

# Prospectus

and

# Trust agreement

including fund-specific appendices

Status: 12.2022

## GADD SMP Fund

UCITS under Liechtenstein law  
in the legal form of trusteeship

(hereinafter the "UCITS")

Asset Manager:



Management Company:



## The organization of the UCITS at a glance

<b>Management Company:</b>	IFM Independent Fund Management AG Landstrasse 30, 9494 Schaan
<b>Board of Directors:</b>	Heimo Quaderer HRH Archduke Simeon of Habsburg Hugo Quaderer
<b>Management:</b>	Luis Ott Alexander Wymann Michael Oehry
<b>Asset Manager:</b>	GADD & Cie S.A. 4, Rue de l'Eau, L-1449 Luxembourg
<b>Investment Advisor:</b>	n/a
<b>Depository:</b>	LGT Bank Ltd, Herrengasse 12, FL-9490 Vaduz
<b>Distributor:</b>	IFM Independent Fund Management AG Landstrasse 30, FL-9494 Schaan
<b>Auditor:</b>	Ernst & Young AG Schanzenstrasse 4a, CH-3008 Bern

<b>Paying agent in Sweden:</b>	PARETO SECURITIES AB Berzelii Park 9, 103 91 Stockholm, Sweden
<b>Paying and Information Agent in Luxembourg:</b>	Hauck & Aufhäuser Private Bankers AG 1c, rue Gabriel Lippmann, L-5365 Munsbach
<b>Representative and paying agent in France:</b>	Société Générale Securities Services 29 Boulevard Haussmann, F-75009 Paris

## The UCITS at a glance

<b>Name of the UCITS:</b>	<b>GADD SMP Fund</b>
<b>Legal Structure:</b>	UCITS in the legal form of a trusteeship ("collective trusteeship") pursuant to the Law of June 28, 2011 on Certain Undertakings for Collective Investment in Transferable Securities (UCITSG)
<b>Umbrella construction:</b>	No, single fund
<b>Founding country:</b>	Liechtenstein
<b>Date of incorporation of the UCITS:</b>	February 28, 2011
<b>Fiscal year:</b>	The financial year of the UCITS shall begin on January 1 and end on December 31
<b>Accounting currency of the UCITS:</b>	Swedish krona (SEK)
<b>Competent supervisory authority:</b>	Financial Market Authority Liechtenstein (FMA); <a href="http://www.fma-li.li">www.fma-li.li</a>

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

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

## Notice to investors/restriction on sale

Units of the UCITS shall be acquired on the basis of the prospectus, the trust agreement Trust agreement and the basic information sheets (**PRIIP-KID**) as well as the latest annual report and, if already published, the subsequent semi-annual report. Only the information contained in the prospectus and in particular in the trust agreement including Annex A "UCITS at a glance" shall be valid. Upon acquisition of the units, they shall be deemed to have been approved by the investor.

This prospectus does not constitute an offer or invitation to subscribe for units of the UCITS by any person in any jurisdiction in which such offer or invitation is unlawful or in which the person making such offer or invitation is not qualified to do so or is doing so to a person to whom it is unlawful to make such offer or invitation. Information not contained in this Prospectus and Trust Agreement or documents available to the public is deemed to be unauthorized and is not reliable. Prospective investors should inform themselves about possible tax consequences, legal requirements and possible exchange control restrictions or regulations applicable in the countries of their citizenship, residence or domicile which may be significant for the subscription, holding, conversion, redemption or disposal of units. Further tax considerations are explained in Section 10 "Tax Regulations". Annex B "Specific information for individual distribution countries" contains information regarding distribution in various countries. The units of the UCITS are not authorized for distribution in all countries of the world. When units are issued, exchanged, and redeemed abroad, the regulations applicable in those countries shall apply. In particular, the units have not been registered in the United States of America (USA) in accordance with the United States Securities Act of 1933 and may therefore neither be offered nor sold in the USA, nor to US citizens. US citizens are, for example, natural persons who (a) were born in the USA or one of its territories or sovereign territories, (b) are naturalized citizens (or green card holders), (c) were born abroad as the child of a citizen of the USA, (d) reside predominantly in the USA without being a citizen of the USA, (e) are married to a citizen of the USA, or (f) are subject to tax in the USA. The following are also considered US citizens: (a) investment companies and corporations established under the laws of one of the 50 US federal states or the District of Columbia, (b) an investment company or partnership established under an "Act of Congress", (c) a pension fund established as a US trust, (d) an investment company subject to tax in the USA, or (e) investment companies deemed to be such under Regulation S of the US Securities Act of 1933 and/or the US Commodity Exchange Act. In general, units of the UCITS may not be offered in jurisdictions and to persons in which or to whom this is not permitted.

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# PART I: THE PROSPECTUS

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The issue and redemption of units of the UCITS shall be made on the basis of the currently valid trust agreement and Annex A "The UCITS at a glance". This trust agreement is supplemented by the latest annual report in each case. If the effective date of the annual report is more than eight months ago, the semi-annual report shall also be offered to the acquirer. In due time prior to the acquisition of units, the basic information sheets (PRIIP-KID) shall be made available to the investor free of charge.

It is not permitted to provide information or make statements that deviate from the prospectus, trust agreement, Annex A "The UCITS at a glance", or the key investor information. The management company shall not be liable if and to the extent that information or statements are provided that deviate from the current prospectus, trust agreement, or the key investor information.

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

## 1 Sales documents

The prospectus, the basic information sheets (PRIIP-KID), the trust agreement, and Annex A "The UCITS at a glance" as well as the latest annual and semi-annual reports, insofar as their publication has already taken place, are available free of charge on a durable medium at the management company, the depositary, the paying agents, and at all distribution agents in Liechtenstein and abroad, as well as on the website of the LAFV Liechtensteiner Anlagefondsverband (Liechtenstein Investment Fund Association) at [www.lafv.li](http://www.lafv.li).

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

## 2 The Trust agreement

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

Any amendment of the trust agreement as well as of Annex A "The UCITS at a glance" shall be published in the organ of publication of the UCITS and shall thereafter be legally binding for all investors. The publication organ of the UCITS is the Internet site of the LAFV Liechtenstein Investment fonds verband [www.lafv.li](http://www.lafv.li).

### 3 General information on the UCITS

The **GADD SMP Fund** (hereinafter: UCITS) was established pursuant to Art. 4(1)(a) of the Investment Undertakings Act (IUA) as a legally dependent open-ended investment fund in the legal form of a collective trusteeship. On February 28, 2011, the FMA certified to the Management Company the receipt of the confirmation of the external auditors with regard to the investment undertaking for qualified investors. The investment fund was entered in the Liechtenstein Commercial Register on March 1, 2011. The prospectus and the contractual conditions were filed with the Liechtenstein Office of Justice at .

The investment fund **GADD SMP Fund** was converted from an investment undertaking for qualified investors into an undertaking for collective investment in transferable securities (UCITS) under the laws of the Principality of Liechtenstein with the approval of the FMA of November 18, 2013. The trust agreement and Annex A "UCITS at a glance" entered into force for the first time on January 1, 2014.

The trust agreement and Annex A "UCITS at a glance" were approved by the FMA on December 07, 2022, and entered into force on December 19, 2022. Subject to the amendment of the performance fee, which will enter into force on January 1, 2023.

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

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

The UCITS is not an umbrella structure and is thus an individual fund.

The management of the UCITS consists primarily in investing the funds raised from the public for collective account in securities and/or in other liquid financial assets pursuant to Art. 51 UCITSG in accordance with the principle of risk diversification. The UCITS shall form special assets for the benefit of its investors. In the event of the dissolution and bankruptcy of the management ge company, the special assets shall not be part of the bankruptcy estate of the management ge company.

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

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

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

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

The shares are not securitized but are only held in book-entry form, i.e. no certificates are issued. There is no provision for a meeting of investors. By subscribing or acquiring units in the investor is aware of the trust agreement and Annex A "The UCITS at a glance". Investors, Er ben or other persons may not demand the division or dissolution of the UCITS. The details of the UCITS are described in Annex A "The UCITS at a glance".

All units of the UCITS basically embody the same rights, unless the management company decides to issue different unit classes within the UCITS.

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

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

### **3.2 Share classes**

The management company is authorized to form several unit classes within the UCITS which may differ from the existing unit classes with respect to the application of income, the issue premium, the reference currency and the use of currency hedging transactions, the management fee, the minimum investment amount, or a combination of these features. However, the rights of investors who have acquired units from existing unit classes remain unaffected by this.

The unit classes established in connection with the UCITS, as well as the fees and remunerations arising in connection with the units of the UCITS, are specified in Annex A "The UCITS at a glance". For further information on the unit classes, please refer to section 8.2.

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

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

## **4 Organization**

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

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

### **4.2 Legal relations**

The legal relationship between the investors and the Management Company is governed by the Law of 28 June 2011 on Undertakings for Collective Investment in Transferable Securities (UCITSG) and the Ordinance of 5 July 2011 on Undertakings for Collective Investment in Transferable Securities (UCITSV) and, to the extent that no provisions are made therein, by the provisions of the Persons and Companies Act (PGR) on trusteeship.

### **4.3 Management Company**

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

IFM Independent Fund Management AG was incorporated on October 29, 1996, in the form of a stock corporation for an unlimited duration. The government granted the management company a license to commence business activities on November 26, 1996. The management company has its registered office and head office in Schaan, Principality of Liechtenstein. The Management Company is licensed by the Liechtenstein supervisory authority pursuant to Chapter III of the Law of 28 June 2011 on Undertakings for Collective Investment and is registered on the official list of Liechtenstein management companies.

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

The management company shall manage the UCITS for the account and in the exclusive interest of the investors in accordance with the principle of risk diversification and pursuant to the provisions of the trust agreement and Annex A "The UCITS at a glance".

The management company is vested with the most extensive rights to perform all administrative and managerial mes si al acts in its name for the account of the investors. In particular, it is authorized to buy, sell, subscribe to, and exchange securities and other assets, and to exercise all rights relating to the assets of the UCITS.

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

#### 4.3.1 Board of Directors

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

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

Hugo Quaderer, Independent Director of IFM Independent Fund Management AG, Schaan

#### 4.3.2 Management

Chairman: Luis Ott, Managing Director

Members: Alexander Wymann, Deputy Managing Director

Michael Oehry

### 4.4 Asset Manager

GADD & Cie S.A., 4, Rue de l'Eau, L-1449 Luxembourg, acts as asset manager for the UCITS.

GADD & Cie S.A. focuses on investment and asset management for institutional and private clients and is prudentially supervised by the Luxembourg supervisory authority Commission de Surveillance du Secteur Financier (CSSF).

The task of the asset manager is, in particular, the independent daily implementation of the investment policy and the management of the day-to-day business of the UCITS as well as other related services under the supervision, control, and responsibility of the management company. These tasks shall be performed in compliance with the

principles of the investment policy and the investment restrictions of the UCITS as described in this prospectus, as well as with the statutory investment restrictions.

The exact execution of the order is governed by an asset management agreement concluded between the management company and GADD & Cie S.A..

#### 4.5 Investment Advisor

No investment advisor has been appointed.

#### 4.6 Distributor

The management company shall act as distributor for the UCITS.

#### 4.7 Depository

LGT Bank Ltd, Herrengasse 12, FL-9490 Vaduz acts as depository for the UCITS.

LGT Bank Ltd. has been in existence since 1921. Its main activity is international private banking. Further information on the depository (e.g. annual reports, brochures, etc.) can be obtained directly from its registered office or online at its web site [www.lgt.li](http://www.lgt.li).

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

The function of the depository and its liability are governed by the UCITSG and the corresponding ordinance as amended from time to time, the depository agreement, and the constituent documents of the UCITS. It acts independently of the management company and exclusively in the interest of the investors.

The UCITSG provides for a separation of the management and custody of UCITS. The depository holds the financial instruments eligible for safekeeping in separate accounts opened in the name of the UCITS or of the management company acting on behalf of the UCITS and monitors whether the management company's instructions concerning the assets comply with the provisions of the UCITSG and the constituent documents. For these purposes, the depository shall in particular monitor the UCITS' compliance with the investment restrictions and leverage limits.

Furthermore, the depository shall keep the unit register of the UCITS on behalf of the management company.

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

- ◆ The sale, issue, redemption, payment, and cancellation of units of the UCITS shall be carried out in accordance with the provisions of the UCITSG and the constituent documents,
- ◆ the units of the UCITS are valued in accordance with the provisions of the UCITSG and the constituent documents,
- ◆ in the case of transactions with assets of the UCITS, the countervalue is transferred to the UCITS within the usual deadlines,
- ◆ the income of the UCITS is used in accordance with the provisions of the UCITSG and the constituent documents;
- ◆ the cash flows of the UCITS are properly monitored and, in particular, to ensure that all payments made by investors or on behalf of investors upon the subscription of units of a UCITS have been received and that all funds of the UCITS have been

accounted for in accordance with the provisions of the UCITSG and the constituent documents.

#### **Sub-custody**

The depositary may delegate the custody task to other companies (sub-depositaries).

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

No conflicts of interest arise from this transfer.

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

The investors of the UCITS have the possibility at any time to personally request from the depositary, free of charge, up-to-date information on the tasks and duties of the depositary, the sub-depositaries, the possible conflicts of interest in connection with the activity of the depositaries and the sub-depositaries, as well as information on the UCITS at the contact details mentioned above.

The depositary is subject to the provisions of the Liechtenstein FATCA agreement and the corresponding implementing regulations in the Liechtenstein FATCA law.

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

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

The UCITS and the management company shall have their business activities audited annually by an auditor independent of them and recognized by the FMA pursuant to the UCITSG fer.

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

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

### **5.1 Aim of the investment policy**

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

### **5.2 Investment policy of the UCITS**

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

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

### **5.3 Accounting -/reference currency of the UCITS**

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

The accounting currency is the currency in which the accounts of the UCITS are kept. The reference currency is the currency in which the performance and the net asset value of the unit classes are calculated. The investments are made in the currencies which are optimally suited for the performance of the UCITS.

## 5.4 Profile of the typical investor

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

# 6 Investment regulations

## 6.1 Approved plants

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

### 6.1.1 Securities and money market instruments:

- a) which are listed or traded on a regulated market within the meaning of Art. 4 par. 1 fig. 21 of Directive 2014/65/EU;
- b) which are traded on another regulated market of an EEA Member State which is listed on er , open to the public and which operates in accordance with the regulations ;
- c) officially listed on a stock exchange of a third country or traded on another market of a European, American, Asian, African or Oceanian country that is recognized, open to the public and operates in an orderly manner.

### 6.1.2 Securities from new issues, provided that:

- a) the terms and conditions of issue contain the obligation that the admission to official listing or to trading on one of the stock exchanges mentioned in section 6.1.1 a) to c) or on one of the markets mentioned therein has been applied for, and
- b) such approval is obtained no later than one year after the issue.

