

# Prospectus

and

# Articles of incorporation

as well as

# Investment regulations

including sub-fund-specific annexes

Status: 12.2025

## HOW Invest SICAV

UCITS pursuant to Liechtenstein law  
in the legal form of an investment company with variable capital

(hereinafter: investment company)

(Umbrella structure that can encompass several sub-funds)

Asset Manager:

HOUSE OF WEALTH

Asset Manager:

ACG GROUP

Management company:



## The organization of the investment company at a glance

<b>Investment company:</b>	<b>HOW Invest SICAV</b> Landstrasse 30, FL-9494 Schaan
<b>Board of Directors:</b>	IFM Independent Fund Management AG
<b>Management company:</b>	IFM Independent Fund Management AG Landstrasse 30, FL-9494 Schaan
<b>Board of Directors of the management company:</b>	Heimo Quaderer H.R.H. Archduke Simeon von Habsburg Hugo Quaderer
<b>Executive Board of the management company:</b>	Luis Ott Alexander Wymann Michael Oehry Ramon Schäfer
<b>Asset manager:</b>	Sub-fund 1: <b>ACG Active Strategy Fund</b> ACG Advisors (UK) LLP 34 Lime Street London, EC3M 7AT United Kingdom  Sub-fund 2: <b>HOW Global Leaders Fund</b> Sub-fund 3: <b>HOW Absolute Return Fund</b> Sub-fund 4: <b>HOW Made of Switzerland Fund</b> House of Wealth SA Piazza Colombaro 6 CH-6952 Canobbio
<b>Investment consultant:</b>	n/a
<b>Depositary:</b>	LGT Bank AG 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>Representative and distributor for qualified investors in Switzerland:</b>	LLB Swiss Investment AG Claridenstrasse 20, CH-8024 Zürich
<b>Paying agent for qualified investors in Switzerland:</b>	Helvetische Bank AG Seefeldstrasse 215, CH-8008 Zürich

## The investment company at a glance

<b>Name of the UCITS:</b>	<b>HOW Invest SICAV</b>
<b>Legal structure:</b>	UCITS under Liechtenstein law in the legal form of an investment company with variable capital ("investment company") pursuant to the Act dated June 28, 2011, on Certain Undertakings for Collective Investment in Transferable Securities (UCITSA)
<b>Umbrella structure:</b>	Yes, with four sub-funds
<b>Domicile:</b>	Liechtenstein
<b>Date of incorporation of the investment company:</b>	September 28, 2017
<b>Financial year:</b>	The financial year of the investment company begins on January 1 and ends on December 31
<b>Accounting currency of the investment company:</b>	Euro (EUR) The accounting and/or reference currency may deviate herefrom.
<b>Designated supervisory authority:</b>	Financial Market Authority (FMA) Liechtenstein; <a href="http://www.fma-li.li">www.fma-li.li</a>

Information on the sub-funds is provided in Annex A "Sub-funds at a glance"

German is the legally binding language for the Prospectus including sub-fund-specific annexes.

## Notes for investors/sales restrictions

The purchase of units of the investment company is governed by the prospectus, the articles of incorporation, the investment regulations and the basic information sheets (the "**PRIIP-KID**") as well as the last annual report and, if already published, the subsequent semi-annual report. Only the information contained in the prospectus, the articles of incorporation and especially the investment regulations including Annex A "Sub-funds at a glance" shall be valid. With the purchase of the units, the investor is considered as having approved this information.

This prospectus constitutes neither an offer nor an invitation to buy units of the investment company for persons in a jurisdiction where such offers or invitations are unlawful, or in which the person who extends such an offer or invitation is not qualified to do so, or if the offer or invitation is extended to a person for whom the acceptance thereof would be unlawful. Information not contained in this prospectus, the articles of incorporation and the investment regulations or in publicly accessible documents shall be deemed unauthorized and unreliable.

Potential investors should inform themselves about possible fiscal consequences, legal prerequisites and possible foreign exchange restrictions or control mechanisms that apply in their country of citizenship, residence, or current domicile and that might be relevant as regards buying, holding, exchanging, redeeming, or selling units. Further fiscal considerations are outlined in section 11 "Taxation".

Annex B "Specific information for individual countries of distribution" contains information regarding distribution in different countries.

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

Investors should read and consider the risk descriptions in section 8 "Risk advisories" before they acquire units of the sub-funds.

In particular, in the United States of America (USA), the units were not registered pursuant to the United States Securities Act of 1933 and can therefore be neither offered nor sold in the USA and neither offered nor sold to US citizens. Among others, the term US citizen includes natural persons who (a) were born in the USA or one of its territories or possessions, (b) are nationalized citizens (or Green Card holders), (c) were born abroad as the child of a US citizen, (d) live predominantly in the USA without being US citizens), (e) are married to a US citizen, or (f) are subject to taxation in the USA. The term US citizen also encompasses: (a) Investment companies and capital companies established under the laws of one of the 50 US states or of the District of Columbia, (b) an investment company or business partnership founded under an "Act of Congress", (c) a pension fund incorporated as a US Trust, (d) an investment company subject to taxation in the USA, or (e) investment companies recognized as such by Regulation S of the US Securities Act of 1933 and/or the US Commodity Exchange Act. In general, units of the investment company must not be offered in jurisdictions where and to persons for whom this is not permissible.

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# PART I: THE PROSPECTUS

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The issue and redemption of units of the respective sub-fund is governed by the then valid articles of incorporation and the investment regulations. The articles of incorporation and the investment regulations are complemented by the last respective annual report. If more than eight months have elapsed since the closing date of the annual report, the semi-annual report shall be offered to the buyer. Prior to the purchase of units, the basic information sheets (**PRIIP-KID**) shall be made available to the investor.

The issuance of information or statements that deviate from the prospectus, the articles of incorporation, the investment regulations, Annex A "Sub-funds at a glance" or the PRIIP-KID is prohibited. The investment company shall incur no liability if and to the extent that information or statements are issued that deviate from the current prospectus, the articles of incorporation, the investment regulations or the PRIIP-KID.

The prospectus, the articles of incorporation and investment regulations including Annex A "Sub-funds at a glance" are embodied in this document. The articles of incorporation and the investment regulations including Annex A "Sub-funds at a glance" are essential fund incorporation documents. Only the articles of incorporation and the investment regulations including the special provisions of the investment policy in Annex A "Sub-funds at a glance" are subject to the material legal review by the Liechtenstein Financial Market Authority (FMA).

## 1 Sales documentation

The prospectus, the basic information sheets (**PRIIP-KID**), the articles of incorporation with the special provisions of the investment policy as well as the latest annual and semi-annual reports if already published, are available free of charge on a durable data medium from the management company, the depositary, the paying agents, and all domestic and foreign distributors as well as on the website of the LAFV Liechtenstein Investment Fund Association at [www.lafv.li](http://www.lafv.li).

If so requested by the investor, the above documents can also be provided on paper free of charge. Further information about the investment company or its sub-funds is available online at [www.ifm.li](http://www.ifm.li) and from IFM Independent Fund Management AG, Landstrasse 30, FL-9494 Schaan, during business hours.

## 2 The articles of incorporation and the investment regulations

Subject to compliance with company law provisions, the articles of incorporation may be amended. The investment regulations and Annex A "Sub-funds at a glance" can be fully or partially amended or supplemented by the management company at any time. To become effective, the documents mentioned and amendments thereto must be approved by the Financial Market Authority (FMA) Liechtenstein. They shall be published in the official gazette of the investment company and are then legally binding on all investors. The official gazette of the investment company is the website of the LAFV Liechtenstein Investment Fund Association [www.lafv.li](http://www.lafv.li).

Investors who do not agree with changes to the articles of association or investment conditions have the option of redeeming their shares within 30 days of the respective change being published on the website of the Liechtenstein Investment Fund Association. In this case, the redemption fee will be waived in favor of the distributor. Liquidity management tools (LMT) of the sub-funds remain unaffected and continue to apply.

### 3 General information on the investment company

**HOW Invest SICAV** (hereinafter: investment company) was incorporated as an open-ended undertaking for collective investment in securities in the legal form of an investment undertaking with variable capital on September 28, 2017, and has been subject to the Act on Certain Undertakings for Collective Investment in Transferable Securities (hereinafter: UCITSA) since September 15, 2017.

The articles of incorporation, the investment regulations, and Annex A "Sub-funds at a glance" were first approved by the FMA on September 28, 2017, and the investment company was entered into the Liechtenstein commercial registry on September 30, 2017.

The investment conditions and Appendix A, "Sub-funds at a glance," were last amended with the approval of the FMA on 18<sup>th</sup> December 2025 and came into effect on January 1, 2026.

On the basis of its articles of incorporation, the investment company issued founders' shares with a par value of EUR 100 and investor participation rights in the form of bearer shares (units) with no par value. The investors co-own the assets and income of the individual sub-funds in proportion with the shares that they have acquired. Investor shares do not constitute an entitlement to attend the General Meeting, have no voting rights, and furthermore embody no right to participate in the profit of the investment company's own assets.

No limits apply to the duration and the aggregate assets of the investment company. The investment company is an umbrella structure that can encompass several sub-funds. The individual sub-funds are separate with respect to assets and liability legislation. The management of the investment company consists mainly in investing the monies tendered by the public for the joint account of the investors according to the principle of risk diversification in securities and/or other liquid instruments pursuant to Art. 51 UCITSA.

The investment company or each of its sub-funds constitutes a separate fund in favor of the investors. In the event of dissolution and bankruptcy of the management company, the separate fund shall not belong to the management company's seizable assets. In the event of a dissolution and bankruptcy of the investment company, the assets managed for the purpose of collective capital investments for the account of the investors shall not become part of its bankruptcy estate.

The instruments in which the management company is entitled to invest and which regulations it must observe in the process are defined by the UCITSA, the investment regulations and Annex A "Sub-funds at a glance".

The investment regulations and Annex A "Sub-funds at a glance" and each of their amendments require the approval of the Financial Market Authority (FMA) Liechtenstein to become effective if the amendments are of a material legal nature.

The assets of the investment company or the respective sub-fund are managed in the best interests of the investors. Only the investors in a sub-fund are entitled to the total assets of that sub-fund in proportion to their shares. It is legally separate from the assets of the other sub-funds. In the case of a UCITS comprising more than one sub-fund, each sub-fund is to be regarded as a separate UCITS. Claims by investors and creditors against a sub-fund or arising from the establishment, existence or liquidation of a sub-fund are limited to the assets of that sub-fund.

The investment company may dissolve existing sub-funds and/or launch new sub-funds at any time, as well as launch or dissolve various share classes with specific characteristics within these sub-funds. This prospectus, the articles of association, and the investment conditions, including Appendix A "Sub-funds at a glance," will be updated each time a new sub-fund or additional share class is launched.

The investment company can dissolve existing and/or create new Sub-funds at any time and create different unit classes with specific characteristics within these sub-funds. This prospectus as well as the articles of incorporation and the investment regulations including Annex A "Sub-funds at a glance" shall be updated each time a new sub-fund or an additional unit class is created.

The assets of the UCITS are managed in the interests of the investors. Only the investors are entitled to the total assets of the UCITS in proportion to their shares. Claims by investors and creditors against the UCITS or arising from the formation, existence, or liquidation of the UCITS are limited to the assets of the UCITS.

By acquiring shares in the UCITS or its sub-funds, each investor acknowledges the articles of association and the investment conditions, including fund-specific appendices, which set out the contractual relationships between the investors, the management company, and the custodian, as well as any amendments to this document that have been duly implemented. Upon publication of amendments to the Articles of Association, the Investment Conditions, the 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 shall be binding on investors.

## **4 General information concerning the sub-funds**

The investors are beneficiaries of the assets of the investment company's respective sub-fund on a pro rata basis in accordance with the number of units they own.

The units are not securitized and exist only in the company's books, i.e. no certificates are issued. Assemblies or meetings of investors are not mandated. By subscribing or purchasing units, the investor acknowledges the articles of incorporation, the investment regulations as well as Annex A "Sub-funds at a glance". Investors, heirs or other persons cannot demand the split or dissolution of the sub-funds or of the investment company. Details concerning the individual sub-funds are provided for the respective sub-fund in Annex A "Sub-funds at a glance".

The investment company can resolve at any time to launch further sub-funds and to amend the prospectus, the articles of incorporation, the investment regulations and Annex A "Sub-funds at a glance" accordingly.

Basically, all units of a sub-fund embody the same rights unless the investment company resolves to issue different unit classes within a sub-fund.

In the case of a UCITS comprising more than one sub-fund, each sub-fund is considered a separate UCITS. Each sub-fund is considered a separate asset in relation to the investors. The rights and obligations of the investors in a sub-fund are separate from those of the investors in the other sub-funds in terms of asset and liability law.

With respect to third parties, the assets of the individual sub-funds basically only constitute liabilities that were entered into by the respective sub-funds.

This prospectus, these articles of association, and the investment conditions, including Appendix A, "Sub-funds at a glance," apply to all sub-funds of the investment company. The following sub-funds currently exist:

- ◆ ACG Active Strategy Fund
- ◆ HOW Global Leaders Fund
- ◆ HOW Absolute Return Fund
- ◆ HOW Made of Switzerland Fund

#### 4.1 Duration of the individual sub-funds

The duration of a sub-fund is indicated in Annex A "Sub-funds at a glance" of the respective sub-fund.

#### 4.2 Unit classes

The investment company is authorized to form several share classes within a sub-fund, which relate to the same special fund but have different rights and obligations. They may differ from existing share classes in terms of the appropriation of profits, the front-end load, the reference currency and the use of currency hedging transactions, the fees incurred, the minimum investment amount, or a combination of these characteristics. However, the rights of investors who have acquired shares from existing share classes remain unaffected.

The share classes established in connection with each sub-fund, as well as the fees and commissions arising in connection with the shares of the sub-funds, are listed in Appendix A, "Sub-funds at a Glance." Further information on the share classes can be found in section 9.2.

#### 4.3 Past performance of the UCITS

The past performance of the individual sub-funds is indicated on the website of the LAFV Liechtenstein Investment Fund Association at [www.lafv.li](http://www.lafv.li) or in the PRIIP-KID or in the respective documents for the countries of distribution of the investment company regarding the respective sub-fund. The past performance of a unit is no guarantee for its current and future performance. The value of a unit may rise or fall at any time.

### 5 Organization

#### 5.1 Domicile country / Responsible supervisory authority

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

#### 5.2 Legal relationships

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

#### 5.3 Investment company

##### 5.3.1 Domicile

Landstrasse 30, FL-9494 Schaan

### 5.3.2 Executive Board

The investment company has appointed the third-party entity named in section 5.4 as the management company pursuant to the UCITSA. This third-party entity is responsible for the administration and ongoing management of the UCITS.

### 5.3.3 Board of Directors of the investment company

Members: IFM Independent Fund Management AG, Schaan

## 5.4 Management company

Based on an appointment and delegation agreement, the company appointed IFM Independent Fund Management Aktiengesellschaft (hereinafter: management company), Landstrasse 30, FL-9494 Schaan, Commercial Registry Number FL-0001-532-594-8 as the management company pursuant to the UCITSA.

IFM Independent Fund Management AG was founded on October 29, 1996, as a stock corporation for an unlimited period. The government granted the management company approval to commence business operations 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 Financial Market Authority (FMA) in accordance with Chapter III of the Act of June 28, 2011, on Undertakings for Collective Investment and is entered in the register of licensed management companies published by the FMA in Liechtenstein.

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

The management company manages the investment company for the account and exclusive interest of the investment company and its investors according to the risk diversification principles and in compliance with the provisions of the investment regulations and of Annex A "Sub-funds at a glance".

As set forth in the contract concluded between the investment company and the management company, the management company has been vested with extensive rights to perform all administrative and management functions for the investment company and the sub-funds. In particular, it is authorized on behalf of the investment company to purchase, sell, subscribe, and exchange securities and other assets and to exercise all rights that are associated with the assets of the investment company. The purpose of the management company encompasses the management and distribution of undertakings for collective investment pursuant to Liechtenstein law.

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

### 5.4.1 Board of Directors

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

## 5.4.2 Executive Board

President:	Luis Ott
Members:	Alexander Wymann
	Michael Oehry
	Ramon Schäfer

## 5.5 Asset manager

**5.5.1** The asset manager for the following sub-fund is the ACG Advisors (UK) LLP, 34 Lime Street, London, EC3M 7AT, United Kingdom:

◆ ACG Active Strategy Fund

ACG Group is a global independent investment firm that provides a variety of financial services to clients around the world. The ACG Group is prudentially supervised by the Financial Conduct Authority (FCA).

The asset manager's task is, in particular, to independently implement the investment policy and manage the day-to-day business of the respective sub-fund, as well as other related services, under the supervision, control, and responsibility of the management company. These tasks are performed in accordance with the principles of the investment policy and the investment restrictions of the respective sub-fund, as described in Appendix A, "Sub-funds at a Glance," as well as the statutory investment restrictions.

The asset manager is entitled, at its own expense and responsibility, to seek counsel from third parties, especially from various investment consultants.

The implementation of the operations is governed by an asset management contract concluded between the management company and the ACG Advisors (UK) LLP.

**5.5.2** The asset manager for the following sub-fund is the House of Wealth SA, Piazza Colombaro 6, CH-6952 Canobbio:

- ◆ HOW Global Leaders Fund
- ◆ HOW Absolut Return Fund
- ◆ HOW Made of Switzerland Fund

The House of Wealth SA is specialized in investment and asset management for institutional and private clients and is prudentially supervised by the Swiss Financial Market Authority (FINMA).

The responsibility of the asset manager is mainly to implement the proprietary investment policy on a daily basis and manage the everyday business of the respective sub-fund as well as to render other associated services under the supervision, control, and responsibility of the management company. The fulfillment of these duties takes into account the principles of the investment policy and the investment restrictions of the respective sub-fund as described in Annex A "Sub-funds at a glance" as well as the applicable legal investment restrictions.

The asset manager is entitled, at its own expense and responsibility, to seek counsel from third parties, especially from various investment consultants.

The implementation of the operations is governed by an asset management contract concluded between the management company and the House of Wealth SA.

## 5.6 Investment consultant

No investment consultant was appointed.

## 5.7 Distributor

The management company acts as the distributor for the sub-fund.

The management company may appoint additional distributors in various distribution countries at any time.

The term “distributor” as used here also includes the terms “distribution agent” and “distribution partner.”

## 5.8 Depositary

LGT Bank AG, Herrengasse 12, FL-9490 Vaduz, has been appointed the depositary for the sub-fund.

LGT Bank AG was founded in 1921. Its principal activity is international private banking. Further information on the depositary (annual reports, brochures, etc.) is available directly at its domicile or on its website [www.lgt.com](http://www.lgt.com).

The depositary holds custodial financial instruments in safekeeping for the account of the UCITS and the investment company. It can entrust the assets fully or partially to other banks, financial institutions, and recognized clearinghouses that fulfill the legal requirements.

The function of the depositary and its liability are governed by the UCITSA and the respective ordinance in the then applicable versions, the depositary contract, and the constitutive documents of the investment company. It operates independently of the management company and exclusively in the interest of the investors.

The UCITSA mandates a separation of the management and depositary functions of a UCITS. The depositary holds custodial financial instruments in safekeeping on separate accounts opened in the name of the UCITS or of the management company that acts in the name of the UCITS, and it assures that the instructions of the management company regarding the assets comply with the provisions of the UCITSA and the constitutive documents. For this purpose, the depositary monitors compliance in particular with investment restrictions and debt limits by the UCITS. The investment of assets in bank deposits with another credit institute as well as transactions via such bank deposits are permissible only with the approval of the depositary.

Furthermore, on behalf of the management company, the depositary administers the units register of the fund or sub-fund.

The duties of the depositary are governed by Art. 33 UCITSA. The depositary assures that

- ◆ the sale, issue, redemption, repayment, and annulment of units of the UCITS are handled according to the provisions of the UCITSA and the constitutive documents.
- ◆ the valuation of the units of the UCITS is handled pursuant to the provisions of the UCITSA and the constitutive documents,
- ◆ amounts due when assets of the UCITS are transacted are credited to the UCITS within customary time frames,

- ◆ the earnings of the UCITS are used according to the provisions of the UCITSA and of the constitutive documents;
- ◆ cash flows of the UCITS are duly monitored and that, in particular, all payments due from investors or on their behalf in conjunction with the subscription of units of a UCITS are received and that all monies of the UCITS are booked in accordance with the provisions of the UCITSA and of the constitutive documents.

### Subdepositories

The depositary is entitled to subcontract depositary functions to other companies (subdepositories). A list of the subdepositories appointed to hold assets of the UCITS can be obtained from the depositary.

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

### Information on the depositary

The investors of the investment company or the respective sub-funds may at all times and free of charge personally request information from the depositary concerning the latest status of the duties and obligations of the depositary, the subdepositories, possible conflicts of interest in conjunction with the activities of the depositary and the subdepositories as well as information about the investment company or the respective sub-funds at the above mentioned contact point.

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

## 5.9 Auditor of the sub-funds, the management company, and the investment company

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

The management company and the investment company shall have their activities audited on an annual basis by an auditor which is FMA-accredited pursuant to the UCITSA and with whom they have no affiliations.

## 6 General investment principles and restrictions

The respective sub-fund assets shall be invested under consideration of the principle of risk diversification pursuant to the provisions of the UCITSA and pursuant to Art. 24 ff of the investment regulations as well as the investment policy principles described in Annex A "Sub-funds at a glance" within the scope of the investment restrictions.

### 6.1 Investment policy objectives

The objective of the investment policy of the individual sub-funds is described in Annex A "Sub-funds at a glance".

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

### 6.2 Investment policy of the sub-funds

The sub-fund-specific investment policy is described in Annex A "Sub-funds at a glance" of the respective sub-fund.

The general investment principles and investment restrictions set forth in Art. 25 ff of the investment regulations as well as in the special provisions of the investment policy apply

to all sub-funds to the extent that no deviations or amendments are imposed on the respective sub-fund in Annex A "Sub-funds at a glance".

### **6.3 Accounting/reference currency of the sub-funds**

The accounting currency of the sub-funds as well as the reference currency for each unit class are stated in Annex A "Sub-funds at a glance".

The accounting currency is the currency in which the sub-fund keeps its books. The reference currency is the currency in which the performance and the net asset value of the respective unit class of the UCITS are expressed. Investments are made in the currencies optimally suited to the performance of the respective sub-fund.

### **6.4 Profile of a typical investor**

The profile of the typical investor of the respective sub-fund is described in Annex A "Sub-funds at a glance".

## **7 Investment regulations**

### **7.1 Permissible investments**

For the account of its investors, each sub-fund is allowed to invest its assets only in one or several of the following types of instruments:

#### **7.1.1 Securities and money market instruments:**

- a) that are listed or traded on a regulated market as referred to in Art. 4, para. 1 section 21 of Directive 2014/65/EC;
- b) that are traded at another regulated market of an EEA member country which is recognized, accessible to the public, and operates regularly;
- c) that are officially listed on a stock exchange in a third country or are traded on another market in a European, American, Asian, African or Pacific Rim country which is recognized, accessible to the public, and operates regularly.

#### **7.1.2 Securities from new issues, provided:**

- a) the issue terms include the obligation to have applied for authorization for official listing and trading on one of the securities markets mentioned in section 7.1.1 a) to c) or another regulated market mentioned there, and
- b) this authorization is granted no later than one year after the issue date.

