

Trust agreement

including fund-specific annexes

and

Prospectus

Status: 03.2019

Equity Privilege Fund

AIF pursuant to Liechtenstein law
with the legal form of a trust

(hereinafter: the AIF)

(Single fund)

Portfolio management:



AIFM:



The organizational structure of the AIFM

AIFM:	IFM Independent Fund Management AG Austrasse 9, FL-9490 Vaduz
Board of Directors:	Heimo Quaderer H.R.H Archduke Simeon von Habsburg Hugo Quaderer
Executive Board:	Luis Ott Alexander Wymann Michael Oehry
Auditor:	Ernst & Young AG Schanzenstrasse 4a, CH-3008 Bern

The AIF at a glance

Name of the AIF:	Equity Privilege Fund
Legal structure:	AIF in the legal form of a trust ("collective trust") pursuant to the Act on the Management of Alternative Investment Funds (AIFMA) dated December 19, 2012
Umbrella structure:	No, single fund
Country of incorporation:	Liechtenstein
Date of incorporation:	September 7, 2007
Financial year:	The financial year of the AIF begins on July 1 and ends on June 30
Accounting currency of the AIF:	Euro (EUR)
Portfolio management:	CATAM Asset Management AG Landstrasse 34, FL-9494 Schaan
Investment consultant:	n/a
Depositary:	NEUE BANK AG Marktgass 20, FL-9490 Vaduz
Distributor:	IFM Independent Fund Management AG Austrasse 9, FL-9490 Vaduz
Auditor:	ReviTrust Grant Thornton AG Bahnhofstrasse 15, FL-9494 Schaan
Designated supervisory authority:	Financial Market Authority Liechtenstein (FMA); www.fma-li.li

Further information about the AIF is provided in Annex B "The AIF at a glance"

Distribution information pursuant to Art. 105 AIFMA is provided in the prospectus of the AIF and additionally in section 13.2 of this prospectus. Further, investors can obtain information about the AIF free of charge from the AIFM.

The AIF is intended for distribution to professional investors as per Directive 2014/65/EU (MiFID II)

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

Notes for investors/sales restrictions

The purchase of units of the AIF is governed by the prospectus, the trust agreement, as well as the last annual report. Only the information contained in the prospectus and particularly in the trust agreement including Annex B shall be valid. With the purchase of the units, the investor is considered as having approved this information. **The AIF is intended for distribution to professional investors as per Directive 2014/65/EU (MiFID II)** Accordingly, no Key Investor Information Document and no semi-annual reports will be prepared.

This prospectus constitutes neither an offer nor an invitation to buy units of the AIF for persons in a jurisdiction where such offers or invitations are unlawful, or in which the person who extends such an offer or invitation is not qualified to do so, or if the offer or invitation is extended to a person for whom the acceptance thereof would be unlawful. Information not contained in this prospectus and trust agreement or in publicly accessible documents shall be deemed unauthorized and unreliable. Potential investors should inform themselves about possible fiscal consequences, legal prerequisites and possible foreign exchange restrictions or control mechanisms that apply in their country of citizenship, residence, or current domicile and that might be relevant as regards buying, holding, exchanging, redeeming, or selling units. Further fiscal considerations are outlined in section 11 "Taxation". Annex C "Specific information for individual countries of distribution" contains information regarding distribution in different countries. The units of the AIF are not admitted for distribution in all countries. Local regulations shall apply in cases where units are issued, exchanged, and redeemed abroad. In particular, in the United States of America (USA), the units were not registered pursuant to the United States Securities Act of 1933 and can therefore be neither offered nor sold in the USA and neither offered nor sold to US citizens. Among others, the term US citizen includes natural persons who (a) were born in the USA or one of its territories or possessions, (b) are nationalized citizens (or Green Card holders), (c) were born abroad as the child of a US citizen, (d) live predominantly in the USA without being US citizens), (e) are married to a US citizen, or (f) are subject to taxation in the USA. The term US citizen also encompasses: (a) Investment companies and capital companies established under the laws of one of the 50 US states or of the District of Columbia, (b) an investment company or business partnership founded under an "Act of Congress", (c) a pension fund incorporated as a US Trust, (d) an investment company subject to taxation in the USA, or (e) investment companies recognized as such by Regulation S of the US Securities Act of 1933 and/or the US Commodity Exchange Act. In general, units of AIF must not be offered in jurisdictions where and to persons for whom this is not permissible.

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PART I: THE PROSPECTUS

The issue and redemption of units of the AIF is subject to the currently valid trust agreement and to Annex A "Organizational structure of the AIFM" and to Annex B "The AIF at a glance". The trust agreement is supplemented with the last respective annual report.

It is unlawful to provide information or statements that deviate from the prospectus, the trust agreement, Annex A "Organizational structure of the AIFM" or Annex B "The AIF at a glance". The AIFM incurs no liability if and to the extent that information or statements are provided that deviate from the current prospectus.

The prospectus and the trust agreement including Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance" are combined in this document. The relevant founding document of the AIF is the trust agreement including Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance". Only the trust agreement including Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance" are subject to the material legal review by the Liechtenstein Financial Market Authority.

1 Sales documentation

The prospectus, the trust agreement, Annex A "Organizational structure of the AIFM", Annex B "The AIF at a glance" as well as the latest annual report if already published, are available free of charge on a durable data medium from the AIFM, the depositary, the paying agents, and all domestic and foreign distributors as well as on the website of the LAFV Liechtenstein Investment Fund Association at www.lafv.li.

If so requested by the investor, the above documents can also be provided on paper free of charge. Further information about the AIF is available on the Internet at www.ifm.li and from IFM Independent Fund Management AG, Austrasse 9, FL-9490 Vaduz, during business hours.

2 The trust agreement

The trust agreement encompasses a general part as well as Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance". The trust agreement, Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance" are fully contained in this prospectus. The trust agreement, Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance" can be fully or partially amended or supplemented by the AIFM at any time. Amendments to the trust agreement, Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance" require prior approval by the FMA.

Any amendment to the trust agreement, Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance" shall be published in the official gazette of the AIF and is then legally binding on all investors. The official gazette of the AIF is the website of the LAFV Liechtenstein Investment Fund Association www.lafv.li.

3 General information on the AIF

The **Equity Privilege Fund** (hereinafter: AIF) was incorporated as a legally independent, open-ended investment fund with the legal form of a collective trust pursuant to Art. 4 para. 1 lit. a of the Act on Investment Undertakings for Other Securities or Real Estate

(IUA). On September 7, 2007, the FMA notified the management company that it had received the external auditors' confirmation as to the status of an investment undertaking for qualified investors. The investment fund was entered into the Liechtenstein commercial register on September 10, 2007. The prospectus and the contractual terms were submitted to the Liechtenstein Department of Justice.

With the **approval** of the FMA dated January 4, 2018, the **Equity Privilege Fund** was transformed from an investment undertaking for qualified investors into an AIF pursuant to the Act on the Management of Alternative Investment Funds (AIFMA) dated December 19, 2012, and pursuant to the latest Ordinance on the Management of Alternative Investment Funds (AIFMO). The trust agreement, Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance" were initially ratified on February 5, 2018.

This trust agreement and Annex B "The AIF at a glance" were last amended with the approval of the FMA dated March 15, 2019. The amendments entered into force on March 20, 2019. The currently valid editions are available on the website of the LAFV Liechtenstein Investment Fund Association at www.lafv.li and can also be obtained free of charge from the AIFM and the depositary.

The AIF is a legally dependent, open-ended undertaking for collective investments and is subject to the Act on the Management of Alternative Investment Funds (AIFMA) dated December 19, 2012.

The AIF has the legal form of a unit trust. A collective trust is the adoption of an identical trust agreement by an indefinite number of investors for the purpose of investing and managing assets for the account of the investors, whereby the individual investors participate in the trust pro rata and are personally liable only for the amount invested.

The AIF does not have an umbrella structure and is thus a single fund.

The AIF is entitled to pursue its specific investment policies. The investment policy of the AIF is defined on the basis of its investment objective. The AIF shall form a separate fund for the benefit of its investors. In the event of a bankruptcy of the AIFM, the separate fund does not fall into the AIFM's bankruptcy estate.

The instruments in which the AIFM is allowed to invest its assets and the provisions it must observe in its activities are governed by the AIFMA, the trust agreement, Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance", which govern the legal relationship between the owners of the units (hereinafter: investors), the AIFM, and the depositary. Unless otherwise set forth in the AIFMA, the legal relationship between the investors and the AIFM is governed by the trust agreement and, if a matter is not regulated there, by the provisions related to trusts in the Persons and Companies Act (PGR). The trust agreement encompasses a general part (the trust agreement) as well as Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance". The trust agreement as well as Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance" and each of their amendments require the approval of the Financial Market Authority Liechtenstein (FMA) to become valid. The investors are beneficiaries of the AIF on a pro rata basis in accordance with the number of units they own.

The units are not securitized and exist only in the company's books, i.e. no certificates are issued. Assemblies or meetings of investors are not mandated. By subscribing or purchasing units, the investor acknowledges the trust agreement as well as Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance". Investors, heirs, or other beneficiaries cannot demand a split or dissolution of the AIF. AIF-related details are provided in Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance".

All units of the AIF basically embody the same rights unless the AIFM resolves to issue various unit classes within an AIF pursuant to Art. 20 of the trust agreement.

In its third-party relationships, the AIF is liable with its assets only to the extent that it entered into obligations.

By purchasing units of the AIF, each investor acknowledges the trust agreement including fund-specific annexes that govern the contractual relationships between the investors, the AIFM, and the depositary as well as the duly executed amendments of this document. When changes of the trust agreement and the prospectus, the annual report or other documents are published on the website of the Liechtenstein Investment Fund Association, such changes shall be binding on the investors.

3.1 Duration of the AIF

The duration of the AIF is indicated in Annex B "The AIF at a glance".

3.2 Unit classes

The AIFM may resolve to create several unit classes within the AIF.

Pursuant to Art. 20 of the trust agreement of the AIF, it is possible to create unit classes that differ from existing unit classes with respect to the use of proceeds, the issue commission, the reference currency and the deployment of currency hedging instruments, the management fee, the minimum amount to be invested, or a combination of these items. The rights of investors who purchased units assigned to existing unit classes are not affected by the creation of new unit classes.

The unit classes offered by the AIF as well as the charges and reimbursements incurred in conjunction with the units of the AIF are indicated in Annex B "The AIF at a glance." Further information on the unit classes is provided in section 9.4.

3.3 Past performance of the AIF

The past performance of the AIF and of the unit classes is indicated on the website of the LAFV Liechtenstein Investment Fund Association at www.lafv.li. The past performance of a unit is no guarantee for its current and future performance. The value of a unit may rise or fall at any time.

4 Organization

4.1 Domicile country / Responsible supervisory authority

Liechtenstein / Financial Market Authority Liechtenstein (FMA); www.fma-li.li.

4.2 Legal relationships

The legal relationships between the investors and the AIFM are governed by the Act on the Management of Alternative Investment Funds (AIFMA) dated December 19, 2012, and by the latest Ordinance on the Management of Alternative Investment Funds (AIFMO) and, unless otherwise specified, by the provisions related to trusts in the Persons and Companies Act (PGR).

4.3 AIFM

IFM Independent Fund Management Aktiengesellschaft (hereinafter: AIFM), Austrasse 9, FL-9490 Vaduz, Commercial Registry Number FL-0001-532-594-8.

IFM Independent Fund Management AG was incorporated on October 29, 1996, for an unlimited period, in the form of a joint-stock corporation domiciled and headquartered in Vaduz, Principality of Liechtenstein.

In compliance with the AIFMA, the AIFM is approved by the Financial Market Authority Liechtenstein (FMA) and registered in the FMA's official list of AIFMs entitled to operate in Liechtenstein.

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

The AIFM has covered occupational liability risks associated with the management of AIFs and attributable to the occupational negligence of its bodies or employees, with equity capital amounting to at least 0.01% of the assets of all managed AIFs. This coverage is reviewed and adjusted on an annual basis.

The AIFM manages the AIF for the account and in the exclusive interest of the investors pursuant to the provisions of the trust agreement and of Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance".

Pursuant to legal provisions and to this trust agreement, the AIFM is entitled in its own name to dispose of all assets belonging to the AIF and to exercise all rights resulting herefrom. Details regarding the rights and obligations of the AIFM are provided in the AIFMA.

The main activities of the AIFM are asset management (portfolio management and/or risk management). It also handles administrative and distribution activities.

In compliance with the AIFMA, and subject to the approval of the Liechtenstein Financial Market Authority (FMA), the AIFM may delegate certain tasks to third parties.

An overview of all AIFs managed by the AIFM is provided on the website of the LAFV Liechtenstein Investment Fund Association at www.lafv.li.

4.3.1 Board of Directors

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

Members: H.R.M. Simeon von Habsburg, Archduke of Austria, Managing Partner of Principal Vermögensverwaltung AG, Vaduz

Hugo Quaderer, independent board member of IFM Independent Fund Management AG, Schaan

4.3.2 Executive Board

President: Luis Ott, Managing Director

Members: Alexander Wymann, Deputy Managing Director

Michael Oehry

4.4 Portfolio management

The portfolio manager of the AIF is CATAM Asset Management AG, Landstrasse 34, FL-9494 Schaan.

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

The responsibility of the portfolio manager is mainly to implement the proprietary investment policy on a daily basis and manage the everyday business of the AIF as well as to render other associated services under the supervision, control, and responsibility of the AIFM. The fulfillment of these duties takes into account the principles of the investment policy and the investment restrictions of the AIF as described in this prospectus and in the trust agreement including fund-specific annexes as well as the applicable legal investment restrictions.

The implementation of the operations is governed by an agreement on the delegation of functions (portfolio management) concluded between the AIFM and CATAM Asset Management AG.

4.5 Investment consultant

No investment consultant was appointed for the AIF.

4.6 Distributor

IFM Independent Fund Management AG, Austrasse 9, P.O. Box 1121, FL-9490 Vaduz, is the appointed distributor.

4.7 Depositary

The depositary is NEUE BANK AG, Marktgass 20, FL-9490 Vaduz.

Founded in 1992, NEUE BANK AG is a bank in the tradition of classic private banks. Its activities concentrate on discerning domestic and foreign private clients. To such clients, the bank offers comprehensive, individualized, high-quality services in investment consulting and asset management while maintaining protection of privacy as provided by the law. Further information on the depositary (annual reports, brochures, etc.) is available directly at its domicile or on its website www.neuebankag.li.

The depositary fulfills its duties and assumes responsibilities as defined by the AIFMA and the depositary agreement in the then applicable version ("depositary agreement"). According to the law and the depositary agreement, the depositary is responsible for (i) the general supervision of all assets of the AIF and (ii) the safekeeping of the assets of the AIF entrusted to the depositary or held in its name and (iii) the administrative activities in conjunction with the respective obligations.

Investors are requested to note that there may be jurisdictions in which the effect of the fundamentally prescribed separation of assets is not recognized with respect to asset rights domiciled there in the event of bankruptcy. The AIFM and the depositary shall cooperate with the aim of preventing the safekeeping of assets in such jurisdictions.

On behalf of the AIFM, the depositary shall maintain the unit register of the AIF.

The depositary is entitled to transfer its obligations to one or several agents ("subdepositories") in compliance with the applicable decrees and provisions. A list of the

subdepositories appointed to hold assets on behalf and for the account of the AIF can be obtained from the depositary.

The appointment of subdepositories does not entail any conflicts of interest.

The depositary is subject to the provisions of the Liechtenstein FATCA Agreement as well as to the respective executive provisions of the then applicable version of the Liechtenstein FATCA Law.

4.8 Prime broker

No prime broker was appointed for the AIF.

4.9 Auditor of the AIF and of the AIFM

For the AIF: ReviTrust Grant Thornton AG, Bahnhofstrasse 15, FL-9494 Schaan
For the AIFM: Ernst & Young AG, Schanzenstrasse 4a, CH-3008 Bern

The AIF and the AIFM shall have their activities audited on an annual basis by an auditor which is FMA-accredited pursuant to the AIFMA and with whom they have no affiliations.

5 General investment principles and restrictions

The assets of the AIF shall be invested pursuant to the provisions of the AIFMA and pursuant to Art. 22 of the trust agreement as well as the investment policy principles described in Annex B "The AIF at a glance" within the scope of the investment restrictions.

5.1 Investment policy objectives

The objective of the investment policy is described in Annex B "The AIF at a glance".

5.2 Investment policy of the AIF

The fund-specific investment policy of the AIF is described in Annex B "The AIF at a glance".

The general investment principles and restrictions set forth in Section VI of the trust agreement apply to the AIF to the extent that Annex B "The AIF at a glance" does not contain any deviations or supplements for the AIF.

5.3 Accounting/reference currency of the AIF

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

The accounting currency is the currency in which the AIF keeps its books. The reference currency is the currency used to calculate the performance and the net asset value of the unit classes. Investments are made in the currencies optimally suited to the performance of the AIF.

5.4 Profile of a typical investor

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

6 Investment regulations

6.1 Permitted investments

The permitted investments are indicated in Annex B "The AIF at a glance". Restrictions, if any, are also described in Annex B "The AIF at a glance".

6.2 Non-permitted investments

6.2.1 The non-permitted investments are indicated in Annex B "The AIF at a glance".

6.2.2 In the interest of unit owners, the AIFM may define further investment restrictions at any time, to the extent that they are necessary to comply with the laws and regulations of those countries in which the units of the AIF are offered and sold.

6.3 Investment limits

The investment limits of the AIF are indicated in Annex B "The AIF at a glance".

A. Investment cycles during which the respective investment limits must be attained

The investment limits must be attained within the time periods defined in Annex B "The AIF at a glance".

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

6.3.1 The AIF does not need to comply with the investment limits when exercising the subscription rights derived from securities or money market instruments that belong to its assets.

6.3.2 If the limits are exceeded, the AIFM shall adopt as a priority objective for its sales transactions to normalize that situation in the interest of its investors.

6.3.3 Losses or damages incurred due to an active violation of investment limits/regulations must be reimbursed to the fund immediately.

6.4 Borrowing limits

6.4.1 The assets of the AIF must not be pledged or otherwise encumbered, transferred or ceded as collateral except in cases involving borrowing pursuant to section 6.4.2 or collateralization within the scope of transactions involving financial instruments.

6.4.2 For the purpose of investments or to fulfill requests for redemption, the AIF may take out loans at customary market terms. The AIF's borrowing limit is specified in Annex B "The AIF at a glance" under "Investment principles of the AIF". The borrowing limit does not apply to the purchase of foreign currencies via back-to-back loans. In relation to the depositary, the AIF is not entitled to fully exploit the maximum permissible credit framework. The depositary alone, based on its credit and risk policies, can decide on the nature and amount for which a loan is granted. Under certain circumstances, these policies may change within the duration of the AIF.

- 6.4.3** Section 6.4.2 does not prohibit the purchase of financial instruments that have not yet been fully paid up.

6.5 Deployment of derivatives, techniques, and instruments

6.5.1 Risk management procedure

The AIFM must use a risk management procedure which allows it to monitor and measure at all times the risk involved in its investments as well as their respective exposure within the overall risk profile of the portfolio; furthermore, it must use a procedure that allows the precise and independent valuation of the values of the OTC techniques. At least once a year, the AIFM shall submit to the FMA reports with information that reflects a true and fair assessment of the derivative financial instruments managed for the AIF, their underlying risks, the investment limits, and the methods used to estimate the risks associated with derivatives transactions.

The total exposure of the AIF is calculated either with the Commitment Method or with the Value-at-Risk-Method under consideration of the current value of the underlyings, the counterparty risk, future market movements, and the time available for the liquidation of the positions.

The risk management method applied by the AIFM is described in Annex B "The AIF at a glance".

6.5.2 Leveraged financing

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

Leveraging is a method with which the AIFM can increase the investment exposure of the AIF. This can be done by concluding leveraged financing approaches embedded in derivative financial instruments, with annuity transactions, or in other ways.

Leverage is calculated by dividing the total exposure of the AIF by its net asset value. For this purpose, the total exposure is calculated with two different methods, i.e. the leverage value can differ depending on which method is used.