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

**6.1.4** Sight deposits or callable deposits with a term of no more than twelve months with credit institutions that have their registered office in an EEA member state or a third country whose supervisory law is equivalent to EEA law;

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

- 6.1.6** Money market instruments that are not traded on a regulated market, provided that the issuer or issuer of such instruments is subject to regulations on deposit and investor protection:
- a) issued or guaranteed by a central, regional or local authority or the central bank of an EEA Member State, the European Central Bank, the Community or the European Investment Bank, a third state or, if it is a federal state, by one of the members of the federation, or by a public international body of which at least one EEA Member State is a member ;
  - b) issued by a company whose securities are traded on the regulated markets referred to in subparagraph (a);
  - c) issued or guaranteed by an institution subject to prudential supervision in accordance with the criteria laid down in EEA law or by an institution whose prudential law is equivalent to EEA law and which complies with that law; or
  - d) issued by an issuer belonging to a category approved by the FMA, provided that investments in these instruments are subject to investor protection provisions equivalent to those in letters a to c and the issuer is a company with equity capital of at least EUR 10 million and prepares its annual financial statements in accordance with the provisions of Directive 78/660/EEC, implemented in Liechtenstein by PGR, or is a legal entity belonging to a group which is responsible for financing the group of companies with at least one company listed on the stock exchange or is a legal entity which is to finance the value paper of liabilities by using a credit line granted by a bank.

**6.1.7** The management company may also hold cash and cash equivalents.

## **6.2 Non-permitted installations**

The management company may not:

- 6.2.1** invest more than 10% of the assets of the UCITS in securities and money market instruments other than those mentioned in item 6.1;
- 6.2.2** Acquire precious metals or certificates on precious metals;
- 6.2.3** still engage in uncovered short selling.

## **6.3 Investment limits**

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

- 6.3.1** The UCITS may invest no more than 5% of its assets in securities or money market instruments of the same issuer and no more than 20% of its assets in deposits of the same issuer.
- 6.3.2** The default risk from transactions of the UCITS with OTC derivatives with a credit institution as counterparty which has its registered office in an EEA member state or a third country whose supervisory law is equivalent to that of EEA law may not exceed 10% of the assets of the UCITS; in the case of other counterparties, the maximum default risk shall be 5% of the assets.
- 6.3.3** Provided that the total value of the securities and money market instruments of the issuers in each of which the UCITS invests more than 5% of its assets does not exceed 40% of its assets, the issuer limit specified in item 6.3.1 shall be raised from 5% to 10%. The limit of 40% shall not apply to deposits or to transactions with OTC derivatives with supervised financial institutions. The securities and money market instruments pursuant to section 6.3.5 and the debt securities pursuant to section 6.3.6 are not taken into account when the increase is applied.

- 6.3.4** Notwithstanding the individual upper limits pursuant to subsections 6.3.1 and 6.3.2, a UCITS may not combine the following if this would result in an investment of more than 20% of its assets with one and the same institution:
- a) securities or money market instruments issued by that entity;
  - (b) Deposits with that institution;
  - c) OTC derivatives acquired by that entity.
- 6.3.5** If the securities or money market instruments are issued or guaranteed by an EEA member state or its local authorities, by a third country or by a public international institution to which at least one EEA member state belongs, the upper limit of 5% specified in section 6.3.1 is raised to a maximum of 35%.
- 6.3.6** If Notes are issued by a credit institution which has its registered office in an EEA Member State and which, by virtue of statutory provisions for the protection of the holders of such Notes, is subject to special public supervision and, in particular, is required to invest the proceeds from the issue of such Notes in assets which, during the whole period of validity of the Notes, are capable of covering claims attaching to the Notes and which, in the event of default of the issuer, would be used on a priority basis for the repayment of principal and interest, the upper limit of 5% set out in Section 6.3.1 is raised from 5% to a maximum of 25%. In this case, the total value of the investments may not exceed 80% of the assets of the UCITS.
- 6.3.7** The limits specified in items 6.3.1 to 6.3.6 may not be cumulated. The maximum issuer limit is 35% of the assets of the UCITS.
- 6.3.8** Companies of the same corporate group shall be considered as a single issuer for the calculation of the investment limits provided for in item 6.3. For investments in securities and money market instruments of the same company group, the issuer limit shall be raised to a total of 20% of the assets of the UCITS.
- 6.3.9** The UCITS may invest no more than 10% of its assets in units of other UCITS or in other undertakings for collective investment comparable to a UCITS.
- 6.3.10** If the investments in item 6.3.9 constitute a substantial part of the assets of the UCITS, the fund-specific annex must provide information on the maximum amount and the annual report on the maximum share of the management fees to be borne by the UCITS itself and by the undertakings for collective investment pursuant to item 6.3.9 whose units have been acquired.
- 6.3.11** If units are managed directly or indirectly by the management company of the UCITS or by a company with which the Ver wal tungs company of the UCITS is linked by common management, control, or qualified participation, neither the management company of the UCITS nor the other company may charge fees for the issue or redemption of units to or from the UCITS.
- 6.3.12** A management company shall not acquire voting shares of the same issuer for any UCITS managed by it with which it can exercise a significant influence on the management of the issuer. A notable influence shall be presumed from 10% of the voting rights of the issuer. If in another EEA member state a lower limit applies to the acquisition of voting shares of the same issuer, this limit shall be decisive for the Ver wal tungs ge company if it acquires shares of an issuer domiciled in this EEA member state for a UCITS.
- 6.3.13** The UCITS may use financial instruments of the same issuer in an amount not exceeding:

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

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

- a) on securities and money market instruments issued or guaranteed by a government issuer;
- b) to shares held by the UCITS in the capital of a company of a third country which invests its assets mainly in securities of issuers domiciled in this third country, if, due to the legal provisions of this third country, a shareholding similar to the represents the only possibility for the UCITS to make investments in securities of issuers of this country. In this context, the requirements of the UCITSG shall be observed;
- c) to shares held by management companies in the capital of their subsidiaries which organize in the country of establishment exclusively for the management company the repurchase of shares at the request of investors.

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

**B. The investment limits may be deviated from in the following cases:**

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

**6.3.16** In the event of a breach of the investment limits, the Management Company shall have as its primary objective the normalization of this situation, taking into account the interests of the investors.

**6.3.17** The UCITS may deviate from the investment limits of this chapter "General investment principles and restrictions" within the first six months after its liberation. Sections 6.1 and 6.2 shall remain unaffected by this exception and shall be complied with at all times. The requirement of risk diversification must continue to be complied with.

**C. Active investment limit violations:**

**6.3.18** Any loss incurred as a result of an active violation of the investment limits/investment regulations must be reimbursed to the UCITS without delay in accordance with the applicable rules of conduct.

**6.4 Limitation on borrowing and prohibition on granting loans and guarantees**

**6.4.1** The assets of the UCITS may not be pledged or otherwise encumbered, transferred by way of security, or assigned by way of security, except in the case of borrowings within the meaning of subsection 6.4.2 below or in the case of

security provided in connection with the settlement of transactions with financial instruments.

- 6.4.2** Borrowing by the UCITS is limited to temporary loans where the borrowing does not exceed 10% of the assets of the UCITS; the limit does not apply to the acquisition of foreign currencies through a "back-to-back loan".
- 6.4.3** A UCITS may neither grant loans nor act as guarantor for third parties. Agreements violating these prohibitions bind neither the UCITS nor the investors.
- 6.4.4** Section 6.4.3 does not preclude the acquisition of financial instruments that are not yet fully paid up.

## **6.5 Derivatives use, techniques and instruments**

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

Unless the protection of investors and public interest are opposed, investments of the UCITS in index-based derivatives shall not be taken into account with regard to the ceilings of Art. 54 UCITSG.

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

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

### **6.5.1 Risk management procedures**

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

The management company may use the following derivative financial instruments, techniques, and instruments for the UCITS, in particular son :

### **6.5.2 Derivative financial instruments**

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

The risk associated with derivative financial instruments may not exceed 100% of the net fund assets. The total risk may not exceed 200% of the respective net

fund assets. In the case of borrowing permitted under the UCITSG (section 6.4.2), the total risk may not exceed 210% of the respective net fund assets .

The Management Company applies the Modified Commitment Approach as a risk management procedure.

The management company may exclusively employ the following basic forms of derivatives or combinations of these derivatives or combinations of other assets which may be acquired for the UCITS with these derivatives in the respective UCITS:

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

The above-mentioned financial instruments can be independent assets or components of assets.

#### **Forward contracts**

The management company may, for the account of the UCITS and within the scope of the investment principles, enter into futures contracts on securities and money market instruments which may be acquired for the UCITS as well as on financial indices within the meaning of Article 9 (1) of Directive 2007/16/EC, interest rates, exchange rates, or currencies. Futures contracts are unconditional agreements for both contracting parties to buy or sell a certain quantity of a certain underlying asset at a predetermined price on a certain date, the maturity date, or within a certain period of time.

#### **Option transactions**

The management company may, for the account of the UCITS and within the scope of the investment principles, buy and sell call options and put options on securities and money market instruments as well as on financial indices within the meaning of Article 9 (1) of Directive 2007/16/EC, interest rates, exchange rates, or currencies, and may trade in warrants. Option transactions involve granting a third party, for a consideration (option premium), the right to demand the delivery or acceptance of assets or the payment of a difference by contract during a certain period or at the end of a certain period at a price agreed in advance (strike price) or also to acquire corresponding option rights. The options or warrants must provide for exercise during the entire term or at the end of the

term. In addition, the option value at the time of exercise must represent a fraction or a multiple of the difference between the strike price and the market price of the underlying and must become zero if the difference has the other sign.

### **Swaps**

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

### **Swaptions**

Swaptions are options on swaps. For the account of the UCITS, only such swaptions may be acquired which consist of the options and swaps described above. A swaption is the right, but not the obligation, to enter into a swap specified precisely with respect to its terms and conditions at a certain point in time or within a certain period of time. In all other respects, the principles set out in connection with options transactions apply.

### **Credit default swaps**

Credit default swaps are credit derivatives that allow a potential credit default volume to be transferred to others. In return for assuming the credit default risk, the seller of the risk pays a premium to its contracting party. The management company may acquire for the UCITS only one times standardized credit default swaps which are used to hedge individual credit risks in the UCITS. In all other respects, the statements regarding swaps shall apply accordingly.

### **Financial instruments evidenced by securities**

The management company may also acquire the financial instruments described above if they are securitized. In this context, the transactions involving financial instruments may also be only partially contained in securities (e.g. warrant bonds). The statements on opportunities and risks apply accordingly to such securitized financial instruments, but with the proviso that the risk of loss in the case of securitized financial instruments is limited to the value of the security.

### **OTC derivatives transactions**

The Management Company may enter into derivatives transactions that are admitted to trading on an exchange or included in another organized market, as well as so-called over-the-counter (OTC) transactions.

Derivatives transactions not admitted to trading on a stock exchange or included in another organized market may only be entered into by the management company with suitable credit institutions or financial services institutions on the basis of standardized master agreements. In the case of derivatives traded over the counter, the counterparty risk with respect to a contracting party shall be limited to 5% of the value of the assets of the UCITS. If the contracting party is a credit institution domiciled in the European Union, the European Economic Area, or a third country with a comparable level of supervision, the counterparty risk may amount to up to 10% of the value of the assets of the UCITS. Derivatives transactions traded over the counter and concluded with a central clearing office of a stock exchange or another organized market as contracting party shall not be counted toward the counterparty limits if the derivatives are subject to daily valuation at market prices with daily margin calls.

However, claims of the UCITS against an intermediary shall be counted toward the limits even if the derivative is traded on an exchange or other organized market.

### **6.5.3 Securities lending**

The Management Company does not engage in securities lending transactions.

### **6.5.4 Repurchase agreements**

The management company does not engage in repurchase agreements.

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

#### **General**

In connection with transactions in OTC financial derivatives and efficient portfolio management techniques, the management company may accept collateral in the name and for the account of the UCITS in order to reduce its counterparty risk. This section sets forth the collateral policy applied by the management company in such cases. All assets accepted by the management company in the name and for the account of the UCITS within the scope of efficient portfolio management techniques (securities lending, securities repurchase agreements, reverse repurchase agreements) shall be treated as collateral for the purposes of this section.

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

The Management Company may use the collateral it accepts to reduce counterparty risk if it complies with the criteria set forth in the applicable laws, regulations and guidelines issued by the FMA from time to time, particularly with respect to liquidity, valuation, creditworthiness of the issuer, correlation, risks associated with the management of collateral and realizability. Collateral should meet the following conditions in particular:

#### **Liquidity**

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

#### **Evaluation**

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

#### **Credit rating**

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

#### **Correlation**

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

### Diversification of collateral

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

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

### Custody and recovery

Provided that ownership of the transferred collateral has passed to the management company for the UCITS, the collateral received shall be held in custody by the depositary of the UCITS. Otherwise, the collateral must be held by a third-party custodian which is subject to prudential supervision and is independent of the service provider or is legally secured against the default of the related party.

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

### Investment of collateral

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

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

- ◆ Investment in demand deposits pursuant to Art. 51 (1) d UCITSG with a term of no more than twelve months at credit institutions domiciled in an EEA member state or a third country whose supervisory law is equivalent to that of the EEA;
- ◆ debt securities issued by sovereigns with high credit ratings;
- ◆ Investments within the scope of a repurchase agreement within the meaning of Art. 70 UCITSV, provided that the counterparty to the repurchase agreement is a credit institution domiciled in an EEA member state or a third country whose supervisory law is equivalent to that of the EEA;
- ◆ Investments in money market funds with a short maturity structure in accordance with ESMA/ 2014/937 item 43 subparagraph j.

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

In order to assess the value of collateral which is exposed to a non-negligible fluctuation risk, the UCITS must apply prudent haircut rates. The management company shall have a valuation haircut policy (haircut strategy) for the UCITS for each type of asset received as collateral and shall take into account the characteristics of the assets, such as in particular the creditworthiness as well as the price volatility of the respective assets, and the results of the stress tests performed. The haircut policy shall be documented and, with regard to the

respective types of assets, shall make any decision to apply or refrain from applying a haircut understandable.

### Amount of collateral

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

### Haircuts rules

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

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

### Total return swaps

Total return swaps may be transacted for the UCITS. Total return swaps are derivatives in which all income and value fluctuations of an underlying are exchanged for an agreed fixed interest payment. One contracting party, the protection buyer, thus transfers the entire credit and market risk from the underlying asset to the other contracting party, the protection seller. In return, the protection buyer pays a premium to the protection seller. The management company may enter into total return swaps for the UCITS for hedging purposes and as part

of the investment strategy. In principle, all assets that may be acquired for the UCITS or its sub-fund may be the object of total return swaps. Up to 100 percent of the assets of the UCITS may be the subject of such transactions. The management company expects that in individual cases no more than 50 percent of the sub-fund's assets will be subject to total return swaps. However, this is merely an estimated value which may be exceeded in individual cases. The income from total return swaps - after deduction of transaction costs - accrues in full to the UCITS.

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

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

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

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

The UCITS may invest a maximum of 10% of its assets in units in other UCITS or in other undertakings for collective investment comparable to a UCITS. According to their prospectus or constituent documents, these other undertakings for collective investment may invest no more than 10% of their assets in units of another UCITS or another comparable undertaking for collective investment.