**7.1.3** Units of a UCITS and of other undertakings for collective investment pursuant to Art. 3 Para. 1 Section 17 UCITSA that are comparable with a UCITS, provided the undertakings for collective investment are bound by their constitutive documents to invest no more than 10% of their assets in units of another UCITS or comparable undertaking for collective investment;

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

**7.1.5** Derivatives whose underlying assets are subjects of investment as set forth in Art. 51 UCITSA, or financial indices, interest rates, foreign exchange rates, or currencies. In the event of transactions with OTC derivatives, the counterparties

must be institutions of a type approved by the FMA, and the OTC derivatives shall be subject to reliable and verifiable valuation on a daily basis, and it must be possible to sell, liquidate, or close them by an offsetting transaction at any time at a fair value at the initiative of the UCITS;

- 7.1.6** Money market instruments not traded on a regulated market, provided the issue or the issuer of these instruments is obliged to abide by regulations regarding deposit or investor protection, subject to the following:
- a) the issue has been made or guaranteed by a central, regional or local entity or the central bank of an EEC member state, the European Central Bank, the European Union, the European Investment Bank, a third-party state, or, if this is a federal state, a member state of the federation, or an international public-sector institution with which at least one EEC member state is affiliated;
  - b) the issue has been made by a company whose securities are traded on the regulated markets listed in lit. a);
  - c) the issue has been made by an institute subject to supervision aligned with criteria as stipulated by EEA law or made or guaranteed by an institute that is subject to supervision equivalent to EEA law and obliged to comply with such law; or
  - d) the issue has been made by an issuer belonging to an FMA-approved category provided that investor protection regulations equivalent to those described in lits. a to c apply to investments in these instruments, and provided that the issuer is a company whose equity capital amounts to at least 10 million euros and which presents and publishes its annual accounts in accordance with the rules of Directive 78/660/EEA, implemented in Liechtenstein by the PGR, or which is a group-affiliated entity that is responsible for the financing of a group of companies with at least one listed company or is an entity required to securitize liabilities by utilizing a line of credit granted by a bank.

**7.1.7** The investment company may hold cash and cash equivalents as well.

## **7.2 Non-permissible investments**

The investment company may not:

- 7.2.1** invest more than 10% of the assets per sub-fund in securities and money market instruments other than those mentioned in section 7.1;
- 7.2.2** purchase precious metals or precious metal certificates;
- 7.2.3** transact uncovered short sales.

## **7.3 Investment limits**

### **A. The following investment limits must be observed for the assets of each sub-fund:**

- 7.3.1** The sub-fund must not invest more than 5% of its assets in securities or money market instruments of the same issuer and not more than 20% of its assets in deposits of the same issuer.
- 7.3.2** The default risk in transactions of the investment company with OTC derivatives with a credit institution as the counterparty domiciled in an EEA member country or a third country whose supervisory legislation is comparable with EEA law must

not exceed 10% of the assets of the sub-fund; for other counterparties, the maximum default risk is 5% of its assets.

- 7.3.3** Provided the total value of securities and money market instruments of the issuers with whom the sub-fund invests more than 5% of its assets does not exceed 40% of its assets, the issuer limit mentioned in section 7.3.1 shall be raised from 5% to 10%. The 40% limitation does not apply to deposits or transactions involving OTC derivatives with supervised financial institutions. If the issuer limit is raised, the securities and money market instruments pursuant to section 7.3.5 and the debt securities pursuant to section 7.3.6 shall not be considered.
- 7.3.4** Regardless of the upper individual limits pursuant to sections 7.3.1 and 7.3.2, a sub-fund shall not enter into the following combinations if this would lead to an investment of more than 20% of its assets in one and the same body:
- securities or money market instruments issued by that body;
  - deposits with that body;
  - OTC derivatives purchased from that body;
- 7.3.5** If the securities or money market instruments are issued or guaranteed by an EEA member state, by such a state's local authorities, by a third country, or by an international public body to which at least one EEA member state belongs, the 5% limit stipulated in section 7.3.1 can be raised to a maximum of 35%.
- 7.3.6** The 5% limit set forth in section 7.3.1 shall be raised to a maximum of 25% where debt securities are issued by a credit institution domiciled in an EEA member state and is subject by law to special public supervision designed to protect the owners of such securities, and in particular must invest sums deriving from the issue of those debt securities in assets which, during their whole period of validity, are capable of covering claims attaching to the bonds and which, in the event of a default of the issuer, would be used on a priority basis for the repayment of the principal and of the accrued interest. In this case, the total value of the investments shall not exceed 80% of the assets of the sub-fund.
- 7.3.7** The limits set forth in sections 7.3.1 to 7.3.6 shall not be cumulated. The maximum issuer limit is 35% of the assets of each sub-fund.
- 7.3.8** When calculating the investment limits as provided for in section 7.3, companies belonging to the same group shall be deemed a single issuer. For investments in securities and money market instruments of the same group of companies, the combined issuer limit shall be increased to 20% of the assets of the sub-fund.
- 7.3.9** A sub-fund shall invest no more than 10% of its assets in units of other UCITS or of other undertakings for collective investment that are comparable with a UCITS.
- 7.3.10** The sub-funds may subscribe to, acquire, and/or hold units that are to be or were issued by one or several other sub-funds, provided:
- ◆ the target sub-fund does not itself invest in the sub-fund that invests in this target sub-fund;
  - ◆ the proportion of assets, which the target sub-funds, whose acquisition is intended, are entitled to invest, in total, in units of other UCITS or collective investment undertakings comparable to a UCITS as per their prospectuses or constitutive documents, does not exceed 10%; and
  - ◆ the voting rights that may be associated with the respective securities are suspended as long as they are being held by the respective sub-fund, notwithstanding an appropriate valuation in the closing statements and periodic reports; and

- ◆ the value of said securities is taken into consideration, in any case, during the calculation of the sub-fund's net asset value, as prescribed by the UCITSA, to verify the minimum net asset level in accordance with the UCITSA, as long as said securities are held by the respective sub-fund; and
- ◆ there is no multiple calculation of fees for the issuance or redemption of units, not only at the level of the sub-fund that invested in the target sub-fund but also at the level of the target sub-fund.

**7.3.11** If the investments pursuant to section 7.3.9 constitute a major portion of the assets of the sub-fund, the sub-fund-specific annex must state the maximum amount and the annual report must state the maximum share of the management fees to be borne by the sub-fund itself and by the undertakings for collective investment according to section 7.3.9 whose units were purchased.

**7.3.12** If units are managed directly or indirectly by the investment company or the management company on its behalf or by any other company with which the investment company or the management company of the UCITS is affiliated by common management, control, or qualified participation, neither the investment company nor the management company of the UCITS nor the other company may charge fees for the subscription or redemption of units of the UCITS.

**7.3.13** An investment company shall not acquire for any of the sub-funds managed by it any shares carrying voting rights which would enable it to exercise significant influence over the management practices of the issuer. A significant influence is deemed associated with more than 10% of the voting rights of the issuer. If a lower limit applies in another EEA member state for the acquisition of voting shares of the same issuer, that limit shall also be binding on the management company if it acquires for a sub-fund any shares of an issuer domiciled in that EEA member state.

**7.3.14** For each sub-fund, financial instruments from the same issuer shall not exceed:

- a) 10% of the share capital of the issuer to the extent that non-voting shares are involved;
- b) 10% of the total par value of the outstanding debt securities or money market instruments of the issuer to the extent that debt securities or money market instruments are involved. This limit need not be observed if the total par value cannot be determined at the time of purchase;
- c) 25% of the units of the same undertaking are purchased, to the extent that units of another UCITS or of an undertaking for collective investment comparable with a UCITS are involved. This particular limit need not be observed if the net amount cannot be determined at the time of purchase.

**7.3.15** Sections 7.3.13 and 7.3.14 do not apply:

- a) to securities and money market instruments issued or guaranteed by a government issuer;
- b) to shares held by a sub-fund in the capital of a company in a third country, that invests its assets mainly in the securities of issuers domiciled in that country, where under the legislation of that country such interest positions represent the only way in which the sub-fund can lawfully invest in the securities of issuers of that country. In this context, the provisions of the UCITSA must be observed;
- c) to shares held by the investment companies in the capital of their subsidiaries which in the country of domicile are devoted exclusively to organizing on behalf of the management company the repurchase of shares at the request of investors.

In addition to the limitations set forth in sections 7.3.1 to 7.3.15, further restrictions in Annex A "Sub-funds at a glance" shall be respected, if any.

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

- 7.3.16** A sub-fund's assets do not need to comply with the investment limits when exercising the subscription rights derived from securities or money market instruments that belong to its assets but shall correct them within a reasonable period of time.
- 7.3.17** In the event of a breach of the investment limits, the management company's primary objective is to normalize the situation, taking into account the best interests of investors.
- 7.3.18** A subfund's assets may deviate from the investment limits set out in Section 7.3 within the first six months after its capitalization. Sections 7.1 and 7.2 remain unaffected by this exception and must be complied with at all times. The requirement of risk diversification must continue to be observed.

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

- 7.3.19** Any loss incurred as a result of an active breach of the investment limits/investment regulations must be compensated immediately to the UCITS or the relevant sub-fund in accordance with the applicable rules of conduct of the FMA. Regardless of whether the correction of the active investment limit violation resulted in a loss or a gain, the FMA must be informed of the active investment limit violation immediately after the lawful status has been restored.

## **7.4 Borrowing limits and prohibition of granting loans and guarantees**

- 7.4.1** The assets of the sub-fund must not be pledged or otherwise encumbered, transferred or ceded as collateral except in cases involving borrowing pursuant to section 7.4.2 below or collateralization within the scope of transactions involving financial instruments.
- 7.4.2** Borrowing by the sub-fund is limited to temporary loans which do not exceed 10% of its assets; the limit does not apply to the purchase of foreign currencies via back-to-back loans.
- 7.4.3** A sub-fund may neither grant loans nor act as a guarantor for third parties. Agreements violating this prohibition shall be binding neither for the sub-fund nor for the investors.
- 7.4.4** Section 7.4.3 does not prohibit the purchase of financial instruments that have not yet been fully paid up.

## **7.5 Securities financing transactions, risk management, deployment of derivatives, techniques, and instruments**

As part of its investment strategy and within the limits specified in Art. 53 UCITSG, the management company may invest in derivatives provided the aggregate risk of the underlying assets does not exceed the investment limits set forth in Art. 54 UCITSG. The risk is calculated taking into account the market value of the underlying assets, the counterparty risk, future market fluctuations, and the time available to liquidate the positions.

Unless prevented by the protection of investors and the public interest, investments of the investment company in index-based derivatives shall not be taken into account with regard to the upper limits defined in Art. 54 UCITSA.

With the approval of the FMA, the investment company or sub-fund may, for efficient portfolio management purposes and in compliance with the provisions of the UCITSA, deploy techniques and instruments involving securities and money market instruments. These transactions must be considered when determining the overall risk.

### 7.5.1 Securities financing transactions

If specified in the prospectus, the Articles of Association, the investment conditions, and the respective Appendix A “Sub-funds at a Glance,” the sub-fund is entitled to engage in securities financing transactions, including securities repurchase agreements, reverse repurchase agreements, securities lending agreements, and securities lending transactions, in accordance with Regulation (EU) 2015/2365 (SFTR), including securities repurchase agreements, reverse repurchase agreements, securities lending transactions, and/or total return swaps, subject to the conditions and restrictions set out therein.

If a sub-fund is permitted to engage in securities financing transactions, all types of assets that the sub-fund in question is permitted to hold in accordance with its investment objective and investment rules may be the subject of a securities financing transaction.

The contracting parties for securities financing transactions are selected according to the following criteria:

- ◆ Price of the financial instrument,
- ◆ Costs of order execution,
- ◆ Speed of execution,
- ◆ Probability of execution or settlement,
- ◆ Scope and type of order,
- ◆ Time of order,
- ◆ Other factors influencing the execution of the order (including the credit-worthiness of the counterparty)

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

### Securities lending

If specified in the relevant Appendix A “Sub-funds at a glance,” the investment company or management company is entitled to lend parts of the securities portfolio of the respective sub-fund to third parties (“**securities lending**”). In general, securities lending transactions may only be carried out through recognized clearing organizations, such as Clearstream International or Euroclear, as well as through first-class banks, securities firms, financial services institutions, or insurance companies that specialize in securities lending, within their established framework conditions. The selection of contractual partners is carried out with the necessary expertise, care, and diligence. In a securities lending transaction, the investment company or the depositary of the UCITS or the respective sub-fund must, in principle, receive collateral whose value corresponds at least to the total valuation of the securities lent and any interest accrued. This collateral must be issued in an acceptable form of financial collateral. Such collateral is not required if the securities lending is carried out via Clearstream International or Euroclear or another equivalent organization, whereby the UCITS is guaranteed reimbursement of the value of the securities lent.

Loaned securities must continue to be taken into account when complying with investment regulations.

When concluding a securities lending agreement, the investment company or management company shall ensure on behalf of the UCITS or sub-fund that all loaned securities can be reclaimed at any time and that the agreement can be terminated at any time.

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

Securities lending involves risks, in particular the risk arising from collateral management in connection with OTC financial derivatives and efficient portfolio management techniques. For further details on these risks, please refer to Section 8. Risk Information.

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

### Repurchase agreements

As specified in the respective Appendix A "Sub-funds at a glance," the investment company or the management company may participate in **repurchase agreements** ("reverse repurchase agreements") for a sub-fund, which consist of purchases and sales of securities in which the agreements grant the seller the right or obligation to repurchase the securities sold at a specified price on a specified date. "reverse repurchase agreements") consisting of purchases and sales of securities, whereby the agreements grant the seller the right or obligation to repurchase the securities sold from the purchaser at a price and within a period agreed between the two parties upon conclusion of the contract.

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

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

- ◆ Forward repo transactions and reverse repo transactions with a maximum term of seven days should be regarded as agreements under which the UCITS or sub-fund can reclaim the assets at any time.
- ◆ Repurchase agreements involve risks, in particular the risk arising from collateral management in connection with OTC financial derivatives and efficient portfolio management techniques. For further details on these risks, please refer to Section 8. Risk Information.
- ◆ The annual report provides information on the proportion of the sub-fund's assets that were subject to repurchase agreements on the reporting date.

#### **Total return swaps**

As specified in the respective Appendix A "Sub-funds at a Glance," the sub-fund is authorized to enter into total return swaps.

Total return swaps are derivatives in which all earnings and value fluctuations of an underlying can be swapped for an agreed fixed interest payment. A contractual party, the collateral taker, thus transfers the entire credit and market risk from the underlying instrument to the other contractual party, the collateral provider. In return, the collateral taker pays a premium to the collateral provider. For the investment company or its sub-funds, total return swaps can be transacted for hedging purposes or as part of the investment strategy. Basically, all assets that are purchasable for the investment company and its sub-funds can be subjects of total return swaps. Up to 100% of the sub-fund's assets can be subjects of such transactions. The investment company expects that in individual cases no more than 50% of the sub-fund's assets will be the subject of total return swaps. This is merely an estimate that can be exceeded in individual cases. The proceeds from total return swaps – after deduction of the transaction costs – are fully credited to the investment company and its sub-funds.

#### **7.5.2 Risk management procedure**

The investment company or, on its behalf the management company, uses a basic model to calculate the risks associated with the investment instruments, especially with respect to derivative financial instruments, and uses for this purpose generally established calculation methods. It is obliged to ensure that the risk from derivative financial instruments at no time exceeds the total value of the portfolio, or an absolute VaR as specified in Annex A "Sub-funds at a glance" and that in particular no positions are acquired that constitute an unlimited risk to the assets. When calculating the total risk, it is mandatory to take into consideration both its default risk and the leverage associated with derivative financial instruments. Combinations of derivative financial instruments and securities must also comply with these regulations at any point in time.

Furthermore, sustainability risks are identified as part of the risk management process, their impact on individual investments is analyzed, and they are incorporated into the overall risk profile.

On behalf of the respective sub-fund, the investment company or, on its behalf the management company, is entitled, in particular, to deploy the following derivative financial instruments and techniques:

#### **7.5.3 Derivative financial instruments**

On behalf of the sub-funds, the investment company or, on its behalf the management company, may transact with derivatives for hedging purposes, for efficient portfolio control, for generating additional income, and as part of its investment strategy. This may at least temporarily increase the loss risk of the sub-fund.

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

**The risk management method employed by the management company is indicated in Annex A "Sub-funds at a glance".**

The investment company or, on its behalf the management company, is entitled to deploy only the following basic forms of derivatives or combinations of such derivatives or combinations of other subjects of investment that the sub-fund is allowed to purchase:

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

**7.5.3.2** Options or warrants on securities, money market instruments, financial indices pursuant to Art. 9 § 1 of Directive 2007/16/EC, interest rates, exchange rates, or currencies and on forward contracts according to section 7.5.2.1, if

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

**7.5.3.3** Equity swaps, interest rate swaps, currency swaps, or interest rate-currency swaps, or special forms;

**7.5.3.4** Options on swaps pursuant to section 7.5.2.3, provided they have the characteristics described in section 7.5.2.2 (swaptions);

**7.5.3.5** Credit default swaps, provided they are exclusively and demonstrably utilized to hedge the credit risk of precisely defined assets of the UCITS or its sub-funds.

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

#### **Forward contracts**

The investment company or, on its behalf the management company, is entitled, for the account of the sub-fund within the scope of the investment principles, to acquire forward contracts on securities and money market instruments that the sub-fund may purchase as well as on financial indices pursuant to Art. 9 § 1 of Directive 2007/16/EC, interest rates, exchange rates, or currencies. Forward contracts are agreements that bind both parties to purchase or sell a certain number of a certain underlying asset at a price determined on advance at a specific point in time, on the maturity date, or within a certain time period.

#### **Options transactions**

The investment company or, on its behalf the management company, is entitled, for the account of the sub-fund within the scope of the investment principles, to purchase and sell call options and put options on securities and money market instruments as well as on financial indices pursuant to Art. 9 § 1 of Directive 2007/16/EC, interest rates, exchange rates, or currencies, and to trade in warrants. In options transactions, a third party is granted the right, against payment of an option premium, to deliver or receive subjects of investment during

a certain period of time or at the end of a certain period of time at a price determined in advance (strike price) or to demand the payment of a difference or to acquire specific option rights. The options or warrants must be exercisable for the entire duration of the instruments or on the maturity date. Additionally, the option value must be a fraction or a multiple of the difference between the base price and the market price of the underlying instrument and becomes zero if the difference has the other sign.

### **Swaps**

The investment company or, on its behalf the management company, may, for the account of the sub-funds and within the scope of the investment principles, transact interest swaps, currency swaps, and interest/currency swaps. Swaps are agreements in which the underlying cash flow streams or risks of a transaction are exchanged between the counterparties.

### **Swaptions**

Swaptions are options on swaps. Only those swaptions may be acquired for the account of the sub-fund which are composed of the above-mentioned options and swaps. A swaption is the right, but not the obligation, to enter into an underlying swap at a specific point in time or during a specific period of time with accurately defined terms and conditions.. In all other respects, the principles described in conjunction with options transactions shall apply.

### **Credit default swaps**

Credit default swaps are credit derivatives that make it possible to transfer a potential credit default volume to others. In return for the assumption of the credit default risk, the seller of the risk pays the counterparty a premium. On behalf of the sub-fund, the management company may acquire only simple, standardized credit default swaps used to hedge individual credit risks to which the sub-fund is exposed. In all other respects, the considerations regarding swaps shall apply.

### **Securitized financial instruments**

The investment company or, on its behalf the management company, may also acquire the above-mentioned financial instruments if they are securitized. Thereby, the transactions involving financial instruments can also be only partially securitized (e.g. warrants). Statements regarding the opportunities and risks apply accordingly to securitized financial instruments with the understanding that the loss risk of securitized financial instruments is limited to the value of the security.

### **OTC derivatives**

The investment company or, on its behalf the management company, may engage in transactions with derivatives approved for trading on a stock exchange or another organized market as well as in so-called over-the-counter (OTC) transactions.

The management company may only engage in transactions with derivatives not traded on a stock exchange or on another organized market if such business is conducted with suitable credit or financial services institutions on the basis of standardized master agreements. The counterparty risk involved in trading OTC derivatives shall be limited to 5% of the assets of the sub-fund. If the contractual party is a credit institute domiciled in the European Union, the European Economic Area or a third country with a comparable level of supervision, the counterparty risk may be increased to a maximum of 10% of the assets of the sub-fund. Transactions with OTC derivatives concluded with a central clearinghouse of a stock exchange or another organized market as the contractual party do

not count against the counterparty risk if the derivatives are subject to daily market pricing with daily margining.

However, the limits are to be adjusted by the receivables that the sub-fund can claim from a broker, also if the derivative is traded on a stock exchange or another organized market.

#### 7.5.4 Collateral policy and investment of collateral

##### General

In conjunction with transactions in OTC financial derivatives and efficient portfolio management techniques, the management company can accept collateral in the name and for the account of the sub-fund to reduce its counterparty risk. This section explains the collateral policy applied by the management company in such cases. Within the meaning of this section, all assets received by the management company in the name and for the account of the sub-fund (securities lending, asset-based annuities transactions, reverse annuity transactions) within the scope of efficient portfolio management techniques shall be treated as collateral.

##### Permissible collateral

The management company can use the collateral it receives to reduce the counterparty risk provided it abides by the criteria set forth in the applicable laws, regulations, and FMA-issued guidelines, particularly with respect to liquidity, valuation, issuer credit rating, correlation, risks in conjunction with the administration of collateral and realizability. Mainly, collateral should fulfill the following conditions:

##### Liquidity

Collateral not based on cash or sight deposits shall be highly liquid and transparently priced and must be traded on a regulated market or within a multilateral trading system. Additionally, collateral with short settlement cycles shall be preferred over collateral with long settlement cycles because they can more quickly be converted into cash.

They should be valued at least daily, and assets that exhibit high price volatility should only be accepted as collateral if they have been subject to appropriately conservative haircuts.

They should have been issued by an entity that is independent of the counterparty and is not expected to be strongly correlated with the counterparty's performance.

They should be sufficiently diversified across countries, markets, and issuers, with a maximum exposure of 20% of the sub-fund's net asset value (NAV) in individual issuers, taking into account all collateral received. A sub-fund may deviate from this in accordance with the provisions set out in 7.3.5 – 7.3.7 above.

They should be realisable by the management company at any time without recourse to or approval by the counterparty.

##### Valuation

The value of collateral must be calculated at least once on every market day and shall be regularly updated. The inability to perform its own value calculations endangers the investment company. This also applies to "mark to model" valuations and rarely traded assets.

### **Solvency**

The issuer of the collateral shall be highly solvent. In the absence of very high solvency, haircuts shall be performed. If the value of the collateral fluctuates significantly, it is only permissible if suitable conservative haircuts are applied.

### **Correlation**

The collateral is not provided, issued, or guaranteed by the counterparty or by a company affiliated with the counterparty's group and is not highly correlated with the counterparty's valuation. But investors should note that in a difficult market environment, as experience suggests, the correlation between individual issuers increases massively regardless of the nature of the security.

### **Diversification of collateral**

The collateral received is sufficiently diversified with respect to states, markets, and issuers. The criterion of sufficient diversification as regards issuer concentration is deemed fulfilled if the sub-fund receives collateral with which the maximum exposure to a single issuer does not exceed 20% of the sub-fund's net asset value. In the case of collateral from several securities lending and borrowing transactions, OTC derivatives transactions, and annuities transactions involving the same issuer or guarantor, the overall risk versus these issuers shall be aggregated for the calculation of the total risk limit. Notwithstanding this sub-item, UCITSs can be fully collateralized with various securities and money market instruments that are issued or guaranteed by an EEA member state, one or several of its territories, a third-party country or an international public-sector entity to which at least one EEA member state belongs. These UCITSs should hold securities that were tendered within the scope of at least six different issues, whereby the securities from a single issue must not exceed 30% of the UCITS's net asset value.