- 6.5.2.1** When the aggregate nominals approach is used (Gross Method), the calculation is performed by adding the absolute values of all positions of the AIF with no offsets.

- 6.5.2.2** The Commitment Method (Net Method) converts positions in derivative financial instruments into equivalent positions of the associated underlyings. The calculation is performed under consideration of hedging transactions, i.e. after offsetting netting and hedging effects.

The expected leverage pursuant to the Gross and Commitment Methods is indicated in Annex B "The AIF at a glance".

6.5.3 Liquidity management

The AIFM shall use adequate methods for controlling liquidity as well as processes that allow the liquidity risks of the AIF to be monitored. The AIFM shall assure that the managed AIF takes into consideration the investment strategy, the liquidity profile, and the redemption principles of the AIF.

6.5.4 Derivative financial instruments

On behalf of the AIF, the AIFM may transact with derivatives for hedging purposes, for efficient portfolio control, for generating additional income, and as

part of its investment strategy. This may at least temporarily increase the loss risk of the AIF.

The deployment of derivative financial instruments is described in Annex B "The AIF at a glance". In this context, the AIFM shall use the risk management procedure indicated in Annex B "The AIF at a glance".

The AIFM is entitled to deploy only the following basic forms of derivatives or combinations of such derivatives or combinations of other subjects of investment that the AIF is allowed to purchase:

6.5.4.1 Forward contracts on securities, money market instruments, financial indices pursuant to Art. 9 § 1 of Directive 2007/16/EC, interest rates, precious metals, commodities, exchange rates, or currencies;

6.5.4.2 Options or warrants on securities, money market instruments, financial indices pursuant to Art. 9 § 1 of Directive 2007/16/EC, interest rates, precious metals, commodities, exchange rates, or currencies and on forward contracts according to section 6.5.4.1, if

- ◆ the respective rights can be exercised for the entire duration or at the end of the duration and
- ◆ the option value is a fraction or a multiple of the difference between the base price and the market price of the underlying instrument and becomes zero if the difference has the other sign;

6.5.4.3 Interest swaps, currency swaps, or interest/currency swaps;

6.5.4.4 Options on swaps pursuant to section 6.5.4.3, provided they have the characteristics described in section 6.5.4.2 (swaptions);

6.5.4.5 Credit default swaps, provided they are exclusively and demonstrably utilized to hedge the credit risk of precisely defined assets of the AIF.

The above-mentioned financial instruments can be independent subjects of investment or components of subjects of investments.

6.5.5 Securities lending and borrowing

The applicability of securities lending and borrowing is governed by Annex B "The AIF at a glance".

6.5.6 Annuities transactions

The applicability of annuities transactions is governed by Annex B "The AIF at a glance".

6.5.7 Investments in other undertakings for collective investment (UCI)

In compliance with its individual investment policy, the AIF may invest its assets in units of other undertakings for collective investment (UCI). The respective investment limits are indicated in Annex B "The AIF at a glance".

Investors must take into account that at the level of indirect investments, further indirect costs and charges are incurred and that fees and remunerations are paid; however, these expenses are debited directly to the individual indirect investments. If the investments hereunder constitute a significant portion of the AIF's assets, the maximum management fees are specified in Annex B "The AIF at a glance" and the annual report.

If units are managed directly or indirectly by the AIFM or by any other company with which the AIFM is affiliated by common management, control, or qual-

ified participation, neither the AIFM nor the other company may charge fees for the subscription or redemption of units from or to the AIF.

7 Joint management

To reduce operating and management costs and simultaneously allow broader diversification of the investments, the AIFM may resolve to manage a part or all of the assets of the AIF together with assets that belong to other undertakings for collective investment.

Currently, the assets of this AIF are individually managed and thus separately from assets that belong to other undertakings for collective investment.

8 Risk advisories

8.1 Fund-specific risks

The performance of the units depends on the investment policy as well as the market development of the individual investments of the AIF and cannot be determined in advance. In this context, it must be pointed out that the value of the units can rise or fall versus the issue price at any time. It cannot be guaranteed that the investors will be able to recover their invested capital.

The fund-specific risks of the AIF are indicated in Annex B "The AIF at a glance".

8.2 General risks

In addition to the fund-specific risks, the investments of the AIF may incur general risks.

All investments in an AIF are associated with risks. Risks may include, or be associated with, stock and bond market risks, foreign currency translation risks, interest-rate risks, credit risks, volatility risks, and political risks. Any of these risks may occur together with other risks. Some of these risks are briefly discussed in this section. It should be noted, however, that this is not an inclusive list of all possible risks.

Potential investors should be clearly aware of the risks incurred by an investment in units and not make any investment decisions before having received comprehensive advice by their legal, fiscal, and financial consultants, auditors or other experts on the suitability of an investment in units of this AIF, taking into consideration their personal financial and fiscal situation as well as other circumstances, and on the information contained in this prospectus and trust agreement and the investment policy of the AIF.

Derivative financial instruments

The AIF may deploy derivative financial instruments. They can also represent a part of the investment strategy. The deployment of derivative financial instruments for hedging purposes may change the general risk profile as a result of smaller opportunities and risks. The deployment of derivative financial instruments for investment purposes may change the general risk profile of the AIF as a result of additional opportunities and risks. The deployment of derivative financial instruments is described in Annex B "The AIF at a glance".

Derivative financial instruments are not standalone investment instruments; they are rights valued chiefly on the basis of the price and price fluctuations and price expectations of an underlying instrument. Investments in derivatives are exposed to the general market risk, the management risk, the credit risk, and the liquidity risk.

Due to the special features of derivative financial instruments, the above-mentioned risks can be of a different nature and in some cases may be more serious than the risks associated with investment in the underlying instrument.

For this reason, the deployment of derivatives not only requires an understanding of the underlying instrument but also in-depth familiarity with the derivatives themselves.

Derivative financial instruments also incur the risk of a loss by the AIF because another party participating in the derivative financial instrument (usually a “counterparty”) does not meet its obligations.

The credit risk involved in derivatives traded on a stock exchange is generally lower than the risk of over-the-counter derivatives because the clearinghouse that acts as the issuer or counterparty of any derivative traded on the stock market provides a settlement guarantee. To reduce the total default risk, this guarantee is backed by a daily payment system operated by the clearinghouse with which the assets needed for coverage are calculated. For over-the-counter derivatives, there are no comparable clearinghouse guarantees, and the AIF must take into account the creditworthiness of each counterparty when assessing the potential credit risks involved in such over-the-counter derivatives.

Moreover, a liquidity risk exists because certain instruments may be difficult to buy or sell. In particularly large derivative transactions, or when the respective market is illiquid (as may be the case with over-the-counter derivatives), it may not always be possible to completely implement transactions or the liquidation of positions might be possible only with a higher expense.

Further risks in conjunction with derivatives can arise from incorrect pricing or valuation of derivatives. It is also conceivable that derivatives do not fully correlate with their underlying instruments, interest rates, and indices. Many derivatives are complex and often subjectively valued. Inappropriate valuations may lead to increased cash claims from counterparties or result in a value loss for the AIF. Derivatives are not always valued in a direct or parallel correlation with the value of the assets, interest rates, or indices from which they are derived. For this reason, the deployment of derivatives by the AIF is not always an effective way to achieve the investment objective of the AIF and in some instances might even achieve the opposite effect.

Collateral management

If the AIF transacts over-the-counter (OTC) trades, it may be exposed to risks in conjunction with the creditworthiness of the OTC counterparties: when concluding forward contracts, options, and swap transactions or otherwise using derivative techniques, the AIF is exposed to the risk that an OTC counterparty does not (or cannot) meet its obligations from a certain contract or from several contracts. The counterparty risk can be reduced by a collateral deposit. If the AIF is owed collateral under a given agreement, it shall be held in safekeeping for the account of the AIF by or for the depositary. Cases of bankruptcy and insolvency or other credit default events involving the depositary or an entity of its subdepository/correspondent bank network can entail a shift or another type of restriction of the rights of the AIF with respect to the collateral. If the AIF owes the OTC counterparty collateral under a given agreement, then it shall be transferred to the OTC counterparty as agreed between the AIF and the OTC counterparty. Cases of bankruptcy and insolvency or other credit default events involving the OTC counterparty, the depositary or an entity of its subdepository/correspondent bank network can entail a delay, a restriction or even the exclusion of the rights or of the recognition of the AIF with respect to the collateral, which would force the AIF to meet its obligations within the scope of the OTC transaction regardless of any collateral that may have been provided in advance to cover such obligations.

Issuer risk (solvency risk)

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

Counterparty risk

The risk arises when the delivery on transactions concluded for the account of the assets is jeopardized by liquidity problems or bankruptcy of the respective counterparty.

Inflation risk

Inflation may diminish the value of the invested assets. The purchasing power of the invested capital decreases when the inflation rate exceeds the yield of the investments.

Cyclical risks

These refer to the risk of price losses arising when at the time of the investment decision, the development of the economic cycle is not, or not correctly, taken into consideration, so that securities investments are made at the wrong time or securities are being held during an unfavorable phase of the economic cycle.

Country or transfer risk

When a foreign borrower cannot meet obligations on time or fails to do so entirely despite solvency because of non-transferability or non-cooperation of the borrower's country of domicile (due to foreign exchange restrictions, transfer risks, moratoriums, embargos, etc.), this is referred to as a country risk. Thus, payments rightfully due to the AIF may fail to be remitted or may be remitted in a currency that due to foreign exchange restrictions is no longer convertible.

Transaction risk

Investments particularly in unlisted securities involve the risk that settlement through a transfer system cannot be executed as expected due to delayed or non-compliant payments or deliveries.

Liquidity risk

The AIF may also acquire subjects of investment that are not approved for trading on a stock exchange or integrated in another organized market. The acquisition of such subjects of investment is associated with the risk that problems may arise especially when such subjects of investment are to be sold to third parties.

Equities of smaller companies (small caps) incur the risk that the market may not be liquid during some phases. The result may be that equities cannot be traded at the desired time and/or in the desired quantities and/or at the expected price.

Possible investment spectrum

Under consideration of the investment principles and limits specified by the trust agreement, which offers the AIF a very broad spectrum, the actual investment policy may also be focused on the acquisition mainly of assets in only very few industries, markets, regions, or countries, for example. This focus on just a few specific sectors can be associated with special opportunities but also with corresponding risks (such as narrow markets, high fluctuation bandwidths with certain economic cycles). Investment policy details are disclosed in the annual report in retrospect for the financial year that it covers.

Cluster risk

Further risks can arise from the fact that the investments are clustered in certain asset classes or markets. In such cases, the AIF is highly dependent on the development of these assets or markets.

Market risk (price risk)

This is a general risk associated with all investments which implies a possible change of the value of a certain investment against the interests of the AIF.

Psychological market risk

Sentiment, opinions, and rumors may cause a significant price drop although the profit situation and future prospects of the companies under investment has not necessarily changed in any sustainable way. Equities are especially vulnerable to psychological market risks.

Settlement risk

This refers to the AIF's risk of loss due to the failure of settlement of concluded transactions because a counterparty fails to pay or deliver, or due to errors in the operational execution of a transaction.

Legal and fiscal risk

The purchase, ownership or sale of investments of the AIF may be subject to fiscal regulations (e.g. source taxation) outside the AIF's country of domicile. Moreover, the legal and fiscal treatment of an AIF may change in unexpected ways that cannot be influenced. The identification of an error in the tax appraisal of the AIF for past financial years (for instance in conjunction with external tax audits) may, if the subsequent correction is basically to the disadvantage of the investor, force the investor to bear the tax burden arising from the correction for past financial years even though he may not have been invested in the AIF during the periods of time involved. Conversely, if a correction that is basically to the advantage of the investor for the current and for those past fiscal years during which he was invested in the AIF, the investor might no longer be able to benefit from the correction if the units were redeemed or sold prior to the implementation of the respective correction. Additionally, a correction of tax data may result in the recognition of taxable income or tax benefits in a fiscal assessment period other than the period actually involved, and this may have a negative impact on the individual investor.

Entrepreneurial risk

Investments in equities represent a direct participation in the business success or failure of a company. In the extreme case – bankruptcy – this may mean the total loss of value of such an investment.

Currency translation risk

If the AIF holds assets denominated in a foreign currency or currencies, it is exposed to a direct currency translation risk (to the extent that the foreign currency positions are not hedged). Falling exchange rates lead to a value reduction of the foreign currency investments. Conversely, the foreign exchange market also offers opportunities of gains. In addition to the direct currency translation risks, there are also indirect currency translation risks. Internationally active companies depend to a more or less significant degree on the development of exchange rates, and this may have an indirect effect on the price development of investments.

Changes to the investment policy

A modification of the investment policy within the scope of the legally and contractually permissible investment spectrum may change the risk exposure of the AIF. Within the scope of the applicable trust agreement, the AIFM is entitled to make significant changes to the investment policy of the AIF at any time by changing the prospectus and trust agreement including Annex B "The AIF at a glance".

Changes to the trust agreement

In the trust agreement, the AIFM reserves the right to amend the trust provisions. Furthermore, pursuant to the trust agreement, it is entitled to fully dissolve the AIF or to

merge it with another AIF. For the investor, this entails the risk that the intended holding duration may be shortened.

Risk of suspension of repurchase

Basically, investors may request the AIFM to repurchase their units according to the valuation interval of the AIF. Under exceptional circumstances, however, the AIFM may temporarily suspend a repurchase of units and redeem the units at a later date at the then applicable price (see details in "Suspension of the calculation of the net asset value and of the issue, repurchase, and exchange of units"). This price may be lower than the price prior to the suspension of repurchase.

Key persons risk

Among other factors, an AIF whose investment result is highly positive in a certain period also owes this success to the suitability of the acting persons and thus to the correct decisions of its management. However, there may be changes as regards the persons who constitute the fund's management. New decision-makers may then act with less success.

Interest-rate risk

To the extent that the AIF invests in securities that generate interest, it is exposed to an interest-rate risk. When the market level of the interest rate rises, the price value of the interest-yielding securities of the assets may fall substantially. This is even more the case if the portfolio also contains interest-yielding securities with longer maturities and lower nominal interest.

Hedging risk

Unit classes whose reference currency is not the portfolio currency can be hedged against exchange rate fluctuations. The intention is to protect investors of the respective unit class against possible losses due to negative exchange rate developments to the greatest extent possible, but at the same time, they cannot fully benefit from positive exchange rate developments. Due to fluctuations of the volumes hedged in the portfolio as well as ongoing subscriptions and redemptions, it is not always possible to implement hedges of exactly the same scope as the net asset value of the unit class to be hedged. It is therefore possible that the net asset value per unit of a hedged unit class will not perform exactly like the net asset value per unit of a non-hedged unit class.

Sustainability risks

The term "sustainability risks" means the risk of an actual or potential value loss of an investment due to the occurrence of environmental, social, or governance (ESG) events. The AIFM or the portfolio manager considers sustainability risks in its/his investment decisions in accordance with its/his corporate strategy.

Their assessment exhibits no relevant effects on yield because the investment policy and the performance achieved in the past do not suggest a relevant impact on the overall portfolio although the past performance obviously cannot be extrapolated to the future.

9 Participation in the AIF

The AIF is intended for **professional investors**.

9.1 Sales restrictions

The units of the AIF are not admitted for distribution in all countries.

Local regulations shall apply in cases where units are issued, exchanged, and redeemed abroad. In particular, in the United States of America (USA), the units were **not** registered pursuant to the United States Securities Act of 1933 and can therefore be neither offered nor sold in the USA and neither offered nor sold to US citizens.

Among others, the term US citizen includes natural persons who (a) were born in the USA or one of its territories or possessions, (b) are nationalized citizens (or Green Card holders), (c) were born abroad as the child of a US citizen, (d) live predominantly in the USA without being US citizens), (e) are married to a US citizen, or (f) are subject to taxation in the USA.

The term US citizen also encompasses: (a) Investment companies and capital companies established under the laws of one of the 50 US states or of the District of Columbia, (b) an investment company or business partnership founded under an "Act of Congress", (c) a pension fund incorporated as a US Trust, (d) an investment company subject to taxation in the USA, or (e) investment companies recognized as such by Regulation S of the US Securities Act of 1933 and/or the US Commodity Exchange Act.

In general, units of AIF must not be offered in jurisdictions where and to persons for whom this is not permissible.

9.2 Distribution

The **units of the AIF** are intended solely for distribution to professional investors pursuant to the Directive 2014/65/EU (MiFID II). Accordingly, no Key Investor Information Document and no semi-annual reports will be prepared.

9.2.1 Professional investor as per Directive 2004/39/EC (MiFID)

9.2.1.1 The following applies to AIF for professional investors as per Directive 2004/39/EC (MiFID):

A professional client is a client who has sufficient experience, know-how, and insight to make investment decisions himself and who is capable of adequately assessing the risks involved in such decisions. To be recognized as a professional client, a client must meet the following criteria:

9.2.1.2 Categories of clients recognized as professional clients:

Within the spirit of the Directive, the following legal personalities should be regarded as professional clients with respect to securities services and financial instruments:

1. Legal personalities that must be authorized or subject to supervision to become active in the financial markets. The list below is to be interpreted such that it contains all authorized legal personalities which perform those activities that characterize the listed legal personalities: Legal personalities authorized by a member state within the scope of a Directive, legal personalities that are authorized or supervised by a member state without reference to a Directive, legal personalities that are authorized or supervised by a third country:
 - a) Credit institutions
 - b) Investment firms
 - c) Other authorized or supervised credit institutions
 - d) Insurance companies

- e) Undertakings for collective investment and their management companies
 - f) Pension funds and their management companies
 - g) Commodities and commodity derivatives dealers
 - h) Local investors
 - i) Other institutional investors.
2. Large corporations that at the corporate level fulfill two of the following requirements:
 - ◆ Total assets: EUR 20,000,000
 - ◆ Net revenues: EUR 40,000,000
 - ◆ Equity: EUR 2,000,000
 3. National and regional governments, public-sector debt administrators, central banks, international and supranational entities such as the World Bank, the IMF, the ECB, the EIB, and other comparable international organizations.
 4. Other institutional investors whose main activity is investing in financial instruments, including entities that securitize liabilities and pursue other financing transactions.

The above-mentioned legal personalities are deemed to be professional clients. However, they must have the option of applying for the status of a non-professional client, for which investment firms are willing to provide a higher level of protection. If the client of an investment firm is one of the companies mentioned above, the investment firm must make the client aware of the fact, before rendering any services, that he is considered a professional client according to the available information and will be treated as such unless the investment firm and the client agree otherwise. The firm must also inform the client that an amendment of the agreed terms can be applied for to establish a higher level of protection.

It is at the discretion of the client deemed a professional client to apply for the higher level of protection if he believes that he cannot correctly assess or control the risk involved in an investment.

The higher level of protection is granted when a client deemed a professional client concludes a written agreement with the investment firm pursuant to which he will not be treated as a professional client within the spirit of the code of conduct. It shall be specified in the agreement whether it applies to one or several services or transactions or to one or several types of products or transactions.

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

9.3 Subscription agencies/subscription form

9.3.1 Subscription agencies

AIF units can be purchased from the depositary or any other domestic or foreign bank subject to Directive 91/308/EEC as set forth in Directive 2005/60/EC or an equivalent regulation and an appropriate supervisory authority.

9.3.2 Subscription form

The professional investor may acquire units of the AIF only on the basis of the attached subscription form for professional investors, which must be under-

signed by the investor. On this subscription form, the investor shall confirm pursuant to section 9.2.1 his or her status as a qualified investor under one of the categories mentioned in section 9.2.1.2.

9.4 General information on the units

The units exist only in the company's books, i.e. no certificates are issued.

The AIFM is authorized to create units of different unit classes within the AIF, as well as to relinquish or merge existing unit classes.

The individual unit classes can differ specifically with respect to the reference currency, including the deployment of exchange-rate hedging transactions.

Currently, there are unit classes designated as **"EUR"**. Units of the unit class **"EUR"** are issued and redeemed in euros, the accounting currency of the AIF.

The currency code in the unit class designations refers to their reference currency. It is not necessarily the currency in which investments are made. The currency translation risk of the **"EUR"** currency class may be fully or partially hedged. The costs, if any, of a currency translation hedge of the EUR unit class are allocated to that class.