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

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

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

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

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

company or the asset manager on its behalf, is indicated in Annex A "The UCITS at a glance".

The benchmark index may change over time. In this case, the prospectus and Annex A "UCITS at a glance" of the constituent documents shall be updated at the next opportunity and the investors shall be informed by notice in the organ of publication as well as in the media mentioned in the prospectus or by means of durable data carriers (letter, fax, e-mail, or the like).

In addition, the UCITS may/can use benchmarks for the calculation of performance-related fees. Detailed information on the possible investment performance fee can be found in section 11.2 of the prospectus and article 36 of the trust agreement, as well as in Annex A "The UCITS at a glance".

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

The management company has drawn up a written plan with measures it will take with regard to the UCITS if the index changes significantly or is no longer provided. Information relating to this plan is available free of charge upon request at the registered office of the management company.

## 7 Risk information

### 7.1 Fund-specific risks

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

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

### 7.2 General risks

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

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

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

#### Market risk

This is a general risk associated with all investments, which consists in the possibility that the value of a certain investment may change adversely on the unit value of the UCITS.

### **Price risk**

Losses in value of the investments in which the UCITS invests may occur. In this case, the market value of the investments develops unfavorably compared to the cost price. Likewise, investments are exposed to different price fluctuations (volatility). In extreme cases, the complete loss of value of the respective investments may be imminent.

### **Economic risk**

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

### **Concentration risk**

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

### **Interest rate risk**

Insofar as the UCITS invests in interest-bearing securities, it is exposed to an interest rate risk. If the market interest rate level rises, the market value of the interest-bearing securities belonging to the assets may drop considerably. This applies to a greater extent insofar as the assets also hold interest-bearing securities with longer remaining terms to maturity and lower nominal interest rates.

### **Currency risk**

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

### **Monetary value risk**

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

### **Psychological market risk**

Sentiment, opinions and rumors can cause a significant decline in share prices, even though there may be no lasting change in the earnings situation or future prospects of the companies in which investments are made. Psychological market risk has a particular impact on equities.

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

The UCITS may use derivative financial instruments. These may not only be used for hedging purposes, but may also constitute a part of the investment strategy. The use of derivative financial instruments for hedging purposes may change the general risk profile through correspondingly lower opportunities and risks. The use of derivative financial instruments for investment purposes may affect the general risk profile through additional opportunities and risks.

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

However, due to the special features of the derivative financial instruments (e.g. leverage), the risks mentioned may be of a different nature and may in some cases be higher than the risks associated with an investment in the underlying instruments. Therefore, the use of derivatives requires not only an understanding of the underlying instrument, but also a sound knowledge of the derivatives themselves.

Derivative financial instruments also entail the risk that the UCITS may incur a loss because another party involved in the derivative financial instrument (as a rule, a "counterparty") fails to meet its obligations.

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

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

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

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

If the UCITS carries out off-exchange transactions (OTC transactions/ efficient portfolio management techniques), it may thereby be exposed to risks in connection with the creditworthiness of the OTC counterparties: when concluding futures contracts, options and swap transactions, securities lending, securities repurchase agreements, reverse repurchase agreements, or using other derivative techniques, the UCITS shall be subject to the risk that an OTC counterparty does not (or cannot) meet its obligations under a specific contract or several contracts. The counterparty risk may be reduced by depositing collateral. If the UCITS is owed collateral pursuant to applicable agreements, such collateral shall be held in safe custody by or for the depositary for the benefit of the UCITS. Cases of bankruptcy, insolvency, or other credit default events at the depositary or within its sub-depositary/correspondent bank network may result in the rights of the UCITS in connection with the collateral being postponed or otherwise restricted. If the UCITS owes collateral to the OTC counterparty under applicable agreements, such collateral shall be transferred to the OTC counterparty as agreed between the UCITS and the OTC counterparty. Cases of bankruptcy, insolvency, or other credit default events at the OTC counterparty, the depositary, or within its sub-depositary/correspondent bank network may result in the delay, restriction, or even exclusion of the rights or recognition of the UCITS with respect to the collateral, which would force the UCITS to fulfill its obligations under the OTC transaction notwithstanding any collateral provided in advance to cover such obligation.

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

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

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

#### **Liquidity risk**

Assets may also be acquired for the UCITS that are not admitted to a stock exchange or included in another organized market. Thus, there may be a risk that these assets may be resold with a time delay, at a discount, or not at all.

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

#### **Counterparty risk**

The risk is that contractual partners (counterparties) fail to fulfill their contractual obligations to perform transactions. The UCITS may incur a loss as a result.

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

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

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

Country risk is the term used when a foreign debtor, despite being solvent, is unable to provide services on time or at all due to a lack of transfer capability or willingness on the part of its country of domicile (e.g., due to foreign exchange restrictions, transfer risks, moratoria, or embargoes). For example, payments to which the UCITS is entitled may fail to materialize or may be made in a currency that is no longer convertible due to foreign exchange restrictions.

#### **Operational risk**

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

#### **Settlement risk**

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

#### **Key person risk**

The UCITS, whose investment result is very positive in a certain period, owes this success also to the suitability of the acting persons and thus to the correct decisions of their management. However, the personnel composition of the fund management may change. New decision makers may then act less successfully.

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

The purchase, holding, or sale of investments of the UCITS may be subject to tax regulations (e.g. withholding tax deduction) outside the country of domicile of the UCITS.

Furthermore, the legal and tax treatment of UCITS may change in unforeseeable and uncontrollable ways. A change in incorrectly determined tax bases of the UCITS for previous financial years (e.g. due to external tax audits) may, in the event of a correction which is fundamentally disadvantageous for the investor from a tax point of view, result in the investor having to bear the tax burden from the correction for previous financial years, even though he may not have been invested in the UCITS at that time. Conversely, the investor may be faced with the situation that a correction which is basically advantageous from a tax point of view for the current and for previous business years in which he was invested in the UCITS no longer benefits him due to the redemption or sale of the units prior to the implementation of the respective correction. Moreover, a correction of tax data may result in taxable income or tax benefits actually being assessed for tax purposes in a different assessment period than is actually applicable and this may have a negative effect on the individual investor.

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

If the EU or third-country index provider fails to comply with the Benchmark Regulation, or if the benchmark changes significantly or ceases to exist, a suitable alternative benchmark must be identified for the UCITS if a benchmark index is used. In certain cases, this may prove difficult or impossible. If a suitable substitute benchmark cannot be identified, this may have a negative impact on the relevant UCITS—under certain circumstances also on the ability of the asset manager to implement the investment strategy of the relevant UCITS. Moreover, compliance with the benchmark regulation may result in additional costs for the relevant UCITS. The benchmark index may change over time. In this case, the prospectus shall be updated at the next opportunity and investors shall be informed by notice in the organ of publication as well as in the media mentioned in the prospectus or by means of durable data carriers (letter, fax, e-mail, or the like).

#### **Custody risk**

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

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

A change in the investment policy within the legally and contractually permissible investment spectrum may alter the risk associated with the UCITS. The management company may increase the fees to be charged to the UCITS and/or substantially change the investment policy of the UCITS within the applicable trust agreement at any time by amending the prospectus and the trust agreement including Annex A "The UCITS at a glance".

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

In the trust agreement, the management company reserves the right to amend the trust conditions. Furthermore, according to the trust agreement, it is possible for the management company to dissolve the UCITS entirely or to merge it with another UCITS or a subfund. For the investor, there is therefore the risk that he may not be able to realize his planned holding period.

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

In principle, investors may request the management company to redeem their units in accordance with the valuation interval of the UCITS. The management company may, however, temporarily suspend the redemption of units in the event of extraordinary circumstances, and redeem the units only later at the then valid price (see in detail "Suspension of the calculation of the net asset value and of the issue, redemption, and conversion of units"). This price may be lower than the price prior to the suspension of

redemption. A suspension of redemption of units may be directly followed by a dissolution of the UCITS.

### Hedging risk

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

### Sustainability risks

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

Their valuation leads to relevant effects on the return. Details on the method of inclusion and the results of the valuation are shown in Annex A "UCITS at a glance".

## 8 Participation in UCITS

### 8.1 Sales restrictions

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

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

For example, U.S. citizens are those individuals who (a) were born in the U.S. or one of its territories or possessions, (b) are naturalized citizens (or green card holders), (c) were born abroad as the child of a U.S. citizen, (d) reside primarily in the U.S. without being a U.S. citizen, (e) are married to a U.S. citizen, or (f) are subject to U.S. tax.

The following are also considered to be U.S. persons: (a) investment companies and corporations organized under the laws of any of the 50 U.S. states or the District of Columbia, (b) an investment company or partnership organized under an Act of Congress, (c) a pension fund organized as a U.S. trust, (d) an investment company subject to U.S. tax, or (e) investment companies that qualify under Regulation S under the U.S. Securities Act of 1933 and/or the U.S. Commodity Exchange Act.

### 8.2 General information on the shares

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

The management company is authorized to create, abolish, or combine several unit classes within the UCITS which may differ from the existing unit classes with respect to, for example, the use of profits, the issue premium, the reference currency and the use

of currency hedging transactions, the management fee, the minimum investment amount, or a combination of these features. However, the rights of investors who have acquired units from existing unit classes shall remain unaffected.

The various unit classes differ in particular with regard to the reference currency, including the use of currency hedging transactions. Currently, there are unit classes with the designations "SEK", "SEK-R", "CHF", "EUR" and "EUR-A". Units of the unit class "SEK" and "SEK-R" are issued and redeemed in the accounting currency of the UCITS, the Swedish krona (SEK), units of the unit class "CHF" in Swiss francs, and units of the unit classes "EUR" and "EUR-A" in euros. The currency risks of the currency class issued in CHF and EUR may be hedged in whole or in part; this may have a negative impact on the NAV of the currency class issued in SEK. The possible costs of a currency hedge of the CHF as well as the EUR unit classes are allocated to them accordingly.

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

In addition, certain other fees, remunerations, and costs are paid out of the assets of the UCITS. In this regard, see items 10 and 11 (tax regulations and costs and fees).

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

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

The NAV of a unit in a unit class of the UCITS is expressed in the accounting currency of the UCITS or, if different, in the reference currency of the respective unit class and results from the quota of the assets of the UCITS attributable to the respective unit class, reduced by any debt obligations of the UCITS allocated to the respective unit class, divided by the number of outstanding units of the respective unit class. It shall be rounded as follows when units are issued and redeemed:

- ◆ to 0.01 SEK if the currency is Swedish kronor;
- ◆ to CHF 0.01 if it is the Swiss franc; and
- ◆ to 0.01 EUR if the currency is the euro.

The net fund assets are valued at fair value in accordance with the following basic rates:

1. Securities that are officially listed on a stock exchange are valued at the last available price. If a security is officially listed on several stock exchanges, the last available price on the stock exchange that is the main market for this security shall be decisive.

Securities which are not officially listed on a stock exchange but which are traded on a market open to the public shall be valued at the last available price. If a security is traded on various markets open to the public, the last available price of the market with the highest liquidity shall be taken into account.

Securities or money market instruments with a residual term of less than 397 days may be written down or written up on a straight-line basis at the difference between the cost price (purchase price) and the redemption price (price at final maturity). Valuation at the current market price can be omitted if the repayment price is known and fixed. Any changes in creditworthiness are also taken into account.

4. Investments whose price is not in line with the market and those assets which do not fall under item 1, item 2 and item 3 above shall be valued at the price which would probably be obtained by diligent sale at the time of the valuation and which is determined in good faith by the management of the management company sell or under its direction or supervision by representatives.
5. OTC derivatives shall be valued on a daily basis, to be determined and verifiable by the Management Company, as determined by the Ver wal tungs company in good faith and in accordance with generally accepted valuation models verifiable by auditors, based on the probable realizable value.

UCITS or other undertakings for collective investment (UCI) shall be valued at the last determined and available net asset value. If the redemption of units is suspended or if no redemption prices are determined, these units, as well as all other assets, shall be valued at the respective market value as determined by the management company in good faith and according to generally accepted valuation models verifiable by auditors.

If no tradable price is available for the respective assets, these assets, as well as the other legally permissible assets, shall be valued at the respective market value as determined by the management company in good faith and in accordance with generally recognized valuation models verifiable by auditors on the basis of the probable sales value.

8. Cash and cash equivalents are measured at their nominal value plus accrued interest.
9. the market value of securities and other investments denominated in a currency other than the respective fund currency shall be converted into the corresponding fund currency at the last mean rate of exchange .

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

## 8.4 Issue of shares

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

The shares are not certificated as securities.

Subscription applications must be received by the depositary by the acceptance deadline at the latest. If a subscription application is received after the acceptance deadline, it will be earmarked for the following issue date. For applications placed with sales agents in Germany and abroad, earlier closing times may apply for the submission of applications in order to ensure timely forwarding to the depositary in Liechtenstein. These can be obtained from the respective distribution agents.

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

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

The Management Company shall ensure that the issue of units is settled on the basis of a net value per unit unknown to the investor at the time of application (forward pricing). All taxes and duties arising from the issue of units will also be charged to the investor if applicable. If units are acquired via banks that are not entrusted with the distribution of the units, it cannot be ruled out that such banks will charge further transaction costs.

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

The minimum investment that must be held by an investor in a given unit class can be found in Annex A "The UCITS at a glance". The minimum investment may be waived at the discretion of the management company.

Contributions in kind are not permitted.

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

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

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

## **8.5 Redemption of shares**

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

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

Information on the redemption day, the valuation interval, the acceptance deadline, and the amount of the maximum redemption fee, if any, can be found in Annex A "The UCITS at a glance".

Since an adequate share of liquid assets must be provided for in the assets of the UCITS, the redemption of units shall be effected within the period specified in Annex A "The UCITS at a glance" after the relevant redemption day. This shall not apply in the event that the transfer of the redemption amount proves impossible pursuant to legal

provisions such as foreign exchange and transfer restrictions or due to other circumstances beyond the control of the depositary.

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

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

The management company and/or depositary may redeem units against payment of the redemption price against the will of the investor, insofar as this appears necessary in the interest or for the protection of the investors, the management company, the depositary, or the UCITS, in particular if

1. there is a suspicion that the respective investor is engaging in "market timing", "late trading" or other market techniques with the acquisition of the shares, which may be detrimental to the investors as a whole,
2. the investor does not meet the conditions for acquiring the shares or
3. the units are distributed in a country in which the UCITS is not authorized for distribution or have been acquired by a person for whom the acquisition of the units is not permitted.

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

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

Non-cash expenses are not allowed.

## 8.6 Exchange of shares

An exchange of units of the UCITS into another unit class of the UCITS is only possible if the investor fulfills the conditions for the direct acquisition of units of the respective unit class of the UCITS.

