sub-fund will be closed and the issue of shares will be discontinued.** For applications placed with distributors in Liechtenstein and abroad, earlier closing times for the submission of applications may apply in order to ensure timely forwarding to the AIFM in Liechtenstein. These can be obtained from the respective distributors. Information on the respective closing, the valuation date, the valuation interval and the amount of the respective premium surcharge and any maximum front-end load can be found in Appendix B "Sub-funds at a glance".

In general, a subscription order can only be considered if the subscription form provided for this purpose has been completed in full and the additional documents and records specified in the subscription form have been enclosed. The AIFM is entitled at any time to request additional information and/or documents before a subscription order is considered.

The first instalment shall amount to 10% of the subscription commitment and must be received in the account of the investment company or sub-fund no later than ten days after the relevant subscription deadline. The procedure for calling up further instalments is described in section § 41 (b).

All taxes and duties incurred in connection with the issue of units shall be borne by the investor. If units are acquired through third parties, e.g. banks, it cannot be ruled out that these may charge additional transaction costs.

If payment is made in a currency other than the accounting currency, the equivalent value of the conversion of the payment currency into the accounting currency, less any fees, will be used for the purchase of shares.

The minimum investment that must be held by an investor is set out in Appendix B, "Sub-funds at a glance". The minimum investment may be waived at the discretion of the AIFM.

Contributions in kind are not permitted.

The custodian and/or the investment company or the AIFM and/or the distributors may reject a subscription application or temporarily restrict, suspend or permanently discontinue the issue of shares at any time if this appears necessary in the interests of investors, in the public interest, or to protect the investment company or the respective sub-fund or investors. In this case, the custodian shall immediately refund incoming payments for subscription applications that have not already been executed, without interest, if necessary with the assistance of the paying agents.

The issue of shares in the AIF may be suspended in the cases specified in section § 46 of these investment conditions.

**b) Call for subscription commitments received**

On the relevant subscription closing date, each investor will be allocated a number of shares in the relevant share class corresponding to their subscription commitment to the investment company or the AIFM (the "subscription commitment").

The shares of the respective share class are fully paid up. The subscription commitments are called in by the investment company or the AIFM in periodic calls ("instalments").



A first instalment shall amount to 10% of the subscription commitment and must be received in the account of the investment company or sub-fund no later than ten days after the relevant subscription deadline.

The remaining instalments will be called by the investment company or the AIFM for the relevant sub-fund, subject to a notice period of at least 20 calendar days.

The investment company or AIFM expects to make its target investments within a period of three years, beginning on the date of the first closing.

Amounts due for distribution to investors may be offset against outstanding payment obligations of investors to the investment company or sub-fund, but must be reported separately.

**c) Delinquent shareholders**

The following provision applies unless the provisions of the respective sub-fund stipulate otherwise.

If a shareholder fails to make an instalment payment when due, they shall be in default without the need for a reminder from the due date. Notwithstanding any other legal consequences, the defaulting shareholder shall owe default interest at a rate of **5% p.a.** above the **3-month Euribor interest rate (Euro Interbank Offered Rate)** for the duration of the default. The default interest shall be offset against the next distribution to the shareholder concerned.

If a shareholder fails to pay the outstanding amount within four weeks of receiving a written request for payment sent after the default occurred, the shares may be redeemed by written declaration of the AIFM in accordance with the procedure described below.

The investment company or the AIFM will send a notification ("redemption notice") to the defaulting shareholder. The redemption notice may be sent to the defaulting shareholder by registered letter to their designated mailing address or to the address entered in the share register. On the date specified in the redemption notice, the shareholder shall no longer be the owner of the shares listed in the redemption notice. In this case, the investment company shall only owe 25% of the last determined net asset value of its shares as compensation. The compensation shall be reduced by any further damage suffered by the investment company or the sub-fund, e.g. as a result of the investment company's default on payment obligations to the target investments. The compensation shall be paid pro rata to the distributions made by the investment company to the other shareholders, but not until it has been established that no such damage has been incurred. The compensation shall not bear interest.

In the event of default by the defaulting unitholder, the AIFM shall offer the existing, non-defaulting unitholders the opportunity to increase their original subscription commitment to the relevant sub-fund by purchasing their respective pro rata share of the defaulting unitholder's units, including all associated rights and obligations. To this end, the AIFM shall inform the non-defaulting shareholders of the shares available for sale and the terms and conditions of purchase, in particular the price at which the shares can be purchased. Shareholders who wish to accept this offer must notify the investment company or the AIFM within seven banking days of receipt of the offer.



If the shareholders do not exercise their pre-emptive rights, or only exercise them in part, the shares will either be allocated to the fund's assets or sold to new shareholders.

#### § 44 Redemption of shares

The redemption of shares at the unilateral request of the investor is not provided for. The sub-funds are **closed-end sub-funds with a long term**. Neither the AIFM nor the depositary is obliged to redeem fund shares during the term. In addition, there is an extension option in each case.

The AIFM may independently redeem shares of the relevant share classes at any time if these are held by investors who are not entitled to acquire or hold these shares.

Information on the planned duration, the maximum duration of the extension option, the valuation interval and the amount of any maximum redemption discount can be found in Appendix B "Sub-funds at a glance".

If, at the investor's request, the final payment is to be made in a currency other than the currency in which the relevant units are issued, rather than at the discretion of the AIFM, the amount to be paid shall be calculated from the proceeds of the conversion from the accounting currency to the payment currency, less any fees.

After payment of the net liquidation proceeds, the relevant share becomes invalid.

No payments in kind are permitted.

#### § 45 Conversion of shares

It is not possible to exchange shares for shares in another sub-fund or share class.

#### § 46 Suspension of the calculation of the net asset value and the issue and redemption of shares

The investment company or the AIFM may temporarily suspend the calculation of the net asset value and/or the issue of shares of a sub-fund if this is justified in the best interests of investors, in particular:

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

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

#### § 47 Lock-up period for the redemption of units

Share classes may provide for a lock-up period. A **lock-up period** is a **period** during which no share redemptions are made. Redemption requests will only be accepted and settled after the lock-up period has expired and the notice period has been observed. If redemption requests are received during the lock-up period, they will be re-

jected. Further information and details can be found in Appendix B, "Sub-funds at a glance".

Upon resolution by the AIFM, shares may be redeemed compulsorily before the expiry of the lock-up period without the consent of an investor against payment of the redemption price.

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

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

### **Late trading**

Late trading refers to the acceptance of a subscription, conversion or redemption order received after the cut-off time on the relevant day 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 that was published after the cut-off time for orders but is not yet reflected in the price at which the investor's order is settled. This investor therefore has an advantage over investors who complied with the official cut-off time. This investor's advantage is even greater if they can combine late trading with market timing.

### **Market timing**

Market timing refers to the arbitrage process whereby an investor systematically subscribes and redeems or converts shares of the same sub-fund or share class in the short term, exploiting time differences and/or errors or weaknesses in the system used to calculate the net asset value of the sub-fund or share class.

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

The investment company or AIFM shall ensure that domestic distributors undertake to the investment company or AIFM to comply with the provisions of the Due Diligence Act and the associated Due Diligence Ordinance applicable in the Principality of Liechtenstein, as well as the guidelines of the FMA in their currently valid version.

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

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

## **§ 50**

Potential investors should note that by submitting a subscription application, they are providing the AIF or its representatives and agents (in particular the AIFM, the depositary, the administrator, the portfolio manager and, where applicable, the distributors) with information that may constitute personal data within the meaning of the data protection regulations introduced in the EU by the General Data Protection Regulation (Regulation (EU) 2016/679). This data will be used for customer identification and for the subscription process, administration, compliance with anti-money laundering and anti-terrorism legislation and compliance with all other applicable legal or regulatory requirements, and will be disclosed to the AIF, its representatives and agents.

Personal data is collected, managed, used, disclosed and processed for some or all of the purposes set out in the privacy notice and on the legal bases described therein.

Investors have the right to receive a copy of their personal data held by the AIFM and the right to correct any inaccuracies in the data held by the AIFM. Investors also have the right to be forgotten and the right to restrict or object to processing under certain conditions. In certain limited circumstances, there may also be a right to data portability. If investors consent to the processing of personal data, this consent may be revoked at any time.

The privacy policy can be found on the homepage at [www.ifm.li](http://www.ifm.li).

## J. Costs and fees

### § 51 Ongoing fees

#### A. Asset-dependent expenses (individual expenses):

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

The AIFM charges periodic fees for portfolio management, risk management and distribution, as well as for the administration of the respective sub-fund, in accordance with Appendix B "Sub-funds at a glance". During the investment phase (see Appendix B "Sub-funds at a glance"), the management and administration fee is calculated on **the basis of the respective commitment** of the corresponding share class. After the end of the investment phase, the management and administration fee is calculated on the basis **of the invested capital at cost** for the entire term of the sub-fund or the corresponding share class, provided that the cost of the invested capital is not higher than the average net sub-fund assets of the corresponding share class. If the cost price of the invested capital is higher than the average net sub-fund assets of the corresponding share class, the management and administration fee is calculated on the basis of the average net sub-fund assets of the corresponding share class for the corresponding period. These fees, calculated as described above, are accrued on each valuation date and charged periodically in arrears on a pro rata temporis basis. The fees for the respective sub-fund or share class can be found in Appendix B "Sub-funds at a glance". The AIFM is free to set different management fees for one or more share classes of the respective sub-fund.

This also includes portfolio maintenance fees that may be paid to third parties for the referral and support of investors.

The AIFM may pass on part of the management and administration fees to intermediaries. This is done to compensate them for distribution services. This may also involve significant amounts. The custodian and investment advisory or asset management company may use the fees they receive to support the distribution activities of intermediaries, which are generally calculated on the basis of the portfolios brokered. The granting of such rebates does not result in additional costs for the AIF or sub-fund.

AIFMs, custodians and investment advisory or asset management companies may, at their discretion, agree with individual investors to partially refund fees charged to those investors. This may be considered in particular where institutional investors invest large sums directly on a long-term basis.

**Custodian fee:**

The custodian receives remuneration for the performance of its duties under the custodian agreement as set out in Appendix B "Sub-funds at a glance". During the investment phase (see Appendix B "Sub-funds at a glance"), the custodian fee is calculated on **the basis of the respective commitment** of the corresponding share class. After the end of the investment phase, the custodian fee is calculated on the basis **of the invested capital at cost** for the entire term of the sub-fund or the corresponding share class, provided that the cost of the invested capital is not higher than the average net sub-fund assets of the corresponding share class. If the cost price of the invested capital is higher than the average net sub-fund assets of the corresponding share class, the custodian fee is calculated on the basis of the average net sub-fund assets of the corresponding share class for the corresponding period. The AIFM is free to set different custodian fees for one or more share classes of the respective sub-fund. In addition, the custodian may receive a periodic service fee in accordance with Appendix B "Sub-funds at a glance" for its services to the respective sub-fund.