If it complies with the regulations in 7.3.5 to 7.3.7 further above, a sub-fund may deviate from these rules.

### **Safekeeping and realization**

If the ownership of the transferred collateral has been ceded to the management company of the UCITS, the collateral received must be held in safekeeping by the depositary of the UCITS. Otherwise, the collateral must be held by a third-party depositary that is subject to prudential supervision and is independent of the service provider or legally protected against the default of the related party.

It must be ensured that the UCITS or the respective sub-fund may at any time immediately realize the collateral without reference to or the consent of the counterparty.

### **Investment of collateral**

Collateral, except for sight deposits (cash and cash equivalents) must not be sold, reinvested, or pledged.

Collateral composed of cash and cash equivalents (sight deposits and callable deposits) shall be utilized exclusively in one of the following ways:

- Investment in sight deposits pursuant to Art. 51 para. 1 lit. d UCITSA with a maximum duration of twelve months held with credit institutions domiciled in an EEA member country or in another country in which supervisory legislation is equivalent to that of the EEA;
- Debentures tendered by states with high solvency;
- Investments within the scope of an annuity transaction pursuant to Art. 70 UCITSO if the counterparty of the annuity transaction is a credit institution that

is domiciled in an EEA member state or a third country with supervisory legislation equivalent to that of the EEA;

- Investments in money market funds with short duration structures pursuant to ESMA/2014/937 section 43 lit. j.

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

To assess the value of collateral exposed to a non-negligible fluctuation risk, the UCITS must apply conservative discount rates. On behalf of the UCITS, the management company shall apply a haircut strategy for every type of asset received as collateral and must consider the characteristics of the assets, including in particular creditworthiness as well as the price volatility of the respective assets and the stress tests that have been performed. The haircut strategy shall be documented and with regard to the respective types of assets makes plausible each decision to apply or not apply a valuation markdown.

### Worth of collateral

The investment company or, on its behalf the management company, shall determine the required worth of the collateral for transactions with OTC derivatives and for efficient portfolio management techniques under consideration of the limits set forth in the prospectus for counterparty risks and under consideration of the nature and features of the transactions, creditworthiness, identity of the counterparties, and prevailing market conditions.

### Rules for haircuts

Collateral shall be valued on a daily basis based on available market prices and under consideration of adequately conservative discounts (haircuts) that the management company will determine for each investment class based on its rules for haircuts. Depending on the type of collateral received, these rules take into account various factors, such as the issuer's creditworthiness, the duration, the currency, the price volatility of the assets, and, if applicable, the results of liquidity stress tests that the investment company or the management company, performs under normal and extraordinary liquidity conditions. The table below lists the haircuts that the management company deems adequate on the issue date of this prospectus. The values are subject to change.

Collateral instrument	Valuation rate (%)
Account balance (in the currency of the respective sub-fund)	95
Account balance (not in the currency of the respective sub-fund)	85
Government bonds [debt securities issued or expressly guaranteed by the following countries (without implicitly guaranteed liabilities, for example): Austria, Belgium, Denmark, France, Germany, the Netherlands, Sweden, the United Kingdom, and the USA to the extent that these countries have a minimum rating of AA-/Aa3 and such debt securities can be valued at market prices daily (mark to market)]	
Duration ≤ 1 year	90
Duration > 1 year and residual duration ≤ 5 years	85
Duration > 5 years and residual duration ≤ 10 years	80
Corporates (debt securities issued or expressly guaranteed by a company (except financial institutes) and (i) rated at least AA-/Aa3, (ii) with a residual duration of no more than 10 years and (iii) denominated in an OECD currency)	
Duration ≤ 1 year	90

<b>Collateral instrument</b>	<b>Valuation rate (%)</b>
Duration > 1 year and residual duration ≤ 5 years	85
Duration > 5 years and residual duration ≤ 10 years	80

#### **7.5.5 Investments in units of another UCITS or of other undertakings for collective investment that are comparable with a UCITS**

A sub-fund shall invest no more than 10% of its assets in units of other UCITS or of other undertakings for collective investment that are comparable with a UCITS. These other undertakings for collective investment shall be bound by their prospectuses and/or constitutive documents to invest no more than 10% of their assets in units of another UCITS or another comparable undertaking for collective investment.

Investors must take into account that at the level of indirect investments, further indirect costs and charges are incurred and that fees and remunerations are paid – these expenses are debited directly to the individual indirect investments.

If units are managed directly or indirectly by the investment company or the management company on its behalf or by any other company with which the investment company or the management company of the UCITS is affiliated by common management, control, or qualified participation, neither the investment company nor the management company of the UCITS nor the other company may charge fees for the subscription or redemption of units of the UCITS.

#### **7.5.6 Use of benchmarks**

In compliance with the provisions of the Ordinance (EU) 2016/1011 of the European Parliament and of the Council concerning indices that are used as benchmarks for financial instruments and financial contracts or to measure the performance of an undertaking for collective investment, supervised companies (such as UCITS management companies and AIFMs) may use benchmarks pursuant to the Benchmark Ordinance in the EU if the benchmark is provided by an administrator who is listed in the administrator and benchmark directory that is managed by the ESMA pursuant to the Benchmark Ordinance (the "directory").

The UCITS or its sub-funds can deploy benchmarks in the basic information sheets (PRIIP-KID) and marketing documentation, if any, as a reference for comparative purposes to measure the performance of the UCITS or its sub-funds. The UCITS or the sub-funds are actively managed and the asset manager can thus freely decide in which securities he wishes to invest. Consequently, the performance can clearly deviate from that of the benchmark. If it is used by the management company or by the asset manager on its behalf, the comparative index is indicated in Annex A "Sub-funds at a glance".

The comparative index can change in the course of time. In this case, the prospectus, Annex A "Sub-funds at a glance", and the constitutive documents shall be updated at the next opportunity and investors shall be informed by notification in the official gazette as well as in the media mentioned in the prospectus or with durable media (letter, fax, e-mail or similar).

Further, the UCITS or its sub-funds can use benchmarks to calculate performance-linked charges. Detailed information on any performance fee is provided in section 12.2 of this prospectus, section 34 of the investment conditions, and Appendix A, "Subfunds at a glance."

With respect to a comparative index, the investment company or the management company on its behalf does not accept any liability concerning the quality, correctness or completeness of the data of the comparative index nor that the respective comparative index is managed in accordance with the described index methods.

The investment company or the management company on its behalf has produced a written plan of measures that it can implement with respect to the UCITS or its sub-funds in the event that the index changes substantially or is no longer provided. On request, information concerning the plan is available free of charge at the registered domicile of the management company

## 8 Risk advisories

### 8.1 UCITS or sub-fund-specific risks

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

The sub-fund-specific risks of the individual sub-funds are outlined in Annex A “Sub-funds at a glance”.

### 8.2 General risks

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

All investments in sub-funds are associated with risks. Any risk may occur together with other risks. Some of these risks are briefly discussed in this section. It should be noted, however, that this is not an inclusive list of all possible risks.

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

The transparency principle is waived with respect to the measurement of the market risk.

#### **Market risk**

This is a general risk associated with all investments which implies a possible change of the value of a certain investment that may be disadvantageous for the UCITS or the sub-fund.

#### **Price risk**

Assets in which the UCITS or the sub-fund invest may suffer value losses. In this context, the market value of the investments may trend against the cost price. Also, the investments are exposed to different price fluctuations (volatility). In extreme cases, a total loss can be incurred with the respective investments.

### **Cyclical risks**

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

### **Cluster risk**

The investment policy may focus on a concentration of investments, for example in certain assets, countries, markets, or industries. Then, the UCITS and the sub-funds are particularly dependent on the development of these assets, countries, markets, or industries.

### **Interest-rate risk**

To the extent that the UCITS and its sub-funds invest in interest-bearing securities, they are exposed to an interest-rate risk. When the market level of the interest rate rises, the price value of the interest-yielding securities of the assets may fall substantially. This is even more the case if the portfolio also contains interest-yielding securities with longer maturities and lower nominal interest.

### **Currency translation risk**

If the UCITS or the sub-fund holds assets denominated in a foreign currency or currencies, it is exposed to a direct currency translation risk (unless the foreign currency positions are hedged). Falling exchange rates lead to a value reduction of the foreign currency investments. In addition to the direct currency translation risks, there are also indirect currency translation risks. Internationally active companies depend to a more or less significant degree on the development of exchange rates, and this may have an indirect effect on the price development of investments.

### **Inflation risk**

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

### **Psychological market risk**

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

### **Management risk**

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

### **Risks of derivative financial instruments**

The UCITS and the sub-funds are allowed to deploy derivative financial instruments. These may be used not only for hedging purposes but may also be deployed as part of the investment strategy. The deployment of derivative financial instruments for hedging purposes may change the general risk profile as a result of smaller opportunities and risks. The deployment of derivative financial instruments for investment purposes may change the general risk profile as a result of additional opportunities and risks.

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

Due to the special features of derivative financial instruments (e.g. leverage), the above-mentioned risks can be of a different nature and in some cases may be more

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

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

The credit risk involved in derivatives traded on a stock exchange is generally lower than the risk of over-the-counter (OTC) derivatives because the clearinghouse that acts as the issuer or counterparty of any derivative traded on the stock market provides a settlement guarantee. No comparable guarantee of the clearinghouse exists for over-the-counter derivatives. Thus, under certain circumstances, it may not be possible to close an OTC derivative.

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

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

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

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

The risk associated with the management of collateral, especially the operational or legal risk, is determined, controlled, and minimized by the risk management procedure applied by the UCITS or the sub-funds.

The UCITS or the sub-funds may ignore the counterparty risks provided the worth of the collateral, valued at the market price and under consideration of applicable discounts, exceeds the amount of the risk at all times.

A UCITS or sub-fund may incur losses when investing cash collateral received. Such a loss can incur as a result of the depreciation of the investment instruments purchased with the cash collateral. If the value of the invested cash collateral declines, this reduces the collateral amount that was made available to the sub-fund and is subsequently due for repayment to the counterparty. The UCITS or sub-fund would have to offset the monetary difference between the originally received collateral and the amount repayable to the counterparty, so the sub-fund would incur a loss.

### **Liquidity risk**

Liquidity risks may result in the UCITS or sub-funds being temporarily or permanently unable to meet payment obligations and/or requests for redemption of shares.

The UCITS or the sub-funds may also acquire subjects of investment that are not approved for trading on a stock exchange or integrated in another organized market. The risk involved here is that the sale of these assets may be delayed, involve a loss, or be impossible.

Even as regards subjects of investment that are traded in an organized market, there is a risk that the market can have phases of illiquidity. The result may be that the assets cannot be traded at the desired time and/or in the desired quantities and/or at the expected price.

In addition, redemptions of units lead to an outflow of liquid assets from the UCITS or sub-fund. If the amount of redemptions exceeds the liquid assets available to the UCITS or the relevant sub-fund for redemptions, the UCITS or the relevant sub-fund must sell assets in order to generate the necessary liquid assets. This results in transaction costs, which are charged to the UCITS or the relevant sub-fund. In addition, the sale of assets may have a negative impact on the intended allocation of assets in the portfolio of the UCITS or the relevant sub-fund.

Investors bear the risk that, in the event of large redemptions, the management company may decide to execute redemption requests only on a pro rata basis, i.e. by activating a 'redemption gate', and to defer the unexecuted redemption requests of the redemption day to the next redemption day. In the event of large redemptions, the management company may also decide to dissolve the UCITS or the relevant sub-fund. As a result, investors who redeem their shares may receive payment of the amounts corresponding to the redeemed shares later than they might wish.

### **Counterparty risk**

The risk arises when contractual partners (counterparties) fail to meet their contractual obligations to fulfill transactions. This can result in a loss for the UCITS or the sub-fund. This can also occur as issuer risk or default risk:

- ◆ **Issuer risk (credit risk)**

A deterioration in an issuer's solvency or even its bankruptcy can result in at least a partial loss of assets.

- ◆ **Default risk**

Risk of loss because debtors fail to meet their payments in part or in full, or because securities lose value or become worthless.

### **Issuer risk (solvency risk)**

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

### **Country or transfer risk**

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

### **Operational risk**

The operational risk is the risk of a loss of a sub-fund's assets resulting from inadequate internal processes as well as human or systemic error within the management company or from external events and includes legal, documentation, and reputational risks as well as risks arising from trading, settlement, and valuation processes applied to sub-fund assets.

### **Transaction risk**

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

### **Key persons risk**

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

### **Legal and fiscal risk**

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

### **Depositary risk**

The safekeeping of assets involves a loss risk that can result from insolvency or violations of due diligence on the part of the depositary or from force majeure.

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

A change in investment policy within the legally and contractually permissible investment spectrum may alter the risk associated with the sub-fund. The management company may increase the fees charged to the sub-fund and/or significantly change the investment policy of the sub-fund within the applicable investment conditions at any

time by amending the prospectus and the investment conditions, including Appendix A “Sub-funds at a glance.”

### **Risk arising from changes to the articles of association and investment conditions or dissolution of the sub-fund**

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

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

Investors may, in principle, request the management company to redeem their shares in accordance with the sub-fund's valuation interval. However, the management company may temporarily suspend the redemption of shares in exceptional circumstances and only redeem the shares at a later date at the price valid at that time (for details, see “Suspension of the calculation of the net asset value”).

### **Hedging risk**

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

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

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

### **Sustainability risks**

The term “sustainability risks” refers to the risk of an actual or potential loss in value of an investment due to the occurrence of environmental, social, or corporate governance (ESG) events. Sustainability risks occur in various forms. Examples include:

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

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

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

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

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

## 9 Participation in the UCITS

### 9.1 Sales restrictions

In general, units of sub-funds must not be offered in jurisdictions where and to persons for whom this is not permissible. The units of the UCITS are not admitted for distribution in all countries. Local regulations shall apply in cases where units are issued, exchanged, and redeemed abroad.

In particular, in the United States of America (USA), the units were **not** registered pursuant to the United States Securities Act of 1933 and can therefore be neither offered nor sold in the USA and neither offered nor sold to US citizens.

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

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

### 9.2 General information on the units

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

The investment company is authorized to create, eliminate or merge within the sub-funds unit classes that differ from the existing unit classes for example with respect to the use of proceeds, the issue premium, the reference currency and the deployment of currency hedging instruments, the management fee, the minimum amount to be invested, or a combination of these characteristics. The rights of investors who purchased units assigned to existing unit classes are not affected by the creation of new unit classes.

Currently, there are share classes in the **ACG Active Strategy Fund** sub-fund with the designations “**EUR-R**” and “**EUR-I**”. Shares in the share classes denominated in EUR are denominated in the accounting currency of the UCITS or the corresponding sub-fund, i.e., the euro.

There are currently share classes in the **HOW Global Leaders Fund** sub-fund with the designations “**EUR-I**”. Shares in the share classes denominated in EUR are denominated in the accounting currency of the UCITS or the corresponding sub-fund, i.e. the euro.

There are currently share classes in the **HOW Absolute Return Fund** sub-fund with the designations “**EUR-I**” and “**CHF-I**”. Shares in the share classes denominated in EUR are issued and redeemed in the accounting currency of the UCITS or the corresponding sub-fund, i.e. the euro, while shares in the share classes denominated in CHF are issued and redeemed in Swiss francs. The currency risks of the share classes denominated in CHF may be hedged in whole or in part; this may have a negative impact on the NAV of the share classes denominated in EUR. Any costs incurred in hedging the CHF share classes will be allocated to them accordingly.

Currently, there are share classes in the **HOW Made of Switzerland** sub-fund with the designation “**CHF-I**”. Shares in the share classes denominated in CHF are redeemed in the accounting currency of the UCITS or the corresponding sub-fund, i.e., the Swiss franc.

The unit classes created in conjunction with any sub-fund as well as the charges and reimbursements incurred in conjunction with the units of the sub-funds are indicated in Annex A “Sub-funds at a glance”.

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

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

The net asset value (NAV) per unit of a sub-fund or of a unit class of the sub-fund shall be calculated by the investment company or, on its behalf by the management company, effective at the end of the financial year as well as on the respective valuation day on the basis of the last known prices, taking into account the valuation interval.

The NAV of a unit of the sub-fund or of a unit class of the sub-fund is expressed in the accounting currency of the sub-fund or, if different, in the reference currency of the respective unit class, and is calculated as the quota of the assets of the sub-fund assignable to the respective unit class minus debt obligations of this sub-fund, if any, that are attributable to the respective unit class divided by the number of outstanding units of the respective unit class.

The respective net sub-fund assets are valued at market according to the following principles:

1. Securities that are officially traded on a stock exchange are valued at the last available price. If a security is officially traded at several exchanges, the last available price shall be the price at the exchange that represents the main market for that security.
2. Securities that are not officially listed on an exchange but are traded on a market accessible to the public are valued at the last available price. If a security is traded on various markets accessible to the public, the last available price on the market with the highest liquidity shall be considered.

3. Securities or money market instruments with a residual duration of less than 397 days can be valued by linear depreciation or appreciation with the difference between the cost (purchase) price and the repurchase price (price on maturity). The valuation at the current market price can be omitted if the repurchase price is known and fixed. Credit-rating changes, if any, shall be accounted for additionally.
4. Investments whose price is not in conformity with the market, and assets that do not fall under nos. 1, 2, and 3 above, are calculated at the price that would have most likely been attained if the investment had been sold with due diligence at the time of valuation and is determined in good faith by the executive board of the management company or under their direction or supervision by authorized agents.
5. The investment company or management company shall value OTC derivatives on a day to day basis with the then probably attainable sales price using a verifiable valuation model specified in good faith by the investment company or management company which is in line with generally recognized valuation models that can be validated by auditors.
6. UCITS or undertakings for collective investment (UCI) shall be valued at the last noted and available net asset value. If the repurchase of units is suspended or if no repurchase price is specified, these units shall be valued, as all other assets, at their then applicable market value as determined by the investment company or the management company in good faith and in accordance with generally recognized valuation models that can be validated by auditors.
7. If no trading price is available for the respective assets, they shall be valued, as is the case with the other legally permissible assets, at their then applicable market value as determined by the investment company or the management company in good faith and in accordance with generally recognized valuation models that can be validated by auditors.
8. Cash and cash equivalents shall be valued at the par value plus accrued interest.
9. The market value of securities and other investments denominated in a currency other than the currency of the respective sub-fund shall be converted into the currency of the sub-fund at the last known median exchange rate.

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

#### 9.4 Issue of units

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

The units are not securitized.

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

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

Information on the issue day, the valuation interval, the acceptance deadline, and the maximum issue premium, if any, is provided in Annex A "Sub-funds at a glance". The payment must be received after the respective issue day within the period mentioned in Annex A "Sub-funds at a glance".

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

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

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

The minimum investment to be held by an investor in a specific unit class is indicated in Annex A "Sub-funds at a glance". At the discretion of the investment company or the management company, a minimum investment limit may be waived.

Contributions in kind are not permitted.

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

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

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

The issue of fund units may be suspended in cases pursuant to Art. 9.7.

## 9.5 Repurchase of units

Units of a sub-fund or of a unit class shall be redeemed on each valuation day (repurchase day) at the net asset value per unit of the respective unit class of the respective sub-fund less the redemption charge, if any, and less taxes and charges, if any. Under certain circumstances, it may be necessary for the investment company or the management company to use appropriate liquidity management instruments ("LMI") to ensure the proper settlement of redemptions (see also section **9.7 "Liquidity management instruments (LMI)"**).

Repurchase requests must be received by the depositary on the acceptance deadline at the latest. If a repurchase request is received after the acceptance deadline, it will

be scheduled for the next following repurchase day. Purchase or redemption requests submitted to distributors in Liechtenstein or abroad may be subject to earlier deadlines in order to assure that they can be forwarded to the depositary in Liechtenstein in a timely manner. On request, the respective distributor will provide pertinent information.

Information on the redemption day, the valuation interval, the acceptance deadline, and the maximum redemption premium, if any, is provided in Annex A "Sub-funds at a glance".

Since the respective sub-fund must maintain an adequate amount of liquidity, the payment of redeemed units will take place after the respective redemption day within the period mentioned in Annex A "Sub-funds at a glance". This does not apply in case the transfer of the redemption sum proves impossible due to legal constraints such as currency export and cross-border payment restrictions or due to other circumstances beyond the control of the depositary.

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

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

In the event of large redemption requests, the investment company or management company may decide to settle a redemption request only once the corresponding assets of the UCITS or the relevant sub-fund can be sold without undue delay. If such a measure is necessary, all redemption requests received on the same day will be settled at the same price. In particular, the investment company or management company reserves the right not to execute redemption requests in full on a redemption day on which the total redemption requests would result in a certain outflow of funds from the total net assets of the UCITS or the relevant sub-fund on the redemption day in question. The corresponding amount of the specified cash outflow ("activation of **redemption gate**") can be found in the table in Appendix A "Sub-funds at a glance" under "Investment principles and risk regulations of the sub-fund." In these circumstances, the investment company or investment company may decide to execute these redemption requests only on a pro rata basis, i.e., by activating a "redemption gate," and to defer the unexecuted redemption requests of the redemption date to the next redemption date.

The investment company or management company and/or the depositary may unilaterally redeem units against payment of the repurchase price to the extent that this appears to be in the best interest of or for the protection of investors, the investment company or management company or one or several of the sub-funds, particularly when

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

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

If the execution of a repurchase request causes the respective investor's holdings to fall below the minimum holdings of the respective sub-fund or of the respective unit class as indicated in Annex A "Sub-funds at a glance", the investment company or the management company may, without notifying the investor, treat this repurchase request as a request for redeeming all units of this sub-fund or this unit class held by the investor or as a request to exchange the remaining units into another unit class of the sub-fund with the same reference currency, provided the investor fulfills its terms of participation.

Redemptions in kind are not permitted.

The repurchase of fund units may be suspended in cases pursuant to Art. 9.7.

## 9.6 Exchange of units

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

To the extent that different unit classes are available, units of one unit class can be exchanged for units of another unit class, both within the same sub-fund or from one sub-fund to another. No exchange fee shall be levied if the exchange involves one and the same sub-fund. If an exchange of units is not possible for certain sub-funds or unit classes, this will be mentioned in Annex A "Sub-funds at a glance" that applies to the respective sub-fund or unit class.

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

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

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

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

The investment company or the management company may reject an exchange request for a sub-fund or unit class at any time if this appears to be necessary and in the interest of the sub-fund, the investment company or the investors, particularly when:

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

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

The exchange of fund units may be suspended in cases pursuant to Art. 9.8.

## 9.7 Liquidity management tools (LMT)

The investment company or management company has introduced and implemented a liquidity management policy that is applied consistently, and it has a prudent and strict liquidity management procedure that enables it to monitor the liquidity risks of the UCITS or the respective sub-fund and to ensure that the UCITS or the respective sub-fund is normally able to meet its obligations to redeem its shares at the request of shareholders at any time. Qualitative and quantitative indicators are used to ensure that the assets of the UCITS or the assets of the respective sub-fund are sufficiently liquid and that the UCITS or the respective sub-fund can meet the redemption requests of shareholders. In addition, unit holder concentrations are regularly reviewed in risk management to assess their potential impact on the liquidity of the UCITS or the respective sub-fund.