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

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

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

A = Number of units of the unit class, if any, into which the conversion is to be made

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

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

The management company may reject a conversion application for a unit class at any time if this appears to be in the interest of the UCITS, the management company, or the investors, in particular if :

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

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

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

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

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

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

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

In addition, the management company shall be entitled, while safeguarding the interests of the investors, to effect substantial redemptions only, i.e. to temporarily suspend redemption, after corresponding assets of the UCITS can be sold without delay while safeguarding the interests of the investors.

As long as the redemption of units is suspended, no new units of the UCITS shall be issued. The exchange of units whose redemption is temporarily restricted is not possible.

The management company shall ensure that sufficient liquid assets are available to the assets of the UCITS so that a redemption or conversion of units upon request of investors can be effected without delay under normal circumstances.

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

## 9 Use of success

The realized income of the UCITS is composed of the net income and the net realized capital gains. The net income is composed of the income from interest and/or dividends as well as other or miscellaneous income received less expenses.

The management company may distribute the net income and/or the net realized capital gains of the UCITS or of a unit class, respectively, to the investors of the UCITS or of the respective unit class, respectively, or reinvest (accumulate) such net income and/or net realized capital gains in the UCITS or the respective unit class, respectively, or carry them forward to new account.

The net income and the net realized capital gains of those unit classes which have a distribution pursuant to Annex A "The UCITS at a glance" may be distributed annually or more frequently, in whole or in part.

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

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

## 10 Tax regulations

### 10.1 Fund assets

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

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

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

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

### Withholding or imprest taxes

Depending on the person who directly or indirectly holds the units of the UCITS, income as well as capital gains, whether distributed or reinvested, may be partially or fully subject to a so-called paying agent tax (e.g. final withholding tax, European Savings Tax, Foreign Account Tax Compliance Act).

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

The UCITS has the following tax status:

### Automatic exchange of information (AEOI)

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

### FATCA

The UCITS is subject to the provisions of the Liechtenstein FATCA agreement as well as the corresponding implementing provisions in the Liechtenstein FATCA law.

## 10.2 Natural persons with tax domicile in Liechtenstein

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

## 10.3 Persons with tax domicile outside Liechtenstein

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

### Disclaimer

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

**Investors are encouraged to consult their own professional advisor regarding the relevant tax consequences. Neither the management company, the depositary nor their agents can assume any responsibility for the individual tax consequences for the investor arising from the purchase or sale or holding of investor units.**

## 11 Costs and fees

### 11.1 Costs and fees to be borne by investors

#### 11.1.1 Issue surcharge

In order to cover the costs incurred by the placement of the units, the management company may levy an issue premium on the net asset value of the newly issued units for the benefit of the management company, the depositary, and/or distributors in Liechtenstein or abroad in accordance with Annex A "The UCITS at a glance".

Any issue premium in favor of the UCITS can also be found in Annex A "The UCITS at a glance".

#### 11.1.2 Redemption discount

For the payment of redeemed units, the management company shall levy a redemption charge on the net asset value of the redeemed units in accordance with Annex A "The UCITS at a glance".

Any redemption discount in favor of the management company, the depositary, and/or distributors in Liechtenstein or abroad may also be found in Annex A "The UCITS at a glance".

#### 11.1.3 Conversion fee

For the change from one UCITS to another or from one unit class to another unit class requested by the investor, the management company shall levy a fee on the net asset value of the original UCITS or the original unit class, respectively, in accordance with Annex A "The UCITS at a glance".

### 11.2 Costs and fees to be borne by the UCITS

#### A. Expenses dependent on assets (individual expenses)

**11.2.1** The management company shall receive remuneration for the administration of the UCITS in accordance with Annex A "The UCITS at a glance". In addition, the management company may receive remuneration for the investment decision (asset management and investment advice), risk management, and distribution in accordance with Annex A "The UCITS at a glance". These fees are calculated on the basis of the average net fund assets or the corresponding unit class at each valuation and are subsequently withdrawn from the fund assets on a quarterly basis. The fees of the UCITS or the respective unit class can be found in Annex A "UCITS at a glance". The management company is free to determine different management fees for one or more unit classes. This also includes portfolio maintenance commissions, which can be paid to third parties for the brokerage and servicing of investors.

**11.2.2** For its activities, the depositary shall receive a fee from the assets of the UCITS in accordance with Annex A "The UCITS at a glance". The depositary fee shall be calculated on the basis of the average net assets of the UCITS or of the corresponding unit class at each valuation and shall be taken from the assets of the assets of the UCITS subsequently on a quarterly basis. The management company is free to determine different depositary fees for one or more unit classes.

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

In addition, the management company may charge a performance fee. Insofar as a performance fee is charged, it is described in detail in Annex A "The UCITS at a glance".

## **B. Expenses not related to assets (individual expenses)**

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

- 11.2.4** Costs for the audit of the UCITS by the auditor as well as fees of tax advisors, insofar as these expenses are incurred in the interest of the investors;
- 11.2.5** Fees and costs for licenses and supervision of the UCITS in Liechtenstein and abroad;
- 11.2.6** all taxes levied on the assets of the UCITS and its income and expenses at the expense of the assets of the UCITS;
- 11.2.7** any taxes arising in connection with the costs of administration and custody;
- 11.2.8** Fees, costs and charges in connection with the determination and publication of tax factors for the countries of the EU/EEA and/or all countries where distribution licenses exist and/or private placements are available, according to the effective expenses at market rates.
- 11.2.9** Costs of preparing, printing and mailing the annual and semi-annual reports and other publications required by law;
- 11.2.10** Costs for the publication of notices of the UCITS addressed to the investors in the organs of publication and possibly additional newspapers or electronic media determined by the management company, including price publications;
- 11.2.11** Costs incurred in connection with the fulfillment of the prerequisites and follow-up obligations of a distribution of the units in Germany and abroad (e.g. fees for paying agents, representatives and other agents with a comparable function, fees at fund platforms (e.g. listing fees, setup fees en, etc.), consulting, legal, translation costs);
- 11.2.12** Costs and expenses for regular reports to insurance companies, pension funds and other financial service providers (e.g. GroMiKV, Solvency II, VAG, MiFID II, ESG/SRI reports and sustainability ratings, etc.);
- 11.2.13** Costs for preparation or amendment, translation, filing, printing and mailing of the prospectus and the constituent documents (trust agreement, PRIIP-KID, calculation SRRI/SRI, etc.) in the countries where the units are distributed;
- 11.2.14** Costs incurred in connection with obtaining, maintaining and terminating listings of the shares;
- 11.2.15** Costs for the preparation, the announcement of the taxation bases and the certificate that the tax information was determined according to the rules of the respective foreign tax law;
- 11.2.16** Expenses in connection with the exercise of voting rights or creditor rights by the UCITS, including the fee costs for external advisors;
- 11.2.17** Administrative fees and reimbursement of costs of government agencies;

- 11.2.18** Costs for legal representation and tax advice incurred by the management company or the depositary when acting in the interest of the investors of the UCITS;
- 11.2.19** Internal and external costs for the reclaim of foreign withholding taxes, insofar as these can be made for the account of the UCITS. With regard to the reclaim of foreign withholding taxes, it shall be noted that the management company does not undertake to reclaim and such reclaim shall only be made if the procedure is justified according to the criteria of materiality of the amounts and the proportionality of the costs in relation to the possible reclaim amount. With respect to investments that are subject to securities lending, the Management Company will not make any withholding tax reclaim;
- 11.2.20** Costs for the credit rating of the assets of the UCITS or its target investments by nationally or internationally recognized rating agencies;
- 11.2.21** a reasonable share of costs for printed matter and advertising directly incurred in connection with the offering and sale of shares;
- 11.2.22** Fees and costs incurred as a result of other legal or regulatory requirements that must be met by the management company as part of the implementation of the investment strategy (such as reporting and other costs incurred as part of compliance with the European Market Infrastructure Regulation (EMIR, EU Regulation 648/2012));
- 11.2.23** Research costs;
- 11.2.24** External costs for assessing the sustainability ratings (ESG research) of the sub-fund's assets or its target investments;
- 11.2.25** License fees for the use of any reference values ("benchmarks");
- 11.2.26** Costs of establishing and maintaining additional counterparties when it is in the interest of investors;
- 11.2.27** **Transaction costs**  
In addition, the UCITS shall bear all ancillary costs arising from the management of the assets for the purchase and sale of the investments (brokerage fees in line with the market, commissions, duties) as well as all taxes levied on the assets of the UCITS and its income and expenses (e.g. withholding taxes on foreign income). The UCITS shall also bear any external costs, i.e. fees from third parties, incurred in the purchase and sale of the investments. These costs shall be offset directly against the cost or sales value of the relevant investments.
- 11.2.28** **Any costs for currency hedging of unit classes**  
The costs, if any, of currency hedging of unit classes are allocated to the corresponding unit class.
- 11.2.29** **Service fee**  
Any periodic service fees for additional services of the depositary can be found in Annex A "UCITS at a glance".
- 11.2.30** **Formation costs**  
The costs for the formation of the UCITS and the initial issue of units shall be amortized at the expense of the assets of the UCITS over 3 years.

### 11.2.31 Liquidation fees

In the event of the dissolution of the UCITS, the management company may levy a liquidation fee in the amount of max. CHF 10,000.00 in its favor. In addition to this amount, all third-party costs incurred shall be borne by the UCITS.

### 11.2.32 Extraordinary disposition costs

In addition, the management company may charge costs for extraordinary dispositions to the assets of the UCITS. Extraordinary disposition costs consist of expenses incurred for the purpose of safeguarding the interests of the investors, which arise in the course of the regular business activity and which were not foreseeable at the time the UCITS was established. Extraordinary disposition costs are in particular costs for legal action in the interest of the UCITS or the investors. In addition, all costs of any extraordinary dispositions which may become necessary pursuant to the UCITSG and UCITSV (e.g. amendment of the fund documents, etc.) shall be understood hereunder.

### 11.2.33 Grants

In connection with the acquisition and disposal of objects and rights for the UCITS, the management company, the depositary, and any agents shall ensure that in particular inducements directly or indirectly benefit the UCITS. The depositary is entitled to retain an amount not exceeding 30% of the inducements as a retention.

### 11.2.34 Ongoing charges (total expense ratio, TER)

The total ongoing charges before any performance-related expenses (total expense ratio before performance fee) shall be calculated according to general principles laid down in the rules of conduct and shall comprise, with the exception of transaction costs, all costs and charges that are charged on an ongoing basis to the assets of the UCITS. The TER of the UCITS or of the respective unit class shall be indicated in the semi-annual and annual reports and shall be shown on the website of the LAFV Liechtenstein Investment Fund Association at [www.lafv.li](http://www.lafv.li) upon publication of the next semi-annual or annual report.

## 12 Information to investors

The publication organ of the UCITS is the website of the LAFV Liechtenstein Investment fondsverband [www.lafv.li](http://www.lafv.li) as well as other media mentioned in the prospectus.

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

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

The annual report audited by an auditor and the semi-annual report, which need not be audited, shall be made available to investors free of charge at the registered office of the management company and depositary.

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

## 13.1 Duration

The UCITS is established for an indefinite period of time.

## 13.2 Resolution

### Resolution on dissolution

The dissolution of the UCITS shall be mandatory in the cases provided for by law. In addition, the management company shall be entitled to dissolve the UCITS at any time.

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

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

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

If the management company dissolves a unit class without dissolving the UCITS, all units of this class shall be redeemed at their then valid net asset value. This redemption shall be published by the management company and the redemption price shall be paid out by the depositary in favor of the former investors.

### Reasons for the dissolution

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

### Dissolution costs

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

### Dissolution and bankruptcy of the management company or the depositary, respectively

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

In the event of bankruptcy of the depositary, the assets under management of the UCITS shall be transferred to another depositary or dissolved by way of separate satisfaction for the benefit of the investors of the UCITS, subject to the consent of the FMA, pursuant to Art. 31 (2) UCITSG.

### **Termination of the depositary agreement**

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

## **13.3 Merger**

Within the meaning of Art. 38 UCITSG, the management company may decide at any time and at its own discretion, with the approval of the relevant supervisory authority, to merge the UCITS with one or more other UCITS, irrespective of the legal form of the UCITS and whether the other UCITS is domiciled in Liechtenstein or not. Unit classes of the UCITS may also be merged with each other, but also with one or more other UCITS and unit classes.

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

The investors shall be informed about the planned merger. The investor information must enable investors to make an informed judgment about the effects of the planned merger on their investment and to exercise their rights under Articles 44 and 45 UCITSG.

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

### **Costs of the merger**

Legal, consulting, or administrative costs associated with the preparation and implementation of the merger shall neither be charged to the assets of one of the UCITS involved in the merger nor to the investors.

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

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

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

The UCITS is subject to Liechtenstein law. The exclusive place of jurisdiction for all disputes between the investors, the management company, and the depositary shall be Vaduz.

However, the management company and/or the depositary may submit to the jurisdiction of the countries in which units are offered and sold with regard to claims of investors from these countries. The right is reserved to other legally binding places of jurisdiction.

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

This Trust Agreement shall enter into force on December 19, 2022. This is subject to the amendment of the performance fee, which will enter into force on January 1, 2023.

## 15 Specific information for individual sales countries

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

# PART II: THE TRUST AGREEMENT

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## Preamble

The trust agreement and Annex A "UCITS at a glance" form an essential unit.

Insofar as a matter is not regulated in this trust agreement, the legal relationships between the investors and the management company shall be governed by the Law of June 28, 2011 on Certain Undertakings for Collective Investment in Transferable Securities (UCITSG) and the Ordinance of July 5, 2011 on Certain Organisms for Collective Investment in Transferable Securities (UCITSV) and, insofar as no provisions are made therein, by the provisions of the Law of Persons and Companies on trusteeship.

## I. General provisions

### Art. 1 The UCITS

The **GADD SMP Fund** (hereinafter: UCITS) was established pursuant to Art. 4(1)(a) of the Investment Undertakings Act (IUA) as a legally dependent open-ended investment fund in the legal form of a collective trusteeship. On February 28, 2011, the FMA certified to the Management Company the receipt of the confirmation of the external auditors with regard to the investment undertaking for qualified investors. The investment fund was entered in the Liechtenstein Commercial Register on March 1, 2011. The prospectus and the contractual conditions were filed with the Liechtenstein Office of Justice at .

The investment fund **GADD SMP Fund** was converted from an investment undertaking for qualified investors into an undertaking for collective investment in transferable securities (UCITS) under the laws of the Principality of Liechtenstein with the approval of the FMA of November 18, 2013. The trust agreement and Annex A "UCITS at a glance" entered into force for the first time on January 1, 2014.

The trust agreement and Annex A "UCITS at a glance" were approved by the FMA on April 28, 2022 and entered into force on May 02, 2022.

The UCITS is subject to the law of June 28, 2011 on undertakings for collective investment in transferable securities (UCITSG).

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

The UCITS is not an umbrella structure and is thus an individual fund.

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

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

By acquiring units (the "units") of the UCITS, each investor acknowledges the trust agreement which establishes the contractual relations between the investors, the management company, and the depository, as well as the duly executed amendments to this document.