**B. Expenses independent of assets (individual expenses):****Ordinary expenses**

In addition to the fees specified in the preceding paragraphs, the following expenses independent of assets (plus statutory value added tax, if applicable) may be charged to the assets of the sub-fund. The AIFM and the depositary are entitled to reimbursement of the following expenses incurred in the performance of their duties:

- ◆ Costs for the preparation, printing and dispatch of annual reports and other publications required by law;
- ◆ Costs for the publication of notices from the investment company or its sub-funds addressed to investors in the official publications and any additional newspapers or electronic media specified by the AIFM, including price publications;
- ◆ Fees and costs for authorisations and supervision of the investment company or its sub-funds in Liechtenstein and abroad;
- ◆ all taxes levied on the sub-fund's assets and its income and expenses, which are charged to the corresponding sub-fund assets of the investment company;
- ◆ any taxes incurred in connection with the costs of administration and custody;
- ◆ Fees incurred in connection with any listing (establishment, maintenance and termination) of the investment company or its sub-funds and with distribution in Liechtenstein and abroad (e.g. consulting, legal and translation costs);
- ◆ Fees, costs and charges in connection with the determination and publication of tax factors for the countries of the EU/EEA and/or all countries where distribution approvals exist and/or private placements are available, in accordance with the actual expenses at market rates;
- ◆ Costs incurred in connection with the fulfilment of the requirements and subsequent obligations for the distribution of the investment company's units or its sub-funds in the UK and abroad (e.g. fees for paying agents, agents and other representatives with comparable functions, fees for fund platforms (e.g. listing fees, setup fees, etc.), consulting, legal and translation costs);
- ◆ Costs for the preparation or amendment, translation, filing, printing and dispatch of the constituent documents (articles of association and investment conditions), KID, PRIIP, SRI calculation, etc. in the countries in which the shares are distributed;
- ◆ Administrative fees and reimbursement of costs incurred by government agencies, as well as all types of levies;
- ◆ a reasonable share of the costs of printed matter and advertising directly related to the offering and sale of shares;

- ◆ Fees for auditors, legal and tax advisors, insofar as these expenses are incurred in the interests of investors;
- ◆ Costs for the preparation and publication of the tax bases and the certification that the tax information has been determined in accordance with the rules of the respective foreign tax law;
- ◆ Internal and external costs for the recovery of foreign withholding taxes, insofar as these can be incurred on behalf of the AIF or the respective sub-fund. With regard to the reclaiming of foreign withholding taxes, it should be noted that the AIFM is not obliged to reclaim such taxes and will only do so if the procedure is justified according to the criteria of materiality of the amounts and proportionality of the costs in relation to the possible amount to be reclaimed. With regard to investments that are subject to securities lending, the AIFM will not reclaim any withholding tax;
- ◆ Expenses in connection with the exercise of voting rights or creditor rights by the investment company or its sub-funds, including fees for external advisors;
- ◆ Costs incurred in connection with the risk management of the AIF or its sub-funds and the corresponding calculation of key figures (VaR, etc.);
- ◆ Costs for the credit rating of the assets of the investment company or its sub-funds or its target investments by nationally or internationally recognised rating agencies;
- ◆ Licence fees for the use of any benchmarks
- ◆ Costs incurred in connection with legal provisions applicable to the investment company or its sub-funds (e.g. reporting to authorities, key information documents, etc.);
- ◆ Fees and costs arising from other legal or regulatory requirements that must be met by the AIFM in the course of implementing the investment strategy (such as reporting and other costs incurred in compliance with the European Market Infrastructure Regulation (EMIR, EU Regulation 648/2012));
- ◆ The costs of conducting in-depth tax, legal, accounting, business and market audits and analyses (due diligence), which are used in particular to thoroughly examine a private equity investment to determine its suitability for the investment company or its sub-funds. These costs may be charged to the investment company or its sub-funds even if an investment is not subsequently made.
- ◆ Research costs
- ◆ Costs for setting up and maintaining additional counterparties if this is in the interests of investors.
- ◆ Licence fees for the use of any reference values ("benchmarks");
- ◆ External costs for assessing the sustainability ratings (ESG research) of the sub-fund's assets or its target investments;
- ◆ Costs and expenses for regular reports and reporting to insurance companies, pension funds and other financial services companies (e.g. GroMiKV, Solvency II, MiFID II, VAG, ESG/SRI reports or ratings, etc.);
- ◆ Other administrative costs, including costs for interest groups.

The sub-fund's actual expenses are reported in the annual report.

### **Transaction costs**

In addition, the sub-funds bear all incidental costs arising from the management of the assets for the purchase and sale of investments (market-based brokerage fees, commissions, levies) as well as all taxes levied on the assets of the respective sub-fund and its income and expenses (e.g. withholding taxes on foreign income). The sub-funds also bear any external costs, i.e. third-party fees incurred in connection with the purchase and sale of investments. These costs are offset directly against the purchase or sale value of the investments concerned.

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

Any costs incurred for currency hedging of share classes are allocated to the relevant share class.

### **Formation costs**

The costs of establishing the investment company or its sub-funds and the initial issue of shares are amortised over three years and charged to the assets of the sub-funds existing at the time of establishment. The establishment costs are allocated pro rata to the respective sub-fund assets. Costs incurred in connection with the launch of additional sub-funds will be amortised over three years and charged to the respective sub-fund assets to which they are attributable.

### **Liquidation fees**

In the event of the dissolution of the investment company or the sub-fund, the AIFM may charge a liquidation fee of up to CHF 15,000 or the equivalent in another currency in its favour. In addition to this amount, all costs incurred by the authorities, the auditor and the custodian shall be borne by the AIF or the sub-fund concerned.

### **Extraordinary disposal costs**

In addition, the investment company or the AIFM may charge the respective sub-fund assets for extraordinary disposition costs. Extraordinary disposition costs consist of expenses that serve exclusively to protect the interests of investors, arise in the course of regular business activities and were not foreseeable at the time the investment company or the relevant sub-fund was established. Extraordinary disposition costs include, in particular, legal advice and procedural costs in the interests of the investment company or the relevant sub-fund or the investors. In addition, this includes all costs of any extraordinary dispositions that may become necessary in accordance with the AIFMG and AIFMV (e.g. amendments to the fund documents).

### **Reimbursements**

In connection with the acquisition, holding and disposal of assets and rights for the AIF or its sub-funds, the AIFM, the depositary and any agents shall ensure that, in particular, rebates (e.g. issue/redemption fees, portfolio commissions) are paid directly or indirectly to the AIF or its sub-funds without deduction (except for a reasonable processing fee).

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

The total of the ongoing fees before any performance-related expenses (total expense ratio before performance fee; TER) is calculated in accordance with the general principles laid down in the FMA's rules of conduct and, with the exception of transaction costs, includes all costs and fees that are charged to the respective sub-fund's assets on an ongoing basis. The TER of the respective sub-fund or share class is disclosed on the website of the LAFV Liechtenstein Investment Fund Association at [www.lafv.li](http://www.lafv.li) and in the respective annual report, if it has already been published.

### **Performance-based fee (carried interest)**

In addition, the AIFM may charge a carried interest. Carried interest is a profit-related remuneration that is not calculated on the basis of current income, but only on the basis of realised success. Carried interest is not paid out from the sub-fund's assets at fixed intervals; instead, the final carried interest is determined upon liquidation of the respective sub-fund. If carried interest is charged, this is detailed in Appendix B, "Sub-funds at a glance".

## **§ 52 Costs borne by investors**

### **Front-end load:**

To cover the costs incurred in placing the units, the AIFM may charge an initial charge on the net asset value of the newly issued units in favour of the AIFM, the custodian



and/or distributors in Germany or abroad in accordance with Appendix B "Sub-funds at a glance".

Any front-end load in favour of the respective sub-fund can also be found in Appendix B, "Sub-funds at a glance".

#### **Redemption fee**

For the payment of redeemed units, the AIFM shall charge a redemption fee on the net asset value of the returned units in favour of the AIF or the corresponding sub-fund in accordance with Appendix B "Sub-funds at a glance".

Any redemption fee payable to the AIFM, the custodian and/or distributors in Germany or abroad can also be found in Appendix B, "Sub-funds at a glance".

#### **Exchange fee**

For exchanges requested by investors from one sub-fund to another or from one share class to another, the AIFM may charge a fee on the net asset value of the original sub-fund or share class in accordance with Appendix B, "Sub-funds at a glance".

## **K. Final provisions**

### **§ 53 Use of profits**

#### **Use of profits**

The realised profit of a sub-fund consists of net income and net realised capital gains. Net income consists of income from interest and/or dividends and other or remaining income received, less expenses.

The investment company or the AIFM may distribute the net income and/or net realised capital gains in a sub-fund or share class to the investors in the sub-fund or the corresponding share class, or reinvest (accumulate) this net income and/or these net realised capital gains in the sub-fund or the respective share class, or carry them forward to new account.

The realised gains of those sub-funds or share classes that are reinvested in accordance with Appendix B "Sub-funds at a glance" are continuously reinvested, i.e. accumulated.

The net income and net realised capital gains of those sub-funds or share classes that show a distribution in accordance with Appendix B "Sub-funds at a glance" may be distributed in full or in part on an annual basis. If distributions are made, they shall be made within six months of the end of the financial year.

The net income and/or net realised capital gains as well as the net income carried forward and/or net realised capital gains carried forward of the sub-fund or the respective share class may be distributed.

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

#### **Use of proceeds**

Proceeds of the sub-fund generated from the sale of a target investment are generally not reinvested.

Free liquidity generated from the sale of investments may be distributed within six months of its receipt, after an appropriate liquidity reserve has been formed to cover the costs, expenses and other liabilities of the sub-fund. This six-month period may be



exceeded if the total amount to be paid out is less than EUR 1,000,000, as in this case the payment would involve disproportionately high costs. The accrued amount will then be paid out with the next distribution.

When distributing proceeds, care must be taken to ensure that the net fund assets of the sub-fund do not fall below the equivalent of EUR 1,250,000.

## **§ 54 Contributions**

The AIFM reserves the right to grant benefits to third parties. Benefits granted to or received from a third party may take the form of a fee, commission or other non-monetary benefit. The basis for calculating such payments is generally the commissions, fees, etc. charged and/or the assets/asset components placed with the AIF. Their amount corresponds to a percentage of the respective basis for calculation.

A benefit is designed to improve the quality of the service in question and not to prevent the AIFM from acting in the best interests of the AIF or sub-funds it manages or their investors. Upon request, the AIFM shall disclose further details of the agreements entered into with third parties to the investor at any time.

Finally, inducements are permissible if they enable the provision of a service or are necessary for this purpose. By their very nature, these must not conflict with the AIFM's obligation to act honestly, fairly and professionally in the best interests of the fund it manages.

## **§ 55 Tax regulations**

All Liechtenstein funds in the legal form of an investment company with variable capital (AGmvK) or an investment company with variable capital (SICAV) are subject to unlimited tax liability in Liechtenstein and are subject to income tax. Income from managed assets is tax-exempt. When determining modified equity capital, only equity capital that is not attributable to the assets under management is to be taken into account. Income tax amounts to 12.5% of taxable net income.