The unit classes offered by the AIF as well as the charges and reimbursements incurred in conjunction with the units of the AIF are indicated in Annex B "The AIF at a glance."

Moreover, certain other fees, reimbursements, and costs are debited to the assets of the AIF. In this context, please refer to sections 11 and 12 (Taxation and costs and charges).

9.5 Calculation of the net asset value per unit

The net asset value (NAV) per unit of the AIF or of a unit class shall be calculated by the AIFM or by an agent designated by the AIFM at the end of the accounting year as well as on the respective valuation day on the basis of the last known prices, taking into account the valuation interval.

The NAV of a unit in a unit class of the AIF is expressed in the AIF's accounting currency or, if different, in the reference currency of the respective unit class and is equivalent to the quota of the AIF's assets allocated to the respective unit class, less debt liabilities of the AIF, if any, divided by the number of outstanding units in the respective unit class.

Further information (such as valuation principles for calculating the net asset value) and data can be found in Art. 28 of the trust agreement as well as in Annex B "The AIF at a glance".

9.6 Issue of units

Units shall be issued on each valuation day (issue day) at the net asset value per unit of the respective unit class plus the issue premium, if any, and plus taxes and charges, if any.

The units are not securitized.

Subscription requests must be received by the depositary on the acceptance deadline by the latest. If a subscription request is received after the acceptance deadline, it will be processed on the next following issue day. Requests submitted to distributors in Liechtenstein or abroad may be subject to earlier deadlines in order to assure that

they can be forwarded to the depositary in Liechtenstein in a timely manner. On request, the respective distributors will provide pertinent information.

Information on the issue day, the valuation interval, the acceptance deadline, and the maximum issue premium, if any, is provided in Annex B "The AIF at a glance".

The payment must arrive within the period (value date) after the issue day on which the issue price of the units was determined as specified in Annex B "The AIF at a glance". However, the AIFM is entitled to extend this period accordingly if the anticipated period should prove to be too short.

The AIFM shall assure that the issue of units shall be booked on the basis of a net asset value per unit that is not known to the investor at the time of the request (forward pricing).

All taxes and fees incurred in conjunction with the issue of units shall be charged to the investor as well. If units are purchased via banks that are not entrusted with the distribution of the units, it cannot be excluded that such banks will charge additional transaction costs.

If the payment is made in a currency other than the accounting currency, the equivalent resulting from the conversion of the payment currency into the accounting currency, less charges, shall be used for the purchase of units.

The minimum investment to be held by an investor is indicated in Annex B "The AIF at a glance".

Contributions in kind are not permitted.

The AIFM may, in addition, take a decision to permanently or temporarily suspend the issue of units if new investments may impair the achievement of the investment objective.

The depositary and/or the AIFM may at any time reject a subscription request or temporarily limit or suspend or discontinue the issue of units if this appears to be necessary in the public interest or to protect the AIFM or the AIF or the investors. In this case, the depositary will instantly refund, less interest, incoming payments for subscription requests that have yet to be fulfilled, and for this purpose may enlist the help of the paying agents.

In situations pursuant to section 9.9 of this prospectus, the issue of AIF units may be discontinued.

9.7 Repurchase of units

Units shall be redeemed on each valuation day (repurchase day) at the net asset value per unit of the respective unit class of the AIF less the redemption charge, if any, and less taxes and charges, if any.

Repurchase requests must be received by the depositary on the acceptance deadline at the latest. If a **period of notice** exists for repurchases, it will be indicated in **Annex B "The AIF at a glance"**. If a repurchase request is received after the acceptance deadline, it will be scheduled for the next following repurchase day. Requests submitted to distributors in Liechtenstein or abroad may be subject to earlier deadlines in order to assure that they can be forwarded to the depositary in Liechtenstein in a timely manner. On request, the respective distributors will provide pertinent information.

Information on the redemption day, the valuation interval, the acceptance deadline, and the maximum redemption premium, if any, is provided in Annex B "The AIF at a glance".

The redemption amount shall be paid within a defined period of time (value date) after the valuation day. The AIFM is entitled to extend this period accordingly if the regular period should prove to be too short. Value date information is provided in Annex B "The AIF at a glance". This does not apply in case the transfer of the redemption sum proves impossible due to legal constraints such as currency export and cross-border payment restrictions or due to other circumstances beyond the control of the depositary.

In case of large redemption requests, the AIFM may decide to settle a redemption request only when, without unnecessary delay, equivalent assets of the AIF can be sold. If such a measure is necessary, all redemption requests received on the same day shall be settled at the same price.

If, on request by the investor, the payment is to be made in a currency other than the accounting currency, the amount payable shall be calculated on the basis of the proceeds from the conversion of the accounting currency into the payment currency, less fees and charges, if any.

When the repurchase price is paid, the respective unit shall become void.

If the execution of a repurchase request causes the respective investor's holdings to fall below the minimum holdings of the respective unit class as indicated in Annex B "The AIF at a glance", the AIFM may, without notifying the investor, treat the repurchase request as a request for redeeming all units of this unit class held by the respective investor.

The AIFM and/or the depositary may redeem units without the investor's consent against payment of the repurchase price to the extent that this appears to be in the interest of or for the protection of investors or the AIFM or the AIF, particularly when

1. there is reason to suspect that with the purchase of units, a given investor is pursuing market timing, late trading or other market techniques that could be detrimental to all other investors,
2. the investor does not fulfill the conditions for purchasing units, or
3. the units are distributed in a country in which the AIF or the respective unit classes are not approved for distribution or have been purchased by a person who is not allowed to purchase units.

The AIFM shall assure that the repurchase of units shall be booked on the basis of a net asset value per unit that is not known to the investor at the time of the request (forward pricing).

In situations pursuant to section 9.9 of this prospectus, the redemption of AIF units may be discontinued.

Redemptions in kind are permissible and shall be reviewed and valued by the AIFM according to objective criteria. Units can also be redeemed by way of transfer of investments of the AIF at the respective spot prices (redemptions in kind or in specie transfer). The value of transferred investments shall be confirmed by an auditors' report.

9.8 Exchange of units

To the extent that different unit classes are offered, and subject to the provisions indicated in the trust agreement and in Annex B "The AIF at a glance", investors may switch from one unit class to another at any time.

An exchange of units into another unit class is only permissible if the investor fulfills the conditions for the direct purchase of units of the respective unit class.

If an exchange of units is not possible for a given unit class, this will be mentioned in Annex B "The AIF at a glance" for the given unit class. There is no exchange fee for switching from one unit class to another unit class.

The number of units into which the investor wishes to exchange his holdings shall be calculated according to the following equation:

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

- A = Number of units of the target unit class
- B = Number of units of the source unit class
- C = Net asset value or repurchase price of the units submitted for exchange
- D = Currency exchange rate between the respective unit classes. If both unit classes are valued with the same accounting currency, this coefficient is 1
- E = Net asset value per unit of the target unit class plus taxes, fees, and other charges

From case to case, unit class swaps may in some countries be subject to charges, taxation and stamp duties.

The AIFM may reject an exchange request for a unit class at any time if this appears to be necessary and in the interest of the AIF or the AIFM or the investors, particularly when:

1. there is reason to suspect that with the purchase of units, a given investor is pursuing market timing, late trading or other market techniques that could be detrimental to all other investors;
2. the investor does not fulfill the conditions for purchasing units; or
3. units are being distributed in a country in which the AIF is not approved for distribution or have been purchased by a person who is not allowed to purchase units.

The AIFM shall assure that the exchange of units shall be booked on the basis of a net asset value per unit that is not known to the investor at the time of the request (forward pricing).

9.9 Suspension of the calculation of the net asset value and of the issue and redemption of units

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

1. if a market which forms the basis for the calculation of a substantial part of the assets of the AIF is closed, or if trading on such a market is restricted or suspended;
2. in case of political, economic, or other emergencies; or
3. if transactions are not executable by the AIF due to restrictions on the transfer of assets.

The AIFM may, in addition, take a decision to permanently or temporarily suspend the issue of units if new investments may impair the achievement of the investment objective.

The issue of units shall be temporarily suspended in particular if the calculation of the net asset value per unit is suspended. If the issue of units is suspended, investors shall be immediately informed of the reasons and duration of the suspension via the official gazette as well as the media mentioned in the fund documents or via durable media (letter, fax, e-mail or similar).

Additionally, under consideration of the interests of the investors, the AIFM is entitled postpone substantial redemptions, i.e. to temporarily suspend repurchases, until adequate assets of the AIF can be sold without delay under consideration of the interests of the investors.

No new units of the AIF shall be issued as long as the repurchase of units is suspended.

The AIFM shall assure that the assets of the AIF include enough cash and cash equivalents to allow the immediate repurchase of units under normal circumstances at the request of investors.

The AIFM shall immediately notify the FMA, and, with suitable means, the investors, if the redemption and repurchase of units is suspended. Subscription and repurchase requests shall be fulfilled after resumption of the calculation of the net asset value. Until unit trading is resumed, investors are entitled to revoke their subscription and/or repurchase requests.

9.10 Late trading and market timing

If a requester is suspected of pursuing late trading or market timing, the AIFM and/or the depositary shall refuse to honor the subscription, exchange, or repurchase request until the requester has eliminated all doubts with respect to the request.

9.10.1 Late trading

Late trading is understood to mean the acceptance of a subscription, exchange, or repurchase request received after the acceptance deadline for such orders (cut-off time) of the respective day for execution at the price that is based on the applicable net asset value on that day. Late trading allows investors to benefit from their awareness of events or information published after the acceptance deadline for orders but that are not yet factored into the price at which the investor's order is executed. Thus, such investors have an advantage over investors who complied with the official deadline. Such investors stand to gain even more if they can combine late trading with market timing.

9.10.2 Market timing

Market timing is understood to mean an arbitrage process with which an investor systematically buys and resells or exchanges units of the same AIF or units of the same unit class on a short-term basis and utilizes time differences

and/or errors or weaknesses of the system used to calculate the net asset value of the AIF or of the unit class(es).

9.11 Prevention of money laundering and terrorism financing

The AIFM shall assure that domestic authorized distributors commit themselves to the provisions of the law and ordinance on occupational diligence and due care (Sorgfaltspflichtgesetz, Sorgfaltspflichtverordnung) applicable in the Principality of Liechtenstein, as well as the FMA guidelines in the edition in force.

To the extent that domestic distributors receive monies from investors, they are obliged, in their capacity as agents subject to due diligence obligations and in compliance with the Due Diligence Act and the Due Diligence Ordinance, to identify the subscriber and the beneficiary, to prepare a dossier on the business relationship, and to abide by all local laws related to the prevention on money laundering.

Furthermore, the distributors and their sales agents shall respect all laws related to the prevention of money laundering and terrorism financing that apply in the respective countries of distribution.

10 Use of proceeds

The proceeds generated by the AIF are composed of net income and net realized capital gains. Net income is composed of interest earned and/or dividends received as well as other incidental income less expenditures.

The AIFM may distribute the net income and/or the net realized capital gains generated by a unit class to the investors of the respective unit class or reinvest the net income and/or the net realized capital gains in the AIF or the respective unit class or carry such amounts forward to the next accounting period.

The proceeds of those unit classes which according to Annex B "The AIF at a glance" are subject to reinvestment shall be reinvested on an ongoing basis.

The net income and the net realized capital gains generated by those unit classes that distribute payouts pursuant to Annex B "The AIF at a glance" can be fully or partially distributed on a quarterly basis. If distributions are made, they shall be made within 4 months after the close of the quarter.

Distributions can be composed of the net income and/or the net realized capital gains as well as the net income carried forward and/or the net realized capital gains carried forward of the AIF or of the respective unit class.

Distributions will be paid out on the number of units held by investors on the distribution day. No interest shall be payable on distributions as from the date on which they are due.

11 Taxation

11.1 Assets of the AIF

All Liechtenstein AIFs in the legal form of the (contractual) investment fund or collective trust are fully taxable in Liechtenstein and subject to income tax payments. Income from managed assets is tax-exempt income.

Issue and revenue taxation¹

The establishment (issue) of units of such an AIF does not entail an issue charge or revenue taxation. The paid transfer of title to units is subject to revenue taxation provided one party or agent is a domestic broker. The repurchase of units from investors is exempt from revenue taxation. The contractual common fund or the unit trust is deemed the revenue-tax-exempt investor.

Source or paying agent taxation

Depending on the persons who directly or indirectly hold units of the AIF, both income and capital gains, whether paid out or reinvested, may be fully or partially subject to a so-called paying agent tax (e.g. abolition tax, European savings tax, Foreign Account Tax Compliance Act).

The AIF, in the legal form of a contractual common fund or unit trust, is not otherwise subject to a retention tax obligation in the Principality of Liechtenstein; in particular, no coupon or withholding taxes are payable. Foreign income and capital gains generated by the AIF in the legal form of a contractual common fund or collective trust, or, as the case may be, by an investment compartment of the AIF, may be subject to withholding tax deductions in the investment country. Double-taxation agreements may apply.

The AIF has the following fiscal status:

FATCA

The AIF is subject to the provisions of the Liechtenstein FATCA Agreement as well as to the respective executive provisions of the Liechtenstein FATCA Law.

11.2 Natural persons subject to taxation in Liechtenstein

Private investors domiciled in the Principality of Liechtenstein shall declare their units as wealth and they are subject to wealth tax. Payouts or reinvested profits, if any, of the AIF in the legal form of a contractual common fund or unit trust, or, as the case may be, by an investment compartment of the AIF, are income-tax-exempt. The capital gains incurred when the units are sold are income-tax-exempt. Capital losses cannot be deducted from taxable gains.

11.3 Persons with tax domiciles outside Liechtenstein

For investors domiciled outside the Principality of Liechtenstein, taxation and other fiscal consequences involved in holding and buying or selling units are governed by the fiscal legislation of the respective country of domicile and, particularly with respect to EU interest taxation, by the laws of the domicile country of the paying agent.

Disclaimer

The fiscal considerations are based on the currently applicable legal situation and practice. They are explicitly subject to change due to changes of legislation, jurisdiction, edicts, and the practices adopted by the tax authorities.

Investors are urged to consult their own professional advisors with respect to fiscal consequences. Neither the AIFM nor the depositary nor their authorized agents can assume any responsibility for the investor's individual fiscal consequences arising from the purchase, ownership, or sale of units.

¹ Under the customs affiliation agreement between Switzerland and Liechtenstein, Swiss stamp duty jurisdiction also extends to Liechtenstein. With respect to Swiss stamp duty legislation, the Principality of Liechtenstein is thus considered domestic territory.

12 Costs and charges

12.1 Costs and charges borne by the AIF

A. Depending on asset volume (flat charge)

12.1.1 For portfolio management, risk management and distribution as well as for the administration of the AIF, the AIFM shall levy a flat-rate charge as set forth in Annex B "The AIF at a glance". This charge is calculated on the basis of the average net assets or of the respective unit class, if any, deferred on every valuation day, and levied quarterly pro rata temporis in arrears. The charges of the AIF or of the unit class if applicable are set forth in Annex B "The AIF at a glance". The AIFM is at liberty to specify different flat-rate charges for one or several unit classes of the AIF.

The flat-rate charge is used in particular to pay for administration, investment decisions (asset management and investment consulting) risk management, depositary services and distribution

- ◆ as well as supervisory fees;
- ◆ business report printing;
- ◆ price publication in the AIF's publication medium; and
- ◆ auditors' fees.

Taxes, if any, levied on the AIF's assets as well as its income and expenditures are not covered by the lump-sum remuneration and are directly debited to the AIF.

12.1.2 Performance fee

Additionally, the AIFM may levy a performance fee. If a performance fee is levied, this is specified in detail in Annex B "The AIF at a glance".

B. Not depending on asset volume (individual charge)

Apart from the remuneration as described above, the following expenses that are not dependent on the asset volume can be deducted from the assets of the AIF:

- 12.1.3** Costs for translation of relevant purchase and sale documents;
- 12.1.4** All taxes levied on the assets of the AIF as well as its earnings and expenses charged to the assets of the AIF;
- 12.1.5** Taxes, if any, incurred in conjunction with the administration and depositary costs;
- 12.1.6** Domestic and foreign charges incurred by the AIF in conjunction with listings, if any (registration, sustainment, and termination) , such as consulting, legal, and translation costs;
- 12.1.7** Charges, costs, and fees in conjunction with the determination and publication of fiscal factors for EU/EEA nations and/or all countries where distribution approvals and/or private placements exist, under consideration of actual expenditures at customary market terms;
- 12.1.8** Costs incurred in conjunction with the fulfillment of the prerequisites and consequential obligations of any distribution of units of the AIF at home and abroad (e.g. charges for paying agents and other agents or representatives

with similar functions, charges levied by fund platforms, such as listing fees and setup costs), as well as consulting, legal, and translation costs;

- 12.1.9** Costs for the preparation or amendment, translation, deposition, printing, and distribution of the prospectus and constitutive documents (trust agreement, KIID, PRIIP, SRRI calculation, etc.) in those countries where the units are distributed;
- 12.1.10** Administrative fees and charges levied by government authorities;
- 12.1.11** A reasonable share of costs for printed matter and advertising directly associated with the offering and sale of units;
- 12.1.12** Fees payable to legal and tax consultants, to the extent that such expenditures are incurred in the interest of the investors;
- 12.1.13** Costs for the preparation, the announcement of taxation fundamentals and the accreditation that the fiscal data was compiled according to the rules of the respective foreign country's tax legislation;
- 12.1.14** Internal and external costs for the recovery of foreign withholding taxes to the extent this is possible for the account of the AIF. As regards the recovery of foreign withholding taxes, it must be pointed out that the AIFM is not obliged to institute recovery proceedings and will only do so if the process justifies the effort according to the criteria of substantiveness of the amounts and reasonableness of the ratio of costs to the possible recoverable amounts. With respect to investments that constitute securities lending, the AIFM will abstain from recovering withholding taxes;
- 12.1.15** Expenditures in conjunction with the exercise of voting rights or creditor rights by the AIF, including fees charged by external consultants;
- 12.1.16** Costs for assessing the creditworthiness of the assets of the AIF and its target investments by nationally or internationally recognized rating agencies;
- 12.1.17** Costs in conjunction with legal provisions for the AIF (e.g. reporting to authorities, key investor information documents, etc.);
- 12.1.18** Charges and costs incurred as a result of other legal or supervisory rules that need to be fulfilled by the AIFM within the scope of its implementation of the investment strategy (such as reporting and other costs incurred in the fulfillment of the European Market Infrastructure Regulation (EMIR, EC directive 648/2012));
- 12.1.19** Costs incurred for in-depth fiscal, legal, accounting, business management, and technical market reviews and analyses (due diligence) by third parties especially for the purpose of examining the suitability of a private equity investment for the fund. Such costs may also be charged to the fund even if the investment is subsequently rejected;
- 12.1.20 Transaction costs**
In addition, the AIF shall bear all ancillary costs for the purchase and sale of investment instruments arising from the management of the assets (customary brokerage fees, commissions, duties) as well as all taxes levied on the assets of the AIF as well as on its income and expenditures (e.g. withholding taxes on foreign income). Furthermore, the AIF shall bear external costs, if any, i.e. third-party charges incurred in conjunction with the purchase and

sale of investments. Such costs are directly offset against the historic cost or sales price of the respective instruments.

12.1.21 Currency-hedging charges, if any, for unit classes

The costs, if any, of a currency translation hedge of a unit class are allocated to that class.

12.1.22 Costs of incorporation

The costs for the incorporation of the AIF and the initial issue of units (e.g. approval fees, authorization fees, preparation and printing of the prospectuses and constitutive documents in all required languages) shall be amortized across three years at the expense of the assets of the AIF.

12.1.23 Liquidation fees

In the event of a dissolution of the AIF, the AIFM may levy a liquidation fee of max. CHF 10,000 or the equivalent thereof in another currency in its favor. In addition to this amount, the AIF shall bear all costs levied by authorities, the auditor, and the depositary.

12.1.24 Extraordinary disposal costs

Additionally, the AIFM may encumber the assets of the AIF with costs for extraordinary disposals.