## **Art. 2 Management Company**

The UCITS shall be managed by IFM Independent Fund Management AG, domiciled in Schaan, Principality of Liechtenstein, which has been established in the legal form of a stock corporation, in accordance with the present trust agreement. In accordance with the UCITSG, the management company is licensed by the Financial Market Authority Liechtenstein (FMA) and is entered on the list of licensed management companies in Liechtenstein officially published by the FMA.

The management company shall manage the UCITS for the account and in the exclusive interest of the investors in accordance with the principle of risk diversification and pursuant to the provisions of the trust agreement and Annex A "The UCITS at a glance".

The management company shall be entitled to dispose of the objects belonging to the UCITS in its own name in accordance with the legal provisions and the trust agreement and to exercise all rights therefrom.

## **Art. 3 Transfer of tasks**

The management company may, in compliance with the provisions of the UCITSG and the UCITSV, delegate some of its duties to third parties for the purpose of efficient management. The precise execution of the assignment shall be governed in each case by a contract concluded between the management company and the assigned party.

## **Art. 4 Depository**

The management company has appointed as depository for the UCITS a bank or securities company pursuant to the Banking Act having its registered office or a branch office in the Principality of Liechtenstein. The assets of the UCITS may be held in custody by different depositories. The function of the depository is governed by the UCITSG, the depository agreement, this trust agreement, and the prospectus.

## **Art. 5 Auditor**

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

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

The net asset value (NAV) per unit shall be calculated by the management company at the end of the accounting year and on the respective valuation day on the basis of the last known prices, taking into account the valuation interval. The management company may adopt a deviating regulation for individual UCITS, taking into account that the NAV per unit shall be calculated at least twice a month.

The NAV of a unit in a unit class of a UCITS is expressed in the accounting currency of the UCITS or, if different, in the reference currency of the respective unit class and results from the quota of the assets of this UCITS attributable to the respective unit class, reduced by any debt obligations of the same UCITS allocated to the unit class concerned, divided by the number of outstanding units of the respective unit class. It shall be rounded as follows when units are issued and redeemed:

- ◆ to 0.01 SEK if the currency is Swedish kronor;
- ◆ to CHF 0.01 if it is the Swiss franc; and
- ◆ to 0.01 EUR if the currency is the euro.

The net fund assets are valued at fair value according to the following principles:

Securities that are officially listed on a stock exchange shall be valued at the last available price. If a security is officially listed on several stock exchanges, the last available price of the stock exchange that is the main market for this security shall be decisive.

2. Securities which are not officially listed on a stock exchange but which are traded on a market open to the public shall be valued at the last available price. If a security is traded on different markets open to the public, in case of doubt, the last available price of the market with the highest liquidity shall be taken into account.
3. Securities or money market instruments with a remaining term of less than 397 days may be written down or up on a straight-line basis at the difference between the cost price (purchase price) and the redemption price (price at final maturity). Valuation at the current market price can be omitted if the repayment price is known and fixed. Any changes in creditworthiness are also taken into account.
4. investments whose price is not in line with the market and those assets which do not fall under item 1, item 2 and item 3 above shall be set at the price which would probably be obtained by diligent sale at the time of valuation and which is determined in good faith by the management of the management company or under its direction or supervision by agents .
5. OTC derivatives shall be valued on a daily basis at a verifiable valuation to be determined by the Management Company, as determined by the Ver walt ungs-gesellschaft in good faith and in accordance with generally accepted valuation models verifiable by auditors, based on the sales value that is likely to be achieved.

UCITS or undertakings for collective investment (UCI) shall be valued at the last determined and available net asset value. If the redemption of units is suspended or, in the case of closed-end UCIs, there is no right to redemption or no redemption prices are fixed, these units, like all other assets, shall be valued at the respective market value as determined by the management company in good faith and in accordance with generally accepted valuation models verifiable by auditors.

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

The valuation is carried out by the management company.

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

## **Art. 7 Issue of shares**

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

The shares are not certificated as securities.

Subscription applications must be submitted to the depositary by the acceptance deadline at the latest. If a subscription application is received after the acceptance deadline, it will be earmarked for the following issue date. For applications placed with sales agents in Germany and abroad, earlier closing times for the submission of applications may apply in order to ensure timely forwarding to the depositary in Liechtenstein. These can be obtained from the respective sales agents. Information on the issue date, the acceptance deadline, and the amount of the maximum issue premium, if any, can be found in Annex A "The UCITS at a glance".

The payment must be received within the period specified in Annex A "The UCITS at a glance" after the valuation day (issue day) .

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

All taxes and duties incurred as a result of the issue of units will also be charged to the investor.

If shares are acquired through banks that are not entrusted with the distribution of the shares, it cannot be ruled out that such banks will charge further transaction costs.

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

The minimum investment that must be held by an investor in a given unit class can be found in Annex A "The UCITS at a glance". The minimum investment may be waived at the discretion of the management company.

Contributions in kind are not permitted.

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

The depositary and/or the management company and/or the sales agent may at any time reject a subscription application or temporarily limit, suspend, or permanently discontinue the issuance of units if this appears necessary in the interest of the investors, in the public interest, for the protection of the management company or the UCITS, or of the investors. In this case, the depositary shall immediately refund, without interest, any payments received on subscriptions not already executed to ; if necessary, this shall be done with the assistance of the paying agents.

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

## Art. 8 Redemption of units

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

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

Information on the redemption day, the valuation interval, the acceptance deadline, and the amount of the maximum redemption fee, if any, can be found in Annex A "The UCITS at a glance".

Since an adequate share of liquid assets must be provided for in the assets of the UCITS, the redemption of units shall be effected within the period specified in Annex A "The UCITS at a glance" after the valuation day (redemption day). This shall not apply in the event that the transfer of the redemption amount proves impossible pursuant to legal provisions such as foreign exchange and transfer restrictions or due to other circumstances beyond the control of the depositary.

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

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

Non-cash expenses are not allowed.

The management company and/or depositary may redeem units against payment of the redemption price against the investor's will, insofar as this appears necessary in the interest or for the protection of the investors, the management company, the depositary, or the UCITS, in particular if

1. there is a suspicion that the respective investor is engaging in "market timing", "late trading" or other market techniques with the acquisition of the shares, which could be detrimental to the investors as a whole,
2. the investor does not fulfill the conditions for an acquisition of the shares or
3. the units are distributed in a country in which the UCITS is not authorized for distribution or have been acquired by a person for whom the acquisition of the units is not permitted.

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

If the execution of a redemption request results in the portfolio of the respective investor falling below the minimum investment of the respective unit class listed in Annex A "The UCITS at a glance", the management company may, without further notice to the investor, treat such redemption request as a request for redemption of all units held by the respective investor in such unit class or as a request for conversion of the remaining units into another unit class of the UCITS with the same reference currency whose participation requirements are met by the investor.

The redemption of fund units may be discontinued in cases of application of Art. 12.

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

An exchange of units into another unit class of the UCITS is only possible if the investor fulfills the conditions for the direct acquisition of units of the respective unit class.

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

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

1. there is a suspicion that the respective investor is using market timing, late trading or other market techniques in acquiring the shares which could be detrimental to the investors as a whole;
2. the investor does not meet the conditions for acquiring the shares; or
3. the units have been distributed in a state in which the UCITS is not authorized for distribution or have been acquired by a person for whom the acquisition of the units is not permitted.

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

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

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

### **Late Trading**

Late trading is understood to mean the acceptance of a subscription, conversion or redemption order received after the order acceptance deadline (cut-off time) of the day in question and its execution at the price based on the net asset value applicable on that day. Late trading allows an investor to profit from knowledge of events or information published after the cut-off time of the orders but not yet reflected in the price at which the investor's order is settled. As a result, this investor has an advantage over investors who have met the official order acceptance deadline. The advantage of this investor is even more significant if he can combine late trading with market timing.

### **Market Timing**

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

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

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

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

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

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

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

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

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

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

In addition, the management company shall be entitled, while safeguarding the interests of the investors, to effect substantial redemptions only, i.e. to temporarily suspend redemption, after corresponding assets of the UCITS can be sold without delay while safeguarding the interests of the investors.

As long as the redemption of units is suspended, no new units of the UCITS shall be issued. Conversion of units whose redemption is temporarily restricted is not possible.

The management company shall ensure that sufficient liquid assets are available to the assets of the UCITS so that a redemption or conversion of units upon request of investors can be effected without delay under normal circumstances.

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

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

The units of the UCITS are not authorized for distribution in all countries of the world. When units are issued, redeemed, and exchanged abroad, the provisions applicable in the respective country shall apply. For details, please refer to the prospectus .

## **II. Structural measures**

### **Art. 14 Merger**

Pursuant to Art. 38 UCITSG, the management company may decide at any time and at its own discretion, with the approval of the relevant supervisory authority, to merge the UCITS with one or more other UCITS, irrespective of the legal form of the UCITS and whether or not the other UCITS has its registered office in Liechtenstein. Unit classes of the UCITS may also be merged with each other, but also with one or more other UCITS or their subfunds and unit classes.

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

Until five working days prior to the planned transfer date, the investors shall have the option either to redeem their units without a redemption discount, or to exchange their units for units of another UCITS which is also managed by the management company and has an investment policy similar to that of the UCITS to be merged.

On the transfer date, the values of the receiving and the transferring investment fund or UCITS are calculated, the exchange ratio is determined, and the entire process is audited by the auditor. The exchange ratio shall be determined according to the ratio of the net asset values of the acquired and the receiving investment fund at the time of the acquisition. Investors receive the number of units in the new investment fund that corresponds to the value of their units in the transferring investment fund. There is also the possibility that investors in the transferring investment fund will be paid up to 10 percent of the value of their units in cash. If the merger takes place during the current fiscal year of the transferring investment fund, its managing management company must prepare a report as of the transfer date that complies with the requirements for an annual report.

The management company shall make public in the organ of publication of the UCITS, the website of the LAFV Liechtenstein Investment Fund Association [www.lafv.li](http://www.lafv.li) if the UCITS has absorbed another UCITS and the merger has become effective. Should the UCITS

cease to exist as a result of a merger, the management company shall take over the announcement, which shall manage the absorbing or newly established UCITS.

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

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

The investors shall be informed about the planned merger. The investor information must enable investors to make an informed judgment of the effects of the project on their investment and to exercise their rights under Articles 44 and 45 UCITSG.

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

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

Legal, consulting or administrative costs associated with the preparation and implementation of the merger shall not be charged to any of the UCITS involved in the merger, nor to the investors.

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

If a UCITS exists as master UCITS, a merger will only become effective if the UCITS concerned provides its investors and the competent authorities of the home Member State of its feeder UCITS with the information required by law until 60 days before the proposed effective date. In this case, the UCITS concerned shall further grant the feeder UCITS the option to redeem or pay out, as the case may be, all units before the merger becomes effective, unless the competent authority of the feeder UCITS home Member State does not approve the investment in units of the master UCITS resulting from the merger.

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

### **Art. 17 In general**

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

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

The dissolution of the UCITS or unit classes shall be mandatory in the cases provided for by law. In addition, the management company shall be entitled to dissolve the UCITS or an individual unit class at any time.

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

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

Upon dissolution of the UCITS, the management company may immediately liquidate the assets of the UCITS in the best interest of the investors. In all other respects, the

liquidation of the UCITS shall be effected in accordance with the provisions of the Liechtenstein Persons and Companies Act (PGR).

If the management company dissolves a unit class without dissolving the UCITS, all units of this class shall be redeemed at their then valid net asset value. This redemption shall be published by the management company and the redemption price shall be paid out by the depositary for the benefit of the former investors.

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

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

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

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

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

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

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

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

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

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

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

The management company may form several unit classes for the UCITS. The formation of unit classes is permitted at any time and is at the discretion of the management company. The prospectus as well as the trust agreement including the fund-specific Annex A "The UCITS at a glance" shall be adjusted accordingly.

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

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

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

## **Art. 25 Formation of subfunds**

The UCITS is not an umbrella structure and thus there are no sub-funds. The management company may decide at any time to convert the UCITS into an umbrella structure and thus to launch subfunds. The prospectus as well as the trust agreement including the fund-specific Annex A "The UCITS at a glance" shall be adapted accordingly.

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

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

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

## **Art. 27 Investment policy**

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

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

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

The assets of the UCITS shall be invested in compliance with the principle of risk diversification within the meaning of the rules of the UCITSG and in accordance with the policy principles described below at large and within the investment restrictions.

## **Art. 29 Approved installations**

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

1. securities and money market instruments:
  - a) which are listed or traded on a regulated market within the meaning of Art. 4 par. 1 fig. 21 of Directive 2014/65/EU;
  - b) traded on another regulated market of an EEA Member State which is recognized and open to the public and operates regularly;
  - c) which are officially listed on a securities exchange of a third country or traded on another market worldwide which is recognized, open to the public and whose mode of operation is orderly.
2. Securities from new issues, provided that:

- a) the terms and conditions of issue contain the obligation that admission to official listing or to trading on one of the securities exchanges mentioned under no. 1 a) to c) or on a market regulated there has been applied for, and
  - b) this approval is obtained at the latest before the expiry of one year after the issue.
3. Units of UCITS and other collective investment undertakings comparable with a UCITS within the meaning of Art. 3 (1) No. 17 UCITSG, provided that according to their constituent documents, such UCITS may invest no more than 10% of their assets in units of another UCITS or comparable collective investment undertakings;
  4. demand deposits or deposits redeemable at notice with a term not exceeding twelve months with credit institutions which have their registered office in an EEA Member State or in a third country whose supervisory law is equivalent to EEA law;
  4. derivatives whose underlying assets are investment items within the meaning of this article or financial indices, interest rates, exchange rates or currencies. In the case of transactions with OTC derivatives, the counterparties must be supervised institutions of a category approved by the FMA, and the OTC derivatives must be subject to a reliable and auditable valuation on a daily basis via and must be able to be sold, liquidated, or closed out by a transaction at an appropriate fair value at any time on the initiative of the UCITS. gen ;
  6. money market instruments that are not traded on a regulated market, provided that the issue or the issuer of such instruments is subject to regulations on the protection of investors and the protection of investors:
    - a) issued or guaranteed by a central, regional or local authority or the central bank of an EEA Member State, the European Central Bank, the Community or the European Investment Bank, a non-Member State or, if it is a federal State, by one of the members of the federation or by a public international body of which at least one EEA Member State is a member;
    - b) issued by a company whose securities are traded on the regulated markets referred to under a);
    - c) issued or guaranteed by an institution subject to prudential supervision in accordance with the criteria laid down in EEA law or by an institution whose prudential law is equivalent to EEA law and which complies with that law; or
    - d) issued by an issuer belonging to a category approved by the FMA, provided that investments in such instruments are subject to investor protection provisions equivalent to those in paras. a to c and the issuer is either a company with equity capital of at least EUR 10 million and prepares and publishes its annual financial statements in accordance with the provisions of Directive 78/660/EEC, implemented in Liechtenstein by PGR, or is a legal entity belonging to a group which is responsible for the financing of the group of companies with at least one listed company or is a legal entity which is to finance the securitization of liabilities by using a credit line granted by a bank.
  7. the Management Company may also hold liquid assets.