### **Issue and turnover taxes<sup>1</sup>**

The creation (issue) of shares in such an AIF or its sub-funds is not subject to issue and turnover tax. The transfer of ownership of shares for consideration is subject to turnover tax if one of the parties or an intermediary is a domestic securities dealer. The redemption of shares is exempt from turnover tax. The investment company with variable capital is considered an investor exempt from turnover tax.

### **Withholding taxes and paying agent taxes**

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

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

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

### **Automatic exchange of information (AEOI)**

With regard to the investment company or sub-funds, a Liechtenstein paying agent may be obliged to report investors to the local tax authority or to make the relevant statutory reports in accordance with the AEOI agreements.

### **FATCA**

The AIF or any sub-funds are subject to the provisions of the Liechtenstein FATCA agreement and the corresponding implementing provisions in the Liechtenstein FATCA Act.

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

Private investors domiciled in the Principality of Liechtenstein must declare their shares as assets, and these are subject to wealth tax. Any distributions of income or reinvested income of the AIF or any sub-funds of the AIF are exempt from capital gains tax. Capital gains realised on the sale of shares are exempt from capital gains tax. Capital losses cannot be deducted from taxable income.

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

For investors domiciled outside the Principality of Liechtenstein, taxation and other tax implications relating to the holding, purchase or sale of shares are governed by the tax laws of the respective country of domicile.

### **Disclaimer**

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

**Investors are advised to consult their own professional advisors regarding the relevant tax consequences. Neither the AIFM, the depositary nor their agents can accept any responsibility for the individual tax consequences for investors arising from the purchase, sale or holding of shares.**

## **§ 56 Information for investors**

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

All communications to investors, including changes to the investment conditions and Appendix B "Sub-funds at a glance", are published on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the publication organ of the investment company, as well as in other media and data carriers specified in the fund documents.

The net asset value and the issue and redemption price of the units of the investment company or of each sub-fund or unit class are announced on each valuation day on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the publication organ of the investment company, as well as in other media and on other durable data carriers (letter, fax, email or similar) on each valuation day.

The annual report, audited by an auditor, is made available to investors free of charge on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) at the registered office of the AIFM and the depositary.

## **§ 57 Accounting**

The AIF and its sub-funds are accounted for in accordance with the general accounting principles of Title 20 of the Persons and Companies Act (PGR) and the General Civil

Code (ABGB), taking into account the supplementary special legal provisions of the AIFMG and AIFMV.

## **§ 58 Reports**

The investment company prepares an audited annual report for each AIF in accordance with the legal provisions of the Principality of Liechtenstein, which is published no later than six months after the end of each financial year.

Additional audited and unaudited interim reports may be prepared.

## **§ 59 Financial year**

The financial year of the investment company can be found in Appendix B "Sub-funds at a glance".

## **§ 60 Limitation**

Claims by investors against the AIFM, the investment company, the liquidator, the trustee or the custodian shall become time-barred five years after the damage occurred, but no later than one year after the redemption of the share or after knowledge of the damage.

## **§ 61 Applicable law, place of jurisdiction and authoritative language**

The AIFM and the AIF with its established sub-funds are subject to Liechtenstein law. The exclusive place of jurisdiction for all disputes between investors, the AIFM and the custodian is Vaduz.

However, the AIFM and/or the custodian may submit themselves and the AIF or its sub-funds to the jurisdiction of the countries in which units are offered and sold with regard to claims by investors. Mandatory jurisdictions to the contrary remain reserved.

The German language is the legally binding language for the Articles of Association and the Investment Conditions as well as for Appendix B "Sub-funds at a Glance".

In all other respects, reference is made to the provisions of the AIFMG, the provisions of the General Civil Code (ABGB), the provisions of the Law of Persons and Companies (PGR) on trusteeship and the general provisions of the PGR in their currently valid versions.

## **§ 62 Entry into force**

These investment conditions shall enter into force on 6 June 2025.

Schaan/Vaduz, 5 June 2025

### **The AIFM:**

IFM Independent Fund Management AG, Schaan

### **The Depositary:**

VP Bank AG, Vaduz

## Appendix A: Overview of the organisational structure of the investment company

### The organisational structure of the investment company

<b>Investment company:</b>	European Entrepreneurs Funds SICAV Landstrasse 30, FL-9494 Schaan
<b>Board of Directors:</b>	IFM Independent Fund Management AG Landstrasse 30, FL-9494 Schaan

### The organisational structure of the AIFM

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

### The AIF at a glance

<b>Name of the AIF:</b>	<b>European Entrepreneurs Funds SICAV</b>
<b>Legal structure:</b>	Externally managed alternative investment fund (AIF) in the legal form of an investment company with variable capital under Liechtenstein law ("investment company") in accordance with the Law of 19 December 2012 on Alternative Investment Fund Managers (AIFMG)
<b>Umbrella structure:</b>	Umbrella structure with one sub-fund
<b>Domicile:</b>	Liechtenstein
<b>Date of establishment of the AIF:</b>	10 May 2023
<b>Financial year:</b>	The financial year of the AIF begins on 1 January and ends on 31 December.
<b>AIF accounting currency:</b>	Euro (EUR)
<b>AIFM:</b>	IFM Independent Fund Management AG Landstrasse 30, FL-9494 Schaan
<b>Portfolio management:</b>	Sub-fund: <b>European Entrepreneurs Fund I</b> Principal Asset Management AG Landstrasse 30, FL-9494 Schaan
<b>Investment advisor:</b>	Sub-fund: <b>European Entrepreneurs Fund I</b> Direttissima Growth Partners AG Feldlistrasse 10c, CH-9413 Oberegg
<b>Custodian:</b>	VP Bank AG Aeulestrasse 6, FL-9490 Vaduz
<b>Management of the share register:</b>	IFM Independent Fund Management AG Landstrasse 30, FL-9494 Schaan
<b>Distribution agent:</b>	Principal Vermögensverwaltung AG Landstrasse 30, FL-9494 Schaan
<b>Auditor:</b>	BDO (Liechtenstein) AG Wuhrstrasse 14, FL-9490 Vaduz
<b>Competent supervisory authority:</b>	Liechtenstein Financial Market Authority (FMA); <a href="http://www.fma-li.li">www.fma-li.li</a>

<b>Information centre for professional investors in Germany</b> (until 31 December 2025)	Hauck Aufhäuser Lampe Privatbank AG Kaiserstrasse 24, D-60311 Frankfurt am Main
<b>Information centre for professional investors in Germany</b> (from 1 January 2026)	IFM Independent Fund Management AG Landstrasse 30, FL-9494 Schaan
<b>Representative for qualified investors in Switzerland</b>	LLB Swiss Investment AG Claridenstrasse 20, CH-8002 Zurich
<b>Paying agent for qualified investors in Switzerland</b>	Helvetische Bank AG Seefeldstrasse 215, CH-8008 Zurich

Further information on the sub-funds can be found in Appendix B, "Sub-funds at a glance".

In Liechtenstein, distribution is aimed at professional investors within the meaning of Directive 2014/65/EU (MiFID II). For any other countries, the provisions set out in Appendix C, "Specific Information for Individual Distribution Countries," apply.

## Appendix B: Sub-funds at a glance

### B1 Sub-fund 1: European Entrepreneurs Fund I

#### B1.1 Sub-fund at a glance

Master data and information on the sub-fund and its share classes			
	Share classes of the sub-fund		
Share class	EUR C	EUR C-I	EUR C-II
ISIN number	LI1260411569	LI1260411577	LI1260411585
Security number	126.041.156	126.041.157	126.041.158
Planned duration of the sub-fund <sup>1</sup>	31 December 2033 (with option to extend twice for one year at a time or, alternatively, once for two years)		
SFDR classification	Article 6		
Listing	No		
Sub-fund's accounting currency	Euro (EUR)		
Reference currency of the share classes <sup>2</sup>	Euro (EUR)	Euro (EUR)	Euro (EUR)
Minimum investment	EUR 5,000,000	EUR 5,000,000	EUR 5,000,000
Subscription deadline			
1. Closing	20 July 2023	20 July 2023	
2. Closing			15 February 2024
3. Closing			
4. Closing			
5. Closing			
6. Closing			
7. Closing			
8. Closing			
Liberation			
1. Closing	04.08.2023	04.08.2023	
2. Closing			26 February 2024
3. Closing			
4. Closing			
5. Closing			
6. Closing			
7. Closing			
8. Closing			
Initial issue price <sup>3</sup>	EUR 1,000	EUR 1,000	EUR 1,000 plus a latecomer fee of <b>max. 11% on the commitment.</b>
Valuation date (T)	At the end of each quarter		
Rounding <sup>4</sup>	EUR 0.01	EUR 0.01	EUR 0.01
Valuation interval	Quarterly		
Valuation period	Max. 60 calendar days		
Placement of share business (closings)	Shares or amount		
Denomination	Three decimal places		
Securitisation	book-entry / no issue of certificates		
End of financial year	31 December		
End of the first financial year	31 December 2023		
Appropriation of profits	Distributing		

<sup>1</sup> The sub-fund will be closed for subscriptions after the 8th closing. Neither the AIFM nor the custodian are obliged to redeem units before the expiry of the term.

<sup>2</sup> The reference currency is the currency in which the performance and net asset value of the respective share class of the sub-fund are calculated.

<sup>3</sup> The late subscription surcharge of max. 11% applies to an investor's entire commitment and is credited to the sub-fund's assets at closing.

<sup>4</sup> Rounding of the NAV per share upon issue and redemption of shares

Information on distribution (investor group)			
	Share classes of the sub-fund		
Share class	EUR C	EUR C-I	EUR C-II
Professional investors	Permitted		
Private investors	Not permitted		

Costs borne by investors			
	Share classes of the sub-fund		
Share class	EUR C	EUR C-I	EUR C-II
Max. front-end load <sup>5</sup>	None	None	3%
Redemption fee in favour of the sub-fund's assets	None	None	None
Conversion fee when switching from one share class to another share class	n/a	n/a	n/a

Costs charged to the assets of the AIF <sup>6,7,8,9</sup>			
	Share classes of the sub-fund		
Share class	EUR C	EUR C-I	EUR C-II
Max. Management fee	None	1.75% p.a.	1.75% p.a.
Max. Administration fee <sup>6</sup>	0.20% p.a. or min. CHF 30,000 p.a. plus CHF 5,000 per additional share class		
Max. Custodian fee <sup>6</sup>	0.07% p.a. or min. EUR 15,000 p.a.		
Max. Share register fee <sup>6</sup>	None		
Carried interest 1		20	20
Hurdle rate 1 <sup>10</sup>		MOIC 1.3x	MOIC 1.3x
Carried interest 2		25	25
Hurdle rate 2		MOIC 2.5x	MOIC 2.5x
High watermark	n/a	Yes	Yes
Basis: Launch/Closing	n/a	4 August 2023	Open

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

<sup>5</sup> The commission or fee actually charged is disclosed in the annual report.