Extraordinary disposal costs consist of expenses incurred exclusively by safeguarding the investors' interests, which arise in the course of regular business and which were not foreseeable when the AIF was established. In particular, extraordinary disposal costs are legal counsel fees and proceeding costs in the interest of the AIF or of the investors. Additionally, this includes costs for extraordinary disposals pursuant to the AIFMA and AIFMO (e.g. amendments of fund documents), if any.

12.1.25 Ongoing charges (total expense ratio, TER)

The total of ongoing charges before performance-dependent expenditures, if any (total expense ratio before performance fee; TER) is calculated according to general, code-of-conduct principles and with the exception of transaction costs encompasses all costs and charges that are deducted from the assets of the AIF on an ongoing basis. The TER of the AIF is documented on the website of the LAFV Liechtenstein Investment Fund Association at www.lafv.li as well as in the most recently published annual report.

12.2 Costs and charges borne by the investors

12.2.1 Issue premium

To cover the costs incurred by the placement of units, the AIFM may charge an issue commission on the net asset value of the newly issued units to be credited to the AIFM, the depositary, and/or authorized domestic or foreign distributors as set forth in Annex B "The AIF at a glance".

12.2.2 Redemption charge

For the payment of redeemed units, the AIFM may levy a redemption charge on the net asset value of the redeemed units to be credited to the AIF as set forth in Annex B "The AIF at a glance".

12.2.3 Exchange fee

No exchange fee shall be charged by the AIFM for switching from unit class to another unit class at the request of the investor.

13 Information for investors

13.1 General information

The official gazette of the AIF is the website of the LAFV Liechtenstein Investment Fund Association www.lafv.li as well as other media mentioned in the prospectus.

All notices to investors, including announcements regarding amendments to the trust agreement as well as to Annex A "Organizational structure of the AIFM" and to Annex B "The AIF at a glance", shall be published on the website of the LAFV Liechtenstein Investment Fund Association (www.lafv.li) as the official gazette of the AIF and in other physical and electronic media mentioned in the prospectus.

On every valuation day, the net asset value as well as the issue and redemption prices of the units of the AIF and its unit classes shall be published on the website of the LAFV Liechtenstein Investment Fund Association (www.lafv.li) as the official gazette of the AIF and other physical and electronic media (letter, fax, e-mail, or similar) mentioned in the fund documents.

The audited annual report shall be made available to investors free of charge at the domiciles of the AIFM and of the depositary.

13.2 Complementary distribution information as per Art. 105 AIFMA

13.2.1 Information concerning the domicile of a master AIF, if any, if the AIF is a feeder AIF (Art. 105, section 1, lib. b AIFMA)

The AIF is not a feeder AIF.

13.2.2 Information concerning the domicile of the target fund if the AIF is a fund of funds (Art. 105, section 1, lit. c AIFMA)

The AIF can be an umbrella fund. The target funds can be open-ended funds or closed-ended funds of any legal structure that are traded on a stock exchange or a regulated market accessible to the public, in particular collective investment contracts or investment companies, trusts or limited partnerships that are valued at least annually and in most cases allow redemptions at least on an annual basis. The AIF may invest mainly in foreign funds worldwide that because of the lack of equivalent supervision at the domicile cannot be distributed in the Principality of Liechtenstein. As regards the foreign target funds, there are no restrictions involving their domicile, i.e. their domicile or headquarters may be located in any country outside of Liechtenstein.

13.2.3 Description of the procedure and prerequisites needed for changes to the investment strategy and policy (Art. 105, section 1, lit. d, 3 AIFMA)

A modification of the investment policy within the scope of the legally and contractually permissible investment spectrum may change the risk exposure of the AIF. Within the scope of the applicable trust agreement, the AIFM is entitled to make significant changes to the investment policy of the AIF at any time by changing the prospectus and trust agreement including Annex B "The AIF at a glance". Information on publication regulations are provided in section 13.1.

13.2.4 Description of the key legal criteria of the contractual relationship entered into for the investment, including information concerning jurisdiction (Art. 105, section 1, lit. e, 1 AIFMA)

The AIFM and the AIF are subject to Liechtenstein law. Vaduz is the sole venue for all disputes involving investors, the AIFM, mandated third parties, and the depositary.

However, with respect to claims submitted by investors in other countries where the units are offered and sold, the AIFM and/or the depositary may submit themselves and the AIF to the jurisdictions of such countries. Appeals may also be submitted in other jurisdictions if so required by law.

German is the legally binding language for the trust agreement as well as for Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance", and for a prospectus, if any.

13.2.5 Description of the key legal criteria of the contractual relationship entered into for the investment, including applicable law (Art. 105, section 1, lit. e, 2 AIFMA)

The AIFM and the AIF are subject to Liechtenstein law.

13.2.6 Description of the key legal criteria of the contractual relationship entered into for the investment, including the enforceability of rulings in the AIF's domicile country (Art. 105, section 1, lit. e, 3 AIFMA)

However, with respect to claims submitted by investors in other countries where the units are offered and sold, the AIFM and/or the depositary may submit themselves and the AIF to the jurisdictions of such countries. Appeals may also be submitted in other jurisdictions if so required by law.

The enforceability of rulings in Liechtenstein is governed by the Executive Ordinance (EO).

13.2.7 where relevant, regarding the prime broker: its identity (Art. 105, section 1, lit. r, 1 AIFMA)

n/a

13.2.8 where relevant, regarding the prime broker: description of any material arrangements of the AIF with its prime brokers and the way conflicts of interest in relation thereto are settled and the provision in the contract with the depositary on the possibility of transfer and reuse of the AIF's assets and information about any transfer of liability to the prime broker that may exist (Art. 105, section 1, lit. r, 2 AIFMA);

n/a

13.2.9 a description of how and when the information required under Art. 106 section 1 lit. b and para. 2 AIFMA will be disclosed (Art. 105, section 1, lit. s AIFMA)

The information specified by Art. 106, section 1 lit. b and section 2 AIFMA is disclosed in the annual report.

14 Duration, dissolution, merger, and structural measures of the AIF

14.1 Duration

The AIF is established for an indefinite period.

14.2 Dissolution

The AIF shall be imperatively dissolved in the cases provided by law. Additionally, the AIFM is entitled to dissolve the AIF at any time.

Unit classes can be dissolved upon decision by the AIFM.

Investors, their heirs, and other beneficiaries cannot demand a split or dissolution of the AIF.

The resolution to dissolve the AIF or a unit class shall be published on the website of the LAFV Liechtenstein Investment Fund Association (www.lafv.li) as the official gazette of the AIF and other physical and durable media (letter, fax, e-mail, or similar) mentioned in the fund documents. Once the dissolution decision has been taken, no further units shall be issued, exchanged, or redeemed.

If the AIF is dissolved, the AIFM may immediately liquidate the assets of the AIF in the best interest of the investors. In all other respects, the liquidation of the AIF or of a unit class shall be governed by the provisions of the Liechtenstein Persons and Companies Act (PGR).

14.3 Merger

Pursuant to Art. 78 AIFMA, the AIFM is at liberty at any time with approval of the respective supervisory authority to resolve the merger of the AIF with one or several other AIF regardless of the legal form of the AIF and whether or not the other AIF is domiciled in Liechtenstein. Unit classes of the AIF may be merged with each other but the AIF and the respective unit classes can also be merged with one or several other AIF or their unit classes.

Details are provided in the trust agreement.

14.4 Structural measures

The AIFM can implement all structural measures provided for in the AIFMA and the respective Ordinance. In particular, it is possible to merge an AIF with a UCITS pursuant to the provisions of the UCITSA.

It is also possible to split the AIF.

The provisions that govern mergers apply analogously to other structural measures pursuant to the AIFMA.

15 Applicable law and jurisdiction and binding language

The AIF is subject to Liechtenstein law. The sole venue for all disputes between investors, the AIFM, and the depositary shall be Vaduz.

However, with respect to claims submitted by investors in other countries where the units are offered and sold, the AIFM and/or the depositary may submit themselves and the AIF to the jurisdictions of such countries. Appeals may also be submitted in other jurisdictions if so required by law.

German is the legally binding language for the prospectus, the trust agreement as well as for Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance".

This prospectus shall enter into force on February 5, 2018.

16 Specific information for individual countries of distribution

According to the applicable laws in the Principality of Liechtenstein, the FMA must approve the constitutive documents. This approval only refers to information pertaining to the implementation of the provisions of the AIFMA. For this reason, the following Annex C entitled "Specific information for individual countries of distribution", based on foreign laws, is not subject to review by the FMA and is excluded from the approval.

PART II: THE TRUST AGREEMENT

Preamble

The trust agreement as well as Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance" constitute a material entity.

To the extent that they are not governed by this trust agreement, the legal relationships between the investors and the AIFM are governed by the Act on the Management of Alternative Investment Funds (AIFMA) dated December 19, 2012, and by the latest Ordinance on the Management of Alternative Investment Funds (AIFMO) and, unless not specified there, by the provisions related to trusts in the Persons and Companies Act (PGR).

I. General provisions

Art. 1 The AIF

The **Equity Privilege Fund** (hereinafter: AIF) was incorporated as a legally independent, open-ended investment fund with the legal form of a collective trust pursuant to Art. 4 para. 1 lit. a of the Act on Investment Undertakings for Other Securities or Real Estate (IUA). On September 7, 2007, the FMA notified the management company that it had received the external auditors' confirmation as to the status of an investment undertaking for qualified investors. The investment fund was entered into the Liechtenstein commercial register on September 10, 2007. The prospectus and the contractual terms were submitted to the Liechtenstein Department of Justice.

With the **approval** of the FMA dated January 4, 2018, the **Equity Privilege Fund** was transformed from an investment undertaking for qualified investors into an AIF pursuant to the Act on the Management of Alternative Investment Funds (AIFMA) dated December 19, 2012, and pursuant to the latest Ordinance on the Management of Alternative Investment Funds (AIFMO). The trust agreement, Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance" were initially ratified on February 5, 2018.

This trust agreement and Annex B "The AIF at a glance" were last amended with the approval of the FMA dated March 15, 2019. The amendments entered into force on March 20, 2019. The currently valid editions are available on the website of the LAFV Liechtenstein Investment Fund Association at www.lafv.li and can also be obtained free of charge from the AIFM and the depositary.

The AIF is a legally dependent, open-ended undertaking for collective investments and is subject to the Act on the Management of Alternative Investment Funds (AIFMA) dated December 19, 2012.

The AIF has the legal form of a unit trust. A collective trust is the adoption of an identical trust agreement by an indefinite number of investors for the purpose of investing and managing assets for the account of the investors, whereby the individual investors participate in the trust pro rata and are personally liable only for the amount invested.

The AIF does not have an umbrella structure and is thus a single fund.

The AIF is entitled to pursue its specific investment policies. The investment policy of the AIF is defined on the basis of its investment objective. The AIF shall form a separate fund

for the benefit of its investors. In the event of a bankruptcy of the AIFM, the separate fund does not fall into the AIFM's bankruptcy estate.

The respective rights and obligations of the owners of the units (hereinafter: investors), the AIFM, and the depositary are governed by this trust agreement.

By purchasing units of the AIF, each investor acknowledges the trust agreement that governs the contractual relationships between the investors, the AIFM, and the depositary as well as the duly executed amendments of this document. When changes of the trust agreement and the prospectus, the annual report or other documents are published on the website of the Liechtenstein Investment Fund Association, such changes shall be binding on the investors.

Art. 2 The AIFM

The AIF is managed pursuant to this trust agreement by IFM Independent Fund Management AG (the AIFM), a joint stock company headquartered in Vaduz, Liechtenstein. In compliance with the AIFMA, the AIFM is approved by the Financial Market Authority Liechtenstein (FMA) and registered in the FMA's official list of AIFMs entitled to operate in Liechtenstein.

The AIFM manages the AIF for the account and in the exclusive interest of the investors pursuant to the provisions of the trust agreement and of Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance".

Pursuant to legal provisions and to this trust agreement, the AIFM is entitled in its own name to dispose of all assets belonging to the AIF and to exercise all rights resulting herefrom.

Art. 3 Delegation of functions

In compliance with the provisions of the AIFMA and the AIFMO, the AIFM may delegate to third parties a part of its functions in the interest of efficient business management. The accurate implementation of the mandate is governed by a contract concluded between the AIFM and the appointed agent.

Art. 4 Depositary

On behalf of the AIF, the AIFM must appoint as depositary a bank or securities firm pursuant to Liechtenstein banking laws with headquarters or registered offices in the Principality of Liechtenstein or another entity qualified for this function pursuant to the AIFMA. The function of the depositary is governed by the AIFMA, the depositary agreement, and this trust agreement.

Art. 5 Prime broker

A prime broker can only be a credit institution, a regulated investment firm or another entity subject to prudential regulation and ongoing supervision, offering services to professional investors primarily to finance or execute transactions in financial instruments as counterparty and which may also provide other services such as clearing and settlement of trades, custodial services, securities lending, customized technology and operational support facilities.

A prime broker may be appointed as a subdepositary by the depositary or as a business partner by the AIFM.

II. Distribution

Art. 6 Distribution information / sales restrictions

The AIFM shall provide the investors, before they purchase units of the AIF, with the latest information as specified by the AIFMA on the website of the LAFV Liechtenstein Investment Fund Association at www.lafv.li and the website of the AIFM at www.ifm.li; said information is also available free of charge from the AIFM or the depositary.

The purchase of units is based on the constitutive documents as well as the annual report, provided that it has been published or is required. Only the information contained in the constitutive documents is valid. With the purchase of the units, the investor is considered as having approved this information.

The units of the AIF are not admitted for distribution in all countries. Local regulations shall apply in cases where units are issued, redeemed, and exchanged abroad.

Art. 7 Professional investor / private investor

A. Professional investors

The following applies to AIF for professional investors as per Directive 2004/39/EC (MiFID):

A professional client is a client who has sufficient experience, know-how, and insight to make investment decisions himself and who is capable of adequately assessing the risks involved in such decisions. To be recognized as a professional client, a client must meet the following criteria:

I. Categories of clients recognized as professional clients

Within the spirit of the Directive, the following legal personalities should be regarded as professional clients with respect to securities services and financial instruments:

1. Legal personalities that must be authorized or subject to supervision to become active in the financial markets. The list below is to be interpreted such that it contains all authorized legal personalities which perform those activities that characterize the listed legal personalities: Legal personalities authorized by a member state within the scope of a Directive, legal personalities that are authorized or supervised by a member state without reference to a Directive, legal personalities that are authorized or supervised by a third country:
 - a) Credit institutions
 - b) Investment firms
 - c) Other authorized or supervised credit institutions
 - d) Insurance companies
 - e) Undertakings for collective investment and their management companies
 - f) Pension funds and their management companies
 - g) Commodities and commodity derivatives dealers
 - h) Local investors
 - i) Other institutional investors.
2. Large corporations that at the corporate level fulfill two of the following requirements:
 - ◆ Total assets: EUR 20,000,000
 - ◆ Net revenues: EUR 40,000,000
 - ◆ Equity: EUR 2,000,000

3. National and regional governments, public-sector debt administrators, central banks, international and supranational entities such as the World Bank, the IMF, the ECB, the EIB, and other comparable international organizations.
4. Other institutional investors whose main activity is investing in financial instruments, including entities that securitize liabilities and pursue other financing transactions.

The above-mentioned legal personalities are deemed to be professional clients. However, they must have the option of applying for the status of a non-professional client, for which investment firms are willing to provide a higher level of protection. If the client of an investment firm is one of the companies mentioned above, the investment firm must make the client aware of the fact, before rendering any services, that he is considered a professional client according to the available information and will be treated as such unless the investment firm and the client agree otherwise. The firm must also inform the client that an amendment of the agreed terms can be applied for to establish a higher level of protection.

It is at the discretion of the client deemed a professional client to apply for the higher level of protection if he believes that he cannot correctly assess or control the risk involved in an investment.

The higher level of protection is granted when a client deemed a professional client concludes a written agreement with the investment firm pursuant to which he will not be treated as a professional client within the spirit of the code of conduct. It shall be specified in the agreement whether it applies to one or several services or transactions or to one or several types of products or transactions.

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

B. Private investors

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

Art. 8 Special forms of distribution

A. AIF for qualified investors

The following applies to AIF for qualified investors pursuant to Art. 64 AIFMO:

1. An AIF for qualified investors may be distributed exclusively to one or several qualified investors. Qualified investors are:
 - a) Professional investors pursuant to Art. 4 para. 1, section 31 AIFMA;
 - b) Private investors who fulfill at least one of the following prerequisites:
 - 1) Placement of a minimum investment of EUR 100,000 or the equivalent in another currency if the private investor, on the subscription date, directly or indirectly disposes of financial assets worth EUR 1 million or the equivalent in another currency;
 - 2) Placement of a minimum investment of EUR 100,000 or the equivalent in another currency, if:
 - aa) the investor declares in writing in a document separate from the contract on the investment obligation that he is aware of the risks associated with the intended obligation or investment;
 - bb) the AIFM evaluates the expertise, experience and the knowledge of the investor without assuming that the investor possesses the market knowledge and experience of a professional client;
 - cc) the AIFM is sufficiently convinced, taking into consideration the nature of the intended obligation or investment, that the investor is

- able of making his own investment decisions and of understanding the associated risks and such an obligation is reasonable for the investor in question;
- dd) the AIFM confirms in writing that it has carried out the evaluation under lit. bb and the requirements set out in lit. cc are met.
- 3) Finalization of a written asset management agreement with persons domiciled domestically or abroad who:
- aa) are authorized for asset management under EEA law; or
- bb) are authorized by the national supervisory authorities for asset management in third countries or belong to a self-regulating organization recognized by the national supervisory authorities of the third country and are subject to rules on money laundering equivalent to EEA law. The FMA provides a list of countries with equivalent legislation.
2. The investor information in relation to AIFs for qualified investors shall, at a minimum, meet the requirements for AIFs which are exclusively marketed to professional investors. In particular, semi-annual reports and key investor information documents need not be issued; this circumstance is disclosed in the distribution process.
3. The purchase of units of an AIF for qualified investors is subject to the execution of a certificate of subscription by the qualified investor or the person with whom the qualified investor has entered into a written asset management agreement pursuant to para. 1 lit. b section 3. The signatory of the certificate of subscription shall confirm that one of the requirements under para. 1 lit. b is met at the time of signing.
4. The entity that receives subscriptions (subscription agent) shall only accept those subscriptions which appear plausible with respect to the declaration on the subscriber's status as a qualified investor.
5. The obligation to prepare a prospectus under Art. 83 AIFMO does not apply to the distribution of AIFs to qualified investors. There is no obligation to communicate key investor information pursuant to Arts. 77 to 80 AIFMO.

B. Smart funds

The following applies to smart funds pursuant to Art. 63 AIFMO:

1. Investor eligibility of a smart fund shall be limited to a family circle. A family circle encompasses persons who were or are related to each other in a direct collateral line, by marriage or registered partnership or by succession. A smart fund must be externally managed, and its units are custodial.
2. With respect to a smart fund, the AIFM may not deploy leveraged financing that exceeds three times the net asset value as per Art. 111 of the Delegated Commission Ordinance No. 231/2013.
3. The investor information in relation to smart funds shall, at a minimum, meet the requirements for AIFs which are exclusively marketed to professional investors. In particular, semi-annual reports and key investor information documents need not be issued; this circumstance is disclosed in the distribution process.

III. Structural measures

Art. 9 General

Unless otherwise stipulated below, the legal provisions of Arts. 76 ff of the AIFMA and the relevant provisions of the ordinance shall apply to structural measures. In particular, it is possible to merge an AIF with a UCITS pursuant to the provisions of the UCITSA.

It is also possible to split the AIF or its unit classes.

Art. 10 Merger

Pursuant to Art. 78 AIFMA, the AIFM is at liberty at any time with approval of the respective supervisory authority to resolve the merger of the AIF with one or several other AIF regardless of the legal form of the AIF and whether or not the other AIF is domiciled in Liechtenstein. Unit classes of the AIF may be merged with each other but the AIF and the respective unit classes can also be merged with one or several other AIF or their unit classes.

All assets of the AIF may, at a given transfer date, be transferred to another existing AIF or an AIF newly founded within the scope of a merger.