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

The management company may not:

1. invest more than 10% of the assets of the UCITS in securities and money market instruments other than those referred to in Art. 29;
2. acquire precious metals or certificates on precious metals;

3. make uncovered short sales.

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

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

Unless the protection of investors and the public interest conflict, investments of the UCITS in index-based derivatives shall not be taken into account with regard to the ceilings of Art. 54 UCITSG.

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

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

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

## Art. 32 Investment limits

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

1. The assets of the UCITS may invest no more than 5% of its assets in securities or money market instruments of the same issuer and no more than 20% of its assets in deposits of the same issuer.
2. The default risk from transactions of the UCITS with OTC derivatives with a credit institution as counterparty which is domiciled in an EEA member state or in a third country whose supervisory law is equivalent to that of EEA law may not exceed 10% of the assets of the UCITS ; in the case of other entities, the maximum default risk is 5% of the assets.
3. Provided that the total value of the securities and money market instruments of the issuers in which the UCITS invests more than 5% of its assets at does not exceed 40% of its assets, the issuer limit mentioned in item 1 is raised from 5% to 10%. The limit of 40% shall not apply to deposits or to transactions with OTC derivatives with financial institutions supervised by . When the increase is applied, the securities and money market instruments referred to in item 5 and the debt securities referred to in item 6 are not taken into account.
4. Irrespective of the individual upper limits pursuant to items 1 and 2, a UCITS may not combine entities if this would lead to an investment of more than 20% of its assets with one and the same institution:
  - a) securities or money market instruments issued by that institution;
  - b) Deposits with that institution;
  - c) OTC derivatives acquired by that entity.

5. If the securities or money market instruments are issued or guaranteed by an EEA member state or its local authorities, by a third country or by an international institution under public law to which at least one EEA member state belongs, the upper limit of 5% specified in item 1 is raised to a maximum of 35%.
6. If bonds are issued by a credit institution domiciled in an EEA member state which, by virtue of statutory provisions for the protection of the holders of such bonds, is subject to special public supervision and, in particular, is required to invest the proceeds from the issue of such bonds in assets which, during the entire term of the bonds, adequately cover the liabilities arising therefrom and are earmarked on a priority basis for the repayment of principal and interest falling due in the event of the issuer's default, the limit specified in no. 1 above shall be raised for such bonds from 5% to a maximum of 25%. 1 is raised from 5% to a maximum of 25%. In this case, the total value of the investments may not exceed 80% of the assets of the UCITS.
7.
  - a. The limits specified in items 1 to 6 may not be cumulated. The maximum issuer limit is 35% of the assets of the UCITS.
  - b. In the case of an exemption by the FMA, this limit may also be more than 35%. This must be clearly mentioned in the prospectus and in the advertising .
8. Companies of the same corporate group shall be considered as a single issuer for the purpose of calculating the investment limits provided for in this article. For investments in securities and money market instruments of the same corporate group, the issuer limit shall be raised to a combined total of 20% of the assets of the UCITS.
9. The UCITS may invest no more than 10% of its assets in units of other UCITS or in other undertakings for collective investment comparable to a UCITS.
10. If the investments pursuant to item 9 constitute a substantial part of the assets of the UCITS, the prospectus must provide information on the maximum amount and the annual report on the maximum share of the management fees to be borne by the UCITS or the undertakings for collective investment pursuant to item 9 comparable to a UCITS whose units have been acquired.
11. If units are managed directly or indirectly by the management company or by a company with which the management company is linked by common management, control, or qualified participation, neither the management company nor the other company may charge fees for the issue or redemption of units to or from the assets of the UCITS .
12. A management company shall not acquire for any UCITS managed by it voting rights shares of the same issuer with which it can exercise a significant influence on the management of the issuer. A notable influence is presumed from 10% of the voting rights of the issuer. If a lower limit for the acquisition of voting shares of the same issuer applies in another EEA member state, this limit shall be decisive for the management company if it acquires shares of an issuer domiciled in this EEA member state for a UCITS.
13. The UCITS may use financial instruments of the same issuer in an amount not exceeding:
  - a) 10% of the issuer's capital stock is acquired, insofar as non-voting shares are concerned;
  - b) 10% of the total nominal amount of the issuer's outstanding debt securities or money market instruments are acquired, insofar as debt securities or

money market instruments are concerned. This limit need not be observed if the total nominal amount cannot be determined at the time of acquisition;

- c) 25% of the units of the same undertaking are acquired, insofar as units of other UCITS or of undertakings for collective investment comparable to a UCITS are concerned. This specific limit need not be observed if the net amount cannot be determined at the time of acquisition.

14. Items 12 and 13 are not applicable:

- a) on securities and money market instruments issued or guaranteed by a government issuer;
- b) to shares held by the UCITS in the capital of a company of a third country which invests its assets mainly in securities of issuers domiciled in this third country, if such participation represents the only possibility for the UCITS to make investments in securities of issuers of this country due to the legal provisions of this third country. In this context, the requirements of the UCITSG shall be observed;
- c) on shares held by management companies in the capital of their subsidiaries *ter ge sellschaften*, which in the country of establishment organize the repurchase of shares at the request of the investors exclusively for the *Verwaltungs gesellschaft*.

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

#### **B. The investment limits may be deviated from in the following cases:**

1. The UCITS is not required to comply with the investment limits when exercising subscription rights from securities or money market instruments that are part of its assets.
2. in the event that the aforementioned limits are exceeded, the assets of the UCITS shall, in their sales, strive as a priority objective for the normalization of this situation, taking into account the interests of the investors.
3. Within the first six months after its liberation, the UCITS may deviate from the investment limits of this chapter "Provisions on investment policy". Articles 29 and 30 shall remain unaffected by this exception and shall be complied with at all times. The requirement of risk diversification shall continue to be complied with.

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

Any loss incurred as a result of an active violation of the investment limits/investment regulations must be reimbursed to the UCITS without delay in accordance with the applicable rules of conduct.

#### **D. Special techniques and instruments involving securities and money market instruments**

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

The management company must use a **risk management procedure** which allows it to monitor and measure the risk associated with the investment positions as well as

their respective share in the overall risk profile of the investment portfolio at any time; it must also use a procedure which allows for an accurate and independent assessment of the value of the OTC derivatives. The Verwalter company shall submit reports to the FMA at least once a year containing information that provides a true and fair view of the derivatives used for each managed UCITS, the underlying risks, the investment limits, and the methods used to estimate the risks associated with the derivative transactions.

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

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

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

The management company may invest in derivatives as part of its investment strategy pursuant to Art. 29 No. 5, provided that the total risk of the underlying assets does not exceed the investment limits in Art. 32 "Investment limits". Investments of the UCITS in index-based derivatives need not be taken into account in the investment limits of Art. 32 "Investment limits".

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

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

The management company does not engage in **repurchase** agreements.

## **Art. 33 Joint management**

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

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

## **VI. Costs and fees**

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

#### **A. Expenses dependent on assets (individual expenses)**

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

The management company shall receive remuneration for the administration of the UCITS in accordance with Annex A "The UCITS at a glance". In addition, the management

company may receive remuneration for the investment decision (asset management and investment advice), risk management, and distribution pursuant to Annex A "The UCITS at a glance". These fees shall be calculated on the basis of the average net fund assets of the UCITS or the corresponding unit class at each valuation and shall be taken from the assets of the UCITS in arrears on a quarterly basis. The fees of the UCITS or the respective unit class can be found in Annex A "The UCITS at a glance". The management company shall be free to determine different management fees for one or more unit classes.

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

### **Depository**

For its activities, the depository shall receive a fee from the assets of the UCITS in accordance with Annex A "The UCITS at a glance". The depository fee shall be calculated on the basis of the average net assets of the UCITS or of the corresponding unit class at each valuation and shall be subsequently withdrawn from the assets of the UCITS on a quarterly basis. The management company is free to determine different depository fees for one or more unit classes.

Any compensation for third parties commissioned by is included in the fees pursuant to Art. 34 of this Trust Agreement.

### **B. Expenses not related to assets (individual expenses)**

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

- ◆ Costs for the audit of the UCITS by the auditor as well as fees of tax advisors, insofar as these expenses are incurred in the interest of the investors;
- ◆ Fees and costs for licenses and supervision of the UCITS in Liechtenstein and abroad;
- ◆ all taxes levied on the assets of the UCITS and its income and expenses at the expense of the assets of the UCITS;
- ◆ any taxes arising in connection with the costs of administration and custody;
- ◆ Fees, costs and charges in connection with the determination and publication of tax factors for the countries of the EU/EEA and/or all countries where distribution licenses exist and/or private placements are available, according to the effective expenses at market rates.
- ◆ Costs of preparing, printing and mailing the annual and semi-annual reports and other publications required by law;
- ◆ Costs for the publication of notices of the UCITS addressed to the investors in the organs of publication and possibly additional newspapers or electronic media determined by the investment company, including price publications;
- ◆ Costs incurred in connection with the fulfillment of the prerequisites and follow-up obligations of a distribution of the units in Germany and abroad (e.g. fees for paying agents, representatives and other agents with a comparable function, fees at fund platforms (e.g. listing fees, setup fees, etc.), legal, translation, consulting costs);
- ◆ Costs and expenses for regular reports and reporting to insurance companies, pension funds and other financial services providers (e.g. GroMiKV, Solvency II, VAG, MiFID II, ESG/SRI reports and sustainability ratings, etc.);

- ◆ Costs for preparation or amendment, translation, filing, printing and mailing of the prospectus and the constituent documents (trust agreement, PRIIP-KID, calculation SRRI/SRI, etc.) in the countries where the units are distributed;
- ◆ Costs incurred in connection with obtaining, maintaining and terminating listings of the shares;
- ◆ costs of determination, the announcement of the tax bases and the certificate that the tax information was determined in accordance with the rules of the respective foreign tax law;
- ◆ Expenses in connection with the exercise of voting rights or creditors' rights by the UCITS, including the fee costs for external consultants;
- ◆ Administrative fees and reimbursement of costs of government agencies;
- ◆ Costs for legal and legal representation as well as for tax advice incurred by the management company or the depositary when acting in the interest of the investors of the UCITS;
- ◆ Internal and external costs for the reclaim of foreign withholding taxes, insofar as these can be made for the account of the UCITS. With regard to the reclaim of foreign withholding taxes, it shall be noted that the management company does not undertake to reclaim and such reclaim shall only be made if the procedure is justified according to the criteria of materiality of the amounts and the proportionality of the costs in relation to the possible reclaim amount. With respect to investments that are subject to securities lending, the Management Company will not make any withholding tax reclaim;
- ◆ Costs for the credit rating of the assets of the UCITS or its target investments by nationally or internationally recognized rating agencies;
- ◆ a reasonable share of costs for printed matter and advertising directly incurred in connection with the offering and sale of shares.
- ◆ Fees and costs incurred as a result of other legal or regulatory requirements that must be met by the management company as part of the implementation of the investment strategy (such as reporting and other costs incurred as part of compliance with the European Market Infrastructure Regulation (EMIR, EU Regulation 648/2012));
- ◆ Research costs;
- ◆ External costs for assessing the sustainability ratings (ESG research) of the subfund's assets or its target investments;
- ◆ License fees for the use of any reference values ("benchmarks");
- ◆ Costs of establishing and maintaining additional counterparties when it is in the interest of investors.

#### **Transaction costs**

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

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

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

### **Service fee**

Any periodic service fees for additional services of the depositary can be found in Annex A "The UCITS at a glance".

### **Liquidation fees**

In the event of the dissolution of the UCITS, the management company may charge a liquidation fee in the amount of max. CHF 10,000 in its favor. In addition to this amount, all third-party costs incurred shall be borne by the UCITS.

### **Extraordinary disposition costs**

In addition, the management company may charge costs for extraordinary dispositions to the assets of the UCITS. Extraordinary disposition costs consist of expenses that serve exclusively to safeguard the interests of the investors, are incurred in the course of regular business activities, and were not foreseeable at the time the UCITS was established. Extraordinary disposition costs are in particular costs for legal action in the interest of the UCITS or the investors. In addition, all costs of any extraordinary dispositions which may become necessary pursuant to UCITSG and UCITSV (e.g. amendment of the fund documents, etc.) shall be understood hereunder.

### **Grants**

In connection with the acquisition and disposal of objects and rights for the UCITS, the management company, the depositary, and any agents shall ensure that in particular inducements directly or indirectly benefit the UCITS. The depositary is entitled to retain an amount not exceeding 30% of the inducements as a retention.

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

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

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

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

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

In addition, the management company may charge a performance fee. If a performance fee is charged, it is described in detail in Annex A "The UCITS at a glance".

## **Art. 37 Formation costs**

The costs for the formation of the UCITS and the initial issue of units shall be amortized over three years at the expense of the assets of the UCITS.

## VII. Final provisions

### Art. 38 Appropriation of profit

The realized income of the UCITS is composed of the net income and the net realized capital gains. The net income is composed of the income from interest and/or dividends as well as other or miscellaneous income received less expenses.

The management company may distribute the net income and/or the net realized capital gains of the UCITS or of a unit class, respectively, to the investors of the UCITS or of the respective unit class, respectively, or reinvest (accumulate) such net income and/or net realized capital gains in the UCITS or the respective unit class, respectively, or carry them forward to new account.

The net income and the net realized capital gains of those unit classes which have a distribution pursuant to Annex A "The UCITS at a glance" may be distributed annually or more frequently, in whole or in part.

The net income and/or the net realized capital gains as well as the carried-forward net income and/or the carried-forward net realized capital gains of the UCITS or of the respective unit class may be distributed. Interim distributions of net income carried forward and/or realized capital gains carried forward are permissible. Distributions are paid on the units issued on the distribution date. No interest is paid on declared distributions from the date they are due.

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

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

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

The benchmark index may change over time. In this case, the prospectus and Annex A "UCITS at a glance" of the constituent documents shall be updated at the next opportunity and the investors shall be informed by notice in the organ of publication as well as in the media mentioned in the prospectus or by means of durable data carriers (letter, fax, e-mail, or the like).

Moreover, the UCITS may use benchmarks for the calculation of performance-related fees. Detailed information on the performance fee, if any, can be found in section 11.2 of the prospectus and article 36 of the trust agreement, as well as in Annex A "The UCITS at a glance".

With respect to a benchmark index, the Management Company assumes no liability for the quality, accuracy or completeness of the data of the benchmark index, nor for the

fact that the respective benchmark index is managed in accordance with the described index methods.

The management company has drawn up a written plan with measures it will take with regard to the UCITS if the index changes significantly or is no longer provided. Information relating to this plan is available free of charge upon request at the registered office of the management company.

## **Art. 40 Allowances**

The management company reserves the right to grant inducements to third parties for the provision of services. As a rule, the basis for measuring such contributions shall be the commissions, fees, etc. charged and/or the assets/asset components placed with the management company. Their amount corresponds to a per centual share of the respective assessment basis. Upon request, the management company shall disclose at any time further details of the agreements made with third parties. The investor hereby expressly waives any right to further information from the management company; in particular, the management company shall not be subject to any detailed accounting obligation with respect to benefits actually paid.