<sup>6</sup> Plus taxes and other costs and fees: transaction costs and expenses incurred by the AIFM and the custodian in the performance of their functions. Details can be found in § 48 (Ongoing fees) and § 53 (Tax regulations) of the investment conditions.

<sup>7</sup> In the event of the sub-fund or the AIF being dissolved, the AIFM may charge a liquidation fee of up to CHF 15,000 in its favour.

<sup>8</sup> Pursuant to Art. 55 of the fund agreement and in implementation of Art. 24 (2) of Delegated Regulation (EU) No. 231/2013, it is hereby disclosed that third-party payments may be made in connection with this fund. These do not result in any additional costs for the fund, but are calculated as a percentage of the above-mentioned fee rates.

<sup>9</sup> Plus any applicable VAT.

<sup>10</sup> Multiple on Invested Capital (MOIC). The basis for the MOIC is the paid-in capital by means of capital calls, after fees.



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

	Share classes of the sub-fund		
Share class	EUR C-III	EUR C-IV	EUR C-V
ISIN number	LI1260411593	LI1260411601	LI1260411619
Security number	126.041.159	126.041.160	126.041.161
Planned duration of the sub-fund <sup>11</sup>	31 December 2033 (with option to extend twice for one year at a time or, alternatively, once for two years)		
SFDR classification	Article 6		
Listing	No		
Sub-fund's accounting currency	Euro (EUR)		
Reference currency of the share classes <sup>12</sup>	Euro (EUR)	Euro (EUR)	Euro (EUR)
Minimum investment	EUR 5,000,000	EUR 5,000,000	EUR 5,000,000
Subscription deadline			
1. Closing			20 July 2023
2. Closing			
3. Closing	Open		
4. Closing		open	
5. Closing			
6. Closing			
7. Closing			
8. Closing			
Liberation			
1. Closing			4 August 2023
2. Closing			
3. Closing	Open		
4. Closing		open	
5. Closing			
6. Closing			
7. Closing			
8. Closing			
Initial issue price <sup>13</sup>	EUR 1,000 plus a latecomer fee of <b>max. 15% on the commitment.</b>	EUR 1,000 plus a latecomer fee of <b>max. 15% on the commitment.</b>	EUR 1,000 plus a latecomer fee of <b>max. 11% on the commitment.</b>
Valuation date (T)	At the end of each quarter		
Rounding <sup>14</sup>	EUR 0.01	EUR 0.01	EUR 0.01
Valuation interval	Quarterly		
Valuation period	Max. 60 calendar days		
Placement of share business (closings)	Shares or amount		
Denomination	three decimal places		
Securitisation	book-entry / no issue of certificates		
End of financial year	31 December		
End of the first financial year	31 December 2023		
Appropriation of profits	Distributing		

<sup>11</sup> After the 8th closing, the sub-fund will be closed for subscriptions. Neither the AIFM nor the custodian are obliged to redeem shares before the expiry of the term.

<sup>12</sup> The reference currency is the currency in which the performance and net asset value of the respective share class of the sub-fund is calculated.

<sup>13</sup> The late subscription surcharge of max. 11% applies to an investor's entire commitment and is credited to the sub-fund's assets at closing.

<sup>14</sup> Rounding of the NAV per share upon issue and redemption of shares

Information on distribution (investor group)			
	Share classes of the sub-fund		
Share class	EUR C-III	EUR C-IV	EUR C-V
Professional investors	Permitted		
Private investors	Not permitted		

Costs borne by investors			
	Share classes of the sub-fund		
Share class	EUR C-III	EUR C-IV	EUR C-V
Max. front-end load <sup>15</sup>	4%	4%	None
Redemption fee in favour of the sub-fund's assets	None	None	None
Conversion fee when switching from one share class to another share class	n/a	n/a	n/a

Costs charged to the assets of the AIF <sup>16,17,18,19</sup>			
	Share classes of the sub-fund		
Share class	EUR C-III	EUR C-IV	EUR C-V
Max. Management fee <sup>16</sup>	1.75% p.a.	1.75% p.a.	None
Max. Administration fee <sup>16</sup>	0.20% p.a. or min. CHF 30,000 p.a. plus CHF 5,000 per additional share class		
Max. Custodian fee <sup>16</sup>	0.07% p.a. or min. EUR 15,000 p.a.		
Max. Share register fee <sup>16</sup>	None		
Carried interest 1	20	20	20
Hurdle rate 1 <sup>20</sup>	MOIC 1.3x	MOIC 1.3x	MOIC 1.3x
Carried interest 2	25	25	25
Hurdle rate 2	MOIC 2.5x	MOIC 2.5x	MOIC 2.5x
High watermark	Yes	Yes	Yes
Basis: Launch/Closing	Open	Open	4 August 2023

Use of benchmarks			
	Share classes of the sub-fund		
Share class	EUR C-III	EUR C-IV	EUR C-V
Benchmark	The sub-fund does not use a benchmark.		

<sup>15</sup> The commission or fee actually charged is disclosed in the annual report.

<sup>16</sup> Plus taxes and other costs and fees: transaction costs and expenses incurred by the AIFM and the depositary in the performance of their functions. Details can be found in § 48 (Ongoing fees) and § 53 (Tax regulations) of the investment conditions.

<sup>17</sup> In the event of the dissolution of the sub-fund or the AIF, the AIFM may charge a liquidation fee of up to CHF 15,000 in its favour.

<sup>18</sup> In accordance with Art. 55 of the fund agreement and in implementation of Art. 24 (2) of Delegated Regulation (EU) No. 231/2013, it is hereby disclosed that third-party payments may be made in connection with this fund. These do not result in any additional costs for the fund, but are calculated as a percentage of the above-mentioned fee rates.

<sup>19</sup> Plus any applicable VAT

<sup>20</sup> Multiple on Invested Capital (MOIC). The basis for the MOIC is the paid-in capital by means of capital calls, after fees.

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

	Share classes of the sub-fund		
Share class	EUR C-VI	EUR C-VII	EUR C-VIII
ISIN number	LI1311092939	LI1311092947	LI1311092954
Security number	131.109.293	131.109.294	131.109.295
Planned duration of the sub-fund <sup>21</sup>	31 December 2033 (with option to extend twice for one year at a time or, alternatively, once for two years)		
SFDR classification	Article 6		
Listing	No		
Sub-fund's accounting currency	Euro (EUR)		
Reference currency of the share classes <sup>21</sup>	Euro (EUR)	Euro (EUR)	Euro (EUR)
Minimum investment	EUR 5,000,000	EUR 5,000,000	EUR 5,000,000
Subscription deadline			
1. Closing			
2. Closing			
3. Closing			
4. Closing			
5. Closing			
6. Closing	open		
7. Closing		open	
8. Closing			open
Liberation			
1. Closing			
2. Closing			
3. Closing			
4. Closing			
5. Closing			
6. Closing	Open		
7. Closing		Open	
8. Closing			Open
Initial issue price <sup>22</sup>	EUR 1,000 plus a latecomer fee of <b>max. 15% on the commitment.</b>	EUR 1,000 plus a latecomer fee of <b>max. 15% on the commitment.</b>	EUR 1,000 plus a latecomer fee of <b>max. 15% on the commitment.</b>
Valuation date (T)	At the end of each quarter		
Valuation interval	Quarterly		
Valuation period	Max. 60 calendar days		
Rounding <sup>23</sup>	EUR 0.01	EUR 0.01	EUR 0.01
Placement of share business (closings)	Shares or amount		
Denomination	Three decimal places		
Securitisation	book-entry / no issue of certificates		
End of financial year	31 December		
End of the first financial year	31 December 2023		
Appropriation of profits	Distributing		

<sup>21</sup> After the 8th closing, the sub-fund will be closed for subscriptions. Neither the AIFM nor the custodian are obliged to redeem shares before the expiry of the term.

<sup>22</sup> The late subscription surcharge of max. 11% applies to an investor's entire commitment and is credited to the sub-fund's assets at closing.

<sup>23</sup> Rounding of the NAV per share upon issue and redemption of shares

Information on distribution (investor group)			
	Share classes of the sub-fund		
Share class	EUR C-VI	EUR C-VII	EUR C-VIII
Professional investors	Permitted		
Private investors	Not permitted		

Costs borne by investors			
	Share classes of the sub-fund		
Share class	EUR C-VI	EUR C-VII	EUR C-VIII
Max. front-end load <sup>24</sup>	4%	4%	4%
Redemption fee in favour of the sub-fund's assets	None	None	None
Conversion fee when switching from one share class to another share class	n/a	n/a	n/a

Costs charged to the assets of the AIF <sup>25,26,27,28</sup>			
	Share classes of the sub-fund		
Share class	EUR C-VI	EUR C-VII	EUR C-VIII
Max. management fee <sup>26</sup>	1.75% p.a.	1.75% p.a.	1.75% p.a.
Max. administration fee <sup>26</sup>	0.20% p.a. or min. CHF 30,000 p.a. plus CHF 5,000 per additional share class		
Max. custodian fee <sup>26</sup>	0.07% p.a. or min. EUR 15,000 p.a.		
Max. share register fee <sup>26</sup>	None		
Carried interest 1	20	20	20
Hurdle rate 1 <sup>29</sup>	MOIC 1.3x	MOIC 1.3x	MOIC 1.3x
Carried interest 2	25	25	25
Hurdle rate 2	MOIC 2.5x	MOIC 2.5x	MOIC 2.5x
High watermark	Yes	Yes	Yes
Basis: Launch/Closing	Open	Open	Open

Use of benchmarks			
	Share classes of the sub-fund		
Share class	EUR C-VI	EUR C-VII	EUR C-VIII
Benchmark	The sub-fund does not use a benchmark.		

<sup>24</sup> The actual commission or fee charged is disclosed in the annual report.

<sup>25</sup> Plus taxes and other costs and fees: transaction costs and expenses incurred by the AIFM and the depositary in the performance of their functions. Details can be found in § 48 (Ongoing Fees) and § 53 (Tax Regulations) of the Investment Conditions.

<sup>26</sup> In the event of the sub-fund or the AIF being dissolved, the AIFM may charge a liquidation fee of up to CHF 15,000 in its favour.

<sup>27</sup> Pursuant to Art. 55 of the fund agreement and in implementation of Art. 24 (2) of Delegated Regulation (EU) No. 231/2013, it is hereby disclosed that connection with this fund, payments may be made to third parties. These do not result in any additional costs for the fund costs, but are calculated as a percentage of the above-mentioned fee rates.

<sup>28</sup> Plus any VAT

<sup>29</sup> Multiple on Invested Capital (MOIC). The basis for the MOIC is the paid-in capital by means of capital calls, after fees.

## B1.2 Delegation of tasks by the AIFM

### B1.2.1 Portfolio management

Portfolio management for this sub-fund is delegated to Principal Vermögensverwaltung AG, Landstrasse 30, FL-9494 Schaan.

### B1.2.2 Distributor

The distribution of units for the sub-fund is delegated to Principal Vermögensverwaltung AG, Landstrasse 30, FL-9494 Schaan.

## B1.3 Investment advisor

Direttissima Growth Partners AG, Feldlistrasse 10c, CH-9413 Oberegg, acts as investment advisor without decision-making authority for the sub-fund.