At least 35 workdays prior to the planned transfer date, the portfolio administrators of the investors shall make available information about the reasons for the merger and the potential effects for the investors. The investors shall also receive the key investor information for the AIF that remains in existence or that is newly established by the merger.

Until five working days prior to the planned transfer date, the investors may either redeem their units without a redemption charge or exchange their units against units of another AIF that is also managed by the AIFM and has a similar investment policy as the AIF to be merged.

On the transfer date, the net worth of the receiving and the merging separate fund or AIF are calculated, the exchange ratio is defined, and the entire process is audited by the auditor or the depositary. The exchange ratio is determined on the basis of the net asset values of the receiving and merging separate fund on the date of the merger. The investor shall receive the number of units of the new separate fund which corresponds to the value of his units in the merging separate fund. It is also possible that up to 10% of the value of their units will be paid in cash to the investors of the merging separate fund. If the merger takes place during the ongoing financial year of the merging separate fund, its respective AIFM must prepare a report as at the transfer date that fulfills the requirements of an annual report.

The AIFM shall announce in the official gazette of the AIF, the website of the LAFV Liechtenstein Investment Fund Association www.lafv.li, when the AIF received another AIF and when the merger became effective. Should the AIF be discontinued due to the merger, the announcement shall be made by the AIFM that manages the receiving or newly established AIF.

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

Art. 11 Information, consent, and investor rights

Information concerning the merger shall be published on the website of the LAFV Liechtenstein Investment Fund Association www.lafv.li, the official gazette of the AIF. The

publication shall be handled with durable media (letter, fax, e-mail or similar) only for the purpose of a waiver or forfeiture pursuant to Art. 43 AIFMO.

If the units of the AIF involved in the merger are distributed only to professional investors, the merger plan shall provide at least the following information:

- a) the AIFs that are involved;
- b) the indication whether the merger is a merger involving an acquisition, a merger involving the formation of a new company or a merger involving partial liquidation;
- c) the background and rationale of the planned merger; and
- d) the planned effective date of the merger.

As regards AIFs that are distributed only to professional investors, reports of the depositary or of the independent auditors pursuant to Art. 83 AIFMA shall not be required.

The investors shall be adequately and precisely informed about the planned merger. The investor information must make it possible for investors to make an informed judgment of the effects of the plan on their investments and allow them to exercise their rights pursuant to Arts. 84 and 85 AIFMA. As regards AIFs that are distributed only to professional investors, no investor information needs to be compiled.

To the extent that units of the AIF are distributed only to professional investors, the investor waives the rights set forth in Art. 86 AIFMA.

Art. 12 Costs of merger

Legal, consulting, or management costs associated with the preparations for and implementation of the merger shall be borne neither by one of the AIFs involved in the merger nor by the investors. Pursuant to Art. 87 para. 2 AIFMA, the prohibition of cost placement may be waived with the qualified approval of all investors.

This applies analogously to structural measures pursuant to Art. 90 lits. a and b of the AIFMA.

As regards AIFs that are distributed exclusively to professional investors, structural measures pursuant to Art. 90 lits. c and d AIFMA may involve legal, consulting, and administrative costs associated with the preparation and implementation of the measures; such costs shall be debited to the AIF's assets. In such cases, the investor information shall indicate the anticipated costs both in total and as an estimate per unit unless the investor information was waived altogether.

Art. 13 Conversion of a master or feeder AIF into an AIF and vice versa

The provisions concerning structural measures shall apply analogously to the conversion of a feeder or master AIF into an AIF and vice versa.

IV. Dissolution of the AIF and its unit classes

Art. 14 In general

The provisions regarding the dissolution of the AIF shall also apply to its unit classes.

Investors shall be notified of the decision in the same way as described further above under the heading "Structural measures".

Art. 15 Resolution to dissolve

The AIF shall be imperatively dissolved in the cases provided by law. Additionally, the AIFM is entitled at any time to dissolve the AIF or a given unit class.

Investors, heirs, and other beneficiaries cannot demand the split or dissolution of the AIF or of an individual unit class.

The resolution to dissolve the AIF or a unit class shall be published on the website of the LAFV Liechtenstein Investment Fund Association (www.lafv.li) as the official gazette of the AIF and other physical and durable media (letter, fax, e-mail, or similar) mentioned in the fund documents at least 30 days before the dissolution becomes effective. A copy of the notice to investors shall be submitted to the FMA. Once the dissolution decision has been taken, no further units shall be issued, exchanged, or redeemed.

If the AIF is dissolved, the AIFM may immediately liquidate the assets of the AIF in the best interest of the investors. The AIFM is entitled to entrust the depositary with the distribution to the investors of the net proceeds from liquidation minus the liquidation costs. Apart from these provisions, the dissolution of the AIF shall be executed pursuant to the provisions of the Liechtenstein Persons and Companies Act (PGR).

If the AIFM dissolves a unit class without dissolving the AIF, all units of this class shall be redeemed at the then applicable net asset value. This redemption shall be published by the AIFM, and the redemption price shall be credited by the depositary to the former investors.

Art. 16 Reasons for dissolution

If the assets of the AIF drop below a level required for cost-effective management, and in the event of significant changes in the political, economic, or monetary environment, or within the scope of streamlining measures, the AIFM may resolve to repurchase all units of the AIF or of a unit class at the net asset value (under consideration of the actually realized prices and actually incurred costs) determined on the valuation day on which the respective resolution becomes effective.

Art. 17 Costs of dissolution

The costs of dissolution shall be deducted from the net assets of the AIF.

Art. 18 Dissolution and bankruptcy of the AIFM or of the depositary

In the event of a dissolution and bankruptcy of the AIFM, the assets managed for the purpose of collective capital investments for the account of the investors shall not become part of the company's bankruptcy estate and shall not be dissolved together with its own assets. The AIF shall form a separate fund for the benefit of its investors. Subject to approval by the FMA, each separate fund shall be transferred to another AIFM or be liquidated by way of separate satisfaction for the benefit of the investors of the AIF.

In the event of a bankruptcy of the depositary, subject to approval by the FMA, the managed assets of the AIF shall be transferred to another depositary or be liquidated by way of separate satisfaction for the benefit of the investors of the AIF.

Art. 19 Termination of the depositary agreement

In the event of a termination of the depositary agreement, subject to approval by the FMA, the net assets of the AIF shall be transferred to another depositary or be liquidated by way of separate satisfaction for the benefit of the investors of the AIF.

V. Creation of unit classes and investment compartments

Art. 20 Creation of unit classes

The AIFM may create several unit classes for the AIF.

Unit classes can be created that differ from existing unit classes with respect to the use of proceeds, the issue premium, the reference currency and the deployment of currency hedging instruments, the management fee, the minimum amount to be invested, or a combination of these characteristics. The rights of investors who purchased units assigned to existing unit classes are not affected by the creation of new unit classes.

The unit classes offered by the AIF as well as the charges and reimbursements incurred in conjunction with the units of the AIF are indicated in Annex B "The AIF at a glance."

Art. 21 Creation of investment compartments

The AIF does not have an umbrella structure, so no investment compartments exist.

The AIFM may resolve at any time to convert the AIF into an umbrella structure and thus to create investment compartments. The trust agreement including Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance" shall be amended accordingly.

Side pockets:

The AIFM, subject to the approval of the supervisory authority (FMA) is entitled to split off illiquid asset components and transfer them to separate investment compartments (side pockets). This is the case when a significant portion of the AIF (more than 10%) cannot be duly valued in the long term or turns out to be unsalable. The unit owners shall receive units of the side pocket proportionally to their ownership of the original assets of the AIF. Unit trading shall be suspended while the side pocket is being formed. After creation of the side pocket, this compartment shall be placed in liquidation and shall distribute the liquidation proceeds to the unit owners as soon as the instruments it contains can be valued or sold again. Until the liquidation process has been completed, no units in the side pockets thus formed shall be issued or redeemed.

VI. General investment principles and restrictions

Pursuant to the provisions of the AIFMA, the assets of the AIF shall be invested according to the following investment policy principles and within the investment restrictions.

Art. 22 Investment policy

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

The following general investment principles and restrictions apply to the AIF unless otherwise set forth or stipulated for the AIF in Annex B "The AIF at a glance".

Art. 23 Permitted investments

The permissible investments of the AIF are governed by the legal provisions of the AIFMA and the AIFMO – pursuant to Art. 58 para. 2 AIFMO for liquid assets and Art. 59 para. 2 AIFMO for illiquid assets. Restrictions, if any, are mentioned in Annex B "The AIF at a glance".

Art. 24 Non-permitted investments

The non-permitted investments are indicated in Annex B "The AIF at a glance".

In the interest of unit owners, the AIFM may define further investment restrictions at any time, to the extent that they are necessary to comply with the laws and regulations of those countries in which the units of the AIF are offered and sold.

Art. 25 Deployment of derivatives, techniques, and instruments

The deployment of derivatives, borrowing, securities lending, and annuities transactions is governed by the legal provisions of the AIFMA depending on the selected fund type.

Further information concerning the risk management procedure, securities lending, and annuities transactions is provided in Annex B "The AIF at a glance".

Risk management procedure

The AIFM must use a risk management procedure which allows it to monitor and measure at all times the risk involved in its investments as well as their respective exposure within the overall risk profile of the portfolio; furthermore, it must use a procedure that allows the precise and independent valuation of the values of the OTC derivatives. At least once a year, the AIFM must submit to the FMA reports with information that reflects a true and fair assessment of the derivative financial instruments managed for the AIF, their underlying risks, the investment limits, and the methods used to estimate the risks associated with derivatives transactions.

Securities lending

The AIFM is also entitled to lend portions of the securities held by the AIF to third parties ("**Securities Lending**"). In general, securities lending transactions shall be handled only via recognized clearing organizations such as Clearstream International or Euroclear, as well as via prime banks, brokerage firms, financial service providers or insurance companies specialized in securities lending, and within the specific baseline conditions. Basically, in securities lending transactions, the AIFM or the depositary of the AIF must receive sureties whose value corresponds at least to the total valuation of the securities lent and accrued interest, if any. These sureties must be extended in a permissible form of financial collateral. Such sureties are not mandatory if the securities lending transaction is handled via Clearstream International or Euroclear or a similar organization which can assure the AIF that the value of the lent securities will be paid.

Annuities transactions

On behalf of the AIF, the AIFM may participate on an assistive basis in **annuities transactions** (Repurchase Agreements or Reverse Repurchase Agreements) consisting of purchases and sales of securities in which it is agreed that the purchaser has the right or the obligation to repurchase the sold securities from the purchaser at a price and within a deadline that were agreed by the two parties when the contract was finalized.

In annuities transactions, the AIFM may be a purchaser or a seller. However, participation in such transactions is subject to the following guidelines.

- ◆ Securities may only be purchased or sold via an annuity transaction if the counterparty is a top-rate financial institution specialized in transactions of this nature.
- ◆ For the duration of an annuity transaction, the purchased securities must not be sold prior to the exercise of the right to repurchase the securities or before the repurchase period expires.

- ◆ Additionally, it must be assured that the scope of the obligations associated with annuities transactions allows the AIF to honor its obligations to repurchase units at any time.
- ◆ Securities that are bound as underlyings in conjunction with derivative financial instruments, that were lent, or that were acquired within the scope of Reverse Repurchase Agreements may not be sold within the scope of Repurchase Agreements.

Art. 26 Investment limits

The investment limits of the AIF are defined by the legal provisions of the AIFMA depending on the selected fund type. Restrictions, if any, are mentioned in Annex B "The AIF at a glance".

A. Investment cycles during which the respective investment limits must be attained

The investment limits must be attained within the time periods defined in Annex B "The AIF at a glance".

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

1. The AIF does not need to comply with the investment limits when exercising the subscription rights derived from securities or money market instruments that belong to its assets.
2. If the limits are exceeded, the AIFM shall adopt as a priority objective for its sales transactions to normalize that situation in the interest of its investors.
3. Losses or damages incurred due to an active violation of investment limits/regulations must be reimbursed to the fund immediately.

Art. 27 Collective management

To reduce operating and management costs and simultaneously allow broader diversification of the investments, the AIFM may resolve to manage a part or all of the assets of the AIF together with assets that belong to other undertakings for collective investment. In the following paragraphs, the term "collectively managed entities" means the AIF as well as all entities with which or among which an agreement, if any, concerning joint management would exist; the term "collectively managed assets" refers to the aggregate assets of these collectively managed entities that are managed according to the above-mentioned agreement concerning collective management.

Within the scope of the collective management agreement, the respective portfolio manager is entitled to make decisions on investments and divestitures on a consolidated basis for the collectively managed entities that influence the composition of the portfolio of the AIF and its investment compartments. Each collectively managed entity shall receive a portion of the collectively managed assets that corresponds to the share of its net assets in relation to the total value of the collectively managed assets. This pro rata participation (called the "participation quota" for this purpose) applies to all investment categories that are held or acquired within the scope of collective management. Decisions regarding investments and/or divestitures do not affect this participation quota and further investments are allocated to the collectively managed entities in the same ratio. If assets are sold, they will be deducted on a pro rata basis from the collectively managed assets that are held by the individual collectively managed entities.

New subscriptions involving one of the collectively managed entities entail the allocation of the subscription proceeds to the collectively managed entities in accordance with the changed participation quota derived from the increase of the net assets of the

collectively managed entity which received the subscriptions, and the investment amount is changed by the transfer of assets from one of the collectively managed entities to the other one, resulting in the adjustment of the changed participation quotas. In analogy, in the event of redemptions involving one of the collectively managed entities, the necessary cash amounts are deducted from the cash amounts held by the collectively managed entities in accordance with the changed participation quota resulting from the reduction of the net assets of the collectively managed entity affected by the redemptions, and in this case, the respective amount of all assets is adjusted to reflect the changed participation quota.

Investors must note that the agreement concerning collective management may cause the composition of the assets of the respective investment compartment to be influenced by events, such as subscriptions and redemptions, that relate to other collectively managed entities, unless special measures are resolved by the members of the board or by entities mandated by the AIFM. If all other aspects remain unchanged, subscriptions received by an entity collectively managed with the AIF therefore result in an increase of the cash reserves of this AIF. Conversely, redemptions involving an entity collectively managed with the AIF will result in a reduction of the cash reserves of this AIF. However, subscriptions and redemptions can be handled via the special account that is opened for each collectively managed entity outside the agreement concerning collective management and via which subscriptions and redemptions must be transacted. Because of the possibility of booking extensive subscriptions and redemptions in such special accounts and because the Board of Directors or its designated agents can resolve at any time to terminate the involvement of the AIF in the collective management agreement, the AIF can avoid churning of its portfolio if such churning could run against the interests of the AIF and its investors.

If a change in the composition of the portfolio of the AIF due to redemptions or the payment of charges and fees attributable to another collectively managed entity (i.e. that are not attributable to the AIF) could result in a violation of the investment restrictions which apply to the AIF, the respective assets shall be excluded from the collective management agreement prior to the implementation of the change so that they will not be affected by the adjustments resulting therefrom.

Collectively managed assets of the AIF are managed only together with such assets to be invested according to the same investment objectives that also apply to the collectively managed assets; this assures that investment decisions are compatible with the investment policy of the AIF in every respect. Collectively managed assets may only be collectively managed with assets for which the same portfolio manager is entitled to make investment or divestiture decisions and also handles the depositary function. This assures that the portfolio manager is capable of handling in every respect, on behalf of the AIF, all of the functions and responsibilities entrusted to it by the applicable legal provisions. The depositary shall always hold the assets of the AIF in safekeeping separately from the assets of the other collectively managed entities; thus, it can always accurately determine the assets of the AIF. Since the investment policy of the collectively managed entities need not be fully compliant with the investment policy of the AIF, it is possible that the collective investment policy is more restrictive than that of the AIF.

The AIFM may at any time and without prior notice resolve to terminate the collective management agreement.

At the registered domicile of the AIFM, investors may at any time request the percentage of the collectively managed assets and entities with which such a collective management agreement exists at the time of their request.

The annual reports shall indicate the composition and percentages of collectively managed assets.

Collective management agreements with non-Liechtenstein entities are permissible if

1. the collective management agreement concluded with the non-Liechtenstein entity is subject to Liechtenstein law or Liechtenstein legislation or
2. each collectively managed entity is vested with rights that no creditor and no insolvency or bankruptcy administrator of the non-Liechtenstein entity has access to the assets or is entitled to freeze them.

VII. Valuation and unit transactions

Art. 28 Calculation of the net asset value per unit

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

The NAV of a unit or of a unit class of the AIF is expressed in the AIF's accounting currency or, if different, in the reference currency of the respective unit class and is equivalent to the quota of the AIF's assets allocated to the respective unit class, less debt liabilities of the AIF, if any, divided by the number of outstanding units in the respective unit class.

The valuation principles of the AIF and further information on the calculation of the net asset value are indicated in Annex B "The AIF at a glance".

Art. 29 Issue of units

Units shall be issued on each valuation day (issue day) at the net asset value per unit of the AIF or of the respective unit class plus the issue premium, if any, and plus taxes and charges, if any.

The units are not securitized.

Subscription requests must be received by the depositary on the acceptance deadline by the latest. If a subscription request is received after the acceptance deadline, it will be processed on the next following issue day. Requests submitted to distributors in Liechtenstein or abroad may be subject to earlier deadlines in order to assure that they can be forwarded to the depositary in Liechtenstein in a timely manner. On request, the respective distributors will provide pertinent information.

Information on the issue day, the valuation interval, the acceptance deadline, and the maximum issue premium, if any, is provided in Annex B "The AIF at a glance".

The payment must arrive within the period (value date) after the issue day on which the issue price of the units was determined as specified in Annex B "The AIF at a glance". However, the AIFM is entitled to extend this period accordingly if the anticipated period should prove to be too short.

The AIFM shall assure that the issue of units shall be booked on the basis of a net asset value per unit that is not known to the investor at the time of the request (forward pricing).

All taxes and fees incurred in conjunction with the issue of units shall be charged to the investor as well. If units are purchased via banks that are not entrusted with the distribution of the units, it cannot be excluded that such banks will charge additional transaction costs.

If the payment is made in a currency other than the accounting currency, the equivalent resulting from the conversion of the payment currency into the accounting currency, less charges, shall be used for the purchase of units.

The minimum investment to be held by an investor in a specific unit class is indicated in Annex B "The AIF at a glance".

Contributions in kind are not permitted.

The AIFM may, in addition, take a decision to permanently or temporarily suspend the issue of units if new investments may impair the achievement of the investment objective.

The depositary and/or the AIFM may at any time reject a subscription request or temporarily limit or suspend or discontinue the issue of units if this appears to be necessary in the public interest or to protect the AIFM or the AIF or the investors. In this case, the depositary will instantly refund, less interest, incoming payments for subscription requests that have yet to be fulfilled, and for this purpose may enlist the help of the paying agents.

In situations pursuant to Art. 32 of this trust agreement, the issue of units of the AIF may be discontinued.

Art. 30 Repurchase of units

Units shall be redeemed on each valuation day (repurchase day) at the net asset value per unit of the respective unit class of the AIF less the redemption charge, if any, and less taxes and charges, if any.

Repurchase requests must be received by the depositary on the acceptance deadline at the latest. If a **period of notice** exists for repurchases, it will be indicated in **Annex B "The AIF at a glance"**. If a repurchase request is received after the acceptance deadline, it will be scheduled for the next following repurchase day. Requests submitted to distributors in Liechtenstein or abroad may be subject to earlier deadlines in order to assure that they can be forwarded to the depositary in Liechtenstein in a timely manner. On request, the respective distributors will provide pertinent information.

Information on the redemption day, the valuation interval, the acceptance deadline, and the maximum redemption premium, if any, is provided in Annex B "The AIF at a glance".

The redemption amount shall be paid within a defined period of time (value date) after the valuation day. The AIFM is entitled to extend this period accordingly if the regular period should prove to be too short. Value date information is provided in Annex B "The AIF at a glance". This does not apply in case the transfer of the redemption sum proves impossible due to legal constraints such as currency export and cross-border payment restrictions or due to other circumstances beyond the control of the depositary.