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

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

The publication medium of the UCITS shall be the website of the LAFV Liechtensteiner Anlagefonds verband ([www.lafv.li](http://www.lafv.li)) as well as other media mentioned in the prospectus.

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

The net asset value as well as the issue and redemption prices of the units of the UCITS or its unit classes shall be announced on each valuation day in the above-mentioned

publication organ of the UCITS as well as in other media and permanent data carriers (letter, fax, e-mail, or similar) mentioned in the prospectus.

The annual report audited by an auditor and the semi-annual report, which need not be audited, shall be made available to investors free of charge at the registered office of the management company and depositary.

### **Art. 42 Reports**

The management company shall prepare an audited annual report as well as a semi-annual report for each UCITS in accordance with the legal provisions in the Fürstentum Liechtenstein.

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

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

Additional audited and unaudited interim reports can be generated.

### **Art. 43 Business year**

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

### **Art. 44 Amendments to the Trust Agreement**

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

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

### **Art. 45 Limitation**

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

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

The UCITS is subject to Liechtenstein law. The exclusive place of jurisdiction for all disputes between the investors, the management company, and the depositary shall be Vaduz.

The management company and/or the depositary may, however, subject themselves and the UCITS to the jurisdiction of the countries in which units are offered and sold to with regard to claims of investors from these countries.

The legally binding language for this Trust Agreement shall be German.

## **Art. 47 General**

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

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

This Trust Agreement shall enter into force on December 19, 2022. This is subject to the amendment of the performance fee, which will enter into force on January 1, 2023.

Schaan/Vaduz, December 07, 2022

### **Management Company:**

IFM Independent Fund Management Aktiengesellschaft, Schaan

### **Depository:**

LGT Bank Ltd, Vaduz

## Annex A: UCITS at a glance

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

### GADD SMP Fund

#### A. The UCITS at a glance

Master data and information of the UCITS and its unit classes					
	Unit classes of the UCITS				
Share classes <sup>1</sup>	SEK	SEK-R	CHF	EUR	EUR-A
ISIN number	LI0125554027	LI0350453903	LI0125553995	LI0125554019	LI1178074434
Valor number	12.555.402	35.045.390	12.555.399	12.555.401	117.807.443
Suitable as UCITS target fund	Yes	Yes	Yes	Yes	YES
SFDR classification	Article 6				
Duration of the UCITS	indeterminate				
Listing	no				
Accounting currency of the UCITS	Swedish krona (SEK)				
Reference currency of the share classes	Swedish krona (SEK)	Swedish krona (SEK)	Swiss franc (CHF)	Euro (EUR)	Euro (EUR)
Minimum investment	1 Share	1 Share	1 Share	1 Share	1 Share
Initial issue price	SEK 1'000	SEK 100.--	CHF 1'000	EUR 1'000	EUR 10.--
Initial subscription date	23.03.2011	22.04.2021	04.04.2011	11.04.2011	open
Payment (first value date)	29.03.2011	23.04.2021	05.04.2011	12.04.2011	open
Valuation date <sup>2</sup> (T)	Monday till Friday				
Evaluation interval	daily				
Issue and redemption date <sup>3</sup>	each valuation day				
Value date Issue and redemption date (T+2)	two banking days after calculation of the net asset value (NAV)				
Deadline for acceptance of share transaction (T-1)	Day before the valuation date at the latest at 16.00 (CET)				
Denomination	three decimal places				
Securitization	by the book / no issuance of certificates				
Closing financial year	each as of December 31				
End of the first fiscal year	December 31, 2011				
Appropriation of earnings	Accumulating				

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

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

<sup>3</sup> On December 31, the issue and redemption day is omitted in each case. This valuation day is decisive for the annual report of the UCITS.

Costs to be borne by investors					
Share classes	Unit classes of the UCITS				
	SEK	SEK-R	CHF	EUR	EUR-A
Max. Issue surcharge <sup>4</sup>	3%	3%	3%	3%	3%
Redemption discount in favor of the UCITS	None	None	None	None	None
Conversion fee when switching from one unit class to another unit class	None	None	None	None	None

Costs charged to the assets of the UCITS <sup>5,6</sup>					
Share classes	Unit classes of the UCITS				
	SEK	SEK-R	CHF	EUR	EUR-A
Max. Fee for investment decision, risk management and distribution <sup>4</sup>	1% p.a.	1.2% p.a.	1% p.a.	1% p.a.	1.8% p.a.
Max. Fee for administration <sup>4</sup>	0.20% p.a. or min. CHF 25'000.-- p.a. plus CHF 5,000 p.a. per unit class from the 2nd unit class onwards				
Max. Depository fee <sup>4</sup>	0.125% p.a. or min. CHF 15'000 p.a.				
Performance fee	10%	10%	10%	10%	10%
Calculation model	High-on-High (HoH) model	High-on-High (HoH) model	High-on-High (HoH) model	High-on-High (HoH) model	High-on-High (HoH) model
Hurdle rate	2% for performance fee	2% for performance fee	2% for performance fee	2% for performance fee	2% for performance fee
High-on-High-Mark	Yes	Yes	Yes	Yes	Yes
Basis: Launch	29.03.2011	23.04.2021	05.04.2011	12.04.2011	open

Benchmark use					
Share classes	Unit classes of the UCITS				
	SEK	SEK-R	CHF	EUR	EUR-A
Benchmark	The UCITS does not use a benchmark.				

## B. Task transfer

### a) Asset Manager

The asset manager for the UCITS is GADD & Cie S.A., 4, Rue de l'Eau, L-1449 Luxembourg.

### b) Distributor

The distribution of the units of the UCITS is not delegated.

## C. Investment Advisor

No investment advisor has been appointed.

## D. Depository

LGT Bank Ltd, Herrengasse 12, FL-9490 Vaduz, performs the depository function for the UCITS.

## E. Auditor

Ernst & Young AG, Schanzenstrasse 4aCH-3008 Bern, has been appointed as auditor for the UCITS.

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

<sup>5</sup> Plus taxes and other costs and fees: Transaction costs as well as expenses incurred by the management company and the depository in the performance of their functions. The details can be found in the prospectus in items 10 (Tax regulations) and 11.2 (Costs and fees to be borne by the UCITS).

<sup>6</sup> In the event of the dissolution of the UCITS, the management company may charge a liquidation fee in the amount of max. CHF 10,000 in its favor.

## F. Investment principles of the UCITS

The following provisions govern the fund-specific investment principles of the **GADD SMP Fund**.

### a) Investment objective and policy

The investment objective of the **GADD SMP Fund** is primarily to achieve medium- to long-term capital growth through investments made in accordance with the principle of risk diversification in securities and other investments, as described after below. It is an actively managed UCITS without reference to a benchmark. To the extent that no deviating investment principles are stipulated for the UCITS in lit. F of this Annex, item V of the trust agreement "General investment principles and restrictions" shall apply. **No assurance can be given that the investment objective will be achieved.**

In order to achieve the investment objective, the UCITS invests its assets in various asset classes, taking advantage of the possibilities of international diversification. The weighting and consideration of these asset classes may vary and consequently lead to a significant overweighting or underweighting of individual or several asset classes. In this context, the performance of the UCITS is not linked to any reference index and it may thus make its investment decisions independently of such index.

The UCITS may make investments in the whole world, in all currencies and in all economic sectors which, in the opinion of the asset manager, are particularly suitable for the appreciation of the assets. There are no percentage restrictions for the asset allocation, i.e. for the basic structuring of the assets according to investment opportunities, types of securities, currencies, geographic locations, maturities, sectors, etc. The asset allocation is based on the following criteria

In order to achieve the investment objective, the assets may be invested directly or indirectly, depending on the assessment of the economic situation and the stock market outlook worldwide, in equity securities and equity securities (shares, cooperative shares, participation certificates, dividend-right certificates, shares with warrants, etc.), in fixed- or variable-interest debt securities and debt securities of private, mixed-economy and public-sector borrowers (bonds, annuities, notes, zero bonds, floating rate notes, convertible bonds and bonds with warrants, debentures, etc.), in deposits and/or in money market instruments, as well as in other permitted investments within the scope of the investment restrictions set forth in Section V of the trust agreement "General Investment Principles and Restrictions".

The UCITS may invest a maximum of 10% of its assets in units of other UCITS or other undertakings for collective investment comparable to a UCITS. These other undertakings for collective investment may, according to their prospectus or their constituent documents, invest no more than 10% of their assets in units of another UCITS or another comparable undertaking for collective investment.

The UCITS is further authorized to invest in other permitted investments within the scope of the investment restrictions set forth in item V of the trust agreement "General investment principles and restrictions". In particular, the UCITS is permitted to invest in financial instruments [e.g. exchange traded funds (ETF), exchange traded commodities (ETC), exchange traded notes (ETN), certificates, and derivative financial instruments] which are collateralized by other assets or linked to the performance of other assets (e.g. precious metals, commodities, raw materials, real estate indices, recognized and sufficiently diversified hedge fund indices) which are preferably traded on a regulated market open to the public and where physical delivery of these other assets can be excluded.

The investments must be traded on a stock exchange or another regulated market open to the public or on an OTC market. OTC transactions may only be concluded

with banks or financial institutions that specialize in the types of transactions and guarantee proper execution of the transaction.

In times when no investment meets the selection criteria of the UCITS, the UCITS is permitted to hold all its assets in deposits, money market instruments, and other fixed- or variable-interest investments.

The investments of the UCITS are primarily made in assets denominated in Swedish krona (SEK), US dollar (USD), euro (EUR), Swiss franc (CHF), or yen (JPY). In addition, assets denominated in other currencies may also be held. In order to minimize the currency risk, assets that are not denominated in Swedish krona can be hedged against Swedish krona. The currency risks of the currency classes issued in "CHF" and "EUR" may be hedged in whole or in part; this may have a negative impact on the NAV of the currency class issued in SEK. Any costs of a currency hedge of the CHF as well as the EUR unit class are allocated to this unit class accordingly.

For efficient management, the management company may use derivative financial instruments on securities, stock and bond indices, currencies, and exchange-traded funds as well as forward exchange transactions and swaps for hedging and investment purposes, provided that such transactions do not deviate from the investment objective of the UCITS.

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

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

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

**b) Accounting -/reference currency**

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

The accounting currency is the currency in which the accounts of the UCITS are kept. The reference currency is the currency in which the performance and the net asset value of the unit classes are calculated. The investments are made in the currencies which are optimally suited for the performance of the UCITS.

**c) Profile of the typical investor**

The **GADD SMP Fund** is suitable for investors with a medium to long-term investment horizon who value an appropriately diversified portfolio and who seek active and professional asset management.

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

**a) Fund-specific risks**

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

The **GADD SMP Fund** may invest its assets in various asset classes using the possibilities of international diversification. The weighting and consideration of these asset classes may vary and consequently lead to a significant overweighting or underweighting of individual or several asset classes. Moreover, the UCITS may temporarily concentrate its investments to a greater or lesser extent on certain sectors, countries, or market segments. This may result in opportunities and risks.

Due to the fact that the assets of the **GADD SMP Fund are** predominantly invested in both equity securities and rights and debt securities and rights, this type of investment is subject to market and issuer risk as well as interest rate risk, which may have a negative impact on net assets. In addition, other risks such as currency risk may arise. The use of derivative financial instruments that are not used for hedging purposes may result in increased risks.

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

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

In addition to the risks inherent in traditional forms of investment (market, credit and liquidity risks), investments in hedge fund indices are associated with a number of specific risks, which are listed below. The hedge funds underlying the respective index and their strategies are distinguished from conventional traditional forms of investment primarily by the fact that their investment strategy can include the short sale of securities on the one hand and that a leverage effect can be achieved by borrowing funds and using derivatives on the other.

The leverage effect means that the value of a fund's assets rises more quickly when the capital gains on investments acquired with the help of borrowed capital are higher than the associated costs, namely the interest on the borrowed funds and the premiums on the derivative instruments used. However, when prices fall, this effect is offset by a correspondingly rapid decline in fund assets. In extreme cases, the use of derivative instruments and, in particular, short selling can lead to a total loss of value. Most of the hedge funds underlying the respective index are launched in countries where the legal framework and, in particular, regulatory supervision either do not exist or do not match the level of Western European and comparable countries. The success of hedge funds depends to a large extent on the competence of the fund managers and the available infrastructure.

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

In addition to the risks inherent in traditional investments (market, credit and liquidity risks), investments in precious metals, commodities and raw materials may involve greater price fluctuations than traditional investments. However, as an addition to a broad-based portfolio, investments in commodities and raw materials are generally characterized by a low correlation to traditional investments.

Due to the possible investment in funds with alternative strategies, this UCITS is additionally subject to an increased speculative risk which may have a negative impact on the unit value.

## b) General risks

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

## H. Costs payable from the UCITS

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

## I. Performance fee

Furthermore, the management company shall be entitled to receive a performance-related remuneration ("performance fee") pursuant to Annex A "UCITS at a glance" of the increase in value of the unit value of the respective unit class adjusted for any distributions or corporate actions, provided that the performance of the net fund assets of the respective unit class exceeds the hurdle rate pursuant to Annex A " UCITS at a glance". As calculation model, the High-on-High (HoH) model shall be applied for the calculation of the performance fee as follows:

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

Based on the result of the periodic valuation, any calculated performance fee within the UCITS is accrued per unit issued or provisions already formed are reversed accordingly. Reversals of provisions are attributed to the UCITS.

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

The accounting period for the calculation of the performance fee corresponds to the financial year. A shortening of the accounting period is possible in the event of mergers or the dissolution of the UCITS. The payout designates the point in time from which the deferred performance fee is owed to the asset manager on a fixed basis. In addition, a deferred performance fee shall be deemed owed if unit redemptions occur before the end of the financial year. The performance fee owed due to unit redemptions is calculated in proportion to the unit redemptions. Any performance fee for the respective unit class shall be paid out at the end of each financial year in arrears .

The high-on-high-mark principle (basis: launch of the respective unit class) is applied as the basis for calculation. If the UCITS records value losses, the performance fee shall only be charged again if the unit price of the respective unit class, adjusted for any distributions or capital measures, after deduction of all costs, is above the unit price at which the performance-related remuneration was last paid out (high-on high mark).

A schematic calculation example is provided in Annex A "UCITS at a glance".