## B1.4 Custodian

The custodian for this sub-fund is VP Bank AG, Aeulestrasse 6, FL-9490 Vaduz.

## B1.5 Maintenance of the share register

The share register is maintained by the AIFM.

## B1.6 Auditor

BDO (Liechtenstein) AG, Wuhrstrasse 14, FL-9490 Vaduz, is appointed as auditor for the sub-fund.

## B1.7 Investment principles of the sub-fund

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

### Investment principles of the sub-fund in brief

Non-permitted investments	See section B1.7.3
Investments in other funds	Yes, without restriction
Leveraged financing (leverage)	
Gross method	< 2.0
Commitment method	< 1.2
Risk management procedures	Commitment approach
Borrowing	Yes, maximum 20% of the sub-fund's assets
Derivative financial instruments	Yes, to hedge currency risk
Short selling	No
Securities lending	
Securities borrowing	No
Securities lending	No
Repurchase agreements	No
Compliance with investment limits	36 months after the sub-fund is launched. The investment period may be extended by a maximum of 12 months in justified exceptional cases.

### B1.7.1 Investment objective of the " " sub-fund of the " " fund

The investment objective of **European Entrepreneurs Fund I** is primarily to achieve above-average capital growth through long-term investment in **growth companies (venture capital)**. To this end, the sub-fund acquires and sells investments that are permitted under its investment policy. It is an actively managed sub-fund without reference to a benchmark. Unless different investment principles are specified for the sub-fund in section B1.7, the investment regulations in accordance with section B1.8 apply. **There is no guarantee that the AIF will achieve its investment objective.**

**B1.10 of this appendix and the general risks set out in section 41 of the investment conditions must be observed.**

### **B1.7.2 Investment policy of the sub-fund**

In order to achieve its investment objective, the sub-fund continuously invests **at least 51%<sup>30</sup> of its assets** directly in **equity securities and equity rights<sup>31</sup> of European growth companies that are in early or later stages of development (Venture Capital/Growth Equity)** and that are primarily domiciled in **the DACH region** or have their main economic activity there. Investments are not selected according to a fixed industry code. Rather, the sector weighting is based on the attractiveness of the individual companies. The sub-fund intends to invest in business models and technologies in the areas of industrial technology, transport/logistics, food/agriculture, energy and materials/raw materials, among others.

In compliance with the investment restrictions and within the framework of the investment strategy, the sub-fund may, until the sub-fund's investment activities are completed, invest in sight deposits or callable deposits with a maximum term of 12 months with credit institutions and/or in liquid financial instruments for the purposes of liquidity management and/or for the investment of distributions and capital returns within the framework of the investment restrictions set out in Section B1.8 "Investment Regulations". The aforementioned liquid financial instruments include money market instruments and money market funds as well as low-risk government bonds and bond funds subject to Directive 2009/65/EC. It can be assumed that towards the end of the sub-fund's term, the assets will be held entirely in the above-mentioned investments. Investments that do not serve the purpose of venture capital/growth equity or liquidity management are not permitted in the sub-fund, with the exception of hedging transactions.

Investments are primarily made in assets denominated in euros (EUR), Swiss francs (CHF) and British pounds (GBP). Assets denominated in other currencies may also be held. In order to minimise currency risk, assets that are not denominated in euros may be hedged against the euro in whole or in part.

The sub-fund may use derivative financial instruments on indices, interest rates, commodities, volatilities, exchange rates and currencies, as well as forward exchange transactions and swaps for hedging purposes, provided that such transactions do not deviate from the sub-fund's investment objec-

<sup>30</sup> This ratio only applies after the investment period, which, according to section B1.7 "Investment principles of the sub-fund in brief", lasts a maximum of 36 months with a possible extension of a maximum of 12 months. During this period, the minimum ratio required under the German Investment Tax Act (InvStG) of at least 25% for mixed funds and at least 51% for equity funds may not be met. If this is the case, investors are not entitled to a partial exemption of 15% or 30% under the InvStG.

<sup>31</sup> Equity securities and equity rights include **equity investments** within the meaning of Section 2 (8) of the German Investment Tax Act (InvStG), which are listed as follows in the InvStG:

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

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

tive and comply with the "General Investment Principles and Restrictions" set out in Section VIII of the Articles of Association.

The sub-fund is also authorised to invest in other eligible investments that serve the investment policy of this sub-fund, within the investment restrictions set out in Section B1.8 "Investment Rules".

#### **Sustainability-related disclosure**

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

#### **Consideration of Principle Adverse Impacts**

As this financial product is not a product within the meaning of Article 8 or Article 9 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, no adverse impacts of investment decisions on sustainability factors (so-called Principle Adverse Impacts) are taken into account in the investment decision-making process.

#### **Impact of sustainability risks on returns**

Information on the *impact of sustainability risks on returns* can be found in section B1.9.1.

#### **Disclosure in accordance with Article 7 of the Taxonomy Regulation**

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

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

**Private equity investments involve additional risks beyond the usual market, credit and liquidity risks associated with traditional investment funds. Investors in the sub-fund are therefore expressly advised of the general and fund-specific risks described in detail in section B1.9, although the list provided there is not an exhaustive list of all potential risk factors.**

### **B1.7.3 Definitions**

#### **B1.7.3.1 Definition of private equity**

Private equity belongs to the category of alternative investments. Private equity investments are primarily made in non-publicly traded investment instruments. In private equity, investors participate in the equity capital of high-growth companies in order to share in their economic success. Private equity investments typically involve uncertainties that do not exist to the same extent in other investments (e.g. listed securities). Private equity investments are often investments in companies that have only been in existence for a short time, have little business experience ( ), do not yet have an established market for their products, are in a difficult situation or are facing restructuring, etc. Forecasts of future performance can therefore often be subject to greater uncertainty than is the case with many other investments. The above-average risk of this type of investment may be offset by potentially above-average returns.

**Private equity investments are generally illiquid, meaning that selling them at short notice can be difficult.**



### **B1.7.3.2 Financing stages**

When implementing the investment policy in the private equity sector, one or more of the following three categories of financing stages may be applied. The following list is illustrative and not exhaustive:

#### **a) Start-up companies (venture capital & Growth Equity)**

Investments in start-up companies or venture capital comprise investments in start-ups or companies that want to realise a new business idea. A distinction can be made between different phases:

- ◆ Start-up or development phase;
- ◆ Early development stage; and
- ◆ Late stage.

#### **b) Special situations**

Investments in special situations generally involve investments in established companies. These are often companies that find themselves in special financing circumstances, whether they are about to go public, have recently gone public, or are in crisis or undergoing restructuring. These investments often take the form of subordinated capital.

#### **c) Buyout investments**

Buyout investments are investments aimed at taking control of the company in question. These investments often involve the management of the company in question participating in the equity (known as a management buyout). The takeover of the company can often also be carried out by means of a substantial share of debt capital provided (known as a leveraged buyout).

#### **d) Private equity investments (forms of investment)**

The sub-fund is permitted to invest all or part of its assets directly or indirectly in the asset class "private equity". Investments may be made in the following forms of participation:

##### **a) Partnership investment**

A partnership investment is a direct investment in a partnership whose purpose is to invest directly or indirectly in private equity investments.

##### **b) Private equity holding company**

A private equity holding company is a direct investment in a corporation or other legal entity that is legally independent under applicable law, such as a trust, which directly or indirectly holds private equity investments or partnership investments and which is not controlled by the target funds or, if it is controlled by them, these control relationships are merely passive (see "Intermediate holding company").

##### **c) Private equity investment**

A private equity investment is a direct investment in the form of equity, hybrid or debt capital in a company that has private equity financing needs.

**d) Intermediate holding company**

An intermediate holding company is a directly or indirectly controlled corporation whose purpose is to invest directly or indirectly in private equity investments.

**e) Mezzanine financing**

Mezzanine financing forms are a mixture of equity and debt functions. Mezzanine capital can be issued in a form similar to equity (known as equity mezzanine) in the form of profit participation rights, securitised profit participation certificates or silent partnerships. Convertible loans and option bonds are also possible. Mezzanine capital granted in the form of subordinated, profit-participating loans or shareholder loans, on the other hand, has debt characteristics and is generally recognised as a liability in the balance sheet (known as debt mezzanine).

**B1.7.4 Accounting and reference currency of the sub-fund**

The accounting currency of the sub-fund and the reference currency per share class are specified in section B1.1 of this appendix, "Sub-funds at a glance".

The accounting currency is the currency in which the sub-fund's accounts are kept. The reference currency is the currency in which the performance and net asset value of the respective share class of the sub-fund are calculated, and not the investment currency of the relevant share class of the sub-fund. Investments are made in the currencies that are most suitable for the performance of the sub-fund.

**B1.7.5 Profile of the typical investor**

The **European Entrepreneurs Fund I** is only suitable for professional and risk-tolerant investors with a long-term investment horizon who wish to invest in an opportunistically managed portfolio of **private equity** investments in **European growth companies (venture capital/growth equity)**, primarily in **the DACH region**. Professional investors should be aware of the particular risks associated with investments in private equity and the long-term nature of the investment due to limited liquidity. **It is therefore advisable to invest only a limited portion of the overall portfolio in shares of the European Entrepreneurs Fund I.**

**B1.8 Investment regulations**

The following provisions also apply to the sub-fund's investments:

**B1.8.1 Permitted investments**

The sub-fund may invest its assets in the investments listed below. Investments may be made in instruments traded on a stock exchange or other regulated market open to the public, as well as in unlisted or irregularly traded instruments.

The sub-fund may invest up to 10% of its assets in investments other than those mentioned in section B1.8.1.

The sub-fund's investments consist of:

**B1.8.1.1 Traditional direct investments in securities, money market instruments and similar financial instruments:**

- a)** which are listed or traded on a regulated market within the meaning of Article 4(1)(21) of Directive 2014/65/EU;
- b)** which are traded on another regulated market of an EEA Member State that is recognised, open to the public and functions properly;
- c)** which are officially listed on a stock exchange in a third country or traded on another market worldwide that is recognised, open to the public and operates in an orderly manner;
- d)** money market instruments not traded on a regulated market, provided that the issue or issuer of such instruments is subject to deposit and investor protection rules, provided that they are:
  - 1. 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 it is a federal state, a member state of the federation, or by an international institution governed by public law to which at least one EEA Member State belongs;
  - 2. issued by an undertaking whose securities are traded on the regulated markets referred to in point (a);
  - 3. issued or guaranteed by an institution 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
  - 4. issued by an issuer belonging to a category approved by the FMA, provided that investments in these instruments are subject to investor protection rules equivalent to those set out in paragraphs 1 to 3 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, implemented in Liechtenstein by PGR, , or is a legal entity belonging to a group that is responsible for financing the group of companies with at least one listed company, or is a legal entity that is to finance the securitisation of liabilities by using a credit line granted by a bank.