In case of large redemption requests, the AIFM may decide to settle a redemption request only when, without unnecessary delay, equivalent assets of the AIF can be sold. If such a measure is necessary, all redemption requests received on the same day shall be settled at the same price.

If, on request by the investor, the payment is to be made in a currency other than the accounting currency, the amount payable shall be calculated on the basis of the proceeds from the conversion of the accounting currency into the payment currency, less fees and charges, if any.

When the repurchase price is paid, the respective unit shall become void.

If the execution of a repurchase request causes the respective investor's holdings to fall below the minimum holdings of the AIF as indicated in Annex B "The AIF at a glance", the AIFM may, without notifying the investor, treat the repurchase request as a request for redeeming all units of the AIF held by the respective investor.

The AIFM and/or the depositary may redeem units without the investor's consent against payment of the repurchase price to the extent that this appears to be in the interest of or for the protection of investors, the AIFM or the AIF, particularly when

1. there is reason to suspect that with the purchase of units, a given investor is pursuing market timing, late trading or other market techniques that could be detrimental to all other investors,
2. the investor does not fulfill the conditions for purchasing units, or
3. units are being distributed in a country in which the AIF is not approved for distribution or have been purchased by a person who is not allowed to purchase units.

The AIFM shall assure that the repurchase of units shall be booked on the basis of a net asset value per unit that is not known to the investor at the time of the request (forward pricing).

In situations pursuant to Art. 32 of this trust agreement, the redemption of units of the AIF may be discontinued.

Redemptions in kind are permissible and shall be reviewed and valued by the AIFM according to objective criteria. Units can also be redeemed by way of transfer of investments of the AIF at the respective spot prices (redemptions in kind or in specie transfer). The value of transferred investments shall be confirmed by an auditors' report.

Art. 31 Exchange of units

Provided different unit classes are available, units of one unit class can be exchanged for units in another unit class.

An exchange of units into another unit class is only permissible if the investor fulfills the conditions for the direct purchase of units of the respective unit class.

If an exchange of units is not possible for a given unit class, this will be mentioned in Annex B "The AIF at a glance" for the given unit class. There is no exchange fee for switching from one unit class to another unit class.

The number of units into which the investor wishes to exchange his holdings shall be calculated according to the following equation:

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

- A = Number of units of the target unit class
B = Number of units of the source unit class
C = Net asset value or repurchase price of the units submitted for exchange
D = Currency exchange rate between the respective unit classes. If both unit classes are valued with the same accounting currency, this coefficient is 1
E = Net asset value per unit of the target unit class plus taxes, fees, and other charges

From case to case, unit class swaps may in some countries be subject to charges, taxation and stamp duties.

The AIFM may reject an exchange request for a unit class at any time if this appears to be necessary and in the interest of the AIF or the investors, particularly when:

1. there is reason to suspect that with the purchase of units, a given investor is pursuing market timing, late trading or other market techniques that could be detrimental to all other investors;
2. the investor does not fulfill the conditions for purchasing units; or
3. units are being distributed in a country in which the AIF is not approved for distribution or have been purchased by a person who is not allowed to purchase units.

The AIFM shall assure that the exchange of units shall be booked on the basis of a net asset value per unit that is not known to the investor at the time of the request (forward pricing).

In situations pursuant to Art. 32 of this trust agreement, the exchange of units of the AIF may be discontinued.

Art. 32 Suspension of the calculation of the net asset value and of the issue and redemption of units

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

1. if a market which forms the basis for the calculation of a substantial part of the assets of the AIF is closed, or if trading on such a market is restricted or suspended;
2. in case of political, economic, or other emergencies; or
3. if transactions are not executable by the AIF due to restrictions on the transfer of assets.

The AIFM may, in addition, take a decision to permanently or temporarily suspend the issue of units if new investments may impair the achievement of the investment objective.

The issue of units shall be temporarily suspended in particular if the calculation of the net asset value per unit is suspended. If the issue of units is suspended, investors shall be immediately informed of the reasons and duration of the suspension via the official gazette as well as the media mentioned in the fund documents or via durable media (letter, fax, e-mail or similar).

Additionally, under consideration of the interests of the investors, the AIFM is entitled postpone substantial redemptions, i.e. to temporarily suspend repurchases, until adequate assets of the AIF can be sold without delay under consideration of the interests of the investors.

No new units of the AIF shall be issued as long as the repurchase of units is suspended.

The AIFM shall assure that the assets of the AIF include enough cash and cash equivalents to allow the immediate repurchase of units under normal circumstances at the request of investors.

The AIFM shall immediately notify the FMA, and, with suitable means, the investors, if the redemption and repurchase of units is suspended. Subscription and repurchase requests shall be fulfilled after resumption of the calculation of the net asset value. Until unit trading is resumed, investors are entitled to revoke their subscription and/or repurchase requests.

Art. 33 Late trading and market timing

If a requester is suspected of pursuing late trading or market timing, the AIFM and/or the depositary shall refuse to honor the subscription, exchange, or repurchase request until the requester has eliminated all doubts with respect to the request.

Late trading

Late trading is understood to mean the acceptance of a subscription, exchange, or repurchase request received after the acceptance deadline for such orders (cut-off time) of the respective day for execution at the price that is based on the applicable net asset value on that day. Late trading allows investors to benefit from their awareness of events or information published after the acceptance deadline for orders but that are not yet factored into the price at which the investor's order is executed. Thus, such investors have an advantage over investors who complied with the official deadline. Such investors stand to gain even more if they can combine late trading with market timing.

Market timing

Market timing is understood to mean an arbitrage process with which an investor systematically buys and resells or exchanges units of the same AIF or units of the same unit class on a short-term basis and utilizes time differences and/or errors or weaknesses of the system used to calculate the net asset value of the AIF.

Art. 34 Prevention of money laundering and terrorism financing

The AIFM shall assure that domestic authorized distributors commit themselves to the provisions of the law and ordinance on occupational diligence and due care (Sorgfaltspflichtgesetz, Sorgfaltspflichtverordnung) applicable in the Principality of Liechtenstein, as well as the FMA guidelines in the edition in force.

To the extent that domestic distributors receive monies from investors, they are obliged, in their capacity as agents subject to due diligence obligations and in compliance with the Due Diligence Act and the Due Diligence Ordinance, to identify the subscriber and the beneficiary, to prepare a dossier on the business relationship, and to abide by all local laws related to the prevention on money laundering.

Furthermore, the distributors and their sales agents shall respect all laws related to the prevention of money laundering and terrorism financing that apply in the respective countries of distribution.

VIII. Costs and charges

Art. 35 Ongoing charges

A. Depending on asset volume (flat charge):

For portfolio management, risk management and distribution as well as for the administration of the AIF, the AIFM shall levy a flat-rate charge as set forth in Annex B "The AIF at a glance". This charge is calculated on the basis of the average net assets or of the respective unit class, if any, deferred on every valuation day, and levied quarterly pro rata temporis in arrears. The charges of the AIF or of the unit class if applicable are set forth in Annex B "The AIF at a glance". The AIFM is at liberty to specify different flat-rate charges for one or several unit classes of the AIF.

The flat-rate charge is used in particular to pay for administration, investment decisions (asset management and investment consulting) risk management, depositary services and distribution

- ◆ as well as supervisory fees;
- ◆ business report printing;
- ◆ price publication in the AIF's publication medium; and
- ◆ auditors' fees.

Taxes, if any, levied on the AIF's assets as well as its income and expenditures are not covered by the lump-sum remuneration and are directly debited to the AIF.

B. Not depending on asset volume (individual charge)

Ordinary expenditures

Furthermore, the AIFM and the depositary shall be entitled to receive reimbursement of the following costs incurred in the course of their activities:

- ◆ Costs for translation of relevant purchase and sale documents;
- ◆ All taxes levied on the assets of the AIF as well as its earnings and expenses charged to the assets of the AIF;
- ◆ Taxes, if any, incurred in conjunction with the administration and depositary costs;
- ◆ Domestic and foreign charges incurred by the AIF in conjunction with listings, if any (registration, sustainment, and termination) and with distribution, such as consulting, legal, and translation costs;
- ◆ Charges, costs, and fees in conjunction with the determination and publication of fiscal factors for EU/EEA nations and/or all countries where distribution approvals and/or private placements exist, under consideration of actual expenditures at customary market terms;
- ◆ Costs incurred in conjunction with the fulfillment of the prerequisites and consequential obligations of any distribution of units of the AIF at home and abroad (e.g. charges for paying agents and other agents or representatives with similar functions, charges levied by fund platforms, such as listing fees and setup costs), as well as consulting, legal, and translation costs;
- ◆ Costs for the preparation or amendment, translation, deposition, printing, and distribution of the prospectus and constitutive documents (trust agreement, KIID, PRIIP, SRRI calculation, etc.) in those countries where the units are distributed;
- ◆ Administrative fees and charges levied by government authorities;
- ◆ A reasonable share of costs for printed matter and advertising directly associated with the offering and issue of units;
- ◆ Fees payable to legal and tax consultants, to the extent that such expenditures are incurred in the interest of the investors;

- ◆ Costs for the preparation, the announcement of taxation fundamentals and the accreditation that the fiscal data was compiled according to the rules of the respective foreign country's tax legislation;
- ◆ Internal and external costs for the recovery of foreign withholding taxes to the extent this is possible for the account of the AIF. As regards the recovery of foreign withholding taxes, it must be pointed out that the AIFM is not obliged to institute recovery proceedings and will only do so if the process justifies the effort according to the criteria of substantiveness of the amounts and reasonableness of the ratio of costs to the possible recoverable amounts. With respect to investments that constitute securities lending, the AIFM will abstain from recovering withholding taxes;
- ◆ Expenditures in conjunction with the exercise of voting rights or creditor rights by the AIF, including fees charged by external consultants;
- ◆ Costs for assessing the creditworthiness of the assets of the AIF and its target investments by nationally or internationally recognized rating agencies;
- ◆ Costs in conjunction with legal provisions for the AIF (e.g. reporting to authorities, key investor information documents, etc.);
- ◆ Charges and costs incurred as a result of other legal or supervisory rules that need to be fulfilled by the AIFM within the scope of its implementation of the investment strategy (such as reporting and other costs incurred in the fulfillment of the European Market Infrastructure Regulation (EMIR, EC directive 648/2012));
- ◆ Costs incurred for in-depth fiscal, legal, accounting, business management, and technical market reviews and analyses (due diligence) by third parties especially for the purpose of examining the suitability of a private equity investment for the AIF. Such costs may also be charged to the AIF even if the investment is subsequently rejected;

The expenditures of the AIF or of the respective unit class are stated in the annual report:

Transaction costs

In addition, the AIF shall bear all ancillary costs for the purchase and sale of investment instruments arising from the management of the assets (customary brokerage fees, commissions, duties) as well as all taxes levied on the assets of the AIF as well as on its income and expenditures (e.g. withholding taxes on foreign income). Furthermore, the AIF shall bear external costs, if any, i.e. third-party charges incurred in conjunction with the purchase and sale of investments. Such costs are directly offset against the historic cost or sales price of the respective instruments. Additionally, currency hedging costs, if any, shall be borne by the respective unit classes.

Services included in a fixed flat charge shall not be chargeable again as an individual expense. At any rate, remuneration for third-party agents, if any, is included in the charges pursuant to Art. 35 of the trust agreement.

Currency-hedging charges, if any, for unit classes

The costs, if any, of a currency translation hedge of a unit class are allocated to that class.

Costs of incorporation

The costs for the incorporation of the AIF and the initial issue of units (e.g. approval fees, authorization fees, preparation and printing of the prospectuses and constitutive documents in all required languages) shall be amortized across three years at the expense of the assets of the AIF.

Liquidation fees

In the event of a dissolution of the AIF, the AIFM may levy a liquidation fee of max. CHF 10,000 or the equivalent thereof in another currency in its favor. In addition to this amount, the AIF shall bear all costs levied by authorities, the auditor, and the depositary.

Extraordinary disposal costs

Additionally, the AIFM may encumber the assets of the AIF with costs for extraordinary disposals.

Extraordinary disposal costs consist of expenses incurred exclusively by safeguarding the investors' interests, which arise in the course of regular business and which were not foreseeable when the AIF was established. In particular, extraordinary disposal costs are legal counsel fees and proceeding costs in the interest of the AIF or of the investors. Additionally, this includes costs for extraordinary disposals pursuant to the AIFMA and AIFMO (e.g. amendments of fund documents), if any.

Ongoing charges (total expense ratio, TER)

The total of ongoing charges before performance-dependent expenditures, if any (total expense ratio before performance fee; TER) is calculated according to general, code-of-conduct principles and with the exception of transaction costs encompasses all costs and charges that are deducted from the assets of the AIF on an ongoing basis. The TER of the AIF is documented on the website of the LAFV Liechtenstein Investment Fund Association at www.lafv.li as well as in the most recently published annual report.

Performance fee

Additionally, the AIFM may levy a performance fee. If a performance fee is levied, this is specified in detail in Annex B "The AIF at a glance".

Art. 36 Costs borne by the investors**Issue premium:**

To cover the costs incurred by the placement of units, the AIFM may charge an issue commission on the net asset value of the newly issued units to be credited to the AIFM, the depositary, and/or authorized domestic or foreign distributors as set forth in Annex B "The AIF at a glance".

Redemption charge

For the payment of redeemed units, the AIFM may levy a redemption charge on the net asset value of the redeemed units to be credited to the AIF as set forth in Annex B "The AIF at a glance".

Exchange fee

No exchange fee shall be charged by the AIFM for switching from unit class to another unit class at the request of the investor.

IX. Final provisions**Art. 37 Use of proceeds**

The proceeds generated by the AIF are composed of net income and net realized capital gains. Net income is composed of interest earned and/or dividends received as well as other incidental income less expenditures.

The AIFM may distribute the net income and/or the net realized capital gains generated by a unit class to the investors of the respective unit class or reinvest the net income and/or the net realized capital gains in the AIF or the respective unit class or carry such amounts forward to the next accounting period.

The proceeds of those unit classes which according to Annex B "The AIF at a glance" are subject to reinvestment shall be reinvested on an ongoing basis.

The net income and the net realized capital gains generated by those unit classes that distribute payouts pursuant to Annex B "The AIF at a glance" can be fully or partially distributed on an annual basis. If distributions are made, they shall be made within 6 months after the close of the financial year.

Distributions can be composed of the net income and/or the net realized capital gains as well as the net income carried forward and/or the net realized capital gains carried forward of the AIF or of the respective unit class.

Distributions will be paid out on the number of units held by investors on the distribution day. No interest shall be payable on distributions as from the date on which they are due.

Art. 38 Benefits

The AIFM reserves the right to benefits to third parties for the acquisition of investors and/or for services rendered. As a rule, the basis of assessment for such benefits includes the commissions, charges, etc. borne by the investors and/or assets/asset components placed with the AIFM. The respective amounts are percentages of the applicable basis of assessment. On request and at any time, the AIFM shall disclose to the investors further details concerning agreements concluded with third parties. Investors herewith explicitly waive any further rights to disclosures on the part of the AIFM, and in particular, the AIFM shall not have the obligation to submit detailed accounts on benefits actually paid.

The investor takes note of and accepts the fact that the AIFM may be the beneficiary of trailer fees from third parties (including group companies) in conjunction with the referral of investors, the purchase/distribution of collective capital investments, certificates, notes, etc. (hereinafter: products, including such products that are managed and/or issued by a group company), generally in the form of trailer fees. The respective amounts depend on the product and the product provider. As a rule, trailer fees are assessed on the basis of the volume of a product or product group held by the AIFM. The amounts in question are usually a percentage of the administrative fees charged for the respective product and periodically paid during the holding duration. Additionally, securities issuers may grant distribution commissions also in the form of rebates on the issue price or in the form of non-recurring payments expressed as a percentage of the issue price. Unless otherwise stipulated, the investor is entitled at all times prior to and after the rendering of the service (purchase of product) to request further details from the AIFM regarding agreements concluded with third parties in conjunction with such benefits. However, the entitlement to further details regarding historic transactions is limited to the 12-month period preceding the date of the request. The investor explicitly waives any further disclosure claims. If the investor does not request further details prior to the rendering of the service or makes use of the service after having requested further details, this shall constitute a waiver of a disclosure claim, if any, as provided in § 1009 ABGB (Allgemeines Bürgerliches Gesetzbuch).

Art. 39 Taxation

All Liechtenstein AIFs in the legal form of the (contractual) investment fund or collective trust are fully taxable in Liechtenstein and subject to income tax payments. Income from managed assets is tax-exempt income.

Issue and revenue taxation²

The establishment (issue) of units of such an AIF does not entail an issue charge or revenue taxation. The paid transfer of title to units is subject to revenue taxation provided one party or agent is a domestic broker. The repurchase of units from investors is exempt from revenue taxation. The contractual common fund or the unit trust is deemed the revenue-tax-exempt investor.

Source or paying agent taxation

Depending on the persons who directly or indirectly hold units of the AIF, both income and capital gains, whether paid out or reinvested, may be fully or partially subject to a so-called paying agent tax (e.g. abolition tax, European savings tax, Foreign Account Tax Compliance Act).

The AIF, in the legal form of a contractual common fund or unit trust, is not otherwise subject to a retention tax obligation in the Principality of Liechtenstein; in particular, no coupon or withholding taxes are payable. Foreign income and capital gains generated by the AIF in the legal form of a contractual common fund or collective trust, or, as the case may be, by an investment compartment of the AIF, may be subject to withholding tax deductions in the investment country. Double-taxation agreements may apply.

The AIF has the following fiscal status:

FATCA

The AIF is subject to the provisions of the Liechtenstein FATCA Agreement as well as to the respective executive provisions of the Liechtenstein FATCA Law.

Natural persons subject to taxation in Liechtenstein

Private investors domiciled in the Principality of Liechtenstein shall declare their units as wealth and they are subject to wealth tax. Payouts or reinvested profits, if any, of the AIF in the legal form of a contractual common fund or unit trust, or, as the case may be, by an investment compartment of the AIF, are income-tax-exempt. The capital gains incurred when the units are sold are income-tax-exempt. Capital losses cannot be deducted from taxable gains.

Persons with tax domiciles outside Liechtenstein

For investors domiciled outside the Principality of Liechtenstein, taxation and other fiscal consequences involved in holding and buying or selling units are governed by the fiscal legislation of the respective country of domicile and, particularly with respect to EU interest taxation, by the laws of the domicile country of the paying agent.

Disclaimer

The fiscal considerations are based on the currently applicable legal situation and practice. They are explicitly subject to change due to changes of legislation, jurisdiction, edicts, and the practices adopted by the tax authorities.

Investors are urged to consult their own professional advisors with respect to fiscal consequences. Neither the AIFM nor the depositary nor their authorized agents can assume any responsibility for the investor's individual fiscal consequences arising from the purchase, ownership, or sale of units.

Art. 40 Information for investors

The official gazette of the AIF is the website of the LAFV Liechtenstein Investment Fund Association www.lafv.li alongside other media mentioned in the fund documents.

² Under the customs affiliation agreement between Switzerland and Liechtenstein, Swiss stamp duty jurisdiction also extends to Liechtenstein. With respect to Swiss stamp duty legislation, the Principality of Liechtenstein is thus considered domestic territory.

All notices to investors, including announcements regarding amendments to the trust agreement as well as to Annex A "Organizational structure of the AIFM" and to Annex B "The AIF at a glance", shall be published on the website of the LAFV Liechtenstein Investment Fund Association (www.lafv.li) as the official gazette of the AIF alongside other physical and electronic media mentioned in the fund documents.

On every valuation day, the net asset value as well as the issue and redemption prices of the units of the AIF and its unit classes shall be published on the website of the LAFV Liechtenstein Investment Fund Association (www.lafv.li) as the official gazette of the AIF and other physical and electronic media (letter, fax, e-mail, or similar) mentioned in the fund documents.

The audited annual report shall be made available to investors free of charge at the domiciles of the AIFM and of the depositary.

Art. 41 Reports

For each AIF, the AIFM shall prepare an audited annual report in compliance with the legal provisions of the Principality of Liechtenstein.

Within six months after the close of each financial year at the latest, the AIFM shall publish an audited annual report in compliance with the provisions of the Principality of Liechtenstein.