The UCITS or the respective sub-fund is individually reviewed for liquidity risks. The liquidity management policy of the management company or investment company takes into account the investment strategy, the trading frequency, the interval for the redemption of units, the liquidity of the underlying assets (and their valuation) and the unit holder base. If deemed necessary and appropriate to protect shareholders, the management company or investment company will also use certain instruments to manage liquidity risk (liquidity management tools/LMTs), as described in the following sections of the prospectus. The activation or deactivation of liquidity management tools (LMTs) will be published in each case by means of an investor notice in the UCITS' publication medium. Investors can obtain information on the current status of LMTs free of charge from the management company or investment company at any time.

### Redemption fee (see section 9.5 "Redemption of shares")

In order to protect the interests of the remaining investors, the management company or investment company may charge a redemption fee when shares are redeemed, within the scope of the permitted liquidity management tools (LMT). This fee serves to offset the transaction and liquidity costs incurred by redemptions and is paid in full to the assets of the UCITS or the respective sub-fund.

Any redemption fee in favor of the UCITS or the respective sub-fund can be found in Appendix A "Sub-funds at a glance."

### Redemption Gate (see section 9.5 "Redemption of shares")

If, on a valuation day, the management company or investment company receives applications for net redemptions, i.e. redemption applications exceed subscriptions for units, of the UCITS or a sub-fund (or for conversion into another sub-fund) by a certain percentage of the net asset value of the UCITS or the corresponding sub-fund (redemption gate), the management company may, at its discretion, decide to limit each redemption request (or conversion request) on a pro rata basis to such an extent that the total redemption amount on that valuation date does not exceed the limit of the net asset value of the UCITS or the corresponding sub-fund specified in Appendix A 'Sub-funds at a glance' under 'Investment principles and risk regulations of the sub-fund' in the table.

### Suspension of the calculation of the net asset value and the issue, redemption, and conversion of shares (Section 9.8)

The management company or investment company may temporarily suspend the calculation of the net asset value and/or the issue, redemption and conversion of units of

the UCITS or a sub-fund in special circumstances, provided that this is justified in the best interests of investors.

### **Spin-off of assets**

The investment company or management company is entitled to form “side pockets” in accordance with the applicable legal provisions and with the prior consent of the Liechtenstein Financial Market Authority (FMA).

Side pockets serve to manage separately assets that have become illiquid or difficult to value due to exceptional market conditions or special circumstances. The separation of these assets into a newly established sub-fund is intended to ensure that the ordinary liquidity and valuation of the remaining fund assets is not impaired.

Side pockets may only be formed if this is in the best interests of investors and if equal treatment of all investors is guaranteed. Investors will be informed immediately of the establishment of a side pocket once approval has been granted by the FMA.

## **9.8 Suspension of the calculation of the net asset value and of the issue, repurchase and exchange of units**

The investment company or the management company may temporarily suspend the calculation of the net asset value, the issue, the repurchase, and the exchange of units of a sub-fund if this is justified in the best interest of the investors, especially:

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

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

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

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

Additionally, under consideration of the interests of the investors, the investment company or the management company is entitled postpone substantial redemptions, i.e. to temporarily suspend repurchases, until adequate assets of the respective sub-fund were sold without delay under consideration of the interests of the investors.

No new units of the sub-fund shall be issued as long as the repurchase of units is suspended. Units subject to a temporary repurchase suspension cannot be exchanged. The temporary suspension of the repurchase of units of a sub-fund does not entail the temporary suspension of repurchases of other sub-funds that are not affected by the events.

The investment company or the management company shall assure that the assets of the sub-fund include enough cash and cash equivalents to allow the immediate repurchase or exchange of units under normal circumstances at the request of investors.

The investment company or management company shall immediately notify the FMA and, in an appropriate manner, the investors of the suspension of the calculation of the net asset value and of the redemption and payment of shares. Subscription, redemption, and conversion requests shall be settled at the net asset value valid at the time after the calculation of the net asset value and share trading have been resumed. Investors may revoke their subscription, redemption, or exchange applications until trading in shares resumes.

## 10 Use of proceeds

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

The investment company or management company may distribute the net income and/or the net realized capital gains generated by a sub-fund or unit class to the investors of the respective sub-fund or unit class or reinvest the net income and/or the net realized capital gains in the sub-fund or the respective unit class or carry such amounts forward to the next accounting period.

The net income and the net realized capital gains generated by those unit classes that distribute payouts pursuant to Annex A "Sub-funds at a glance" can be fully or partially distributed on an annual basis.

Distributions can be composed of the net income and/or the net realized capital gains as well as the net income carried forward and/or the net realized capital gains carried forward of the sub-fund or of the respective unit class. Intermediate payouts of net income carried forward and/or realized capital gains carried forward are permissible.

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

## 11 Taxation

### 11.1 Investment company and fund assets

All Liechtenstein funds are fully taxable in Liechtenstein and subject to income tax payments. Income from managed assets is tax-exempt income. Modified equity capital calculations for investment companies are based only on equity capital not tied to managed assets. The income tax rate is 12.5% of the taxable net profit.

#### Issue and revenue taxation<sup>1</sup>

The issue of founders' shares or units of underlying capital (as part of equity) of a joint stock company with variable capital (AGmVK) or an investment company with variable capital (SICAV) is subject neither to issue taxation nor incorporation taxation. The same applies to the issue of units of managed assets. The paid transfer of title to units of managed assets is subject to revenue taxation provided one party or agent is a domestic broker. The redemption of founders' shares or units of underlying capital as well as units of managed assets is exempt from revenue taxation. A UCITS or a fund with the legal status of an investment company with

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

variable capital or a société d'investissement à capital variable (SICAV) is deemed an investor who is exempt from revenue taxation.

#### Source or paying agent taxation

Depending on the persons who directly or indirectly hold units of the investment company or of its sub-funds, if any, both income and capital gains, whether paid out or reinvested, may be fully or partially subject to a so-called paying agent tax.

The fund in the legal form of an investment company with variable capital is not otherwise subject to a source tax obligation in the Principality of Liechtenstein; in particular, no coupon or withholding taxes are payable. Foreign income and capital gains generated by the fund with the legal status of an investment company with variable capital or a société d'investissement à capital variable (SICAV) or, as the case may be, of sub-funds (segments) of the fund, may be subject to source taxation in the investment country. Double-taxation agreements may apply.

The investment company or sub-funds, if any, have the following taxation status:

#### Automatic information exchange (AIA)

With respect to the UCITS or the sub-fund, a Liechtenstein paying agent may be obligated to honor the AIA treaty by reporting unit owners to the local tax authorities or to issue the respective legal notifications.

#### FATCA

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

### 11.2 Natural persons subject to taxation in Liechtenstein

Private investors domiciled in the Principality of Liechtenstein shall declare their units as wealth that is subject to wealth tax. Payouts or reinvested profits, if any, of the fund in the legal form of an investment undertaking with variable capital or of an investment company with variable capital or sub-funds of the fund, if any, are income-tax-exempt. The capital gains incurred when the units are sold are income-tax-exempt. Capital losses cannot be deducted from taxable gains.

### 11.3 Persons with tax domiciles outside Liechtenstein

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

#### Disclaimer

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

**Investors are urged to consult their own professional advisors with respect to fiscal consequences. Neither the investment company nor the management company nor the asset manager nor the custodian bank nor their authorized agents can assume any responsibility for the investor's individual fiscal consequences arising from the purchase, ownership, or sale of units.**

## 12 Costs and charges

### 12.1 Costs and charges borne by the investors

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

#### 12.1.1 Issue premium

To cover the costs incurred by the placement of units, the investment company or the management company may charge an issue commission on the net asset value of the newly issued units to be credited to the management company, the depositary, and/or authorized domestic or foreign distributors according to Annex A "Sub-funds at a glance".

An issue premium, if any, in favor of the respective sub-fund, is also indicated in Annex A "Sub-funds at a glance".

#### 12.1.2 Redemption charge

For the payment of redeemed units, the investment company or the management company may levy a redemption charge on the net asset value of the redeemed units in favor of the sub-fund as indicated in Annex A "Sub-funds at a glance".

Any redemption fee in favor of the UCITS or corresponding sub-fund, the investment company, management company, custodian, and/or distributors in Germany or abroad can also be found in Appendix A, "Sub-funds at a glance."

In order to protect the interests of the remaining investors, the management company may charge a redemption fee when shares are redeemed, within the scope of the permitted liquidity management tools (LMT). This fee serves to offset the transaction and liquidity costs incurred by redemptions and is paid in full to the assets of the UCITS or the relevant sub-fund. The redemption fee in favour of the relevant sub-fund can be found in Appendix A 'Sub-funds at a glance'.

#### 12.1.3 Exchange fee

The investment company or the management company shall levy a fee on the net asset value of the original sub-fund or original unit class for an exchange requested by the investor of units of one sub-fund or unit class for units of another sub-fund or unit class as set forth in Annex A "Sub-funds at a glance".

### 12.2 Costs and charges borne by the sub-fund

#### A. Depending on asset volume (individual charge)

12.2.1 The investment company is remunerated for management, administration, the investment decision (asset management and investment consulting), risk management, and distribution of the respective sub-fund as set forth in Annex A "Sub-funds at a glance". These charges are calculated on the basis of the average net asset value of the sub-fund or of the respective asset class on the occasion of each valuation and deducted from the assets of the sub-fund quarterly in retrospect. The charges of the respective sub-fund or of the respective unit class are listed in Annex A "Sub-funds at a glance". The investment company is at liberty to specify different administration fees for one or several

unit classes. The amount of the management fee per sub-fund or per share class is stated in the semi-annual and annual reports.

This also includes the trailer fees that may be payable to third parties for investor referral and support services.

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

The investment company, management company, custodian, and investment advisory or asset management company may, at their discretion, agree with individual investors to partially repay the fees collected from these investors. This is particularly relevant when institutional investors invest large amounts directly on a long-term basis.

**12.2.2** For its activities, the depositary shall be remunerated from the sub-fund assets of the investment company pursuant to Annex A "Sub-funds at a glance". The depositary fees are calculated on the basis of the average net asset value of the sub-fund or of the respective asset class on the occasion of each valuation and deducted from the assets of the sub-fund quarterly in retrospect. The investment company is at liberty to specify different depositary charges for one or several sub-funds or one or several unit classes.

**12.2.3 Performance fee**

A schematic calculation example is provided in Annex A "Sub-funds at a glance".

**B. Not depending on asset volume (individual charge)**

In addition to the remuneration specified in the preceding paragraphs, the following expenses (plus statutory value added tax, if applicable), which are not dependent on the sub-fund's assets, may be charged to the sub-fund's assets:

**12.2.4** Costs for auditing the sub-funds by the auditors as well as fees payable to tax consultants, to the extent that such expenditures are incurred in the interest of the investors;

**12.2.5** Charges and costs for permits and the supervision of the UCITS and the sub-funds in Liechtenstein and abroad;

**12.2.6** All taxes levied on the assets of the sub-fund as well as its earnings and expenses charged to the respective sub-fund assets of the investment company;

**12.2.7** Taxes, if any, incurred in conjunction with the administration and depositary costs;

**12.2.8** Charges, costs, and fees in conjunction with the determination and publication of fiscal factors for EU/EEA nations and/or all countries where distribution approvals and/or private placements exist, under consideration of actual expenditures at customary market terms;

**12.2.9** Costs incurred in the preparation, printing, and dispatch of annual and semi-annual reports as well as other legally required publications;

- 12.2.10** Costs incurred in the publication of notifications of the UCITS or its sub-funds to the investors in official gazettes and in additional newspapers or electronic media as determined by the investment company, including price publications;
- 12.2.11** Costs incurred in conjunction with the fulfillment of the prerequisites and consequential obligations of any distribution of units at home and abroad (e.g. charges for paying agents and other agents or representatives with similar functions, charges levied by fund platforms, such as listing fees and setup costs), as well as consulting, legal, and translation costs;
- 12.2.12** Costs and expenditures related to regular reports, among others to insurance companies, pension funds, and other financial service providers (e.g. GroMiKV, Solvency II, VAG, MiFID II, ESG/SRI reports or sustainability ratings, etc.);
- 12.2.13** Costs for the preparation or amendment, translation, deposition, printing, and distribution of the prospectus and constitutive documents (trust agreement, PRIIP, SRI calculation, etc.) in the countries in which the units are distributed;
- 12.2.14** Costs incurred in conjunction with the registration, sustainment, and termination of stock market listings of the units;
- 12.2.15** Costs for the preparation, the announcement of taxation fundamentals and the accreditation that the fiscal data was compiled according to the rules of the respective foreign country's tax legislation;
- 12.2.16** Expenditures in conjunction with the exercise of voting rights or creditor rights by the UCITS, including fees charged by external consultants;
- 12.2.17** Administrative fees and charges levied by government authorities;
- 12.2.18** Costs for legal and entitlement issues as well as for tax counsel incurred by the management company or the depository if they act in the interest of the investors of the respective sub-fund;
- 12.2.19** Internal and external costs for the recovery of foreign withholding taxes to the extent this is possible for the account of the investment company or the UCITS as well as of the respective sub-fund. As regards the recovery of foreign withholding taxes, it must be pointed out that the management company is not obliged to institute recovery proceedings and will only do so if the process justifies the effort according to the criteria of substantiveness of the amounts and reasonableness of the ratio of costs to the possible recoverable amounts. With respect to investments that constitute securities lending, the management company will abstain from recovering withholding taxes.
- 12.2.20** Remunerations to governing bodies or agents of the investment company for the fulfillment of company law duties, especially directors' emoluments;
- 12.2.21** Costs for assessing the creditworthiness of the assets of the sub-fund and its target investments by nationally or internationally recognized rating agencies;
- 12.2.22** Costs for legal and tax counsel in view of the respective sub-fund's assets;
- 12.2.23** A reasonable share of costs for printed materials and advertising (including digital marketing) directly related to the offering and sale of shares;

- 12.2.24** Charges and costs incurred as a result of other legal or supervisory rules that need to be fulfilled by the management company within the scope of its implementation of the investment strategy (such as reporting and other costs incurred in the fulfillment of the European Market Infrastructure Regulation (EMIR, EC directive 648/2012);
- 12.2.25** Research costs;
- 12.2.26** External costs for the assessment of the sustainability rating (ESG Research) of the assets of the sub-fund and its target investments;
- 12.2.27** License fees for the use of benchmarks, if any;
- 12.2.28** weitere Kosten der Verwaltung einschliesslich Kosten für Interessenverbände;
- 12.2.29** Costs for the appointment and sustainment of further counterparties if it is in the interest of the investors;
- 12.2.30** The expenditures per sub-fund are stated in the semi-annual and annual report.

**12.2.31 Transaction costs**

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

In addition, any currency hedging costs may be charged to the respective share classes.

Consideration included in a fixed flat fee may not be charged additionally as an individual expense. Any compensation for commissioned third parties is in any case included in the fees pursuant to § 32 of the investment conditions.

**12.2.32 Currency-hedging charges, if any, for unit classes**

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

**12.2.33 Service fee**

Periodic service fees for additional services rendered by the depositary, if any, are mentioned in Annex A "Sub-funds at a glance".

**12.2.34 Costs of incorporation**

The costs for the incorporation of the investment company and the initial issue of units shall be amortized across three years at the expense of the assets of the incorporative sub-funds. The incorporation costs are split pro rata across the respective sub-fund assets. Costs incurred in conjunction with the launch of further sub-funds are amortized across 3 years at the expense of the sub-fund to which they are appropriable.

**12.2.35 Liquidation fees**

In the event of a dissolution of the UCITS or of the respective sub-fund, the management company may levy a liquidation fee of up to CHF 10,000 in its

favor. In addition to this amount, the UCITS and the respective sub-funds shall bear all third-party costs incurred.

#### **12.2.36 Extraordinary disposal costs**

Additionally, the investment company or the management company may encumber the assets of the respective sub-fund with costs for extraordinary disposals.

Extraordinary disposal costs consist of expenses incurred exclusively by safeguarding interests, which arise in the course of regular business and which were not foreseeable when the fund or the respective sub-fund was established. In particular, costs for legal proceedings in the interest of the investment company, of the sub-fund or of the investors are extraordinary disposal costs. Additionally, this includes costs for extraordinary disposals pursuant to the UCITSA and UCITSO (e.g. amendments of fund documents), if any.

#### **12.2.37 Benefits**

In connection with the acquisition, holding, and sale of assets and rights for the UCITS or its sub-funds, the management company, the custodian, and any agents shall ensure that rebates (e.g., issue/redemption fees, portfolio commissions, etc.) in particular are paid directly or indirectly to the UCITS or its sub-funds. The custodian is entitled to retain a maximum of 30% of the payments as a retention fee.

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

The total of ongoing charges before performance-dependent expenditures, if any (total expense ratio before performance fee; TER) is calculated according to general code-of-conduct principles of FMA and with the exception of transaction costs encompasses all costs and charges that are debited from the assets of the investment company or from the assets of the respective sub-fund on an ongoing basis. The TER of the respective sub-fund or unit class shall be indicated in the semi-annual and annual reports and, when the next semi-annual or annual report is published, on the website of the LAFV Liechtenstein Investment Fund Association at [www.lafv.li](http://www.lafv.li).

## **13 Information for investors**

The official gazette of the investment company is the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as well as other media mentioned in the prospectus.

All notices to investors, including announcements regarding amendments to the articles of incorporation, the investment regulations and Annex A "Sub-funds at a glance", shall be published on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the official gazette of the investment company and other physical and electronic media mentioned in the prospectus.

The net asset value as well as the issue and redemption prices of the units of the investment company and of each sub-fund or unit class shall be published on each valuation day in the above-mentioned official gazette of the investment company and other physical and durable media (letter, fax, e-mail, or similar) mentioned in the prospectus.

The audited annual report and the semi-annual report, which needs not be audited, shall be made available to investors free of charge at the domiciles of the investment company and of the depositary.

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

### 14.1 Duration

The duration of the investment company and its sub-funds is indefinite.

### 14.2 Dissolution

#### 14.2.1 In general

The provisions governing the dissolution of the investment company or UCITS also apply to its sub-funds and share classes.

#### 14.2.2 Resolution to dissolve

The investment company is entitled to dissolve the UCITS or individual share classes of the sub-funds at any time.

Furthermore, the UCITS or one of its sub-funds must be dissolved in the cases provided for by law.

Sub-funds and share classes may be dissolved by resolution of the investment company's board of directors.

The resolution to dissolve a sub-fund or a unit class shall be published on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the official gazette of the investment company as well as optionally in other physical and durable media (letter, fax, e-mail, or similar) mentioned in the prospectus, the articles of incorporation, and the investment regulations. Once the dissolution decision has been taken, no further units shall be issued, exchanged, or redeemed.

In the event of the dissolution of the investment company or of one of its sub-funds, the management company is authorized to immediately liquidate the assets of the investment company or of a sub-fund in the best interest of the investors. Apart from these provisions, the dissolution of the investment company shall be executed pursuant to the provisions of the Liechtenstein Persons and Companies Act (PGR).

If the management company dissolves a unit class without dissolving the investment company or the sub-fund, all units of this class shall be redeemed at the then applicable net asset value. This redemption shall be published by the management company, and the redemption price shall be credited by the depositary to the former investors.

#### Reasons for dissolution

A management company must dissolve and liquidate a UCITS if, upon expiry or withdrawal of the authorisation of a management company or investment company, a UCITS cannot be transferred to another management company; the expiry date specified in the constituent documents is reached; a corresponding resolution is passed by the management company or investment company in accordance with the constituent documents; or the minimum assets of the UCITS are not reached or are permanently below the minimum level. In addition, further reasons for liquidation may arise in individual cases.

If the net assets of the UCITS or one of its sub-funds fall below the level necessary for economically efficient management, or in the event of a significant change

in the political, economic, or monetary environment, or as part of a rationalization process, the management company may decide to redeem or cancel all units of the UCITS, a sub-fund, or a unit class at the net asset value (taking into account the actual realization prices and realization costs of the investments) on the valuation date on which the corresponding decision takes effect.

#### **Costs of dissolution**

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

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

In the event of a dissolution and bankruptcy of the investment company, the assets managed for the purpose of collective capital investments 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 investment company or a sub-fund forms a separate fund for the benefit of its investors. Subject to approval by the FMA, each separate fund shall be transferred to another management company or investment company or be liquidated by way of separate satisfaction for the benefit of the investors of the investment company or a sub-fund. This may be subject to a restructuring of the investment company from an externally managed to an internally managed investment company.

In the event of the bankruptcy of the depositary, the managed assets of the investment company or of a sub-fund shall be transferred, with the approval of the FMA, to another depositary or liquidated in separate settlement proceedings in favor of the investors of the investment company or of a sub-fund.

#### **Cancellation of the appointment and delegation agreement or of the depositary agreement**

In the event of a termination of the appointment agreement between the investment company and the management company that manages it, every special fund shall be transferred, with the approval of the FMA, to another management company or liquidated in separate settlement proceedings in favor of the investors of the investment company or of a sub-fund. This may be subject to a restructuring of the investment company from an externally managed to an internally managed investment company.

In the event of the termination of the depositary agreement, the managed assets of the investment company or of the sub-fund shall be transferred, with the approval of the FMA, to another depositary or liquidated in separate settlement proceedings in favor of the investors of the investment company or of a sub-fund.

### **14.3 Merger**

Pursuant to Art. 38 UCITSG, the management company may, at any time and at its sole discretion, with the approval of the relevant supervisory authority, decide to merge the UCITS with one or more other UCITS, regardless of the legal form of the UCITS and whether or not the other UCITS is domiciled in Liechtenstein. Sub-funds and share classes of the UCITS may also be merged with each other, but also with one or more other UCITS or their sub-funds. Share classes may be combined. In this case, however, this does not constitute a merger.

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

The investors shall be informed about the planned merger. The investor information must make it possible for investors to make an informed judgment of the effects of the plan

on their investments and allow them to exercise their rights pursuant to Arts. 44 and 45 UCITSG.

The investors do not have the right to vote on the merger.

#### **Costs of merger**

Legal, consulting, or management costs associated with the preparations for and implementation of the merger shall be borne neither by a sub-fund involved in the merger nor by the investors.

This applies analogously to structural measures pursuant to Art. 49 lit. a to c of the UCITSA.

If a sub-fund exists as a master UCITS, a merger can only become effective if the respective sub-fund provides its investors and the competent authorities of the home member state of its feeder UCITS with the legally prescribed information no later than 60 days prior to the proposed date of effectiveness. In this case, the respective sub-fund shall also grant to the feeder UCITS the option to redeem and repurchase all units prior to the merger, except if the competent authority of the home member state of the feeder UCITS approves the investment in units of the master UCITS created by the merger.

## **15 Applicable law and jurisdiction and binding language**

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

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

German is the legally binding language for the prospectus, the investment regulations, as well as all annexes.

This prospectus shall enter into force on January 1, 2026.

## **16 Specific information for individual countries of distribution**

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

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

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## Preamble

To the extent that a matter is not governed by the articles of incorporation, the legal relationship between the investors, the investment company, and the management company is governed by the Act dated June 28, 2011, on Certain Undertakings for Collective Investment in Transferable Securities (UCITSA), the Ordinance dated July 5, 2011, on Certain Undertakings for Collective Investment in Transferable Securities (UCITSO) in accordance with the provisions of the General Civil Code (ABGB) and, insofar as no provisions are made therein, the provisions of the Personal and Company Law (PGR) on trusteeship shall apply.

## I. General provisions

### Art. 1 Name of the investment company

HOW Invest SICAV (the investment company) is a joint stock company with variable capital.

The investment company is an umbrella structure that can encompass several sub-funds.

### Art. 2 Domicile of the investment company

The domicile is Schaan, Principality of Liechtenstein.