**B1.8.1.2 Traditional indirect investments in securities and similar financial instruments:**

- a)** Shares in traditional domestic and foreign undertakings for collective investment (investment funds such as UCITS, AIFs, ETFs, etc.) that invest primarily in investments in accordance with section B1.8.1.1 above;
- b)** Exchange-traded funds (ETFs, also known as index tracking stocks) based on investments in accordance with section B1.8.1.1 above. In connection with the investment policy provisions of this document, ETFs are defined as holdings in investment instruments (companies, unit trusts, fund-like structures) whose investments reflect an index and which are traded on a stock exchange or other regulated market open to the public. Depending on their structure and country of origin, ETFs may or may not qualify under the Liechtenstein Law on Undertakings for Collective Investment in Transferable Securities (UCITS) or the Law on Alternative Investment Fund Managers (AIF);
- c)** Structured financial products, certificates and baskets or other derivative financial instruments that are directly or indirectly

based on investments in accordance with section B1.8.1.1 above and whose value is derived from the price of the underlying assets or reference rates.

**B1.8.1.3 Private equity, private equity funds, funds of private equity funds and similar investments:**

- a)** Equity securities and equity rights (direct investments in private equity companies) worldwide that are not listed or not regularly traded;
- b)** Debt securities and debt securities rights (bonds, debentures, debenture bonds, option bonds, convertible bonds, fund index-linked notes, etc.) that are not listed or not regularly traded;
- c)** Private equity investments (forms of participation) in accordance with Section B1.7.3.2 (d);
- d)** Shares in closed-end domestic and foreign undertakings for collective investment established under the law of any country and investing primarily in private equity;
- e)** Structured financial products, certificates and baskets or other derivative financial instruments that are directly or indirectly based on investments in accordance with this section B1.8.1.3 lit. a - d and whose value is derived from the price of the underlying assets or from reference rates.
- f)** Other types of mezzanine financing and other forms of loan financing, particularly in the area of corporate financing (private equity).

**B1.8.1.4 Derivative financial instruments:**

- a)** derivative financial instruments traded on a stock exchange or other regulated market open to the public;
- b)** Derivative financial instruments that are not traded on a regulated market (OTC derivatives) if:
  - 1. the counterparty is subject to supervision equivalent to that in Liechtenstein; and
  - 2. they can be valued, sold, liquidated or offset by a countertrade at any time in a comprehensible manner;
- c)** derivative financial instruments embedded in a security or money market instrument (structured financial instruments, index and region certificates).

**B1.8.1.5 Deposits:**

Demand deposits or deposits redeemable at notice with a maturity of no more than 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;

**B1.8.1.6** The legal form of the undertakings for collective investment (investment funds such as UCITS, AIFs, ETFs, etc.) is irrelevant. These may include contractual undertakings for collective investment, undertakings for collective investment in the form of a company or undertakings for collective investment in the form of a trust (unit trusts).

**B1.8.1.7** Investments in other collective investment schemes (investment funds such as AIFs, ETFs, etc.) may be collective investment schemes for which no marketing authorisation can be obtained in the Principality of Liechtenstein due to a lack of equivalent supervision at their domicile.

**B1.8.1.8** The sub-fund may acquire units of other collective investment schemes (UCITS, AIFs, ETFs) that are managed directly or indirectly by the AIFM or another company with which the AIFM or the management company is linked by common management or control or by a significant direct or indirect holding. To the extent of such investments, the AIFM or the other company may not charge any fees for the subscription, redemption of units of the other undertakings for collective investment or the conversion of individual sub-funds by the AIF.

**B1.8.2 Liquid assets**

The sub-fund may hold liquid assets on a permanent and unlimited basis with the depositary in its unit of account and in all currencies in which investments are made, to the extent required by its investment objective. Liquid assets are defined as demand deposits and time deposits with maturities of up to twelve months.

**B1.8.3 Non-approved equipment**

The following investments in particular are not permitted:

**B1.8.3.1** Direct investments in real estate;

**B1.8.3.2** Direct investments in physical commodities (raw materials, works of art, antiques or similar items) ;

**B1.8.3.3** Physical short sales of investments of any kind;

**B1.8.3.4** The AIFM may impose further investment restrictions at any time in the interests of investors, insofar as these are necessary to comply with the laws and regulations of those countries in which the AIF's units are offered and sold.

**B1.8.4 Investment limits**

The following investment restrictions apply to the sub-fund:

**B1.8.4.1** At the time of investment, the sub-fund may invest a maximum of 40% of the capital committed to the sub-fund in securities and money market instruments of the same issuer (taking into account all financing rounds) and in units of a single collective investment undertaking (investment funds such as UCITS, AIFs, ETFs, etc.).

**B1.8.4.2** The sub-fund's assets may be invested without restriction in investments in accordance with section B1.8.1.3 (**private equity, private equity funds, funds of private equity funds and similar investments**) that are not listed or traded on another regulated market open to the public;

**B1.8.4.3** the target funds acquired by the AIFM are subject only to the investment restrictions imposed in their prospectuses. Neither the AIFM nor the portfolio manager or the custodian are liable for compliance with such guidelines and restrictions by the individual target funds;

**B1.8.4.4** in addition to the restrictions listed in this section, any further restrictions in section B1.7 "Investment principles of the sub-fund" must be observed.

### **B1.8.5 Limitation on borrowing**

The following restrictions apply to the sub-fund:

**B1.8.5.1** The sub-fund's assets may not be pledged or otherwise encumbered, transferred as security or assigned as collateral, unless this involves borrowing within the meaning of section B1.8.5.2 or the provision of collateral in connection with the settlement of transactions in financial instruments.

**B1.8.5.2** There is no entitlement to the maximum permissible credit line from the custodian. The sole decision on whether, how and to what extent loans are granted is the responsibility of the custodian in accordance with its credit and risk policy. This policy may change during the term.

**B1.8.5.3** Section B1.8.5.2 does not preclude the acquisition of financial instruments that are not fully paid up.

## **B1.9 Valuation**

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

The net asset value (NAV) per share of the sub-fund or a share class is calculated by the AIFM at the end of the financial year and on the respective valuation date on the basis of the last known prices, taking into account the valuation interval.

The NAV of a share in the sub-fund or a share class of the sub-fund is expressed in the accounting currency of the sub-fund or, if different, in the reference currency of the corresponding share class and is calculated as follows the share of the sub-fund's assets attributable to the relevant share class, less any debt obligations of the sub-fund allocated to the share class concerned, divided by the number of shares of the corresponding share class in circulation.

The sub-fund's assets are valued in accordance with the following principles:

**B1.9.1** 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 on the stock exchange that is the main market for this security is decisive.

**B1.9.2** Securities that are not officially listed on a stock exchange but are traded on a market open to the public are valued at the last available price. If a security is traded on various markets open to the public, the last available price on the market with the highest liquidity is generally decisive.

**B1.9.3** Securities or money market instruments with a remaining term of less than 397 days may be written down or written up on a straight-line basis using the difference between the cost price (purchase price) and the redemption price (price at maturity). Valuation at the current market price is not required if the redemption price is known and fixed. Any changes in credit quality are also taken into account.

**B1.9.4** OTC derivatives are valued on a daily basis using a verifiable valuation method to be determined by the AIFM, which the AIFM determines in good faith and in accordance with generally accepted valuation models that can be verified by auditors, based on the probable achievable sales value.

- B1.9.5** UCITS, UCIs, AIFs and other funds are valued at the last determined and available net asset value. If redemption of units is suspended or if there is no redemption right for closed-end funds or no redemption prices are set, these units are valued at their respective market value, as determined by the AIFM in good faith and in accordance with generally accepted valuation models that can be verified by auditors, in the same way as all other assets.
- B1.9.6** Loans granted directly by the sub-fund are valued at market value. Value adjustments are made for identifiable risks. If the remaining term of the loan is less than 397 days (see also section B1.9.3), the loan granted may be valued at its nominal value.
- B1.9.7** If no tradable price is available for the respective assets or if this price does not adequately reflect the actual fair market value, these assets, as well as other legally permissible assets, are valued at their respective market value as determined by the AIFM in good faith and in accordance with generally accepted valuation models that can be verified by auditors on the basis of the probable achievable sales value. In addition, IPEV guidelines ("International Private Equity and Venture Capital Valuation") may be applied when selecting and applying suitable valuation models.
- B1.9.8** The valuation of unlisted equity securities is based on the most recent reports prepared by the respective companies and any formal audit certificates, if available and usable.
- B1.9.9** Cash, receivables, prepaid services, cash dividends and accrued but not yet received interest are valued at nominal value less an appropriate discount if, in the opinion of the AIFM, it is unlikely that the nominal value can be fully realised.
- B1.9.10** The market value of securities and other investments denominated in a currency other than the currency of the sub-fund is converted into the corresponding currency of the sub-fund at the last mid-market exchange rate.

The AIFM is entitled to apply other appropriate valuation principles to the sub-fund's assets from time to time if the above-mentioned valuation criteria appear impossible or inappropriate due to exceptional events and this results in a more appropriate valuation of the asset. In the event of massive redemption requests, the AIFM may value the units of the sub-fund's assets on the basis of the prices at which the necessary sales of securities are expected to be made. In this case, the same calculation method shall be applied to issue and redemption requests submitted at the same time.

## **B1.10 Risks and risk profiles of the sub-fund**

### **B1.10.1 Sub-fund-specific risks**

**The performance of the units depends on the investment policy and market performance of the individual investments of the sub-fund and cannot be determined in advance. There is no guarantee that the investment objective will actually be achieved or that the investments will increase in value. When redeeming units, investors may not be able to recover the amount originally invested in the sub-fund.**

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



The investment objective of **European Entrepreneurs Fund I** is primarily to achieve above-average capital growth through long-term investment in **growth companies (venture capital)**.

Due to the possibility of investing all or part of its assets directly or indirectly in private equity investments, partnership investments, private equity holding companies and other types of mezzanine financing and other forms of loan financing (collectively referred to as "**private equity investments**"), **European Entrepreneurs Fund I** is subject to an additional speculative risk. The private equity investments acquired for the sub-fund are often illiquid because they are not usually traded on a stock exchange or other regulated market open to the public and therefore cannot be sold as easily as listed securities. When such investments are sold, significant price differences may arise compared to their valuation, which may result in losses. **An investment in units of the sub-fund is therefore only suitable for professional and risk-tolerant investors who could accept a total loss in the event of unexpected negative developments.**

Due to the **European Entrepreneurs Fund I's** predominant investment of its assets in equity and debt securities, this sub-fund is exposed to market and issuer risk as well as interest rate risk, which may have a negative impact on its net assets. It should be noted that the sub-fund is permitted to borrow up to **20% of its assets** at market conditions for investment purposes and to bridge short-term liabilities, provided that this is permitted by the custodian.

Investors in the **European Entrepreneurs Fund I** are expressly advised of the general and sub-fund-specific risks, which are described in detail in the investment conditions. In particular, investors must be prepared and able to accept any price losses, including substantial ones. The sub-fund's assets will be dissolved over time. **Neither the AIFM nor the custodian is obliged to redeem shares before the end of the term. Early exit from the sub-fund is therefore not possible.** However, it should be noted that early distributions are possible due to the sale of target investments, or that the sub-fund may be liquidated early if all target investments are sold, in which case investors will receive repayment before the end of the term. However, due to the long term of the sub-fund, investors should only invest a portion of their assets that they can afford to do without for the long term.