Two months after the end of the first six months of the financial year, the AIFM shall prepare an unaudited semi-annual report if required.

Further audited and unaudited intermediate reports may be prepared.

Art. 42 Financial year

The financial year is defined in Annex A "Organizational structure of the AIFM".

Art. 43 Amendments to the trust agreement

This trust agreement may be fully or partially amended or supplemented by the AIFM at any time.

The AIFM shall inform the FMA in writing of material changes at least one month before implementing them or immediately upon occurrence of an unplanned change.

To the extent that the AIF is subject to authorization, the validity of the trust agreement and each of its amendments must be approved beforehand by the FMA.

Art. 44 Statute of limitations

The period during which claims can be brought forth by investors against the AIFM, the liquidator, the administrator, or the depositary expires five years after the damage was incurred but no later than one year after the repayment of the unit or after the damage became known.

Art. 45 Applicable law and jurisdiction and binding language

The AIF is subject to Liechtenstein law. The sole venue for all disputes between investors, the AIFM, and the depositary shall be Vaduz.

However, with respect to claims submitted by investors in other countries where the units are offered and sold, the AIFM and/or the depositary may submit themselves and

the AIF to the jurisdictions of such countries. Appeals may also be submitted in other jurisdictions if so required by law.

German is the legally binding language for this trust agreement.

Art. 46 General

In all other respects, the provisions of the AIFMA, the provisions of the ABGB, the provisions of the Persons and Companies Act (PGR) on trusts, and the general provisions of the PGR shall apply as set forth in the latest versions thereof.

Art. 47 Entering into force

This trust agreement shall enter into force on March 20, 2019.

Vaduz, March 15, 2019

The AIFM:

IFM Independent Fund Management AG, Vaduz

The depositary:

NEUE BANK AG, Vaduz

Annex A: Organizational structure of the AIFM

The trust agreement as well as Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance" constitute a material entity and are complementary.

The organizational structure of the AIFM

AIFM:	IFM Independent Fund Management AG Austrasse 9, FL-9490 Vaduz
Board of Directors:	Heimo Quaderer H.R.H Archduke Simeon von Habsburg Hugo Quaderer
Executive Board:	Luis Ott Alexander Wymann Michael Oehry
Auditor:	Ernst & Young AG Schanzenstrasse 4a, CH-3008 Bern

The AIF at a glance

Name of the AIF:	Equity Privilege Fund
Legal structure:	AIF in the legal form of a trust ("collective trust") pursuant to the Act on the Management of Alternative Investment Funds (AIFMA) dated December 19, 2012
Umbrella structure:	No, single fund
Country of incorporation:	Liechtenstein
Date of incorporation:	September 7, 2007
Financial year:	The financial year of the AIF begins on July 1 and ends on June 30
Accounting currency of the AIF:	Euro (EUR)
Portfolio management:	CATAM Asset Management AG Landstrasse 34, FL-9494 Schaan
Investment consultant:	n/a
Depositary:	NEUE BANK AG Marktgass 20, FL-9490 Vaduz
Distributor:	IFM Independent Fund Management AG Austrasse 9, FL-9490 Vaduz
Auditor:	ReviTrust Grant Thornton AG Bahnhofstrasse 15, FL-9494 Schaan
Designated supervisory authority:	Financial Market Authority Liechtenstein (FMA); www.fma-li.li

Further information about the AIF is provided in Annex B "The AIF at a glance"

The AIF is intended for professional investors as per Directive 2014/65/EU (MiFID II)

Annex B: The AIF at a glance

The trust agreement as well as Annex A "Organizational structure of the AIFM" and Annex B "The AIF at a glance" constitute a material entity and are complementary.

Equity Privilege Fund

B.1 The AIF at a glance

Master data and information on the AIF and its unit classes	
	Unit class of the AIF
Unit class	-EUR-
ISIN number	LI0033510467
Security number	3.351.046
SFDR Classification	Article 6
Duration of fund compartment	Unlimited
Listed	No
Accounting currency of the AIF	Euro (EUR)
Reference currency of the unit classes ¹	Euro (EUR)
Minimum investment	EUR 100,000
Initial issue price	EUR 100
First subscription day	January 23, 2008
Payment (first value day)	January 25, 2008
Valuation day ² (T)	Last day of quarter (March 31, June 30, September 30, December 31)
Valuation interval	Quarterly
Issue and redemption day	Every valuation day
Value date issue and redemption day (T+60) ³	Up to 60 calendar days after the valuation day
Acceptance deadline for unit transactions (T)	On the valuation day by no later than 12 noon (CET)
Denomination	Only whole units (no fractions)
Rounding	Unit price to two decimal places
Securitization	On the books / no certificates issued
Close of accounting year	as at June 30
End of first financial year	June 30, 2008
Use of proceeds	Distribution (quarterly)

Information on distribution (circle of investors)

Professional investors	Permissible
Private investors	Not permissible

¹ The reference currency is the currency used to calculate the performance and the net asset value of the respective unit class of the AIF.

² If the valuation day does not coincide with a banking day in Liechtenstein, the acceptance deadline for unit transactions shall be rescheduled to the last banking day in Liechtenstein prior to the valuation day.

³ The AIFM is entitled to extend this period accordingly if the regular period should prove to be too short.

Costs borne by the investors	
	Unit class of the AIF
Unit class	-EUR-
Max. issue premium ⁴	5%
Redemption commission in favor of the assets of the AIF	None
Exchange fee for switching from unit class to another unit class	None

Costs payable with the assets of the AIF ^{5,6}	
	Unit class of the AIF
Unit class	-EUR-
Max. flat-rate charge ⁴	3% p.a.
Performance fee	None

Estimated indirect costs in the context of indirect investments	
Indirect investments	Max. 2% p.a. plus a performance fee if applicable

B.2 Delegation of functions by the AIFM

B.2.1 Portfolio management

The portfolio manager for this AIF is CATAM Asset Management AG, Landstrasse 34, FL-9494 Schaan.

B.2.2 Distributor

IFM Independent Fund Management AG, Austrasse 9, P.O. Box 1121, FL-9490 Vaduz, is the appointed distributor.

B.3 Investment consultant

No investment consultant was appointed for the AIF.

B.4 Depositary

The depositary function for this AIF has been entrusted to NEUE BANK AG, Marktgass 20, FL-9490 Vaduz.

B.5 Auditors

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

B.6 Investment principles of the AIF

The following provisions govern the fund-specific investment principles of the **Equity Privilege Fund**:

⁴ The commissions and charges actually levied are published in the annual report.

⁵ Plus taxes as well as other costs and charges: Transaction costs as well as expenses incurred by the AIFM and the depositary in the fulfillment of their functions. Details are provided in sections 12 (Taxation) and 13.1 (Costs and charges borne by the AIF) of the prospectus.

⁶ In the event of a dissolution of the compartment, the AIFM may levy a liquidation fee of max. CHF 10,000 in its favor.

The investment principles of the AIF in brief

Liquid assets	Yes, unlimited
Illiquid assets	Yes, unlimited
Non-permitted investments	See section B.7.3
Investments in other UCI	The AIF may fully or partially invest in other UCI. Thus, the AIF may exhibit an umbrella structure.
Leveraged financing Gross method Net method	< 2.2 < 1.1
Risk management procedure	Commitment approach
Borrowing	Yes, max. 10% of the assets of the AIF
Derivative financial instruments	Yes, for hedging currency risks
Short selling	Not permissible at the level of the AIF
Securities lending and borrowing Securities borrowing Securities lending	No No No
Annuities transactions	No
Investment period during which the investment objective and the investment policy must be achieved	6 months after AIF capital pay-up

B.6.1 Investment objective and investment policy of the AIF

The investment objective of the **Equity Privilege Fund** is mainly to achieve long-term value appreciation with capital gains. For this purpose, the AIF can purchase and sell the instruments that are permitted within the scope of its investment policy. Unless otherwise stated for the AIF's investment principles in section B.6.1, the investment regulations set forth in section B.7 shall apply. **It cannot be guaranteed that the investment objective of the AIF will be attained.**

To attain its investment objective, the AIF predominantly (at least 51%) invests its assets directly or indirectly in listed and unlisted (**private equity**) equities and securities (stocks, cooperative shares, participation certificates, preferred shares, stocks with warrants, etc.) of small and mid-cap companies world-wide. Hereby, the AIF is entitled to invest globally in all business sectors which according to the opinion of the portfolio manager are particularly suitable for achieving capital gains with its assets. It must be pointed out that the AIF can focus its investments on one or only few instruments and may invest 100% of its assets in one single instrument.

To achieve its investment objective, the AIF is entitled to fully or partially invest its assets directly or indirectly ("target funds") in private equity investments, partnership investments, and private equity holding companies or in other mezzanine financings and other forms of loan financing (collectively referred to as **private equity investments**). The AIF is allowed to invest in all financing stages (cf. section B.6.2.2). In particular, subject to the observance of the investment regulations set forth in section B.7, the AIF may invest up to 100% of its assets in a single private equity investment or in units (or shares) of a single investment fund.

The deployment of derivative financial instruments is allowed only to hedge currency risks.

Moreover, for risk diversification and admixture purposes, the AIF may invest its assets in other instruments, such as in fixed- and/or variable-rate debt instruments issued by private, mixed, and public debtors (bonds, annuities,

notes, zero bonds, floating rate notes, debentures, warrants, convertible bonds, high yield bonds, etc.), money market instruments, units of investments in other undertakings for collective investment, alternative instruments and in other permissible instruments subject to the investment restrictions set forth in section B.7 “Investment regulations”.

It should be noted that investments entail not only price and yield opportunities but also risks due to the fact that the prices may fall below the acquisition price. Even the careful selection of the securities to be acquired cannot exclude the risk of loss due to insolvency.

Please take note of the corresponding risk advisory in section B.9 of this annex.

B.6.2 Explanation of terms

B.6.2.1 Definition of private equity

Private equity belongs to the alternative investments category. Most private equity investments involve instruments that are not publicly traded. With private equity, investors participate in the equity of companies with high growth potential and conversely obtain a share of the economic success. Typically, private equity investments involve uncertainties very unlike those that apply to other assets (such as publicly traded securities). Often, a private equity investment is exposure in companies that have only existed for a short period of time, that have little business experience, for whose products no established market exists, that are in a difficult situation, or that are facing restructuring, etc. Forecasts regarding the future value trend are therefore often associated with larger uncertainties than those which apply to many other investment instruments. The above-average risk involved in this type of investment may be offset by above-average potential earnings.

As a rule, private equity investments are less liquid, i.e. the short-term sale of such investments may be associated with difficulties.

B.6.2.2 Private equity financing stages

The implementation of an investment policy in the private equity sector may involve the application of one or several of the three following financing stages. The following list is intended as an example and is not exhaustive:

a) Venture capital

Investments in the form of venture capital pertain to assets in startup companies or companies that want to implement a new business idea. In this context, different phases can be distinguished:

- ◆ Incorporation or development phase (seed);
- ◆ Early development state (early stage); and
- ◆ Later development state (later stage).

b) Special situations

Investments in special situations are generally investments in established companies. In many cases, this relates to companies that are in special financing circumstances, either because they are readying for an IPO, just recently went public, or are faced with a crisis or a restructuring process.

Such investments often take place in the form of subordinate capital.

c) Buyout investments

Buyout investments are investments focused on the takeover of control over the respective company. Within the scope of such investments, the management of the respective company often owns equity in it (so-called management buy-out). The acquisition of the company can also take place via a substantial portion of borrowed capital (so-called leveraged buyout).

B.6.2.3 Private equity investments (participation modes)

The fund is entitled to fully or partially invest its assets directly or indirectly in the private equity class. Investments may be made with the following participation modes:

a) Partnership investment

A partnership investment is a direct participation in a limited liability company whose purpose it is to directly or indirectly invest in private equity.

b) Private equity holding company

A private equity holding company is a direct participation in a body or other legally independent legal entity according to applicable law, such as a trust that directly or indirectly holds private equity investments or partnership investments and that is not controlled by the target funds, or if controlled by it is only subject to passive control situations (cf. intermediate holding company).

c) Private equity investment

A private equity investment is a direct participation via share, hybrid, or borrowed capital in a company that has financing needs of a private equity nature.

d) Intermediate holding company

An intermediate holding company is a directly or indirectly controlled capital company whose purpose it is to directly or indirectly invest in private equity instruments.

e) Mezzanine financing modes

Mezzanine financings are a mix of equity-capital and borrowed-capital functions. Mezzanine capital can be equity-like (so-called equity mezzanine) and issued in the form of preferred rights, securitized preferred shares or silent interest positions. Convertible bonds and warrants are possible as well. Conversely, mezzanine capital granted in the form of subordinated profit-linked loans or shareholder loans is treated as borrowed capital and generally reported as a balance sheet liability (so-called debt mezzanine).

B.6.3 Accounting currency of the AIF

The accounting currency of the AIF as well as the reference currency for each unit class are stated in section B.1 of this annex "The AIF at a glance".

The accounting currency is the currency in which the AIF keeps its books. The reference currency is the currency used to calculate the performance and

the net asset value of the respective unit class of the AIF and not the investment currency of the respective unit class of the AIF. Investments are made in the currencies optimally suited to the performance of the AIF.

B.6.4 Profile of a typical investor

The **Equity Privilege Fund** is suitable only for risk-tolerant investors with a very high risk preference and a long-term investment horizon as a small-scale addition to a traditional portfolio. Investors should be aware of the special risks involved in investments in private equity, the long-term nature of the investment in view of restricted liquidity, and the risks involved in private equity investments abroad. Investors must be willing and able to tolerate a total loss of the invested capital.

B.7 Investment regulations

The following regulations apply generally to investments of the AIF:

B.7.1 Permitted investments

Basically, the AIF may invest its assets in the instruments listed below. The investments can involve instruments that are traded on an exchange or other regulated market accessible to the public, as well as non-listed or regularly traded instruments.

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

The investments of the AIF consist of:

B.7.1.1 Traditional direct investments in securities, money market instruments, and similar financial instruments:

- a) that are listed or traded on a regulated market as referred to in Art. 4, para. 1 section 21 of Directive 2014/65/EC;
- b) that are traded at another regulated market of an EEA member country which is recognized, accessible to the public, and operates regularly;
- c) that are officially listed on the stock exchange of a third country or traded on another market anywhere in the world that is recognized, accessible to the public, and operates regularly;
- d) Money market instruments not traded on a regulated market, provided the issue or the issuer of these instruments is obliged to abide by regulations regarding deposit or investor protection, subject to the following:
 - 1. the issue has been made or guaranteed by a central, regional or local entity or the central bank of an EEA member state, the European Central Bank, the European Union, the European Investment Bank, a third-party state, or, if this is a federal state, a member state of the federation, or an international public-sector institution with which at least one EEA member state is affiliated;
 - 2. the issue has been made by a company whose securities are traded on the regulated markets listed in lit. a;
 - 3. the issue has been made by an institute subject to supervision aligned with criteria as stipulated by EEA law or made or guaranteed by an institute that is subject to supervision equivalent to EEA law and obliged to comply with such law; or

4. the issue has been made by an issuer belonging to an FMA-approved category provided that investor protection regulations equivalent to those described in sections 1 to 3 apply to investments in these instruments, and provided that the issuer is a company whose equity capital amounts to at least 10 million euros and which presents and publishes its annual accounts in accordance with the rules of Directive 78/660/EEA, implemented in Liechtenstein by the PGR, or which is a group-affiliated entity that is responsible for the financing of a group of companies with at least one listed company or is an entity required to securitize liabilities by utilizing a line of credit granted by a bank.
- e) Private placements (equities, bonds or notes issued without publicity, usually by a small number of banks or financial institutes. They are not listed with any stock exchange and are acquired predominantly by institutional investors).

B.7.1.2 Traditional indirect investments in securities and similar financial instruments:

- a) Units of classic domestic and foreign undertakings for collective investment (investment instruments such as UCITS, AIF, ETF, etc.) that basically invest in assets pursuant to section B.7.1.1 above;
- b) Exchange Traded Funds ("ETF", also called "Index Tracking Stocks") based on underlying assets pursuant to section B.7.1.1 above. Within the scope of the investment policy provisions of this document, ETFs include exposure in investment instruments (companies, unit trusts, fund-like structures) whose investments mirror an index and that are traded on a stock exchange or on another regulated, publicly accessible market. Depending on their design and country of origin, ETFs may or may not qualify under Liechtenstein laws on Certain Undertakings for Collective Investment in Transferable Securities (UCITS) or the Act on the Management of Alternative Investment Funds (AIFMA);
- c) Structured financial products, certificates and baskets or other derivative financial instruments that are directly or indirectly based on investments pursuant to section B.7.1.1 above and whose value is derived from the price of the underlying assets or from reference rates.

B.7.1.3 Private equity, private equity funds, funds of private equity funds and similar instruments:

- a) Equities and securities (direct investments in private equity companies) worldwide that are not listed or not regularly traded;
- b) Private equity investments (participation modes) pursuant to section B.6.2.3;

- c) Units of open-ended domestic and foreign undertakings for collective investment, whose units are periodically redeemed or repurchased on the basis of their net asset value and which are subject to the legislation of a foreign country;
- d) Units of closed-ended domestic and foreign undertakings for collective investment established according to any national jurisdiction and that invest primarily in private equity;
- e) Structured financial products, certificates and baskets or other derivative financial instruments that are directly or indirectly based on investments pursuant to this section B.7.1.3 lits. a to c and whose value is derived from the price of the underlying assets or from reference rates;
- f) Debt instruments (bonds, debenture bonds, option bonds, convertible bonds, fund-index-linked notes, etc.) that are not listed or not regularly traded;
- g) Other mezzanine financings and other forms of loan financing, especially in the domain of corporate financing (private equity).

B.7.1.4 Derivative financial instruments:

- a) Derivative financial instruments that are traded on a stock exchange or on another regulated, publicly accessible market;
- b) Derivative financial instruments not traded on a regulated market (OTC derivatives), if:
 - 1. the counterparty is subject to a supervisory authority equivalent to Liechtenstein's; and
 - 2. they can at any time be reproducibly valued, sold, liquidated, or balanced by an offset transaction;
- c) derivative financial instruments embedded in a security or a money-market instrument (structured financial instruments, index and region certificates).

B.7.1.5 Deposits:

Sight deposits or callable deposits with a maximum duration of twelve months held with credit institutions domiciled in an EEA member country or in another country in which supervisory legislation is equivalent to EEA law;

B.7.1.6 The legal form of the undertakings for collective investment (such as UCITS, AIF, ETF, etc.) is irrelevant. Among others, they can be contractual undertakings for collective investment, corporate undertakings for collective investment, or undertakings for collective investment in the form of a unit trust;

B.7.1.7 Investments in other undertakings for collective investment (instruments such as AIF, ETF, etc.) may include undertakings for collective investment which for the lack of equivalent supervision at the domicile do not qualify for distribution in the Principality of Liechtenstein;

B.7.1.8 The AIF is entitled to purchase units of other undertakings for collective investment (UCITS, AIF, ETF) that are directly or indirectly associated with the AIFM or are administered by another company

with which the AIFM or the management company is related, either through a common board, through control, or through a significant direct or indirect interest position. For the extent of such investments, the AIFM or the other company may not levy any fees for the subscription, the repurchase of units of the other undertakings for collective investment or the conversion of individual fund compartments by the AIF.

B.7.2 Cash and cash equivalents

In its accounting currency, and in all other currencies with which investments are transacted, the AIF may permanently hold up to 49% of its assets in cash and cash equivalents, to the extent that this is commensurate with the investment objective. Cash and cash equivalents are sight or time deposits with banks having maturities of up to 12 months. In justifiable exceptions, cash and cash equivalents may also exceed 49% if and to the extent this is deemed appropriate for safeguarding the interests of the investors.

B.7.3 Non-permitted investments

In particular, the following investments are not permitted:

- B.7.3.1** Direct investments in real estate;
- B.7.3.2** Direct investments in physical goods (commodities, works of art, antiques or similar assets);
- B.7.3.3** Physical short sales of investments of any kind;
- B.7.3.4** In the interest of unit owners, the AIFM may define further investment restrictions at any time, to the extent that they are necessary to comply with the laws and regulations of those countries in which the units of the AIF are offered and sold.