### Art. 3 Purpose of the investment company

The sole purpose of the investment company is to invest the capital contributed by a number of investors for their benefit within the investment strategy outlined in the investment regulations incl. sub-fund-specific annexes. The assets can be invested in permissible instruments according to the principle of risk diversification subject to the Act on undertakings for collective investment in transferable securities ("UCITSA").

Under consideration of the restrictions set forth in the UCITSA, the investment company may deploy all other measures and actions that it deems adequate for the attainment of its business purpose.

### Art. 4 Duration of the investment company

The duration of the investment company is indefinite.

## II. Company capital and shares

### Art. 5 Company capital (founders' shares)

The share capital (equity) of the investment company is EUR 60,000 (sixty thousand euros) represented by 600 registered founders' shares with a par value of EUR 100 each. The share capital is fully paid up.

Founders' shares are issued to the founders of the investment company. They securitize the right to attend General Meetings and to exercise votes at the General Meetings. A reciprocal right of first refusal is granted to the founding shareholders.

The share capital of the founders' shares represents the investment company's own asset and is separated from the managed assets. Founders' shares participate exclusively in the investment company's own assets.

In place of individual founders' shares, the Board of Directors may issue share certificates for any number of founders' shares or elect not to issue shares.

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

In addition to the founders' shares, the investment company issues bearer shares (investor shares or units) with no par value to the investors. The value of a unit is calculated by dividing the value of the assets held by the sub-fund for investment purposes by the number of outstanding investor shares. They do not constitute an entitlement to attend the General Meeting, have no voting rights, and furthermore embody no right to participate in the profit of the investment company's own assets.

The share capital can be increased by gradually issuing new investor shares (units) to shareholders of record or to third parties; the share capital can be reduced by gradually redeeming, in whole or in part, the share capital by buybacks of investor shares (units) without requiring the share-capital increase or capital-reduction process to be implemented. No general subscription rights exist when new units are issued.

The General Meeting may resolve to convert registered shares into bearer shares or bearer shares into registered shares.

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

There is no entitlement to the delivery of securities per se. To assure problem-free transferability, the units may be held in collective safekeeping. The investment company may issue global certificates for securitization purposes.

All units of a sub-fund basically represent the same rights unless the Board of Directors resolves to issue various unit classes within a sub-fund.

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

The bodies of the investment company are the General Meeting, the Board of Directors, and the Auditors.

### **A. General Meetings**

#### **Art. 7 Rights of the General Meeting**

The General Meeting is the supreme corporate body of the investment company.

It has the following powers:

1. The election of the Board of Directors and of the Auditors;
2. Acceptance of the statement of income, the balance sheet, and the business report;
3. The decision regarding the appropriation of net profit and in particular the determination of the dividends in conjunction;
4. The ratification of the acts of the Board of Directors;

5. The decision regarding the acceptance of the articles of incorporation as well as of the dissolution or merger of the investment company;
6. The decision regarding the amendment of the articles of incorporation for which a simple majority is sufficient but which requires the prior approval by the FMA
7. The decision on all matters reserved to the General Meeting by law or by the articles of incorporation, or which are placed before it by the Board of Directors.

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

Eligibility to attend the General Meeting is governed by Arts. 5 and 6 of these articles of incorporation.

The Ordinary General Meeting shall take place within six months after the end of each financial year either at the domicile of the company or at another location specified in the invitation.

When all founding shares are present or represented and no objection is lodged, they can also constitute a General Meeting without observing the otherwise applicable formal convening provisions and may then also debate and pass resolutions on matters over which it has jurisdiction (Universal Meeting).

## **Art. 9 Extraordinary General Meeting**

Extraordinary General Meetings may be convened at any time in compliance with the applicable legislation.

When all founding shares are present or represented and no objection is lodged, they can also constitute an Extraordinary General Meeting without observing the otherwise applicable formal convening provisions and may then also debate and pass resolutions on matters over which it has jurisdiction (Universal Meeting).

## **Art. 10 Convocation**

Invitations to the General Meetings are extended by publications in the official gazette of the investment company to the extent that the addresses of the shareholders are not completely available to the Board of Directors.

The General Meeting must convene on request by the founding shareholders who represent at least one tenth of the voting shares of the investment company.

The invitation shall be circulated at least twenty days before the scheduled date and shall contain the agenda.

## **Art. 11 Organization**

The Chairman of the Board of Directors shall preside over the General Meeting. If the Chairman cannot attend, the Board of Directors may appoint another of its members to preside over the meeting or the General Meeting may appoint a Chairperson.

The Chairperson shall appoint the Secretary and the Tellers. The Secretary and the Chairperson shall jointly sign the minutes.

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

Each founder's share represents one vote. Shareholders may personally represent their shares or appoint a proxy who need not be shareholder.

Unless otherwise stipulated by law, the General Meeting shall conduct its elections and pass its resolutions with the absolute majority of the represented votes.

In case of a tie, the Chairperson shall cast the deciding vote.

If, in an election, the necessary number of votes is not attained, the voting process shall be repeated and the relative majority shall prevail.

Elections and resolutions shall be passed by a show of hands unless the Chairperson or one of the founding shareholders demands voting by written ballot.

Art. 10 of these articles of incorporation apply analogously to separate General Meetings of one or several sub-funds.

## **B. Board of Directors**

### **Art. 13 Composition**

The Board of Directors consists of at least one member.

The members are natural or legal persons.

As a rule, the Board of Directors is elected by the Ordinary General Meeting. The terms of office of the members of the Board of Directors end when the General Meeting conducts new elections. This is subject to prior withdrawal or dismissal.

If a member of the Board of Directors resigns prior to the end of his term of office, the remaining members may appoint an interim successor to serve until the next General Meeting takes place. The successor thus appointed shall complete the tenure of his predecessor and shall be confirmed by the next following General Meeting.

The members of the Board of Directors may be re-elected at any time.

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

The Board of Directors constitutes itself. It elects the chairman and the vice-chairman (deputy) from within its midst.

### **Art. 15 Functions**

The Board of Directors has the ultimate responsibility for the operation of the investment company and it monitors and supervises the executive management.

It formally and legally represents the investment company and handles all matters that according to the law, the articles of incorporation, special regulations or separate contracts do not fall under the jurisdiction of another corporate body of the investment company or a third party.

The Board of Directors is entitled to appoint a management company, a depositary per sub-fund and investment committees per sub-fund.

## **Art. 16 Business management appointments**

The Board of Directors is entitled, at its discretion and responsibility, to appoint under separate contract a management company approved as such pursuant to the UCITSA, as an executive board in compliance with the articles of incorporation if applicable, according to the provisions of the UCITSA, the ordinance, and other relevant laws. The same applies to management companies certified in another EEA country that are authorized to pursue relevant activities via a domestic branch office or within the scope of freedom of movement of services across borders. As stipulated by this contract, the management company shall render management services for the investment company pursuant to the articles of incorporation.

The Board of Directors cannot delegate the formulation of the investment policy per sub-fund, fundamental decisions regarding the issue and redemption of investor shares, and decisions regarding structural measures involving the assets of individual sub-funds or unit classes.

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

The Board of Directors shall convene upon invitation by the Chairman or his deputy.

Any member may submit an agenda item and request that the Chairman immediately convene a meeting.

The Board of Directors constitutes a quorum if the majority of its members are present.

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

In the event of a tie, the Chairman shall have the deciding vote.

Minutes shall be kept of the proceedings and resolutions passed by the Board of Directors. The minutes shall be undersigned by the Chairman and the Secretary.

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

The members of the Board of Directors have the following signatory powers: The signatures of two individuals or of one company are required to be legally binding. The Board of Directors defines signatory powers in all other respects.

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

- 1) No contract, no settlement or other legal transaction that the investment company finalizes with other investment companies shall become invalid due to the fact that one or several members of the board of directors or executives of the investment company have interests or participations in another investment company or due to the fact that they are board members, co-owners, directors, executives, representatives or employees of the other investment company.
- 2) Such board members, directors, executives or representatives of the investment company who are simultaneously board members, directors, executives, representatives or employees of another company with which the investment company has concluded agreements or with which it entertains other types of business relationships do not lose the right to advise, vote, and act in matters related to such agreements or such transactions.

- 3) If a board member, director or representative has a personal interest in matters pertaining to the investment company, this board member, director or representative of the investment company must inform the Board of Directors that a personal interest exists and shall neither provide advise nor vote on said matters. A report concerning the matter and the personal interest of the board member, director, or representative must be submitted to the next General Meeting. If this person should vote nonetheless, the vote shall be void.

The concept "personal interest" as used above does not apply to a relationship or an interest that exists solely because of a legal transaction concluded between the investment company on the one hand and the management company, the depositary or any other company designated by the investment company on the other hand.

## **C. Auditors**

### **Art. 20 Tasks and appointment of auditors**

The review of the annual reports of the investment company is to be entrusted to an auditor authorized to operate in the Principality of Liechtenstein and appointed by the General Meeting. The auditor is appointed for a one-year term and can be reelected and dismissed by the General Meeting at any time.

## **IV. Incorporation of the investment company**

### **Art. 21 Costs of incorporation**

The costs for the incorporation of the investment company and the initial issue of units shall be amortized across three years at the expense of the assets of the incorporative sub-funds. The incorporation costs are split pro rata across the respective sub-fund assets. Costs incurred in conjunction with the launch of further sub-funds are amortized across 3 years at the expense of the sub-fund to which they are applicable.

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

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

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

All notices to investors, also regarding amendments to the articles of incorporation, shall be published on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) and via other physical and electronic media (letter, fax, e-mail or comparable media) mentioned in the prospectus and the articles of incorporation.

Announcements to third parties shall also be published on the website of the LAFV Liechtenstein Investment Fund Association as the company's official gazette.

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

The financial year of the investment company begins on January 1 of each year and ends on December 31 of the year. The first financial year begins with the entry of the company in the commercial register and ends on December 31, 2017.

## V. Dissolution of the investment company

### Art. 25 Resolution to dissolve

The investment company can be dissolved if so decided by the General Meeting. The resolution must be passed in compliance with the legal provisions that apply to amendments of articles of incorporation.

### Art. 26 Costs of dissolution

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

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

In the event of a dissolution and bankruptcy of the investment company, the assets managed for the purpose of collective capital investments 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 investment company or a sub-fund forms a separate fund for the benefit of its investors.

## VI. Final provisions

### Art. 28 Applicable law and jurisdiction and binding language

The investment company is subject to Liechtenstein law. Vaduz is the legal venue for all disputes.

German is the legally binding language for these articles of incorporation.

### Art. 29 Entering into force

These articles of incorporation shall enter into force on March 01, 2021 with the entry in the commercial register.

Schaan/Vaduz, March 01, 2021

#### **The management company:**

IFM Independent Fund Management Aktiengesellschaft, Schaan

#### **The depositary:**

LGT Bank AG, Vaduz

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

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## Preamble

To the extent that a matter is not governed by these investment regulations, the legal relationship between the investors, the investment company, and the management company is governed by the articles of incorporation and by the Act dated June 28, 2011, on Certain Undertakings for Collective Investment in Transferable Securities (UCITSA), the Ordinance dated July 5, 2011, on Certain Undertakings for Collective Investment in Transferable Securities (UCITSO) and, if a matter is not regulated there, by the provisions <of the Persons and Companies Act (PGR) related to joint stock companies or the Anstalt><or by those of the SEG related to the European company>.

## A. General provisions

### § 1 Depositary

For each sub-fund, the investment company has appointed as depositary a bank or an investment firm authorized under the Banking Act and domiciled or with registered offices in the Principality of Liechtenstein. The assets of the individual sub-funds can be held in safekeeping by different depositaries. The function of the depositary is governed by the UCITSA, the depositary agreement, and these investment regulations.

The investment company is authorized to lodge shareholder complaints against the depositary in its own name. This does not rule out the exercise of rights by shareholders against the depositary.

### § 2 Delegation of functions

In compliance with the provisions of the UCITSA and the UCITSO, the management company may delegate to third parties a part of its functions for the purpose of efficient conduct of business. The accurate implementation of the mandate is governed by a contract concluded between the management company and the appointed agent.

### § 3 Calculation of the net asset value per unit

The net asset value (NAV) per unit of a sub-fund or of a unit class of the sub-fund shall be calculated by the investment company or, on its behalf by the management company, effective at the end of the financial year as well as on the respective valuation day on the basis of the last known prices, taking into account the valuation interval.

The NAV of a unit of the sub-fund or of a unit class of the sub-fund is expressed in the accounting currency of the sub-fund or, if different, in the reference currency of the respective unit class, and is calculated as the quota of the assets of the sub-fund assignable to the respective unit class minus debt obligations of this sub-fund, if any, that are attributable to the respective unit class divided by the number of outstanding units of the respective unit class.

The respective net sub-fund assets are valued at market according to the following principles:

1. Securities that are officially traded on a stock exchange are valued at the last available price. If a security is officially traded at several exchanges, the last available price shall be the price at the exchange that represents the main market for that security.
2. Securities that are not officially listed on an exchange but are traded on a market accessible to the public are valued at the last available price. If a security is traded on various markets accessible to the public, the last available price on the market with the highest liquidity shall be considered.
3. Securities or money market instruments with a residual duration of less than 397 days can be valued by linear depreciation or appreciation with the difference between the cost (purchase) price and the repurchase price (price on maturity). The valuation at the current market price can be omitted if the repurchase price is known and fixed. Credit-rating changes, if any, shall be accounted for additionally.
4. Investments whose price is not in conformity with the market, and assets that do not fall under nos. 1, 2, and 3 above, are calculated at the price that would have most likely been attained if the investment had been sold with due diligence at the time of valuation and is determined in good faith by the executive board of the management company or under their direction or supervision by authorized agents.
5. The investment company or management company shall value OTC derivatives on a day to day basis with the then probably attainable sales price using a verifiable valuation model specified in good faith by the investment company or management company which is in line with generally recognized valuation models that can be validated by auditors.
6. UCITS or undertakings for collective investment (UCI) shall be valued at the last noted and available net asset value. If the repurchase of units is suspended or if no repurchase price is specified, these units shall be valued, as all other assets, at their then applicable market value as determined by the investment company or the management company in good faith and in accordance with generally recognized valuation models that can be validated by auditors.
7. If no trading price is available for the respective assets, they shall be valued, as is the case with the other legally permissible assets, at their then applicable market value as determined by the investment company or the management company in good faith and in accordance with generally recognized valuation models that can be validated by auditors.
8. Cash and cash equivalents shall be valued at the par value plus accrued interest.
9. The market value of securities and other investments denominated in a currency other than the currency of the respective sub-fund shall be converted into the currency of the sub-fund at the last known median exchange rate.

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

The valuation process is handled by the management company.

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

#### **§ 4 Issue of units**

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

The units are not securitized.

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

Information about the issue day, the acceptance deadline, and the maximum issue premium, if any, is provided in Annex A "Sub-funds at a glance".

The payment must be received after the respective issue day within the period mentioned in Annex A "Sub-funds at a glance".

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

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

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

The minimum investment to be held by an investor in a specific sub-fund or a specific unit class is indicated in Annex A "Sub-funds at a glance". At the discretion of the investment company or the management company, a minimum investment limit may be waived.

Contributions in kind are not permitted.

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

The issue of fund units may be suspended in cases pursuant to § 9.

## § 5 Repurchase of units

Units shall be redeemed on each valuation day (repurchase day) at the net asset value per unit of the respective unit class of the respective sub-fund less the redemption charge, if any, and less taxes and charges, if any. Under certain circumstances, it may be necessary for the management company to use appropriate liquidity management tools ("LMT") to ensure the proper settlement of redemptions (see also section 9.7 of the prospectus, "**Liquidity management tools (LMT)**").

Repurchase requests must be received by the depositary on the acceptance deadline at the latest. If a repurchase request is received after the acceptance deadline, it will be scheduled for the next following repurchase day. Purchase or redemption requests submitted to distributors in Liechtenstein or abroad may be subject to earlier deadlines in order to assure that they can be forwarded to the depositary in Liechtenstein in a timely manner. On request, the respective distributors will provide pertinent information.

Information on the redemption day, the valuation interval, the acceptance deadline, and the maximum redemption premium, if any, is provided in Annex A "Sub-funds at a glance".

Since the respective sub-fund must maintain an adequate amount of liquidity, the payment of redeemed units will take place after the respective redemption day within the period mentioned in Annex A "Sub-funds at a glance". This does not apply in case the transfer of the redemption sum proves impossible due to legal constraints such as currency export and cross-border payment restrictions or due to other circumstances beyond the control of the depositary.

In the event of large redemption requests, the investment company or the management company may decide to settle a redemption request only once the corresponding assets of the UCITS or the relevant sub-fund can be sold without undue delay. If such a measure is necessary, all redemption requests received on the same day will be settled at the same price. In particular, the management company reserves the right not to execute redemption requests in full on a redemption day on which the totality of redemption requests would lead to a certain outflow of funds from the total net assets of the UCITS or the relevant sub-fund on the redemption day in question. The corresponding amount of the specified cash outflow ("activation of **redemption gate**") can be found in the table in Appendix A "Sub-funds at a glance" under "Investment principles and risk regulations of the sub-fund." In these circumstances, the management company may decide to execute these redemption requests only on a pro rata basis, i.e., by activating a "redemption gate," and to postpone the unexecuted redemption requests of the redemption date to the next redemption date. If this measure is necessary, a corresponding notice to investors regarding the activation and the modalities will be published in the publication organ of the UCITS or the sub-fund.

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

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

The investment company or, on its behalf the management company, and/or the depositary may redeem units without the investor's consent against payment of the repurchase price to the extent that this appears to be in the interest of or for the protection of investors, the management company or one or several sub-funds, particularly when

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

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

If the execution of a repurchase request causes the respective investor's holdings to fall below the minimum holdings of the respective sub-fund or of the respective unit class as indicated in Annex A "Sub-funds at a glance", the investment company or the management company on its behalf may, without notifying the investor, treat this repurchase request as a request for redeeming all units of this sub-fund or this unit class held by the investor or as a request to exchange the remaining units into another unit class of the sub-fund with the same reference currency, provided the investor fulfills its terms of participation.

Redemptions in kind are not permitted.

The repurchase of fund units may be suspended in cases pursuant to § 10.

## § 6 Exchange of units

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

To the extent that different unit classes are available, units of one unit class can be exchanged for units of another unit class, both within the same sub-fund or from one sub-fund to another. No exchange fee shall be levied if the exchange involves one and the same sub-fund. If an exchange of units is not possible for certain sub-funds or unit classes, this will be mentioned in Annex A "Sub-funds at a glance" that applies to the respective sub-fund or unit class.

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

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

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

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

The investment company or the management company may reject an exchange request for a sub-fund or unit class at any time if this appears to be necessary and in the interest of the sub-fund, the investment company or the investors, particularly when:

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

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

The exchange of fund units may be suspended in cases covered by Section 10.

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

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

### **Late trading**

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

### **Market timing**

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

## **§ 8 Prevention of money laundering and terrorism financing**

The investment company shall assure that domestic distributors are obliged to comply with the provisions of the law and ordinance on occupational diligence and due care (Sorgfaltspflichtgesetz, Sorgfaltspflichtverordnung) applicable in the Principality of Liechtenstein, as well as the FMA guidelines in the edition in force.

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

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

## § 9 Data protection

Potential investors are advised that by submitting a subscription application, they are providing the UCITS/sub-fund or its representatives and agents (in particular the management company, the custodian, the administrative agent, the asset manager and, where applicable, the distributors) with information that may constitute personal data within the meaning of the data protection regulations introduced in the EU by the General Data Protection Regulation (Regulation (EU) 2016/679). This data is used for customer identification and for the subscription process, administration, compliance with anti-money laundering and anti-terrorism legislation, and compliance with all other applicable legal or regulatory requirements, and is disclosed to the UCITS, its representatives, and agents.

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

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

The privacy policy can be found on the management company's website at [www.ifm.li](http://www.ifm.li).

## § 10 Suspension of the calculation of the net asset value and of the issue, repurchase and exchange of units

The investment company or the management company may temporarily suspend the calculation of the net asset value, the issue, the repurchase, and the exchange of units of a sub-fund if this is justified in the best interest of the investors, especially:

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

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

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

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

Additionally, under consideration of the interests of the investors, the investment company or management company is entitled postpone substantial redemptions, i.e. to temporarily suspend repurchases, until adequate assets of the respective sub-fund can be sold without delay under consideration of the interests of the investors.

No new units of the sub-fund shall be issued as long as the repurchase of units is suspended. Units subject to a temporary repurchase suspension cannot be exchanged. The temporary suspension of the repurchase of units of a sub-fund does not entail the temporary suspension of repurchases of other sub-funds that are not affected by the events.

The investment company or the management company shall assure that the assets of the sub-fund include enough cash and cash equivalents to allow the immediate repurchase or exchange of units under normal circumstances at the request of investors.

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

The investment company or management company shall immediately notify the FMA and, in an appropriate manner, the investors of the suspension of the calculation of the net asset value and the redemption and payment of shares. Subscription, redemption, and exchange requests shall be settled at the net asset value valid at the time after the calculation of the net asset value and share trading have resumed. Investors may revoke their subscription, redemption, or conversion requests until trading in shares resumes.

## § 11 Sales restrictions

The units of the investment company or of the UCITS and its sub-funds are not approved for distribution in all countries of the world. Local regulations shall apply in cases where units are issued, redeemed, and exchanged abroad. Details are indicated in the prospectus.

## B. Structural measures

### § 12 Merger

Pursuant to Art. 38 UCITSG, the investment company may, by resolution of the general meeting and at its discretion, decide at any time and with the approval of the relevant supervisory authority to merge with one or more other UCITS, regardless of the legal form of the other UCITS and whether or not the other UCITS has its registered office in Liechtenstein. A simple majority resolution is sufficient, without the requirement of a minimum quorum. The resolution of the general meeting to merge the investment company shall be published in accordance with the statutory provisions. Sub-funds of the UCITS may also be merged with each other, but also with one or more other UCITS or their sub-funds. Share classes may be merged. In this case, however, this does not constitute a merger.

At the end of a financial year (transfer date), with the approval of the respective supervisory authority, all assets of the investment company or of the sub-fund may be transferred to another existing UCITS or to a new UCITS or sub-fund established by the merger. The investment company or sub-fund may also be merged with a UCITS or sub-fund established in another EU or EEA state that also complies with the provisions of Directive 2009/65/EC. A different transfer date may be chosen with the approval of the Financial Market Authority Liechtenstein (FMA). All the assets of another UCITS or of a foreign, directive-compliant UCITS can be transferred to a UCITS at the end of a financial year or on another transfer date. Finally, it is also possible to transfer only the assets of a foreign directive-compliant UCITS but not its liabilities to the investment company.

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

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

The management company shall announce in the official gazette of the investment company, the website of the LAFV Liechtenstein Investment Fund Association [www.lafv.li](http://www.lafv.li), when the investment company received another UCITS and when the merger became effective. Should the investment company be discontinued due to the merger, the announcement shall be made by the management company that manages the receiving or newly established UCITS.

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

### § 13 Investor information, approval, and investor rights

The investors shall be adequately and precisely informed about the planned merger. The investor information must make it possible for investors to make an informed judgment of the effects of the plan on their investments and allow them to exercise their rights pursuant to Arts. 44 and 45 UCITSA.

The investors do not have the right to vote on structural measures.

Without incurring costs other than those retained by the investment company or by the sub-fund to cover dissolution costs, investors are entitled to demand:

- a) the resale of their units;
- b) the repayment of their units; or
- c) the exchange of their units into units of another UCITS with a similar investment policy.

The exchange right exists only to the extent that the UCITS or the sub-fund with a similar investment policy is part of the same investment company or is managed by a company closely affiliated with the investment company. The investors may be entitled to an offset payment.