The value of a share may be subject to significant fluctuations. The AIFM recommends that potential investors invest only a limited portion of their total portfolio in shares of the **European Entrepreneurs Fund I**. An investment in shares of the **European Entrepreneurs Fund I** is only suitable for investors with a high risk tolerance and a long-term time horizon.

Furthermore, the following sub-fund-specific risks exist. However, it should be noted that this is not an exhaustive list of all possible sub-fund-specific risks:

#### **Risks arising from the nature of private equity investments**

Private equity investments typically involve uncertainties that do not exist to the same extent in other investments (e.g. listed securities). Private equity investments are often investments in companies that have only been in existence for a short time, have little business experience, do not yet have an established market for their products, are in a difficult situation or are facing restructuring, etc. Forecasts of future performance can therefore often be subject to greater uncertainty than is the case with many other investments.

The portfolio manager will exercise the utmost care in identifying, reviewing and/or selecting investments in companies in order to achieve the sub-fund's objective. However, there can be no guarantee that suitable companies will

be found, particularly in changing market conditions, and that they will perform as expected. The companies financed are predominantly seed, early-stage and growth companies (**venture capital**) with corresponding insolvency risks, most of which are still making losses at the time of investment. There is a possibility that the respective business ideas of the companies cannot be implemented or developed as expected, or that regional, national or global crises may occur. Private equity and venture capital investments are therefore generally subject to corresponding risks.

Company valuations are subject to a variety of relevant factors, meaning that it is not possible to make a reliable forecast about the performance of a company and thus also about this investment. In particular, information about smaller companies is only available to a very limited extent or is difficult to access. In such cases, it can be more difficult to identify, calculate and limit risks. It cannot be ruled out that failures may reduce or completely erode the value of investments in individual or multiple companies. If several companies in which the sub-fund has investments become insolvent, the sub-fund's shares may also become worthless. In extreme cases, an investment in the sub-fund may also result in the total loss of the capital invested.

The majority of returns to investors in private equity investments are generated from the sale of company shares. The proceeds from sales may be lower than expected. The actual realisable proceeds from sales depend on a variety of factors, e.g. the general economic situation, market conditions in specific sectors that are still in the early stages of their financing or growth phase, exchange rates or the earnings situation and future prospects of the respective company. The timing and amount of the realisable proceeds from sales may be subject to significant fluctuations. It is therefore also conceivable that returns from the sale of company investments may be delayed and/or lower than expected. This would have a correspondingly negative impact on the result for investors. In extreme cases, all investments may become worthless or unsaleable.

If the search for suitable investment opportunities takes longer than expected, capital that has already been paid in may not be invested promptly and may have to be invested at comparatively unattractive terms.

#### **Risks arising from the lack of liquidity and the long-term nature of the investment**

The investments in companies acquired for the sub-fund are often illiquid because they are generally not traded on a stock exchange and therefore cannot be sold as easily as listed securities. Investment in units of the sub-fund should be made as a long-term investment.

#### **Risks associated with the sale of certain investments**

Contingent liabilities may arise in connection with the sale of an investment, as the sub-fund, as the seller of the investment, may be subject to certain obligations and commitments imposed by the buyer – known as "reps and warranties". In this respect, there is a risk of withdrawal and/or compensation claims on the part of the purchasers if it transpires that the obligations and commitments given are subsequently found to be inaccurate.

#### **Risks from dilution**

Investors in the sub-fund who subscribe for shares at later closings generally participate in existing investments of the sub-fund, which may dilute the shares of existing investors in the sub-fund.

### **Concentration risk**

The sub-fund may invest in a single investment. A loss in relation to a single investment may have an adverse effect on the sub-fund's assets. Consequently, a loss in value of a single investment may have a greater impact on the value of the sub-fund than if there were a larger number of investments.

### **Conflicts of interest**

In principle, a conflict of interest may arise if the sub-fund makes an offer to acquire or sell a participation and the portfolio manager

- ◆ holds this participation or intends to acquire it,
- ◆ holds shares in these companies or finances them,
- ◆ provides management or advisory services in connection with this participation.

The portfolio manager does not act exclusively as manager/advisor to this sub-fund; he may also advise and/or conduct business with other funds and/or companies that have an identical investment profile. Such activities may or may not affect the value of the sub-fund, but potential investors should be aware of a possible conflict of interest.

Any conflicts of interest on the part of the portfolio manager must be disclosed in full to the sub-fund at all times.

In particular, the portfolio manager must disclose conflicts of interest in connection with the investment before a decision is made on this matter. In the event of conflicts of interest, the sub-fund seeks advice from a neutral third party. This third party will assess how the planned transaction should be evaluated from the perspective of a neutral third party. If the neutral third party concludes that the transaction is not compatible with the interests of the sub-fund, the sub-fund will not carry out the transaction. If the transaction is compatible with the interests of the sub-fund, the sub-fund will carry out the transaction in the interests of the sub-fund's investors, while maintaining neutrality and taking into account the arm's length principle.

### **Currency risk**

The sub-fund's investments may be made in various currencies. The income and value of such investments may therefore be significantly affected by exchange rate fluctuations or other factors. A decline in the value of the currencies in which the sub-fund's investments are denominated may lead to a decline in the net asset value of the sub-fund and the shares in relation to the sub-fund currency.

### **Risks associated with the calculation of the net asset value**

When calculating the net asset value of the units, the AIFM must regularly rely on the most recent reports prepared by the relevant companies and any formal audit reports, which are usually published some time after the relevant valuation date. In some cases, the AIFM will be forced to make its own estimates of value based on insufficient information.

### **Valuation and reporting risks**

The sub-fund's investments are illiquid and may be difficult to value. Accordingly, the sub-fund's regularly published net asset value may not accurately reflect the realistic value of the investments. Independent valuation methods are used to evaluate the market value of direct equity investments and investments for the sub-fund.

### **Risks associated with indirect investments**

The sub-fund's use of companies may result in costs that could reduce the achievable return of the sub-fund. In the case of indirect investments involving several companies in succession, these costs may lead to multiple charges.

### **Risks of a lack of investment opportunities**

The success of the sub-fund depends on the availability and identification of suitable investment opportunities. The availability of investment opportunities is subject to market conditions and other factors beyond the control of the sub-fund. There can be no assurance that the sub-fund will be able to identify sufficiently attractive investment opportunities to achieve its investment objective.

### **Risks due to uneven distribution profile**

Investment in the sub-fund is a medium to long-term, illiquid investment. The sub-fund is unlikely to receive any or only very small payments from its investments in the early years. It can therefore be assumed that investors in the sub-fund will not receive any payments in the first few years. In conjunction with the limited tradability, this represents an additional liquidity risk for investors who are dependent on an inflow of liquidity from their investment in the sub-fund.

### **Risks due to different asset classes of the sub-fund**

The sub-fund has different share classes in connection with the various closings. Due to this fact and the timing of the investors' investments, the risk/return ratio differs for different investors. Depending on the performance of the sub-fund, this may lead to differences in returns for individual investors.

### **Risks relating to accounting, auditing and financial reporting, etc.**

The legal framework and standards relating to disclosure, accounting, auditing and reporting may be less stringent in various countries where investments are acquired than in Liechtenstein. As a result, the effective value of the investments may differ from the reported value, which means that the net asset value published by the AIFM may not accurately reflect the value of all or some of the investments.

### **Due diligence risk**

The AIFM or portfolio manager carries out economic, technical, legal and tax due diligence processes prior to the acquisition of an asset to the best of its knowledge and belief and, if necessary, with the assistance of external experts (specialist institutes and legal and tax advisors). Nevertheless, no guarantee can be given for the completeness and accuracy of the measures carried out. The same applies to the processing of the respective purchase of an asset.

### **Legal risks**

The portfolio manager or AIFM will make investments to which foreign law will apply and the place of jurisdiction will be outside Liechtenstein. This may mean that the resulting rights and obligations of the AIF will deviate from the standards applicable in Liechtenstein and, in particular, that the associated investor protection will be weaker than for comparable investments under Liechtenstein law and with Liechtenstein as the place of jurisdiction. The enforcement of any claims arising from company investments or legal disputes may be more difficult and/or considerably more costly, or may even be denied altogether.

### **Risks of future regulatory changes**

A variety of factors, including recent changes in the financial markets, have led investors and government authorities to question the integrity of European financial markets and the adequacy of existing regulation of financial institutions and alternative asset managers. For example, new or amended draft legislation or regulatory requirements, government regulatory supervisory authorities and self-regulatory organisations that monitor the financial markets may have a significant negative effect on the underlying products, the cost structure of the parties involved and, subsequently, on the performance of the sub-fund.

### **Tax risks**

It cannot be ruled out that investments may be made that result in a tax burden with a corresponding impact on the investment return. The tax burden may already be known at the time of the investment and be consciously accepted as part of the investment decision, or it may arise due to changes in the relevant domestic or foreign legislation or taxation practice during the term of an investment. Neither the AIFM, the depositary, the portfolio manager nor any other party is obliged to bear any tax consequences.

### **Results of the assessment of the potential impact of sustainability risks on returns:**

After assessing the impact of sustainability risks at the level of individual investments, it has been determined that, overall, there is a risk of a relevant impairment of the sub-fund's return. In particular, due to the composition of the portfolio and the absence of an ESG strategy, a potential impact of sustainability risks on the overall portfolio cannot be ruled out.

### **The general risks set out in Section 41 of the Investment Conditions must also be taken into account.**

### **Derivative financial instruments**

The use of derivative financial instruments that are not used for hedging purposes may lead to increased risks.

### **Leverage**

The AIFM expects that the leverage of the sub-fund will generally be **below 2.0** according to **the gross method**. However, the net method provides an indication of the risk content of the sub-fund, as it also takes appropriate account of the use of derivative financial instruments for hedging purposes.

The AIFM expects that the sub-fund's leverage will generally be **below 1.2** according to the **commitment method**. Depending on market conditions, leverage may vary and, in exceptional cases, may also be higher.

#### **B1.10.2 General risks**

In addition to the sub-fund-specific risks, the sub-fund's investments may be subject to general risks. An exemplary but non-exhaustive list can be found in §41 of the investment conditions.

#### **B1.10.3 Risk management procedures**

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

### **B1.11 Carried interest**

In addition, a profit-related remuneration ("carried interest") is charged to the sub-fund assets in accordance with Appendix B "Sub-funds at a glance", which is not applied to current income but only to realised gains. The carried interest is not paid out from the

sub-fund assets at fixed intervals, but is recognised in the relevant period (see below). The carried interest is determined and allocated in accordance with the following distribution key upon liquidation of the sub-fund or earlier if it is certain at that point in time that the MOIC of 1.3x cannot be undercut.