B.7.4 Investment limits

The AIF is subject to the following investment restrictions:

- B.7.4.1** The AIF may invest up to 100% of its assets in equities or money market instruments of the same issuer;
- B.7.4.2** Up to 100% of the AIF's assets can be invested in instruments according to section B.7.1.3 (**private equity, private equity funds, funds of private equity funds and similar investments**) that are not listed or not traded on a stock market or another regulated market accessible to the public;
- B.7.4.3** The AIF must invest at least 51% of its assets in listed and unlisted equities and securities;
- B.7.4.4** The AIF may hold up to 49% of its in cash and cash equivalents;
- B.7.4.5** The AIF may invest up to 49% of its assets in listed and unlisted debt instruments;
- B.7.4.6** Up to 100% of the AIF's assets may be invested in units (or shares) of undertakings for collective investment (UCI) or in units of umbrella funds (funds of funds);

Annex B: The AIF is entitled to purchase units of other undertakings for collective investment (UCITS, AIF, ETF) that are directly or indirectly associated with the AIFM or are administered by another company with which the AIFM or the management company is related

B.7.4.7 Up to 100% of the AIF's assets can be invested in units (or shares) of a single undertaking for collective investment (UCI);

B.7.4.8 The AIFM is entitled to invest up to 40% of its assets in units of other undertakings for collective investment that are managed by the AIFM itself;

B.7.4.9 The target funds acquired by the AIFM are subject only to the investment restrictions set forth in their prospectuses. Neither the AIFM nor the depositary are liable for the observance of such guidelines and restrictions by the individual target funds;

B.7.4.10 In addition to the restrictions stated in this section, any further restrictions under section B.6 "Investment principles of the AIF", if any, shall apply as well.

B.7.5 Borrowing limits

The following restrictions apply to the AIF:

B.7.5.1 The assets of the AIF must not be pledged or otherwise encumbered, transferred or ceded as collateral except in cases involving borrowing pursuant to section B.7.5.2 or collateralization within the scope of transactions involving financial instruments.

B.7.5.2 For the purpose of investments or to fulfill requests for redemption, the AIF may take out loans at customary market terms (see section B.6 "Investment principles of the AIF"). Borrowing by the AIF is subject to the credit and risk policy of the depositary, which may change during the life of the AIF.

B.7.5.3 Section 7.5.2 does not prohibit the purchase of financial instruments that have not yet been fully paid up.

B.8 Valuation

Valuations are performed by the AIFM according to the principles mentioned in the constitutive documents.

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

The NAV of a unit or of a unit class of the AIF is expressed in the AIF's accounting currency or, if different, in the reference currency of the respective unit class and is equivalent to the quota of the AIF's assets allocated to the respective unit class, less debt liabilities of the AIF, if any, divided by the number of outstanding units in the respective unit class. It is rounded as follows on the occasion of the issue and redemption of units:

◆ to 0.01 EUR if the **euro** is the reference currency.

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

- B.8.1** Securities that are officially traded on a stock exchange are valued at the last available price. If a security is officially traded at several exchanges, the last available price shall be the price at the exchange that represents the main market for that security.
- B.8.2** Securities that are not officially listed on an exchange but are traded on a market accessible to the public are valued at the last available price. If a security is traded on various markets accessible to the public, the last available price on the market with the highest liquidity shall be chosen.
- B.8.3** Securities or money market instruments with a residual duration of less than 397 days can be valued by linear depreciation or appreciation with the difference between the cost (purchase) price and the repurchase price (price on maturity). The valuation at the current market price can be omitted if the repurchase price is known and fixed. Credit-rating changes, if any, shall be accounted for additionally.
- B.8.4** Investments whose price is not in conformity with the market, and assets that do not fall under sections B.8.1, B.8.2, and B.8.3 above, are calculated at the price that would have most likely been attained if the investment had been sold with due diligence at the time of valuation and is determined in good faith by the executive board of the AIFM or under their direction or supervision by authorized agents.
- B.8.5** OTC derivatives shall be valued on a day to day basis with the then probably attainable sales price using a verifiable valuation model specified in good faith by the AIFM which is in line with generally recognized valuation models that can be validated by auditors.
- B.8.6** UCITS, AIF and other undertakings for collective investment (UCI) shall be valued at the last noted and available net asset value. If the repurchase of units is suspended or if the fund is closed and no redemption right exists or if no repurchase prices are specified, these units shall be valued, as all other assets, at their then applicable market value as determined by the AIFM in good faith and in accordance with generally recognized valuation models that can be validated by auditors.
- B.8.7** If no trading price is available for the respective assets (e.g. unlisted equity securities / private equity), the value of these securities shall be based on the reports most recently published by the respective companies and, if available and relevant, formal audits. Unlisted instruments shall be valued on the basis of the asset value of the respective companies.
- B.8.8** Cash and cash equivalents shall be valued at the par value plus accrued interest.
- B.8.9** The market value of securities and other investments denominated in a currency other than the currency of the AIF shall be converted into the currency of the AIF at the last known median exchange rate.

The AIFM shall be entitled to use other reasonable valuation principles to value the assets of the AIF if, as a result of extraordinary circumstances, valuation on the basis of the criteria described above should become impossible or impracticable. In the case of very large numbers of redemption requests, the AIFM may value the units of the AIF on the basis of the prices at which the necessary securities will likely have to be sold. In this case, the same calculation method shall be used for simultaneously submitted issue and redemption requests.

Annex B: Securities that are officially traded on a stock exchange are valued at the last available price. If a security is officially traded at several exchanges, the last available price shall be the price at the exchange that represents the main market for that

B.9 Risks and risk profiles of the AIF

B.9.1 Fund-specific risks

The performance of the units depends on the investment policy as well as the market development of the individual investments of the AIF and cannot be determined in advance. In this context, it must be pointed out that the value of the units can rise or fall versus the issue price at any time. It cannot be guaranteed that the investors will be able to recover their invested capital.

Because of its investment policy, the risks associated with this AIF are not comparable with those of certain undertakings for collective investment in securities pursuant to the Act on Certain Undertakings for Collective Investment in Transferable Securities (UCITSA).

Due to the fact that the fund's assets are invested primarily in equities and securities, this type of investment is associated with a market and issuer risk which may negatively affect its net asset value. Additionally, other risks may be incurred, such as the foreign currency translation risk and the interest-rate risk.

An additional and increased speculative risk is associated with this AIF because it can directly or indirectly invest all of its assets or portions thereof in private equity investments, partnership investments, private equity holding companies as well as in other mezzanine financings and other forms of loan financing (collectively referred to as **private equity investments**). Frequently, the private equity investments acquired for the AIF exhibit little liquidity because as a rule, they are not traded on a stock exchange or another regulated market accessible to the public and such assets can therefore not be sold as readily as securities traded on a stock exchange. When such assets are sold, significant differences between price and valuation may be incurred as realized losses.

Due to the focused investment strategy and the possibility of investing up to 100% of the net assets in a single instrument, the risk involved goes far beyond the conventional extent and a total loss of the assets invested by the AIF is conceivable under certain circumstances. It must be noted that the value trend of the **Equity Privilege Fund** may deviate significantly from the general trends of the underlying markets in which the AIF invests.

Investors of the Equity Privilege Fund are expressly requested to inform themselves about the general and fund-specific risks involved. In particular, investors must be prepared and able to absorb possible – even substantial – price losses.

The AIFM advises potential investors to invest only a limited portion of their total assets in units of the **Equity Privilege Fund**. Investments in units of the **Equity Privilege Fund** are suitable only for risk-tolerant investors with a long-term investment horizon.

Furthermore, the following fund-specific risks apply. It should be noted, however, that this is not an inclusive list of all possible risks:

Liquidity of investments

The AIF may invest up to 100% of its net assets in unlisted securities whose liquidity is fundamentally restricted. Consequently, in the event of numerous unit redemption requests, units of the AIF may be salable only at significantly lower prices or not salable at all over longer periods of time. Sell-offs of this

kind may have a significant impact on the net asset value of the AIF and may prevent unit owners who wish to redeem their units from receiving payments over longer periods of time.

An investment in units of the **Equity Privilege Fund** should be a long-term investment.

Risks associated with the nature of private equity investments

Typically, private equity investments involve uncertainties very unlike those that apply to other assets (such as publicly traded securities). Often, a private equity investment is exposure in companies that have only existed for a short period of time, for whose products no established market exists, that are in a difficult situation, or that are facing restructuring, etc. Forecasts regarding the future value trend are therefore often associated with larger uncertainties than those which apply to many other investment instruments.

Risks involved in the calculation of the net asset value

When calculating the net asset value of the units, the AIFM must regularly rely on the valuations or reports of the target funds, or on the most recent reports prepared by the respective companies as well as formal audits, if available and pertinent, which as a rule are only published some time after the relevant valuation days. In some instances, the AIFM will be compelled to undertake own estimates for the valuation of their exposure in these target funds – possibly to some extent on the basis of insufficient background information.

Valuation and transparency of instruments

The AIF may invest up to 100% of its net assets in unlisted securities for which no prices are available from official data providers. Basically, the valuation of unlisted instruments (equities and securities) relies on audited semi-annual and annual reports, so it does not necessarily reflect the true value of the instruments. Information that is available about such companies cannot be compared with information on listed securities or securities traded on another regulated market; this may result in a lack of transparency and relevant data. Changes in reporting requirements in individual countries may lead to unexpected and very substantial fluctuations of the net asset value.

Alternatively, unlisted equities and debt instruments can be valued at most with the purchase price.

Risks of indirect investments

The involvement of companies by the AIF or by the target funds may generate costs that can reduce the AIF's potential yield. In indirect investment scenarios, such costs may be incurred across a string of involved companies and result in multiple financial expenditures.

Risks related to accounting, auditing, and reporting, etc.

The legal framework as well as the standards that apply to publication, accounting, auditing, and reporting may be less strict in countries where investments are made than in Liechtenstein. This may cause the actual value of investments to deviate from the reported value, so that the net asset value published by the AIFM may not correctly reflect the value of all or of some investments.

Legal risks

The AIFM may make investments that are subject to foreign jurisdictions with the result that the legal venue may be outside Liechtenstein. One possible result of this situation is that the rights and obligations of the AIF deviate from those that apply in Liechtenstein and in particular that the investor is less pro-

tected than is the case with comparable investments pursuant to Liechtenstein law and with legal venues in Liechtenstein.

Fiscal risks

It cannot be ruled out that investments are made that result in a fiscal burden with a relevant impact on the yield of the investment. The fiscal burden may already be known when the investment is implemented and factored in within the scope of the investment decision, or it may be incurred during the life of an investment due to changes in relevant domestic or foreign fiscal policy. Neither the AIFM, nor the depositary, the portfolio manager nor other parties can assume any liability for fiscal consequences.

Transfer risk

Because the AIF is entitled to invest up to 100% of its net assets in unlisted securities whose domicile countries may not comply with conventional standards, massive insecurities may arise when transferring the securities or their equivalent value and this can result in a total loss of the assets invested by the AIF.

Costs incurred / conflicts of interest

The AIF is entitled to invest up to 100% of its net assets in a single equity. Under certain circumstances, this equity may be directly or indirectly controlled or influenced by the portfolio manager. Furthermore, the portfolio manager may be otherwise affiliated with this company. The portfolio manager may receive, both from the AIF and from the companies in which he invests, remunerations, commissions, management fees or other forms of payment. This may result in conflicts of interest.

Investors are invited to refer to the general risks described in section 8.2 of the prospectus.

Derivative financial instruments

The deployment of derivative financial instruments is allowed only to hedge currency risks. For this purpose, the AIF may hedge currency risks only with call options and by selling forex futures, by buying put options on currencies, and by deploying forex forward transactions and swaps. Basically, the currency of the contract must coincide with the currency of the underlyings to be hedged. Transactions with a third currency (cross hedges) are permissible by exception in the form of futures or forex forwards if this achieves the same result as a direct hedge and no extra cost is incurred overall. The contract value of such transactions shall not exceed 100% of the spot value of the underlyings to be hedged when the contract is finalized.

Leveraged financing

The AIFM expects that the leverage of the AIF pursuant to the **gross method** will typically be **lower than 2.2**. Conversely, the net method gives an indication of the AIF's risk situation because it also adequately considers the use of derivative financial instruments for hedging purposes.

The AIFM expects that the leverage of the AIF pursuant to the **net method** will typically be **lower than 1.1**. The leverage may vary depending on market conditions and - particularly in exceptional cases - may also be higher.

Risk management procedure

The AIFM utilizes the generally accepted Commitment Approach as its risk management procedure.

B.9.2 General risks

In addition to the fund-specific risks, the investments of the AIF may incur general risks. A typical but not exhaustive list is provided in section 8.2 of the prospectus.

B.10 Costs payable by the AIF

An overview of the costs payable by the AIF is provided in the table "Master data and information on the AIF and its unit classes" from section B.1 of this annex "The AIF at a glance".

B.11 Performance fee

No performance fee shall be levied.

Vaduz, March 15, 2019

The AIFM:

IFM Independent Fund Management AG, Vaduz

The depositary:

NEUE BANK AG, Vaduz

Annex C: Specific information for individual countries of distribution

Specific information for individual countries of distribution

The **Equity Privilege Fund** is approved only for distribution in Liechtenstein to **professional investors** pursuant to Directive 2004/39/EC (MiFID) and may not be publicly offered and/or distributed abroad.

Annex D: Regulatory disclosure

Conflicts of interest

The following conflicts of interest can occur within the AIFM:

The interests of the investor could collide with the following interests:

- ◆ Interests of the AIFM and companies and persons closely affiliated with it
- ◆ Interests of the AIFM and its clients
- ◆ Interests of the AIFM and its investors
- ◆ Interests of the individual investors of the AIFM
- ◆ Interests of an investor and a fund
- ◆ Interests of two funds
- ◆ Interests of the AIFM's staff members

Circumstances or relationships that can entail conflicts of interest mainly include:

- ◆ Incentive systems for employees
- ◆ Employee transactions
- ◆ Churning in the fund
- ◆ Positive portrayal of fund performance
- ◆ Transactions between the AIFM and the funds or individual portfolios under its management
- ◆ Transactions between the funds and/or individual portfolios managed by the AIFM
- ◆ Bundling of several orders (so-called block trades)
- ◆ Appointment of closely affiliated companies and persons
- ◆ Single investments of significant magnitude
- ◆ Frequent shifting / trading of assets
- ◆ Specification of cut-off time
- ◆ Suspension of redemptions
- ◆ IPO allocation

In handling conflicts of interest, the AIFM deploys the following organizational and administrative measures to avoid conflicts of interest and, if applicable, resolve, investigate, prevent, settle, observe and disclose them:

- ◆ Establishment of a compliance department that monitors compliance with laws and rules and to which conflicts of interest must be reported
- ◆ Obligation to disclose
- ◆ Organizational measures such as
 - Definition of responsibilities to prevent undue exertion of influence
 - Rules of conduct for employees regarding personal account trading
 - Rules of conduct governing the acceptance and granting of gifts, invitations, other benefits and donations
 - Ban on insider trading
 - Ban on front and parallel running
- ◆ Establishment of remuneration policy and practice
- ◆ Principles for considering client interests
- ◆ Principles for monitoring agreed investment guidelines
- ◆ Principles for executing trade decisions (best execution policy)
- ◆ Principles for splitting partial executions
- ◆ Establishment of order acceptance (cut-off) times

Handling of complaints

The investors are entitled, free of charge and orally or in writing, to submit complaints to the AIFM or its employees in conjunction with funds that are managed by the AIFM as well as to express their concerns, wishes, and needs.

The AIFM's complaints policy as well as the procedure in dealing with the complaints of investors are described on the website of the AIFM at www.ifm.li and can be viewed there free of charge.

Principles of voting policy at general meetings

The AIFM shall exercise the shareholder and creditor rights associated with the investments of the fund's managed assets independently and in the exclusive interest of the investors.

As regards individual transactions, the AIFM is at liberty to decide whether to directly exercise shareholder and creditor rights for the respective fund or delegate this function to the depositary or a third party or to forfeit the exercising of such rights.

In the absence of explicit instructions by the AIFM, the respective depositary is entitled, but not obliged, to exercise the shareholder, co-owner and other rights embodied in the investments.

In transactions that have a significant influence on investor interests, the AIFM may exercise the voting rights itself or issue explicit instructions.

The active exercise of voting rights shall apply in particular when a need to safeguard the interests of the investors has been clearly identified. The exercise of voting rights is mandatory only when significant interests are impacted. Interests are not sustainably impacted if the respective equity positions do not constitute a significant portion of market capitalization.

The objective of the AIFM is to prevent conflicts of interest resulting from the exercise of voting rights or to resolve or manage them in the interest of the investors.

When exercising voting rights, the AIFM shall consider the interests of the investors of the assets of the AIF as well as the understanding that the exercise of voting rights must comply with the investment policy objectives for the respective assets.

The voting rights policy of the AIFM (strategies for exercising voting and creditor rights, measures, details on the avoidance of conflicts of interest, etc.) can be accessed free of charge on the AIFM's website at www.ifm.li.

Best execution of trading decisions

When making trading decisions for the portfolios entrusted to his management, the AIFM shall act in the best interest of the fund.

Under consideration of pricing, costs, execution speed, probability of execution and settlement, the scope and nature of the order and other aspects of relevance for order execution, the AIFM shall implement all measures needed to assure the best possible result for the funds (best execution).

To the extent that portfolio managers are authorized to execute transactions, they shall be contractually bound to apply the appropriate best execution principles unless they are already obliged by relevant laws and legal provisions to abide by best execution principles.

The principles governing the execution of trading decisions (best execution policy) can be accessed by the investors on the website of the AIFM at www.ifm.li.

Remuneration principles and practices

With respect to the structure of its remuneration principles and practices, IFM Independent Fund Management AG ("IFM") is subject to supervisory guidelines applicable to management companies pursuant to the Act pertaining to Certain Undertakings for Collective Investment in Transferable Securities (UCITSA) and pursuant to the Act on the Management of Alternative Investment Funds (AIFMA) that applies to AIFMs. The details of the structure are governed by an internal directive issued by IFM. Its goal is to assure a sustainable remuneration system which avoids misleading incentives to enter into undue risks. The remuneration principles and practices adopted by IFM are reviewed by the members of the board at least once a year to verify their adequacy and compliance with all legal provisions. They encompass fixed and variable (performance-linked) remuneration elements.

IFM has specified a remuneration policy that reconciled with its business and risk policy. In particular, no incentives for entering into undue risks are in place. The remuneration for the provision and implementation of the sustainability strategy is included in the fixed salary component of the Sustainability Officer. The calculation of performance-linked remuneration is based either on the overall result generated by IFM and/or the personal performance of a staff member and his or her department. In the effectiveness quantified during personal performance assessments, the focus is mainly on sustainable business development and the protection of the company against undue risks. The variable remuneration elements are not linked with the value development of the funds managed by IFM. Employer voluntary non-cash benefits or fringe benefits are permissible.

Furthermore, the definition of overall remuneration bandwidths assures that no significant dependences on the variable component can occur and that the ratio of variable to fixed remuneration is reasonable. The fixed salary component is such that it alone will support a full-time employee's living (under consideration of market-conforming salaries). When allocating variable remuneration elements, the members of the Executive Board and the Chairman of the Board of Directors have the final say. The Chairman is responsible for reviewing the remuneration principles and practices.

Special rules apply to IFM Executive Board members and employees whose activities significantly influence the overall risk profile of IFM and the funds it manages (risk takers). Risk takers are employees who can decisively influence the risk and the business policy of IFM. The variable remuneration component due to such risk-relevant employees is paid out in arrears across several years. A portion of at least 40% of the variable remuneration is mandatorily retained across a period of at least three years. During this period, the retained portion of the remuneration is risk-dependent. The variable remuneration, including the retained portion, is paid out or earned only if it is supportable in view of the overall financial situation of IFM and justified on the basis of the performance of the respective department or individual. Generally, a weak or negative financial result achieved by IFM will result in a substantial reduction of the aggregate remuneration, under consideration both of ongoing compensation and reduction of payouts of previously generated amounts.



IFM Independent Fund Management AG

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