This right begins with the transmission of the information of investors and expires five days prior to the date on which the exchange ratio is calculated.

### § 14 Costs of merger

Legal, consulting, or management costs associated with the preparations for and implementation of the merger shall be borne neither by a sub-fund involved in the merger nor by the investors.

This applies analogously to structural measures pursuant to Art. 49 lit. a to c of the UCITSA.

If a sub-fund exists as a master UCITS, a merger only becomes effective if the respective sub-fund provides its investors and the competent authorities of the home member state of its feeder UCITS with the legally prescribed information no later than 60 days prior to

the proposed date of effectiveness. In this case, the respective sub-fund shall also grant to the feeder UCITS the option to redeem and repurchase all units prior to the merger, except if the competent authority of the home member state of the feeder UCITS approves the investment in units of the master UCITS created by the merger.

## **C. Dissolution of the investment company, its sub-funds, and unit classes**

### **§ 15 In general**

The provisions regarding the dissolution of the investment company shall also apply to its sub-funds and unit classes.

### **§ 16 Resolution to dissolve**

The investment company or one of its sub-funds must be dissolved in the cases provided for by law.

Sub-funds may be dissolved by resolution of the board of directors. Share classes may be dissolved by resolution of the management company. The provisions governing the dissolution of the investment company itself are set out in Article 25 of the Articles of Association.

The investment company or management company is entitled to dissolve the UCITS or individual sub-funds or individual share classes at any time.

In addition, the UCITS or one of its sub-funds must be dissolved in the cases provided for by law.

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

The decision to dissolve a sub-fund or share class shall be published on the website of the LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) and in other media and permanent data carriers (letter, fax, e-mail, or similar) specified in the prospectus, articles of association, and investment conditions. From the date of the resolution to dissolve the sub-fund, no more shares will be issued, exchanged, or redeemed.

The FMA is notified of the dissolution decision by the investment company and publishes the dissolution in the register of dissolved funds on its website ([www.fma-li.li](http://www.fma-li.li)).

If the management company dissolves a unit class without dissolving the investment company or the sub-fund, all units of this class shall be redeemed at the then applicable net asset value. This redemption shall be published by the management company, and the redemption price shall be credited by the depositary to the former investors.

### **§ 17 Reasons for dissolution**

A management company or investment company must dissolve and liquidate a UCITS, in particular if, upon expiry or withdrawal of the authorisation of a management company or investment company, a UCITS cannot be transferred to another management company; the expiry date specified in the constituent documents is reached; a corresponding resolution is passed by the management company or investment company in accordance with the constituent documents; or the minimum assets of the UCITS are not reached or are permanently below the minimum level. Furthermore, additional grounds for liquidation may arise in individual cases.

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

## **§ 18 Costs of dissolution**

The costs for dissolution shall be borne by the founding shareholders.

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

In the event of a dissolution and bankruptcy of the management company, the assets managed for the purpose of collective capital investments for the account of the investors shall not become part of the company's bankruptcy estate and shall not be dissolved together with its own assets. The investment company or a sub-fund forms a separate fund for the benefit of its investors. Subject to approval by the FMA, each separate fund shall be transferred to another management company or investment company or be liquidated by way of separate satisfaction for the benefit of the investors of the investment company or a sub-fund. This may be subject to a restructuring of the investment company from an externally managed to an internally managed investment company.

In the event of the bankruptcy of the depositary, the managed assets of the investment company or of a sub-fund shall be transferred, with the approval of the FMA, to another depositary or liquidated in separate settlement proceedings in favor of the investors of the investment company or of a sub-fund.

## **§ 20 Termination of appointment agreement or depositary contract**

In the event of a termination of the appointment agreement between the investment company and the management company that manages it, every special fund shall be transferred, with the approval of the FMA, to another management company or liquidated in separate settlement proceedings in favor of the investors of the investment company or of a sub-fund. This may be subject to a restructuring of the investment company from an externally managed to an internally managed investment company.

In the event of the termination of the depositary agreement, the managed assets of the investment company or of the sub-fund shall be transferred, with the approval of the FMA, to another depositary or liquidated in separate settlement proceedings in favor of the investors of the investment company or of a sub-fund.

## **D. The sub-funds**

### **§ 21 The sub-funds**

The investment company consists of one or several sub-funds. The investment company can resolve at any time to launch further sub-funds and to amend the prospectus, articles of incorporation and investment regulations including Annex A "Sub-funds at a glance" accordingly.

The investors are beneficiaries of the assets of the investment company's respective sub-fund on a pro rata basis in accordance with the number of units they own.

Each sub-fund constitutes a separate fund as regards the relationship of the investors amongst each other. The rights and obligations of the investors of a sub-fund are separate from those of the investors of the other sub-funds.

With respect to third parties, the assets of the individual sub-funds only constitute liabilities that were entered into by the respective sub-funds.

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

The sub-funds can be established for a limited or unlimited period of time. The duration of a sub-fund is indicated in Annex A "Sub-funds at a glance" of the respective sub-fund.

## **§ 23 Structural measures for sub-funds**

The investment company can perform all structural measures envisaged in § 15 ff. of these investment regulations for any sub-fund.

## **§ 24 unit classes**

The investment company is authorized to form several share classes within a sub-fund, which relate to the same special fund but have different rights and obligations. They may differ from existing share classes in terms of the appropriation of profits, the front-end load, the reference currency and the use of currency hedging transactions, the fees incurred, the minimum investment amount, or a combination of these characteristics. However, the rights of investors who have acquired shares from existing share classes remain unaffected.

The share classes established in connection with each sub-fund and the fees and commissions incurred in connection with the shares of the sub-fund are listed in Appendix A, "Sub-funds at a Glance."

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

## **§ 25 Investment policy**

The sub-fund-specific investment policy is described in Annex A "Sub-funds at a glance" of the respective sub-fund.

The general investment principles and investment restrictions set forth below apply to all sub-funds to the extent that no deviations or amendments for the respective sub-fund are imposed on the special provisions or in the prospectus.

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

## **§ 26 General investment principles and restrictions**

Under consideration of the principle of risk diversification pursuant to the provisions of the UCITSA, the assets of the respective sub-fund shall be invested according to the following investment policy principles and within the scope of the investment restrictions.

## **§ 27 Permissible investments**

For the account of its investors, each sub-fund is allowed to invest its assets only in one or several of the following types of instruments:

1. Securities and money market instruments:
  - a) that are listed or traded on a regulated market as referred to in Art. 4, para. 1 section 21 of Directive 2014/65/EC;
  - b) that are traded at another regulated market of an EEA member country which is recognized, accessible to the public, and operates regularly;
  - c) that are officially listed on the stock exchange of a third country or traded on another market anywhere in the world that is recognized, accessible to the public, and operates regularly.
2. Securities from new issues, provided:
  - a) the issue terms include the obligation to have applied for authorization for official listing and trading on one of the securities markets mentioned in section 1 a) to c) or another regulated market there, and
  - b) this authorization is granted no later than one year after the issue date.
3. Units of a UCITS and of other undertakings for collective investment pursuant to Art. 3 Para. 1 Section 17 UCITSA that are comparable with a UCITS, provided they are bound by their constitutive documents to invest no more than 10% of their assets in units of another UCITS or comparable undertaking for collective investment;
4. Sight deposits or callable deposits with a maximum duration of twelve months held with credit institutions domiciled in an EEA member state or in another country in which supervisory legislation is equivalent to EEA law;
5. Derivatives whose underlying assets are subjects of investment as set forth in this article or financial indices, interest rates, foreign exchange rates, or currencies. In the event of transactions with OTC derivatives, the counterparties must be institutions of a type approved by the FMA, and the OTC derivatives shall be subject to reliable and verifiable valuation on a daily basis, and it must be possible to sell, liquidate, or close them by an offsetting transaction at any time at a fair value at the initiative of the investment company;
6. Money market instruments not traded on a regulated market, provided the issue or the issuer of these instruments is obliged to abide by regulations regarding deposit or investor protection, subject to the following:
  - a) the issue has been made or guaranteed by a central, regional or local entity or the central bank of an EEC member state, the European Central Bank, the European Union, the European Investment Bank, a third-party state, or, if this is a federal state, a member state of the federation, or an international public-sector institution with which at least one EEC member state is affiliated;
  - b) the issue has been made by a company whose securities are traded on the regulated markets listed in lit. a;
  - c) the issue has been made by an institute subject to supervision aligned with criteria as stipulated by EEA law or made or guaranteed by an institute that is subject to supervision equivalent to EEA law and obliged to comply with such law; or
  - d) the issue has been made by an issuer belonging to an FMA-approved category provided that investor protection regulations equivalent to those described in points a to c apply to investments in these instruments, and provided that the issuer is a company whose equity capital amounts to at least 10 million euros and which presents and publishes its annual accounts in accordance with the rules of Directive 78/660/EEA, implemented in Liechtenstein by the PGR, or which is a group-affiliated entity that is responsible for the financing of a group of companies with at least one listed company or is an entity required to securitize liabilities by utilizing a line of credit granted by a bank.
7. The investment company may hold cash and cash equivalents as well.

8. The investment company may acquire movable and immovable assets that are indispensable for the direct pursuit of its activities.

## § 28 Non-permissible investments

The investment company may not:

1. invest more than 10% of the assets of each sub-fund in securities and money market instruments other than those mentioned in § 26;
2. purchase precious metals or precious metal certificates;
3. transact uncovered short sales.

## § 29 Deployment of derivatives, techniques, and instruments

As part of its investment strategy and within the limits specified in Art. 53 UCITSA, the investment company may invest in derivatives. The risk is calculated taking into account the market value of the underlying assets, the counterparty risk, future market fluctuations, and the time available to liquidate the positions. As part of its investment strategy and within the limits specified in Art. 53 UCITSA, the fund may invest in derivatives provided the aggregate risk of the underlying assets does not exceed the investment limits set forth in Art. 54 UCITSA.

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

**The risk management method employed by the management company is indicated in Annex A "Sub-funds at a glance".**

Unless prevented by the protection of investors and the public interest, investments of the investment company in index-based derivatives shall not be taken into account with regard to the upper limits defined in Art. 54 UCITSA.

If a derivative is embedded in a security or a money market instrument, it must be considered with respect to compliance with the provisions of Art. 54 UCITSA.

With the approval of the FMA, the investment company may, for efficient portfolio management purposes and in compliance with the provisions of the UCITSA, deploy techniques and instruments involving securities and money market instruments.

Borrowing, securities lending, and annuities transactions are permitted within the scope of the UCITSA and the respective ordinance.

## § 30 Investment limits

### A. The following investment limits must be observed for the assets of each sub-fund:

1. The sub-fund must not invest more than 5% of its assets in securities or money market instruments of the same issuer and not more than 20% of its assets in deposits of the same issuer.
2. The default risk in transactions of the investment company with OTC derivatives with a credit institution as the counterparty domiciled in an EEA member country or a third country whose supervisory legislation is comparable with EEA law must not exceed 10% of the assets of the sub-fund; for other counterparties, the maximum default risk is 5% of its assets.

3. Provided the total value of securities and money market instruments of the issuers with whom the sub-fund invests more than 5% of its assets does not exceed 40% of its assets, the issuer limit mentioned in section 1 shall be raised from 5% to 10%. The 40% limitation does not apply to deposits or transactions involving OTC derivatives with supervised financial institutions. If the issuer limit is raised, the securities and money market instruments pursuant to section 5 and the debt securities pursuant to section 6 shall not be considered.
4. Regardless of the upper individual limits pursuant to sections 1 and 2, a sub-fund shall not enter into the following combinations if this would lead to an investment of more than 20% of its assets in one and the same body:
  - a) securities or money market instruments issued by that body;
  - b) deposits with that body;
  - c) OTC derivatives purchased from that body;
5. If the securities or money market instruments are issued or guaranteed by an EEA member state, by such a state's local authorities, by a third country, or by an international public body to which at least one EEA member state belongs, the 5% limit stipulated in section 1 can be raised to a maximum of 35%.
6. The 5% limit set forth in section 1 shall be raised to a maximum of 25% where debt securities are issued by a credit institution domiciled in an EEA member state and which is subject by law to special public supervision designed to protect the owners of such securities, and in particular must invest sums deriving from the issue of those debt securities in assets which, during their whole period of validity, are capable of covering claims attaching to the bonds and which, in the event of a default of the issuer, would be used on a priority basis for the repayment of the principal and of the accrued interest. In this case, the total value of the investments shall not exceed 80% of the assets of the sub-fund.
7.
  - a. The limits set forth in sections 1 to 6 shall not be cumulated. The maximum issuer limit is 35% of the assets of each sub-fund.
  - b. If approved in exceptional cases by the FMA, this limit may also exceed 35%. This must be clearly mentioned in the prospectus and in advertising.
8. When calculating the investment limits as provided for in this article, companies belonging to the same group shall be deemed a single issuer. For investments in securities and money market instruments in the same company group, the aggregate issuer limit shall be increased to 20% of the assets of the sub-fund.
9. A sub-fund shall invest no more than 10% of its assets in units of other UCITS or of other undertakings for collective investment that are comparable with a UCITS.
10. The sub-funds may subscribe to, acquire, and/or hold units that are to be or were issued by one or several other sub-funds, provided:
  - ◆ the target sub-fund does not itself invest in the sub-fund that invests in this target sub-fund;
  - ◆ the proportion of assets, which the target sub-funds, whose acquisition is intended, are entitled to invest, in total, in units of other UCITS or collective investment undertakings comparable to a UCITS as per their prospectuses or constitutive documents, does not exceed 10%; and
  - ◆ the voting rights that may be associated with the respective securities are suspended as long as they are being held by the respective sub-fund, notwithstanding an appropriate valuation in the closing statements and periodic reports; and

- ◆ the value of said securities is taken into consideration, in any case, during the calculation of the sub-fund's net asset value, as prescribed by the UCITSA, to verify the minimum net asset level in accordance with the UCITSA, as long as said securities are held by the respective sub-fund; and
  - ◆ there is no multiple calculation of fees for the issuance or redemption of units, not only at the level of the sub-fund that invested in the target sub-fund but also at the level of the target sub-fund.
11. If the investments pursuant to section 9 constitute a major portion of the assets of the sub-fund, the sub-fund-specific Annex A "Sub-funds at a glance" must state the maximum amount and the annual report must state the maximum share of the management fees to be borne by the sub-fund itself and by the undertakings for collective investment according to section 9 whose units were purchased.
  12. If units are managed directly or indirectly by the investment company or the management company on its behalf or by any other company with which the investment company or the management company of the UCITS is affiliated by common management, control, or qualified participation, neither the investment company nor the management company of the UCITS nor the other company may charge fees for the subscription or redemption of units of the UCITS.
  13. An investment company shall not acquire for any of the UCITS or sub-funds managed by it any shares carrying voting rights which would enable it to exercise significant influence over the management practices of the issuer. A significant influence is deemed associated with more than 10% of the voting rights of the issuer. If a lower limit applies in another EEA member state for the acquisition of voting shares of the same issuer, that limit shall also be binding on the investment company if it acquires for a UCITS any shares of an issuer domiciled in that EEA member state.
  14. For each sub-fund, financial instruments from the same issuer shall not exceed:
    - a) 10% of the share capital of the issuer to the extent that non-voting shares are involved;
    - b) 10% of the total par value of the outstanding debt securities or money market instruments of the issuer to the extent that debt securities or money market instruments are involved. This limit need not be observed if the total par value cannot be determined at the time of purchase;
    - c) 25% of the units of the same undertaking are purchased, to the extent that units of another UCITS or of an undertaking for collective investment comparable with a UCITS are involved. This particular limit need not be observed if the net amount cannot be determined at the time of purchase.
  15. Sections 13 and 14 do not apply:
    - a) to securities and money market instruments issued or guaranteed by a government issuer;
    - b) to shares held by a sub-fund in the capital of a company in a third country, that invests its assets mainly in the securities of issuers domiciled in that country, where under the legislation of that country such interest positions represent the only way in which the sub-fund can lawfully invest in the securities of issuers of that country. In this context, the provisions of the UCITSA must be observed;
    - c) to shares held by the investment companies in the capital of their subsidiaries which in the country of domicile are devoted exclusively to organizing on behalf of the investment company the repurchase of shares at the request of investors.

In addition to the limitations set forth in § 30, lit. A, sections 1 to 15, further restrictions in Annex A "Sub-funds at a glance" shall be respected, if any.

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

1. A Sub-fund assets are not required to comply with the investment limits when exercising subscription rights from securities or money market instruments that form part of its assets, but must correct this within a reasonable period of time.
2. In the event of a breach of the aforementioned limits, the investment company or the management company shall strive to normalize the situation as a matter of priority, taking into account the best interests of investors.
3. Sub-fund assets may deviate from the investment limits set out in this chapter, "General Investment Principles and Restrictions," within the first six months after their release. Sections 27 and 28 remain unaffected by this exception and must be complied with at all times. The requirement of risk diversification must continue to be observed.

**C. Active investment limit violations:**

Any damage incurred as a result of an active violation of investment limits/investment regulations must be compensated immediately to the UCITS or sub-fund in accordance with the applicable rules of conduct of the FMA. Regardless of whether the correction of the active investment limit violation resulted in a loss or a gain, the FMA must be informed of the active investment limit violation immediately after the lawful status has been restored.

**D. Borrowing limits and prohibition of granting loans and guarantees**

The assets of the sub-fund must not be pledged or otherwise encumbered, transferred or ceded as collateral except in cases involving borrowing pursuant to the paragraph below or collateralization within the scope of transactions involving financial instruments.

Borrowing by the sub-fund is limited to temporary loans which do not exceed 10% of its assets; the limit does not apply to the purchase of foreign currencies via back-to-back loans.

The sub-funds may neither grant loans nor act as a guarantor for third parties. Agreements violating this prohibition shall be binding neither for the investment company nor the sub-funds nor for the investors.

The paragraph below does not prohibit the purchase of financial instruments that have not yet been fully paid up.

**E. Special techniques and instruments based on securities and money market instruments**

As mentioned in § 30 of these investment regulations, the investment company may deploy special techniques and financial instruments whose underlying assets are securities, money market instruments and other financial instruments as a central element of the investment policy of each sub-fund, under the legally specified conditions and within the legally specified limits.

The investment company must use a **risk management procedure** which allows it to monitor and measure at all times the risk involved in its investments as well as their respective exposure within the overall risk profile of the portfolio; furthermore, it must use a procedure that allows the precise and independent valuation of the values of

the OTC derivatives. At least once a year, the investment company shall submit to the FMA reports with information that reflects a true and fair assessment of the derivatives used for each managed sub-fund, their underlying risks, the investment limits, and the methods used to estimate the risks associated with derivatives transactions.

Additionally, the investment company is entitled, subject to the conditions and limits imposed by the FMA, to use techniques and instruments whose underlying assets are securities and money market instruments, provided that the use of such techniques and instruments serves the purpose of efficient portfolio management. If such transactions are related to derivatives, the conditions and limits described in the provisions of the UCITSA must be complied with.

Within the scope of such transactions, the sub-funds shall not deviate from their investment objectives under any circumstance.

The investment company shall assure that the total risk associated with derivatives does not exceed the total net asset value of its portfolio. The associated risks are calculated taking into account the market value of the underlying assets, the default risk, future market fluctuations, and the time available to liquidate the positions.

As part of its investment strategy and within the limits specified in § 26 section 5, the investment company may invest in derivatives provided the aggregate risk of the underlying assets does not exceed the investment limits set forth in § 29 "Investment Limits". Investments of the a sub-fund in index-based derivatives are not relevant as regards the investment limits of § 30 "Investment limits".

If a derivative is embedded in a security or a money market instrument, it must be considered with respect to compliance with the provisions of § 30 "Investment limits".

If specified in the prospectus and in the respective Appendix A "Sub-fund Overview," the sub-fund is authorized to engage in securities financing transactions, including securities repurchase agreements, reverse repurchase agreements, securities lending transactions, and/or (SFTR), subject to the conditions and restrictions set out therein.

If a sub-fund is permitted to engage in securities financing transactions, all types of assets that the sub-fund in question is permitted to hold in accordance with its investment objective and investment regulations may be the subject of a securities financing transaction.

The contracting parties for securities financing transactions are selected according to the following criteria:

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

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

### **Securities Lending**

If specified in the relevant Appendix A "Sub-funds at a Glance," the investment company or management company is entitled to lend parts of the securities portfolio of the respective sub-fund to third parties ("**securities lending**"). In general, securities

lending transactions may only be carried out through recognized clearing organizations, such as Clearstream International or Euroclear, as well as through first-class banks, securities firms, financial services institutions, or insurance companies that specialize in securities lending, within their established framework conditions. In the case of a securities lending transaction, the management company or the depositary of the UCITS must, in principle, receive collateral whose value corresponds at least to the total valuation of the securities lent and any interest accrued. This collateral must be issued in an acceptable form of financial collateral. Such collateral is not required if the securities lending is carried out via Clearstream International or Euroclear or another equivalent organization, which guarantees the UCITS the reimbursement of the value of the securities lent.

Securities lent must continue to be taken into account when complying with the investment regulations.

When concluding a securities lending agreement, the management company shall ensure on behalf of the UCITS or sub-fund that all securities lent can be reclaimed at any time and that the agreement can be terminated at any time.

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

Securities lending involves risks, in particular the risk arising from collateral management in connection with OTC financial derivatives and efficient portfolio management techniques. For further details on these risks, please refer to section 8. Risk information.

### **Repurchase agreements**

If specified in the relevant Appendix A 'Sub-fund overview', the management company may participate in repurchase agreements ('reverse repurchase agreements') for a sub-fund, which consist of purchases and sales of securities in which the agreements grant the seller the right or obligation to repurchase the securities sold from the purchaser. reverse repurchase agreements) consisting of purchases and sales of securities, whereby the agreements grant the seller the right or obligation to repurchase the securities sold from the purchaser at a price and within a period agreed between the two parties at the time the contract is concluded.

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

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

the UCITS or sub-fund should ensure that the amount of cash reclaimed at any time is at least equal to the amount of cash reclaimed at the time of the reverse repo transaction.

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

If specified in the respective Appendix A "Sub-fund Overview," the investment company or management company may participate in repurchase agreements ("**reverse repurchase agreements**") for a sub-fund, which consist of purchases and sales of securities in which the agreements grant the seller the right or obligation to repurchase the securities sold at a specified price on a specified date. "reverse repurchase agreements") consisting of purchases and sales of securities, whereby the agreements grant the seller the right or obligation to repurchase the securities sold from the purchaser at a price and within a period agreed between the two parties upon conclusion of the contract.

#### **Total return swaps**

As specified in the respective Appendix A "Sub-funds at a Glance," the sub-fund is authorized to enter into total return swaps.

Total return swaps are derivatives in which all earnings and value fluctuations of an underlying can be swapped for an agreed fixed interest payment. A contractual party, the collateral taker, thus transfers the entire credit and market risk from the underlying instrument to the other contractual party, the collateral provider. In return, the collateral taker pays a premium to the collateral provider. For the investment company or its sub-funds, total return swaps can be transacted for hedging purposes or as part of the investment strategy. Basically, all assets that are purchasable for the investment company and its sub-funds can be subjects of total return swaps. Up to 100% of the sub-fund's assets can be subjects of such transactions. The investment company expects that in individual cases no more than 50% of the sub-fund's assets will be the subject of total return swaps. This is merely an estimate that can be exceeded in individual cases. The proceeds from total return swaps – after deduction of the transaction costs – are fully credited to the investment company and its sub-funds.