Schaan/Vaduz, December 07, 2022

### **Management Company:**

IFM Independent Fund Management Aktiengesellschaft, Schaan

### **Depository:**

LGT Bank Ltd, Vaduz

## J. Calculation example for the performance fee

The following examples schematically describe the calculation of the performance fee:

<b>Performance fee</b>	<b>10%</b>
<b>Hurdle rate</b>	<b>2.00%</b>
<b>Hurdle rate update</b>	<b>No</b>
<b>High-on-High-Mark</b>	<b>Yes</b>
<b>Calculation performance fee</b>	<b>with each NAV calculation</b>
<b>Payout frequency</b>	<b>at the end of each fiscal year</b>
<b>Calculation model</b>	<b>High-on-High (HoH) model</b>

Valuation date	NAV Start	Hurdle-Value	High-on-High-Mark	NAV before Perf. fee <sup>7</sup>	Perf. fee	cum. Perf. fee	NAV according to Perf. fee
<b>Year 1</b>							
Day 1	100.00	102.00	100.00	105.00	0.30	0.30	104.70
Day 2	104.70	102.00	100.00	110.50	0.55	0.85	109.95
Day 3	109.95	102.00	100.00	113.75	0.33	1.18	113.43
Day 4	113.43	102.00	100.00	112.50	-0.13	1.05	112.63
Day 5	112.63	102.00	100.00	112.25	-0.02	1.03	112.28
Day 365	112.28	102.00	100.00	114.25	0.20	<b>1.23</b>	<b>114.05</b>
<b>Year 2</b>							
Day 1	114.05	116.33	114.25	114.00	0.00	0.00	114.00
Day 2	114.00	116.33	114.25	113.75	0.00	0.00	113.75
Day 3	113.75	116.33	114.25	111.50	0.00	0.00	111.50
Day 4	111.50	116.33	114.25	108.00	0.00	0.00	108.00
Day 5	108.00	116.33	114.25	105.00	0.00	0.00	105.00
Day 365	105.00	116.33	114.25	103.00	0.00	<b>0.00</b>	<b>103.00</b>
<b>Year 3</b>							
Day 1	103.00	105.06	114.25	113.00	0.00	0.00	113.00
Day 2	113.00	105.06	114.25	115.00	0.07	0.07	114.93
Day 3	114.93	105.06	114.25	122.00	0.70	0.78	121.30
Day 4	121.30	105.06	114.25	124.00	0.20	0.98	123.80
Day 5	123.80	105.06	114.25	121.00	-0.30	0.68	121.30
Day 365	121.30	105.06	114.25	119.00	-0.20	<b>0.48</b>	<b>119.20</b>
<b>Year 4</b>							
Day 1	119.20	121.58	119.00	121.18	0.00	0.00	121.18
...							

<sup>7</sup> NAV before performance fee includes all current accruals including performance fee accruals of the prior period.

## Explanations of the calculation example for the performance fee

<b>High-on-High (HoH) model:</b>	A model for performance-based remuneration in which the performance-based remuneration (performance fee) may only be calculated if the net asset value (NAV) is above the net asset value before performance fee at which the performance-based remuneration was last paid.
<b>High-on-High-Mark:</b>	The last net asset value (NAV) before performance fee of the business year in which a performance fee was last paid.
<b>Reference period:</b>	The reference period for the high-on-high mark corresponds to the developed life cycle of the UCITS.
<b>Hurdle value:</b>	The basis for calculating the hurdle value is the net actual value (NAV) after performance fee at the end of the previous financial year plus the cumulative performance fee for the previous financial year plus the hurdle rate for the current financial year.
<b>Minimum return (hurdle rate):</b>	A pre-determined minimum rate of return.
<b>Payout frequency:</b>	The frequency with which the accrued performance fee, if any, is payable to the management company or the AIFM.
<b>Year 1:</b>	In year 1, a performance fee was charged because the unit price at the end of the fiscal year was cumulatively above the hurdle rate and above the high-on-high mark. The performance fee is calculated and accrued on each valuation date. The performance fee of the respective unit class accrued during the year was partially reversed due to the decrease in the net asset value (NAV) of the respective unit class.
<b>Year 2:</b>	In year 2, no performance fee was charged as the high-on-high mark principle was applied. Any performance fee shall only be charged again if the value per unit of the respective unit class, after deduction of all costs, is cumulatively above the hurdle rate and above the high-on-high mark.
<b>Year 3:</b>	In year 3, a performance fee was charged as the net asset value (NAV) of the respective share class cumulatively exceeded the hurdle rate and the high-on-high mark. In this context, the performance fee was partially reversed by the decrease in the net asset value (NAV) of the respective share class.
<b>Disbursement period:</b>	The payment period for the calculation of the performance fee is one financial year. Any performance fee of the respective unit class shall be paid out in arrears at the end of each financial year (payment date). In addition, an accrued performance fee shall be deemed to be owed if unit redemptions occur before the end of the financial year.
<b>Notice:</b>	It should be noted that a performance fee may be charged on unrealized gains even though the unrealized gains may never be subsequently realized.

## Appendix B: Specific information for individual sales countries

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### Notes for investors in Sweden

The management company has notified the Swedish supervisory authority (Finansinspektionen, Stockholm) of its intention to publicly distribute the units of the UCITS in Sweden and has been authorized to do so since completion of the notification procedure for public distribution.

#### **Paying agent in Sweden**

The Management Company has appointed PARETO SECURITIES AB, Berzelii Park 9, 103 91 Stockholm, Sweden, as paying agent in Sweden.

Investors in Sweden can obtain the prospectus, the trust agreement, the basic information sheets (PRIIP-KID) and the published annual and semi-annual reports free of charge from the paying agent upon request.

## Notes for investors in Luxembourg

The management company has notified its intention to distribute units of the UCITS in Luxembourg and has been authorized to do so since the notification procedure was completed.

### 1. paying and information agent in Luxembourg

The function of the paying and information agent has

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[zahlstelle@hauck-aufhaeuser.com](mailto:zahlstelle@hauck-aufhaeuser.com)

taken over.

In Luxembourg, the key investor information, the prospectus, the trust agreement, the annual/semi-annual reports and other information can be obtained free of charge in paper form from the Paying and Information Agent.

All other information to which investors in the Principality of Liechtenstein are entitled is also available from the Paying and Information Agent. The issue and redemption prices are also available free of charge from the Paying and Information Agent.

### 2. Publications

All issue and redemption prices of the UCITS and all other announcements shall be published on the website of the management company at [www.ifm.li](http://www.ifm.li), on the website of the Liechtenstein Investment Fund Association (LAFV) at [www.lafv.li](http://www.lafv.li), and on the fund information platform [fundinfo.com](http://fundinfo.com) ([www.fundinfo.com](http://www.fundinfo.com)).

## Addendum destiné au public en France

Le présent addendum doit être lu conjointement avec le prospectus de **GADD SMP Fund** (ci-après dénommé "l'OPCVM") daté de **07. Décembre 2022** (le "Prospectus").

### 1. Agent représentatif local et agent payeur en France

L'agent représentatif local et l'agent payeur de l'OPCVM pour la France est la **Société Générale Securities Services**, entité domiciliée 29, boulevard Hausmann, F-75009 Paris.

L'agent représentatif local et l'agent payeur pour l'OPCVM de la société IFM Independent Fund Management AG (the "Société") est notamment chargé des missions suivantes:

- Traitement des ordres de souscription et de rachat des parts de l'OPCVM,
- Paiement des coupons et dividendes aux porteurs de l'OPCVM,
- Mise à disposition des porteurs des documents d'information relatifs à l'OPCVM (prospectus, contrat fiduciaire, document d'information clés pour l'investisseur ("DICI"), comptes annuels et semestriels)
- Information particulière des porteurs en cas de changement des caractéristiques de l'OPCVM.

### 2. Conditions de souscription et de rachat des parts de l'OPCVM

The attention of the subscribers is drawn to the fact that their request for subscription of shares of the OPCVM may be rejected by the Company, or by its delegate, for any reason whatsoever, whether it is an initial or a supplementary subscription.

L'attention des investisseurs est attirée sur la possibilité de rachat forcé de leurs parts par la Société dès que certaines conditions d'investissement ne sont plus respectées. Ce rachat aura, pour l'investisseur français, des conséquences fiscales liées à la cession de valeurs mobilières. Pour plus de renseignements, se reporter au chapitre "Rachat des Parts (Rücknahme von Anteilen)" du Prospectus.

### 3. Fiscalité

The attention of the investors fiscally domiciled in France is drawn to the obligation to declare the income resulting from the cessions or conversions of the shares of OPCVM, which are subject to the regime of plus-values on real estate.

### 4. Modalités de la Commission de performance

Les performances passés ne préjugent pas des performances futures. En outre, on a fait remarquer aux investisseurs que la possible commission de performance est en principe déduite de l'actif du fonds tous les trimestres, bien que la performance puisse être négative à la fin de l'année. This application is not in line with the recommendations of OICV-IOSCO (the technical committee of the International Organization of Securities Commissions) in 2004.

## Information for investors in Belgium

The Management Company has notified the Autorité des services et marchés financiers (FSMA) of its intention to market units in Belgium and has been authorised to market units since the notification procedure was completed.

The prospectus, the basic information sheets (PRIIP-KID), the trust agreement and Annex A "The UCITS at a glance" as well as the latest annual and semi-annual reports, insofar as they have already been published, are available free of charge from the management company and on its website [www.ifm.li](http://www.ifm.li), from the depositary, from the paying agents, from all representatives and sales agents in Liechtenstein and abroad as well as on the website of the LAFV Liechtenstein Investment Fund Association at [www.lafv.li](http://www.lafv.li).

### **Information agent for investors in Belgium:**

IFM Independent Fund Management AG  
Landstrasse 30  
Postfach 355  
FL-9494 Schaan  
Email: [info@ifm.li](mailto:info@ifm.li)

# Appendix C: Regulatory Disclosures

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## Conflicts of interest

The following conflicts of interest may arise at the UCITS:

The investor's interests may conflict with the following interests:

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

Circumstances or relationships that may give rise to conflicts of interest include, but are not limited to:

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

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

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

## Complaint handling

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

The Management Company's Complaints Policy and the procedure for dealing with investor complaints are available free of charge on the Management Company's website at [www.ifm.li](http://www.ifm.li).

## Principles of voting policy at general meetings

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

With regard to the individual transactions, the management company is free to decide whether to exercise the shareholder and creditor rights for the respective fund assets itself or to delegate the exercise to the depositary or third parties or to waive the exercise.

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

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

Active exercise of voting rights occurs in particular in cases where there is a clearly identified need to protect investor interests. Voting rights only have to be exercised if sustainable interests are affected. If the share positions concerned do not represent a significant proportion of the market capitalization, no sustainable interests are affected.

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

When exercising the voting rights, the management company shall observe the investor interests of the assets of the UCITS as well as the requirement that the exercise of voting rights is in line with the objectives of the investment policy of the assets concerned.

The voting rights policy of the management company (strategies for the exercise of voting and creditor rights, measures, details on the avoidance of conflicts of interest, etc.) can be accessed free of charge on the homepage of the management company at [www.ifm.li](http://www.ifm.li).

## Best possible execution of trading decisions

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

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

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

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

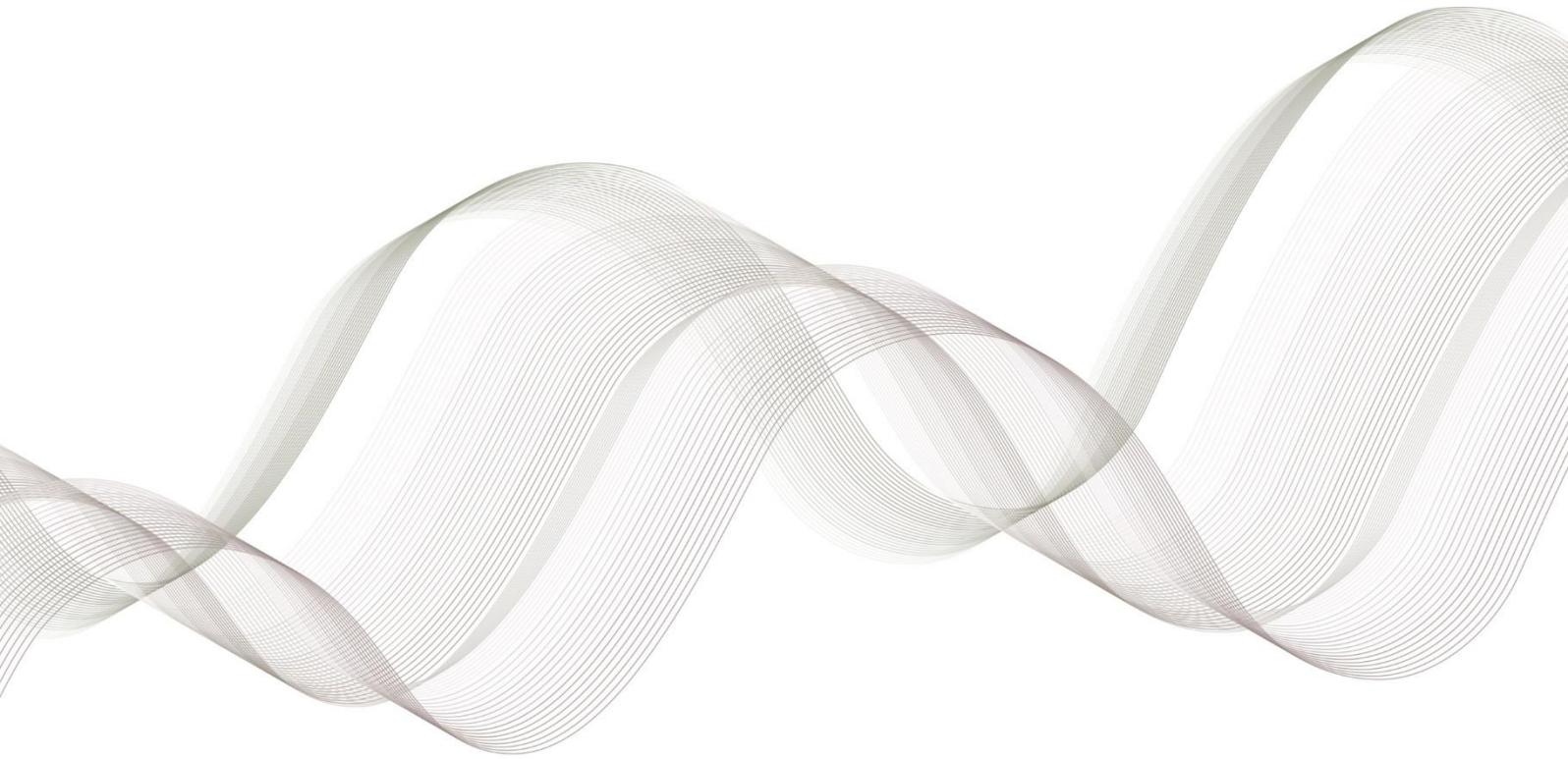
## Compensation policies and practices

IFM Independent Fund Management AG ("IFM") is subject to the regulatory requirements applicable to management companies under the Law on Undertakings for Collective Investment in Transferable Securities (UCITS/G) and to AIFMs under the Law on Alternative Investment Fund Managers (AIFMG) with respect to the design of its compensation policies and practices. IFM has regulated the detailed design in an internal directive on remuneration policy and practice, the aim of which is to ensure a remuneration system that is compliant with while avoiding false incentives to take excessive risks. IFM's compensation policies and practices are reviewed at least annually by the members of the Board of Directors to ensure that they are appropriate and comply with all legal requirements. They comprise fixed and variable (performance-related) compensation elements.

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

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

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



**IFM Independent Fund Management AG**

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