- a) The realised profit is attributable to investors in all share classes until Hurdle 1 is reached in accordance with Appendix B "Sub-funds at a glance".
- b) If Hurdle Rate 1 (MOIC<sup>32</sup> of 1.3x) is not exceeded, the carried interest does not apply. If Hurdle Rate 1 is exceeded, Carried Interest 1 applies as follows:

All realised gains of the share classes EUR C-I, EUR C-II, EUR C-III, EUR C-IV, EUR C-V, EUR C-VI, EUR C-VII and EUR C-VIII are allocated 20% to the EUR-C share class, with the remaining 80% remaining in the EUR C-I, EUR C-II, EUR C-III, EUR C-IV, EUR C-V, EUR C-VI, EUR C-VII and EUR C-VIII share classes.

- c) If the hurdle rate 2 (MOIC<sup>24</sup> of 2.5x) is exceeded, carried interest 2 is applied as follows:

All further realised gains of the share classes EUR C-I, EUR C-II, EUR C-III, EUR C-IV, EUR C-V, EUR C-VI, EUR C-VII and EUR C-VIII are allocated 25% to the EUR-C share class, with the remaining 75% remaining in the EUR C-I, EUR C-II, EUR C-III, EUR C-IV, EUR C-V, EUR C-VI, EUR C-VII and EUR C-VIII share classes.

Schaan/Vaduz, 5 June 2025

**The AIFM:**

IFM Independent Fund Management AG, Schaan

**The custodian:**

VP Bank AG, Vaduz

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<sup>32</sup> Multiple on Invested Capital. The basis for the MOIC is the paid-in capital through capital calls, after fees.

## Appendix C: Specific information for individual distribution countries

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### Information for professional investors in Austria

The AIF is notified to the Financial Market Authority (FMA) in Vienna for distribution to professional investors in Austria.

All issue and redemption prices of the AIF and all other announcements are published on the AIFM's website at [www.ifm.li](http://www.ifm.li) and on the website of the Liechtenstein Investment Fund Association (LAFV) at [www.lafv.li](http://www.lafv.li).

The German wording of the investor information pursuant to Section 105 of the AIFMG, the Articles of Association and the Investment Conditions, as well as other documents and publications, shall be authoritative.



**Appendix C:** Information for professional investors in Germany. Information for professional investors in Germany. Specific information on individual distribution countries. Information for professional investors in Germany.

### 1. Paying agent and information centre in the Federal Republic of Germany (until 31 December 2025)

Hauck Aufhäuser Lampe Privatbank AG  
Kaiserstrasse 24  
D-60311 Frankfurt am Main  
Email: [zahlstelle@hal-privatbank.com](mailto:zahlstelle@hal-privatbank.com)

All other information to which investors in the Principality of Liechtenstein are entitled is also available from the paying agent and information office. The issue and redemption prices are also available free of charge from the paying agent and information office.

The function of the German institution has been

Investors in Germany can obtain the sales prospectus, investor information in accordance with Art. 105 AIFMG, the articles of association and the investment conditions, the annual report (if already published) and other information free of charge in paper form from the institution.

## 2. Redemption of units and payments to investors in Germany

The redemption of shares and payments to investors in Germany (redemption proceeds, any distributions and other payments) are made via the investors' custodians. No printed individual certificates are issued.

The issue and redemption prices and other information for investors are published on the fund information platform [fundinfo.com](http://fundinfo.com) ([www.fundinfo.com](http://www.fundinfo.com)).

In the following cases, investors will also be informed by means of a durable medium within the meaning of the KAGB:

- a) the suspension of the redemption of units,
- b) termination of the management or liquidation of the company or an AIF,
- c) changes to the terms and conditions of the contract that are incompatible with the previous investment principles, affect essential investor rights or relate to remuneration and expense reimbursements that can be withdrawn from the investment fund, including the reasons for the changes and the rights of investors in a comprehensible manner,
- d) the merger of investment funds in the form of merger information, and
- e) the conversion of an investment fund into a feeder AIF or changes to a master AIF must be prepared in the form of information.

## Information for qualified investors in Switzerland

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

### 1. Representative

The representative in Switzerland is LLB Swiss Investment AG, Bahnhofstrasse 74, CH-8001 Zurich.

### 2. Paying agent

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

### 3. Where to obtain the relevant documents

The investor information pursuant to Art. 105 AIFMG, the investor information pursuant to Art. 105 AIFMG, the Articles of Association and the Investment Conditions, as well as the 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 AIFM and its agents, as well as the custodian, may pay retrocessions to cover the distribution and brokerage of fund units in Switzerland or from Switzerland. Distribution and intermediary activities include, in particular, any activity aimed at promoting the distribution or intermediation of fund units, such as organising road shows, participating in events and trade fairs, producing advertising material, training sales staff, etc.

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

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

#### 4.2 Discounts

AIFMs and their agents may, upon request, pay rebates directly to investors in connection with distribution in Switzerland. Rebates serve to reduce the fees and/or costs attributable to the investors concerned. Rebates are permissible provided that they

- ◆ are paid from the AIFM's fees and therefore do not place an additional burden on the fund's assets;
- ◆ are granted on the basis of objective criteria;
- ◆ are granted to all investors who meet the objective criteria and request discounts, under the same time conditions and to the same extent.

The objective criteria for the granting of discounts by the AIFM are:

- ◆ The volume subscribed by the investor or the total volume held by them 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 period);

At the investor's request, the AIFM shall disclose the corresponding amount of the discounts free of charge.

### 5. Place of performance and jurisdiction

For shares offered in Switzerland, the place of performance is the registered office of the AIFM representative. The place of jurisdiction is the registered office of the representative or the registered office or place of residence of the investor.

## Appendix D: Regulatory disclosure

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### Conflicts of interest

The following conflicts of interest may arise at the AIFM:

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

- ◆ Interests of the AIFM and its closely related companies and persons
- ◆ The interests of the AIFM and its clients
- ◆ The interests of the AIFM and its investors
- ◆ The interests of the various investors of the AIFM
- ◆ The interests of an investor and a fund
- ◆ Interests of two funds
- ◆ Interests of the AIFM's employees

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

- ◆ Incentive schemes for employees
- ◆ Employee transactions
- ◆ Fund reallocations
- ◆ Positive presentation of fund performance
- ◆ Transactions between the AIFM and the funds or individual portfolios it manages
- ◆ Transactions between funds and/or individual portfolios managed by the AIFM
- ◆ Combination of several orders (so-called "block trades")
- ◆ Commissioning of closely related companies and persons
- ◆ Individual investments of considerable size
- ◆ High turnover of assets (so-called "frequent trading")
- ◆ Setting of the cut-off time
- ◆ Suspension of share redemption
- ◆ IPO allocation
- ◆ Greenwashing

To deal with conflicts of interest, the AIFM implements the following organisational and administrative measures to avoid and, where 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 responsibilities to prevent undue influence
  - Rules of conduct for employees with regard to employee transactions
  - Rules of conduct regarding the acceptance and granting of gifts, invitations, other benefits and donations
  - Prohibition of insider trading
  - Prohibition of front-running and parallel running
- ◆ Establishment of a remuneration policy and practice
- ◆ Principles for taking customer interests into account
- ◆ Principles for monitoring the agreed investment guidelines
- ◆ Principles for the execution of trading decisions (best execution policy)
- ◆ Principles for allocating partial executions
- ◆ Establishment of order acceptance times (cut-off times)

Furthermore, additional conflicts of interest may arise from the following contractual partners, among others:

- ◆ Investors' interests with the interests of the portfolio manager
- ◆ Investors' interests versus the interests of the investment advisor
- ◆ Investors' interests versus the interests of distributors

The contractual partners shall disclose the circumstances or relationships that may give rise to conflicts of interest, as well as how such conflicts of interest are handled, separately upon request by investors.

## Handling of complaints

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

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

## Principles of voting policy at general meetings

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

In individual transactions, the AIFM is free to decide whether to exercise the shareholder and creditor rights for the respective fund assets itself, to delegate the exercise to the custodian or third parties, or to waive the exercise.

Unless expressly instructed by the AIFM, the respective custodian is authorised, but not obliged, to exercise the rights arising from the investments as a shareholder, co-owner, etc.

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

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

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

When exercising voting rights, the AIFM takes into account the interests of the investors in the AIF's assets and ensures that the exercise of voting rights is consistent with the objectives of the investment policy of the assets concerned.

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

## Best possible execution of trading decisions

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

The AIFM must take all reasonable steps, taking into account the price, costs, speed of execution, likelihood of execution and settlement, size, nature of the order and other aspects

relevant to the execution of the order, to obtain the best possible result for the funds (best execution).

Insofar as portfolio managers are authorised to execute transactions, they are contractually bound to apply the relevant best execution principles, unless they are already subject to the relevant laws and regulations on best execution.

The principles for the execution of trading decisions (best execution policy) are available to investors on the AIFM's website at [www.ifm.li](http://www.ifm.li).

## Remuneration principles and practices

IFM Independent Fund Management AG ("IFM") is subject to the regulatory requirements applicable to management companies under the Law on Undertakings for Collective Investment in Transferable Securities (UCITSG) and to AIFMs under the Law on Alternative Investment Fund Managers (AIFMG) with regard to the design 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 misguided incentives to take excessive risks. IFM's remuneration principles and practices are reviewed at least annually by the members of the Board of Directors to ensure that they are appropriate and comply with all legal requirements. They comprise fixed and variable (performance-related) remuneration elements.

IFM has established a remuneration policy that is consistent with its business and risk policy. In particular, no incentives are created to take excessive risks. Remuneration for the implementation and execution of the sustainability strategy is included in the fixed salary component of the Sustainability Officer. The calculation of performance-related remuneration takes into account either the overall results of IFM and/or the personal performance of the employee concerned and their department. The targets set as part of the personal performance assessment focus 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.

Furthermore, the setting of ranges for total remuneration ensures that there is no significant dependence on variable remuneration and that there is an appropriate ratio of variable to fixed remuneration. The amount of the fixed salary component is structured in such a way that an employee can cover their living expenses with the fixed salary component alone if they are employed on a full-time basis (taking into account market-based salaries). 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 members of IFM's management and employees whose activities have a significant impact on the overall risk profile of IFM and the funds it manages (risk takers). Employees who can exert a decisive influence on IFM's risk and business policy ( ) have been identified as risk takers. For these risk-relevant employees, variable remuneration is paid in arrears over several years. At least 40% of the variable remuneration must be deferred over a period of at least three years. The deferred portion of the remuneration is risk-dependent during this period. Variable remuneration, including the deferred portion, is only paid out or earned if it is affordable in view of IFM's overall financial situation and justified on the basis of the performance of the department and the individual concerned. A weak or negative financial result for the IFM generally leads to a significant reduction in total remuneration, taking into account both ongoing compensation and reductions in payments of previously earned amounts



**European Entrepreneurs Funds SICAV**

Landstrasse 30 · P.O. Box 355 · 9494 Schaan · Liechtenstein  
T +423 235 04 50 · F +423 235 04 51 · [info@ifm.li](mailto:info@ifm.li) · [www.ifm.li](http://www.ifm.li)