## **§ 31 Joint management**

To reduce operating and management costs and simultaneously allow broader diversification of the investments, the investment company or the management company may resolve to jointly manage a part or all of the assets of one or several sub-funds together with assets that belong to other undertakings for collective investment.

Currently, the assets of this investment company or this UCITS with its sub-funds are individually managed and thus separately from assets that belong to other undertakings for collective investment in transferable securities.

## **F. Costs and charges**

### **§ 32 Ongoing charges**

#### **A. Depending on asset volume (individual charge)**

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

The investment company is remunerated for administration, the investment decision (asset management and investment consulting), risk management, and distribution of the respective sub-funds or unit classes as set forth in Annex A "Sub-funds at a glance". These charges are calculated on the basis of the average net asset value of the sub-fund or of

the respective asset class on the occasion of each valuation and deducted from the assets of the sub-fund quarterly in retrospect. The charges of the respective sub-fund or of the respective unit class are listed in Annex A "Sub-funds at a glance". The investment company is at liberty to specify different administration fees for one or several unit classes.

This also includes the trailer fees that may be payable to third parties for investor referral and support services.

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

The investment company or management company, custodian, and investment advisory or asset management company may, at their discretion, agree with individual investors to partially reimburse them for fees received. This is particularly relevant when institutional investors invest large amounts directly on a long-term basis.

### Depositary

For its activities, the depositary shall be remunerated from the sub-fund assets of the investment company pursuant to Annex A "Sub-funds at a glance". The depositary fees are calculated on the basis of the average net asset value of the sub-fund or of the respective asset class on the occasion of each valuation and deducted from the assets of the sub-fund quarterly in retrospect. The investment company is at liberty to specify different depositary fees for one or several unit classes. Additionally, the depositary receives a periodic service fee according to Annex A "Sub-funds at a glance" for services rendered to the respective sub-fund.

The charges as per § 41 of these investment regulations include remuneration, if any, for mandated third parties.

### B. Not depending on asset volume (individual charge)

In addition to the remuneration specified in the preceding paragraphs, the following expenses (plus statutory value added tax, where applicable), which are not dependent on the sub-fund's assets, may be charged to the sub-fund's asset.

- ◆ Costs for auditing the sub-funds by the auditors as well as fees payable to tax consultants, to the extent that such expenditures are incurred in the interest of the investors;
- ◆ Charges and costs for permits and the supervision of the UCITS and the sub-funds in Liechtenstein and abroad;
- ◆ All taxes levied on the assets of the sub-fund as well as its earnings and expenses charged to the respective sub-fund assets of the investment company;
- ◆ Charges, costs, and fees in conjunction with the determination and publication of fiscal factors for EU/EEA nations and/or all countries where distribution approvals and/or private placements exist, under consideration of actual expenditures at customary market terms;
- ◆ Taxes, if any, incurred in conjunction with the administration and depositary costs;
- ◆ Costs incurred in the preparation, printing, and dispatch of annual and semi-annual reports as well as other legally required publications;

- ◆ Costs incurred in the publication of notifications regarding a sub-fund to the investors in official gazettes and in additional newspapers or electronic media as determined by the investment company, including price publications;
- ◆ Costs incurred in conjunction with the fulfillment of the prerequisites and consequential obligations of any distribution of units at home and abroad (e.g. charges for paying agents and other agents or representatives with similar functions, charges levied by fund platforms, such as listing fees and setup costs), as well as consulting, legal, and translation costs;
- ◆ Costs and expenditures related to regular reports, among others to insurance companies, pension funds, and other financial service providers (e.g. GroMiKV, Solvency II, VAG, MiFID II, ESG/SRI reports or sustainability ratings, etc.);
- ◆ Costs for the preparation or amendment, translation, deposition, printing, and distribution of the prospectus and constitutive documents (trust agreement, PRIIP, SRI calculation, etc.) in the countries in which the units are distributed;
- ◆ Costs incurred in conjunction with the registration, sustainment, and termination of stock market listings of the units;
- ◆ Costs for the determination, the announcement of taxation fundamentals and the accreditation that the fiscal data was compiled according to the rules of the respective foreign country's tax legislation;
- ◆ Expenditures in conjunction with the exercise of voting rights or creditor rights by the sub-fund, including fees charged by external consultants;
- ◆ Administrative fees and charges levied by government authorities;
- ◆ Costs for legal and entitlement issues as well as for tax counsel incurred by the management company or the depository if they act in the interest of the investors of the respective sub-fund;
- ◆ Costs incurred in connection with the risk management of the UCITS or its sub-funds and the corresponding calculation of key figures (VaR, etc.);
- ◆ Internal and external costs for the recovery of foreign withholding taxes to the extent this is possible for the account of the UCITS or of the respective sub-fund. As regards the recovery of foreign withholding taxes, it must be pointed out that the management company is not obliged to institute recovery proceedings and will only do so if the process justifies the effort according to the criteria of substantiveness of the amounts and reasonableness of the ratio of costs to the possible recoverable amounts. With respect to investments that constitute securities lending, the management company will abstain from recovering withholding taxes.
- ◆ Costs for assessing the creditworthiness of the assets of the sub-fund and its target investments by nationally or internationally recognized rating agencies;
- ◆ a reasonable proportion of the costs of printed matter and advertising (including digital marketing) directly related to the offering and sale of shares;
- ◆ Charges and costs incurred as a result of other legal or supervisory rules that need to be fulfilled by the management company within the scope of its implementation of the investment strategy (such as reporting and other costs incurred in the fulfillment of the European Market Infrastructure Regulation (EMIR, EC directive 648/2012);

- ◆ Research costs;
- ◆ External costs for the assessment of the sustainability rating (ESG Research) of the assets of the sub-fund and its target investments;
- ◆ License fees for the use of benchmarks, if any;
- ◆ Costs for the appointment and sustainment of further counterparties if it is in the interest of the investors.

#### **Transaction costs**

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

Consideration included in a fixed flat fee may not be charged additionally as an individual expense. Any compensation for commissioned third parties is in any case included in the fees pursuant to § 32 of the investment conditions.

#### **Currency-hedging charges, if any, for unit classes**

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

#### **Liquidation fees**

In the event of a dissolution of the investment company or of the sub-fund, the management company may levy a liquidation fee of up to CHF 10,000 in its favor. In addition to this amount, the UCITS and the respective sub-funds shall bear all liquidation-related third-party costs incurred.

#### **Extraordinary disposal costs**

Additionally, the management company may encumber the assets of the respective sub-fund with costs for extraordinary disposals.

Extraordinary disposal costs consist of expenses incurred exclusively by safeguarding interests, which arise in the course of regular business and which were not foreseeable when the fund or the respective sub-fund was established. In particular, costs for legal proceedings in the interest of the investment company, of the sub-fund or of the investors are extraordinary disposal costs. Additionally, this includes costs for extraordinary disposals pursuant to the UCITSA and UCITSO (e.g. amendments of fund documents), if any.

#### **Benefits**

In connection with the acquisition, holding, and disposal of assets and rights for the UCITS or its sub-funds, the management company, the custodian, and any agents shall ensure that, in particular, rebates are paid directly or indirectly to the UCITS or its sub-funds without deduction (except for a reasonable processing fee). The custodian is entitled to retain a maximum of 30% of the payments as a retention fee.

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

The total of ongoing charges before performance-dependent expenditures, if any (total expense ratio before performance fee; TER) is calculated according to general code-of-conduct principles of FMA and with the exception of transaction costs encompasses all

costs and charges that are debited from the assets of the investment company or from the assets of the UCITS on an ongoing basis. The TER of the respective sub-fund or unit classes shall be indicated in the semi-annual and annual reports and, when the next semi-annual or annual report is published, on the website of the LAFV Liechtenstein Investment Fund Association at [www.lafv.li](http://www.lafv.li).

### § 33 Costs and charges borne by the investors

Issue, redemption, and exchange fees as well as related taxes and charges, if any, shall be borne by the investor.

### § 34 Performance fee

In addition, the investment company or the management company may levy a performance fee. If a performance fee is levied from the respective sub-fund, this is specified in detail in Annex A "Sub-funds at a glance".

### § 35 Costs of incorporation

The costs for the incorporation of the investment company or the UCITS and the initial issue of units shall be amortized across three years at the expense of the assets of the incorporative sub-funds. The incorporation costs are split pro rata across the respective sub-fund assets. Costs incurred in conjunction with the launch of further sub-funds are amortized across three years at the expense of the sub-fund to which they are applicable.

## G. Final provisions

### § 36 Use of proceeds

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

The investment company or management company may distribute the net income and/or the net realized capital gains generated by a sub-fund or unit class to the investors of the respective sub-fund or unit class or reinvest the net income and/or the net realized capital gains in the sub-fund or the respective unit class or carry such amounts forward to the next accounting period.

The net income and the net realized capital gains generated by those unit classes that distribute payouts pursuant to Annex A "Sub-funds at a glance" can be fully or partially distributed annually or in shorter intervals.

Distributions can be composed of the net income and/or the net realized capital gains as well as the net income carried forward and/or the net realized capital gains carried forward of the sub-fund or of the respective unit class. Intermediate payouts of net income carried forward and/or realized capital gains carried forward are permissible.

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

## § 37 Use of benchmarks

In compliance with the provisions of the Ordinance (EU) 2016/1011 of the European Parliament and of the Council concerning indices that are used as benchmarks for financial instruments and financial contracts or to measure the performance of an undertaking for collective investment, supervised companies (such as UCITS management companies and AIFMs) may use benchmarks pursuant to the Benchmark Ordinance in the EU if the benchmark is provided by an administrator who is listed in the administrator and benchmark directory that is managed by the ESMA pursuant to the Benchmark Ordinance (the "directory").

The UCITS or its sub-funds can deploy benchmarks in the basic information sheets (PRIIP-KID) and marketing documentation, if any, as a reference for comparative purposes to measure the performance of the UCITS or its sub-funds. The UCITS or the sub-funds are actively managed and the asset manager can thus freely decide in which securities he wishes to invest. Consequently, the performance can clearly deviate from that of the benchmark. If it is used by the management company or by the asset manager on its behalf, the comparative index is indicated in Annex A "Sub-funds at a glance".

The comparative index can change in the course of time. In this case, the prospectus, Annex A "Sub-funds at a glance", and the constitutive documents shall be updated at the next opportunity and investors shall be informed by notification in the official gazette as well as in the media mentioned in the prospectus or with durable media (letter, fax, e-mail or similar).

Further, the UCITS or its sub-funds can use benchmarks to calculate performance-linked charges. Detailed data concerning performance fees can be found in section 12.2 of this prospectus as well as in Annex A "Sub-funds at a glance".

With respect to a comparative index, the investment company or the management company does not accept any liability concerning the quality, correctness or completeness of the data of the comparative index nor that the respective comparative index is managed in accordance with the described index methods.

The investment company or the management company has produced a written plan of measures that it can implement with respect to the UCITS or its sub-funds in the event that the index changes substantially or is no longer provided. On request, information concerning the plan is available free of charge at the registered domicile of the management company

## § 38 Benefits

The management company reserves the right to grant benefits to third parties. Benefits granted to or received from a third party may take the form of a fee, commission, or other non-monetary advantage. Such payments are generally calculated on the basis of the commissions, fees, etc. charged and/or the assets/asset components placed with the UCITS or the relevant sub-fund. Their amount corresponds to a percentage of the respective calculation basis.

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

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

## § 39 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 depository.

## § 40 Reports

The investment company shall prepare an audited annual report as well as a semi-annual report in compliance with the legal provisions of the Principality of Liechtenstein.

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

Two months after the end of the first six months of the financial year, the investment company shall publish an unaudited semi-annual report.

Further audited and unaudited intermediate reports may be prepared.

## § 41 Financial year

The financial year of the investment company begins on January 1 of each year and ends on December 31 of the same year. Annex A "Sub-funds at a glance" states whether the first financial year is an extended or a shortened year.

## § 42 Changes to the investment regulations

These investment regulations may be fully or partially amended or supplemented by the management company at any time.

Changes to the investment regulations require the prior approval of the FMA.

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

Investors who do not agree with changes to the investment conditions have the option of redeeming their shares within 30 days of the respective change being published on the website of the Liechtenstein Investment Fund Association. In this case, the redemption fee in favour of the distributor will be waived. The liquidity management tools (LMT) of the UCITS or sub-fund remain unaffected and continue to apply.

Changes to the investment conditions require the prior approval of the FMA.

## § 43 Statute of limitations

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

## § 44 Applicable law and jurisdiction and binding language

The investment company is subject to Liechtenstein law. The venue for all disputes between investors, the investment company, and the depositary shall be Vaduz. Appeals may also be submitted in other jurisdictions if so required by law.

However, with respect to claims submitted by investors in other countries where the units are offered and sold, the investment company and/or the depositary may submit themselves to the jurisdictions of such countries.

German is the legally binding language for these investment regulations.

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

## § 45 Entering into force

These investment conditions shall enter into force on January 1, 2026.

Schaan/Vaduz, December 18, 2025

### **The management company:**

IFM Independent Fund Management Aktiengesellschaft, Schaan

### **The depositary:**

LGT Bank AG, Vaduz

# Annex A: Sub-funds at a glance

The investment regulations and this Annex A “Sub-funds at a glance” constitute a material entity and are thus complementary.

## Sub-fund 1: ACG Active Strategy Fund

### A1. Sub-fund at a glance

Master data and information on the sub-fund and its unit classes		
	Unit classes of the sub-fund	
unit classes <sup>1</sup>	EUR-R	EUR-I
ISIN number	LI1323899347	LI1323899354
Security number	132.389.934	132.389.935
Suitable as a UCITS target fund	Yes	Yes
SDFR classification	Article 6	
Duration of sub-fund	Unlimited	
Listed	No	
Accounting currency of the sub-fund	Euro (EUR)	
Reference currency of the unit classes	Euro (EUR)	Euro (EUR)
Minimum investment	None	EUR 100,000
Initial issue price	EUR 100.--	EUR 100.--
First subscription day	22.02.2024	22.02.2024
Payment	26.02.2024	26.02.2024
Valuation day <sup>2</sup> (T)	Monday through Friday	
Valuation interval	Daily	
Issue and redemption day <sup>3</sup>	Every valuation day	
Value date issue and redemption day (T+2)	Two bank business days after calculation the net asset value (NAV)	
Acceptance deadline for unit transactions (T-1)	the banking day preceding the valuation day by no later than 4 p.m. (CET)	
Denomination	Three decimal places	
Rounding <sup>4</sup>	EUR 0.01	EUR 0.01
Securitization	On the books / no certificates issued	
Close of accounting year	On December 31	
End of first financial year	December 31, 2024	
Use of proceeds	Reinvested	

<sup>1</sup> The currency risks of the unit class denominated in EUR can be fully or partially hedged.

<sup>2</sup> If the valuation day should coincide with a bank holiday in Liechtenstein, the valuation day shall be rescheduled to the next following banking business day in Liechtenstein.

<sup>3</sup> The issue and redemption day is skipped on December 31. This valuation day is the closing day of the investment company's annual report.

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

Costs borne by the investors		
	Unit classes of the sub-fund	
unit classes	EUR-R	EUR-I
Max. issue premium <sup>5</sup>	3%	3%
Redemption charge in favor of the sub-fund <sup>6</sup>	None	None
Exchange fee for switching from unit class to another unit class	None	None

Costs payable with the assets of the sub-fund <sup>7,8,9</sup>		
	Unit classes of the sub-fund	
unit classes	EUR-R	EUR-I
Max. charge for investment decision, risk management, and distribution <sup>5,10</sup>	1.10% p.a.	0.85% p.a.
Performance fee	15%	15%
Hurdle rate	None	None
High-on-High Mark	Yes	Yes
Max. administration fee <sup>5</sup>	0.20% p.a. or min. CHF 40,000 p.a. plus CHF 5,000 p.a. per unit class from the 2 <sup>nd</sup> unit class	
Max. depositary fee <sup>5</sup>	0.115% p.a. or min. CHF 20,000 p.a.	
Basis: launch date	26.02.2024	26.02.2024

Use of benchmarks		
	Unit class of the sub-fund	
unit classes	EUR-R	EUR-I
Benchmark	The sub-fund does not use a benchmark.	

## B1. Delegation of functions

### a) Asset manager

The asset manager for this sub-fund is the ACG Advisors (UK) LLP, 34 Lime Street, London, EC3M 7AT, United Kingdom.

### b) Distributor

The distribution of units of the sub-fund has not been delegated.

## C1. Investment consultant

No investment consultant was appointed.

## D1. Depositary

The depositary function for this sub-fund and investment company has been entrusted to LGT Bank AG, Herrengasse 12, FL-9490 Vaduz.

## E1. Auditors

The auditor for the sub-fund is Ernst & Young AG, Schanzenstrasse 4a, CH-3008 Bern.

<sup>5</sup> The commissions and charges actually levied are published in the (semi-annual and) annual reports.

<sup>6</sup> The management company or investment company may, if deemed necessary and appropriate for the protection of unitholders, apply a 'redemption discount' in favour of the UCITS or sub-fund in accordance with section 9.7 of the prospectus or letter F1 of this appendix as a liquidity management tool (LMT) to manage liquidity risk in the event of redemptions.

<sup>7</sup> Plus taxes as well as other costs and charges: Transaction costs as well as expenses incurred by the management company and the depositary in the fulfillment of their functions Details are provided in the prospectus in sections 11 (Taxation) and 12.2 (Costs and charges borne by the sub-fund).

<sup>8</sup> In the event of a dissolution of the sub-fund, the management company may levy a liquidation fee of up to CHF 10,000 in its favor.

<sup>9</sup> In accordance with § 38 of the Investment Conditions, pursuant to Art. 24 (2) of Delegated Regulation (EU) No. 231/2013, it is hereby disclosed that third-party payments may be granted in connection with this sub-fund. These do not result in any additional costs for the sub-fund, but are calculated as a percentage of the above-mentioned fee rates.

<sup>10</sup> plus any applicable VAT.

## F1. Investment principles and risk regulations of the sub-fund

The following provisions govern the sub-fund-specific investment principles and risk regulations of the **ACG Active Strategy Fund**.

Investment principles and risk regulations of the sub-fund in brief	
<b>Non permissible investments</b>	See section 7.2 of the prospectus
<b>Investments in other UCITS</b>	The sub-fund may invest a maximum of 10% of its assets in units of other UCITS or other collective investment undertakings comparable to UCITS. These other collective investment undertakings may, according to their prospectus or constituent documents, invest a maximum of 10% of their assets in units of another UCITS or another comparable collective investment undertaking.
<b>Special permission for investment in securities issued by government entities</b>	No
<b>Securities lending</b>	In order to reduce the costs of managing the sub-fund's assets, the sub-fund is also permitted to engage in securities lending transactions. The maximum proportion of securities that may be lent in these transactions is 30% of the sub-fund's assets. The premiums (commissions) received for this represent an additional performance component and thus improve the sub-fund's performance. The total income from securities lending transactions is divided between the sub-fund and the custodian (securities lending agent). The types of assets used in this context are the securities held in the sub-fund's assets. The actual proportion of the sub-fund's assets that is subject to securities lending transactions is disclosed in the respective semi-annual and annual reports.
<b>Securities repurchase agreements (repurchase and reverse repurchase agreements)</b>	The sub-fund may not enter into securities repurchase agreements.
<b>Total Return Swaps</b>	Yes, the sub-fund may enter into total return swaps.
<b>Derivative risk (Leverage)</b>	<p>The investment company or management company uses absolute value at risk (VaR) to measure risk. It must ensure that the total risk of the portfolio does not exceed an absolute VaR of 20% at any time and, in particular, that no positions are entered into that represent an unlimited risk to the assets. The VaR method used by the management company is based on a confidence interval of 99%, an observation period of 20 trading days, and a historical observation period of at least one year (250 business days).</p> <p>The investment company or management company expects that the leverage effect of the sub-fund resulting from the use of derivatives will generally be less than 3 based on the commitment approach.</p>
<b>Borrowing</b>	Yes, at most 10% (see section 7.4.2)
<b>Overall risk</b>	The sub-fund's portfolio may not exceed an absolute VaR of 20%, and in particular, no positions may be entered into that represent an unlimited risk for the sub-fund's assets.
<b>Derivative financial instruments</b>	For efficient management, the management company may use derivative financial instruments on securities, stock and bond indices, volatilities, currencies, and exchange-traded funds, as well as forward exchange transactions and swaps, provided that such transactions do not deviate from the investment objective of the UCITS and comply with the "General Investment Principles and Restrictions" in accordance with Section E of the Investment Conditions.
<b>Short selling</b>	Uncovered short selling is not permitted (see section 7.2.3).

<b>Risk management procedures</b>	Value at Risk (VaR)
<b>Liquidity management instruments (LMT)</b>	<p>The management company or investment company shall use the following liquidity management instruments to manage liquidity risk in the event of redemptions, provided this is deemed necessary and appropriate for the protection of unitholders:</p> <p><b>Redemption discount</b> The management company or investment company may, if deemed necessary and appropriate for the protection of unitholders, use a 'redemption discount' in favour of the UCITS or sub-fund in a range of 0% to 1% as a liquidity management tool (LMT) to manage liquidity risk in the event of redemptions.</p> <p><b>Redemption Gate</b> If redemption requests would result in a cash outflow of more than 10% of the total net assets of the UCITS or sub-fund on the relevant redemption date, the redemption gate may be activated; in such a case, not all redemption requests will be executed in full. Under these circumstances, the management company will decide to execute these redemption requests on a pro rata basis and to postpone the unexecuted redemption requests from the redemption date to the next redemption date. Should this measure be necessary, a corresponding notice to investors regarding the activation (and subsequent deactivation) and the modalities will be published in the UCITS' publication medium.</p> <p><b>Suspension of the calculation of the net asset value and the issue, redemption and conversion of units</b> The management company or investment company may temporarily suspend the calculation of the net asset value and/or the issue, redemption and conversion of units of the UCITS or sub-fund in special circumstances, provided that this is justified in the best interests of investors.</p> <p><b>Separation of assets ("side pockets")</b> The management company is entitled to form "side pockets" in accordance with the applicable legal provisions and with the prior consent of the Liechtenstein Financial Market Authority (FMA). Side pockets serve to manage separately assets that have become illiquid or difficult to value due to exceptional market conditions or special circumstances. The separation of these assets into a newly established sub-fund is intended to ensure that the ordinary liquidity and valuation of the remaining fund assets is not impaired. Side pockets may only be created if this is in the best interests of investors and if equal treatment of all investors is guaranteed. Investors will be informed immediately of the creation of a side pocket once approval has been granted by the FMA.</p>
<b>Sustainability-related disclosures (Art. 6 Funds)</b>	The investments underlying this sub-fund (financial product) do not take into account the EU criteria for environmentally sustainable economic activities.
<b>Consideration of Principle Adverse Impacts (PAI)</b>	As this financial product does not constitute a product within the meaning of Article 8 or Article 9 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, no adverse impacts of investment decisions on sustainability factors (known as "principle adverse impacts") are taken into account in the investment decision-making process.
<b>Impact of sustainability risks on returns</b>	Information on the impact of sustainability risks on returns can be found in Chapter H1. Letter a. 'Sub-fund-specific risks'.
<b>Compliance with the investment objective</b>	No later than 6 months after the sub-fund has been liquidated

a) **Investment objective and policy**

The investment objective of the **ACG Active Strategy Fund** is mainly to achieve a positive absolute return over the medium term through capital growth, investing on the principle of risk spreading in securities and other investments as described below. The sub-fund is actively managed without reference to a benchmark. The performance of the sub-fund is not linked to any reference index and the sub-fund can therefore make its investment decisions independently of this index. To the extent that no deviating investment principles are specified for the subfund in lit. F1 of this Appendix, subparagraph E of the Terms and Conditions of Investment "General Investment Principles and Restrictions" shall apply. **No guarantee can be given that the investment objective will be achieved.**

In order to achieve its investment objective, the **ACG Active Strategy Fund** mainly invests in **global equity securities and rights** (shares, shares with warrants, etc.) as well as in **fixed- or variable-interest debt securities and debt securities** (bonds, annuities, notes, zero bonds, floating rate notes, credit linked notes, convertible bonds and bonds with warrants, debt securities, etc.) and/or in **money market instruments** of issuers **worldwide**. The sub-fund may also invest its assets in deposits, in particular in time deposits with first-class banks, and may also hold cash and cash equivalents. The weighting of the individual asset classes depends on the asset manager's assessment of the economic situation and market outlook, whereby no restrictions exist except for those set forth in the investment limits.

The Sub-Fund shall adopt a long-biased balanced strategy. In principle, long positions will be originated purchasing either equity securities or using derivatives. The short part of the portfolio is mainly entered into through the use of derivative financial instruments that correspond to short sales from an economic perspective (synthetic short sales, short positions). The use of options and futures on indices will be made to reduce the correlation to markets and the volatility of the portfolio. A significant proportion of the Sub-Fund's long positions will be kept in liquid instruments with the objective to cover at all times a large proportion of the Sub-Fund's obligations arising from short positions.

The selection of long and short positions shall be based on screening models, fundamental analysis and research. The latter activity shall be used to identify the universe of target companies selected to create long and short positions. Moreover, portfolio construction focuses on identifying value and growth opportunities at a reasonable price (GARP), as well as identifying a catalyst and/or a clear event. Investments shall be constantly monitored and adjusted on the basis of indications provided by trading models. Focus is on liquid mid-to large-cap stocks. Net exposure is adjusted according to top-down macro environment.

The sub-fund may be net long, net short, or market neutral. The equity exposure may vary depending on the market situation. Moreover, no fixed country quota is used in the selection of the companies. Geographical and industry weightings are based on the quantitative and fundamental analysis of the individual markets and companies.

In periods where no investment corresponds to the selection criteria of the strategy, the sub-fund may hold its total assets in cash or cash equivalents as well as fixed-income paper.

The sub-fund is not subject to any restrictions regarding currency allocations. The share of the sub-fund's assets not invested in EUR-denominated securities will vary depending on the market situation. To minimize the currency translation risk, assets not denominated in the sub-fund's accounting currency can be temporarily or permanently hedged.

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

The sub-fund-specific risks listed in lit. H1 of this annex and the general risks listed in section 8.2 of the prospectus must be observed.

b) **Accounting and reference currency**

The accounting currency of the sub-fund as well as the reference currency for each unit class are stated in lit. A1 of this Annex "Sub-funds at a glance".

The accounting currency is the currency in which the sub-fund keeps its books. The reference currency is the currency used to calculate the performance and the net asset value of the respective unit class of the sub-fund and not the investment currency of the respective unit class of the sub-fund. Investments are made in the currencies optimally suited to the performance of the sub-fund.

c) **Profile of a typical investor**

The **ACG Active Strategy Fund** is suitable for investors with a medium- to long-term investment horizon who seek an appreciation of their invested capital with a dynamic diversification of their exposure with concurrently lower risk than is customary in the equity markets.

## G1. Valuation

The valuation process is handled by the management company.

## H1. Risks and risk profiles of the sub-fund

a) **Sub-fund-specific risks**

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

Due to the investment of the assets of the **ACG Active Strategy Fund** primarily in equities and securities as well as in debt instruments, this type of investment is associated with a market and issuer risk as well as an interest-rate change risk which may negatively affect the net asset value. Other risks such as the foreign-exchange risk may also apply.

It must be explicitly pointed out that in this context, stocks and stock-like securities as well as derivative instruments are both purchased (long positions) and, with the deployment of derivative financial instruments, exposure positions are acquired that from an economic point of view correspond to short sales (synthetic short sales, short positions). Increased risks may be incurred with the deployment of derivative financial instruments that are not used for hedging purposes.

Because of over-the-counter (OTC) trades, the sub-fund may be exposed to risks in conjunction with the creditworthiness of the OTC counterparties: when concluding forward contracts, options, and swap transactions or otherwise using derivative techniques, the sub-fund is exposed to the risk that an OTC counterparty does not (or cannot) meet its obligations from a certain contract or from several contracts.

The management company uses a basic model to calculate the risks associated with the investment instruments, especially with respect to derivative financial

instruments, and uses for this purpose generally established calculation methods. The management company shall use the **absolute Value at Risk (VaR)** for risk measurement purposes. It is obliged to ensure that the total risk of the portfolio at no time exceeds an **absolute VaR amounting to 20%**, and that in particular no positions are acquired that constitute an unlimited risk to the assets. The VaR method applied by the management company is based on a **confidence interval of 99%**, an **observation period of 20 trading days and a historic observation time frame of at least one year (250 trading days)**.

The management company expects that the **leverage** of the UCITS resulting from the deployment of derivatives will basically be **less than 3** based on the Commitment Approach.

#### **Results of the assessment of potential impacts of sustainability risks on returns:**

After assessing the impact of sustainability risks at the level of individual investments, it has been determined that, overall, there is a risk of a relevant impairment of the sub-fund's returns. In particular, due to the possible composition of the portfolio and the absence of an ESG strategy, a potential impact of sustainability risks on the overall portfolio cannot be ruled out.

If the sub-fund engages in securities lending transactions, these are subject to the risks of delay or failure to return the securities. In particular, financial losses incurred by the securities borrower may prevent it from meeting its obligations to the sub-fund (default risk). If the securities borrower provides collateral to the sub-fund in connection with the securities lending transaction, this collateral is subject to collateral risk. Furthermore, operational risks such as accounting errors or errors in the delivery of the securities lent may occur. If the securities borrower reuses the securities lent, these are also subject to the risk that, upon termination of the securities lending transaction, they cannot be purchased on the market by the securities borrower and therefore cannot be returned.

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

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

### **11. Costs payable by the sub-fund**

An overview of the costs payable by the sub-fund is provided in the table "Master data and information on the sub-fund and its unit classes" from lit. A1 of this Annex A "Sub-funds at a glance".

### **J1. Performance fee**

Furthermore, the management company is entitled to receive a performance-linked remuneration (performance fee) pursuant to Annex A "Sub-funds at a glance" on the unit value gain adjusted for dividends or capital measures, if any, in the respective unit class. The High-on-High (HoH)-model is used to calculate the performance fee as follows:

A performance fee, if any, shall be determined on each valuation day on the basis of the number of outstanding units of the respective unit class and deferred, provided the unit price in the respective unit class exceeds the High-on-High Mark. The performance fee is calculated on the net asset value per share after deduction of all costs and fees but before deduction of the performance-related fee accrued up to the calculation date.

Based on the result of the daily valuations, each calculated performance fee is deferred per issued unit within the sub-fund or deferrals already formed are reversed accordingly. Reversals of deferrals are credited to the sub-fund's assets.

The crystallization (reference) period for the calculation of the performance fee is one business year. Crystallization (payout) defines the point in time from which the deferred performance fee is irrevocably owed to the asset manager. Additionally, a deferred performance fee is deemed owed if unit redemptions occur before the end of the business year. The performance fee owed due to unit redemptions is calculated pro rata based on unit redemptions. A performance fee, if any, for the respective unit class is paid out at the end of a business year (crystallization point) in retrospect.

The High-on-High Mark principle applied in the performance fee model means that the NAV per unit must have attained a new high in the period since the last recent crystallization (end of each business year) to allow a performance fee to be deferred and/or paid out. The High-on-High Mark of the respective unit class will be adjusted after each crystallization of a performance fee.

A schematic calculation example is provided in section K1 "Sub-funds at a glance".

Schaan/Vaduz, December 18, 2025

**The management company:**

IFM Independent Fund Management Aktiengesellschaft, Schaan

**The depositary:**

LGT Bank AG, Vaduz

## K1. Calculation example for the performance fee

The following examples schematically explain the calculation of the performance fee at the level of the respective unit class:

Performance-Fee	15%
Hurdle Rate	0%
Updating hurdle rate	No
High-on-High-Mark	Yes
Calculation of performance fee	with each NAV calculation
Payout frequency	at the end of each fiscal year
calculation model	High-on-High (HoH)-Model

Bewertungstag	NAV Start	High-on-High-Mark	NAV before Perf.-Fee <sup>11</sup>	Perf.-Fee	cum. Perf.-Fee	NAV after Perf.-Fee
<b>Year 1</b>						
day 1	100.00	100.00	105.00	0.75	0.75	104.25
day 2	104.25	100.00	110.50	0.83	1.58	108.93
day 3	108.93	100.00	113.75	0.49	2.06	111.69
day 4	111.69	100.00	112.50	-0.19	1.88	110.63
day 5	110.63	100.00	112.25	-0.04	1.84	110.41
day 365	110.41	100.00	114.25	0.30	<b>2.14</b>	<b>112.11</b>
<b>Year 2</b>						
day 1	112.11	114.25	114.00	0.00	0.00	114.00
day 2	114.00	114.25	113.75	0.00	0.00	113.75
day 3	113.75	114.25	111.50	0.00	0.00	111.50
day 4	111.50	114.25	108.00	0.00	0.00	108.00
day 5	108.00	114.25	105.00	0.00	0.00	105.00
day 365	105.00	114.25	103.00	0.00	<b>0.00</b>	<b>103.00</b>
<b>Jahr 3</b>						
day 1	103.00	114.25	113.00	0.00	0.00	113.00
day 2	113.00	114.25	115.00	0.11	0.11	114.89
day 3	114.89	114.25	122.00	1.05	1.16	120.84
day 4	120.84	114.25	124.00	0.30	1.46	122.54
day 5	122.54	114.25	121.00	-0.45	1.01	119.99
day 365	119.99	114.25	119.00	-0.30	<b>0.71</b>	<b>118.29</b>
<b>Year 4</b>						
day 1	118.29	119.00	121.38	0.36	0.36	121.02

In **year 1**, a performance fee was levied because the net asset value of the respective unit class at the end of the year was higher than at the beginning of the year. The performance fee is calculated and deferred on every valuation day. The performance fee of the respective unit class deferred in the course of the year was partially reversed again due to the decline of the net asset value of the respective unit class.

In **year 2**, no performance fee was charged because the High-on-High Mark principle was applied. A performance fee, if any, shall only be charged when the value per unit of the respective unit class after deduction of all costs exceeds the High-on-High Mark.

In **year 3**, a performance fee was levied because the net asset value of the respective unit class exceeded the High-on-High Mark. Thereby, the performance fee was partially reversed again due to the decline of the net asset value of the respective unit class.

The crystallization period for the calculation of the performance fee is one business year. A performance fee, if any, for the respective unit class is paid out at the end of a business year (crystallization point) in retrospect. Additionally, a deferred performance fee is deemed owed if unit redemptions occur before the end of the business year.

**It should be noted that a performance fee may be levied on non-realized gains although the non-realized gains may never be realized subsequently.**

<sup>11</sup> The performance fee is calculated on the net asset value per share after deduction of all costs and fees but before deduction of the performance-related fee accrued up to the calculation date.

## Sub-fund 2: HOW Global Leaders Fund

### A2. Sub-funds at a glance

Master data and information on the sub-fund and its unit classes	
	Unit classes of the sub-fund
unit classes <sup>12</sup>	EUR-I
ISIN number	LI1206123492
Security number	120.612.349
Suitable as a UCITS target fund	Yes
SDFR classification	Article 6
Duration of sub-fund	Unlimited
Listed	No
Accounting currency of the sub-fund	Euro (EUR)
Reference currency of the unit classes	Euro (EUR)
Minimum investment	EUR 10,000
Initial issue price	EUR 100
First subscription day	24.10.2022
Payment	26.10.2022
Valuation day <sup>13</sup> (T)	Monday through Friday
Valuation interval	Daily
Issue and redemption day <sup>14</sup>	Every valuation day
Value date issue and redemption day (T+2)	Two bank business days after calculation the net asset value (NAV)
Acceptance deadline for unit transactions (T-1)	the banking day preceding the valuation day by no later than 4 p.m. (CET)
Denomination	Three decimal places
Rounding <sup>15</sup>	EUR 0.01
Securitization	On the books / no certificates issued
Close of accounting year	On December 31
End of first financial year	December 31, 2022
Use of proceeds	Reinvested

<sup>12</sup> The currency risks of the unit class denominated in EUR can be fully or partially hedged.

<sup>13</sup> If the valuation day should coincide with a bank holiday in Liechtenstein, the valuation day shall be rescheduled to the next following banking business day in Liechtenstein.

<sup>14</sup> The issue and redemption day is skipped on December 31. This valuation day is the closing day of the investment company's annual report.

<sup>15</sup> Rounding of the NAV per share upon the issue and redemption of shares

Costs borne by the investors	
	Unit classes of the sub-fund
unit classes	EUR-I
Max. issue premium <sup>16</sup>	None
Redemption charge in favor of the sub-fund <sup>17</sup>	None
Exchange fee for switching from unit class to another unit class	None

Costs payable with the assets of the sub-fund <sup>18,19,20</sup>	
	Unit classes of the sub-fund
unit classes	EUR-I
Max. charge for investment decision, risk management, and distribution <sup>15,21</sup>	1.50% p.a.
Performance fee	None
Max. administration fee <sup>15</sup>	0.20% p.a. or min. CHF 40,000 p.a.
Max. depositary fee <sup>15</sup>	0.115% p.a. or min. CHF 20,000 p.a.

Use of benchmarks	
	Unit class of the sub-fund
unit classes	EUR-I
Benchmark	The sub-fund does not use a benchmark.

## B2. Delegation of functions

### a) Asset manager

The asset manager for this sub-fund is the House of Wealth SA, Piazza Colombaro 6, CH-6952 Canobbio.

### b) Distributor

The distribution of units of the sub-fund has not been delegated.

## C2. Investment consultant

No investment consultant was appointed.

## D2. Depositary

The depositary function for this sub-fund and investment company has been entrusted to LGT Bank AG, Herrengasse 12, FL-9490 Vaduz.

## E2. Auditors

The auditor for the sub-fund is Ernst & Young AG, Schanzenstrasse 4a, CH-3008 Bern.

<sup>16</sup> The commissions and charges actually levied are published in the (semi-annual and) annual reports.

<sup>17</sup> The management company or investment company may, if deemed necessary and appropriate for the protection of unitholders, apply a 'redemption discount' in favour of the UCITS or sub-fund in accordance with section 9.7 of the prospectus or letter F2 of this appendix as a liquidity management tool (LMT) to manage liquidity risk in the event of redemptions.

<sup>18</sup> Plus taxes as well as other costs and charges: Transaction costs as well as expenses incurred by the management company and the depositary in the fulfillment of their functions. Details are provided in the prospectus in sections 11 (Taxation) and 12.2 (Costs and charges borne by the sub-fund).

<sup>19</sup> In the event of a dissolution of the sub-fund, the management company may levy a liquidation fee of up to CHF 10,000 in its favor.

<sup>20</sup> In accordance with § 38 of the Investment Conditions, pursuant to Art. 24 (2) of Delegated Regulation (EU) No. 231/2013, it is hereby disclosed that third-party payments may be granted in connection with this sub-fund. These do not result in any additional costs for the sub-fund, but are calculated as a percentage of the above-mentioned fee rates

<sup>21</sup> plus any applicable VAT.

## F2. Investment principles and risk regulations of the sub-fund

The following provisions govern the sub-fund-specific investment principles and risk regulations of the **HOW Global Leaders Fund**.

Investment principles and risk regulations of the sub-fund in brief	
<b>Non permissible investments</b>	See section 7.2 of the prospectus
<b>Investments in other UCITS</b>	The sub-fund may invest a maximum of 10% of its assets in units of other UCITS or other collective investment undertakings comparable to UCITS. These other collective investment undertakings may, according to their prospectus or constituent documents, invest a maximum of 10% of their assets in units of another UCITS or another comparable collective investment undertaking
<b>Special permission for investment in securities issued by government entities</b>	No
<b>Securities lending</b>	In order to reduce the costs of managing the sub-fund's assets, the sub-fund is also permitted to engage in securities lending transactions. The maximum proportion of securities that may be lent in such transactions is 30% of the sub-fund's assets. The premiums (commissions) received for this represent an additional performance component and thus improve the sub-fund's performance. The total income from securities lending transactions is divided between the sub-fund and the custodian (securities lending agent). The types of assets used in this context are the securities held in the sub-fund's assets. The actual proportion of the sub-fund's assets that is subject to securities lending transactions is disclosed in the respective half-yearly and annual reports.
<b>Securities repurchase agreements (repurchase and reverse repurchase agreements)</b>	The sub-fund may not enter into securities repurchase agreements.
<b>Total Return Swaps</b>	The sub-fund may not enter into total return swaps.
<b>Derivative risk (Leverage)</b>	The use of derivative financial instruments that are not used for hedging purposes may result in increased risks. The risk associated with derivative financial instruments may not exceed 100% of the net fund assets. The total risk may not exceed 200% of the net fund assets. In the case of borrowing permitted under UCITS, the total risk may not exceed 210% of the net fund assets. The management company uses the commitment approach as a recognised calculation method for risk management purposes.
<b>Borrowing</b>	Yes, at most 10% (see section 7.4.2)
<b>Overall risk</b>	In the case of borrowing permitted under UCITSG, the total risk may not exceed 210% of the net fund assets.
<b>Derivative financial instruments</b>	For efficient management, the management company may use derivative financial instruments on securities, equity and bond indices, volatilities, currencies and exchange-traded funds, as well as forward exchange transactions and swaps, provided that such transactions do not deviate from the sub-fund's investment objective and comply with the 'General Investment Principles and Restrictions' set out in section E of the Investment Conditions.
<b>Short selling</b>	Uncovered short selling is not permitted (see section 7.2.3).
<b>Risk management procedures</b>	Commitment Ansatz
<b>Liquidity management instruments (LMT)</b>	The management company or investment company shall use the following liquidity management instruments to manage liquidity risk in the event of redemptions, provided this is deemed necessary and appropriate for the protection of unitholders:

	<p><b>Redemption discount</b></p> <p>The management company or investment company may, if deemed necessary and appropriate for the protection of unitholders, use a 'redemption discount' in favour of the UCITS or sub-fund in a range of 0% to 1% as a liquidity management tool (LMT) to manage liquidity risk in the event of redemptions.</p> <p><b>Redemption Gate</b></p> <p>If redemption requests would result in a cash outflow of more than 10% of the total net assets of the UCITS or sub-fund on the relevant redemption date, the redemption gate may be activated; in such a case, not all redemption requests will be executed in full. Under these circumstances, the management company will decide to execute these redemption requests on a pro rata basis and to postpone the unexecuted redemption requests from the redemption date to the next redemption date. Should this measure be necessary, a corresponding notice to investors regarding the activation (and subsequent deactivation) and the modalities will be published in the UCITS' publication medium.</p> <p><b>Suspension of the calculation of the net asset value and the issue, redemption and conversion of units</b></p> <p>The management company or investment company may temporarily suspend the calculation of the net asset value and/or the issue, redemption and conversion of units of the UCITS or sub-fund in special circumstances, provided that this is justified in the best interests of investors.</p> <p><b>Separation of assets ("side pockets")</b></p> <p>The management company is entitled to form "side pockets" in accordance with the applicable legal provisions and with the prior consent of the Liechtenstein Financial Market Authority (FMA). Side pockets serve to manage separately assets that have become illiquid or difficult to value due to exceptional market conditions or special circumstances. The separation of these assets into a newly established sub-fund is intended to ensure that the ordinary liquidity and valuation of the remaining fund assets is not impaired. Side pockets may only be created if this is in the best interests of investors and if equal treatment of all investors is guaranteed. Investors will be informed immediately of the creation of a side pocket once approval has been granted by the FMA.</p>
<b>Sustainability-related disclosures (Art. 6 Funds)</b>	The investments underlying this sub-fund (financial product) do not take into account the EU criteria for environmentally sustainable economic activities.
<b>Consideration of Principle Adverse Impacts (PAI)</b>	As this financial product does not constitute a product within the meaning of Article 8 or Article 9 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, no adverse impacts of investment decisions on sustainability factors (known as "principle adverse impacts") are taken into account in the investment decision-making process.
<b>Impact of sustainability risks on returns</b>	Information on the impact of sustainability risks on returns can be found in Chapter H2. Letter a. 'Sub-fund-specific risks'.
<b>Compliance with the investment objective</b>	No later than 6 months after the sub-fund has been liquidated

**a) Investment objective and policy**

The investment objective of the **HOW Global Leaders Fund** is mainly to achieve long-term above-average capital gains through investments made on the principle of diversification of risk in securities and other instruments as described below. It is a sub-fund that is actively managed without referencing a benchmark. The performance of the sub-fund is not coupled with any reference index, so it can make its investment decisions independently of such indices. To the extent that no contradictory investment principles are specified for the sub-fund in lit. F2 of this

annex, section E of the "General investment principles and restrictions" of the investment regulations shall apply. **No guarantee can be given that the investment objective will be achieved.**

In order to achieve its investment objective, the **HOW Global Leaders Fund** invests its assets **predominantly (at least 51%) in equities and securities** (stocks, stocks with warrants, etc.) issued by companies **worldwide** that are traded on a stock exchange or on another regulated, publicly accessible market.

The **HOW Global Leaders Fund** invests its assets primarily in high-quality, globally leading companies that across decades have demonstrated that they are capable of generating above-average yields in the long term in any economic environment. Such companies (**Global Leaders**) generally occupy a controlling market position, high entry barriers, a solid and consistent business model, and a sound balance sheet.

Additionally, the sub-fund may invest up to 49% of its assets in fixed- or variable-income debt instruments (corporate and government bonds), money-market instruments, and/or sight deposits or callable deposits. In justifiable exceptions, exposure in sight deposits or callable deposits may also exceed 49% temporarily if and to the extent this is deemed appropriate for safeguarding the interests of the investors.

In the stock-picking process, the focus of the considerations is on value preservation, growth, and/or earnings. The selection of investments is based on traditional analyses. Hereby, the focus is, for example, on the fundamental bottom-up analysis of individual instruments, the technical analysis of price trends, and the financial situation of the individual issuers. When selecting instruments, the sub-fund is not subject to limitations with respect to business sectors or market capitalization. Thus, as regards market capitalization, the UCITS is entitled to invest in small caps, mid caps, and blue chips (large internationally known companies).

the sub-fund shall invest no more than 10% of its assets in units of other UCITS or of other undertakings for collective investment that are comparable with a UCITS. These other undertakings for collective investment shall be bound by their prospectuses and/or constitutive documents to invest no more than 10% of their assets in units of another UCITS or another comparable undertaking for collective investment.

The sub-fund is not subject to any restrictions regarding currency allocations. The share of the sub-fund's assets not invested in EUR-denominated securities will vary depending on the market situation. To minimize the currency translation risk, assets not denominated in the sub-fund's accounting currency can be temporarily or permanently hedged.

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

**The sub-fund-specific risks listed in lit. H2 of this annex and the general risks listed in section 8.2 of the prospectus must be observed.**

#### **b) Accounting and reference currency**

The accounting currency of the sub-fund as well as the reference currency for each unit class are stated in lit. A2 of this Annex "Sub-funds at a glance".

The accounting currency is the currency in which the sub-fund keeps its books. The reference currency is the currency used to calculate the performance and the net

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

**c) Profile of a typical investor**

The **HOW Global Leaders Fund** is suitable for risk-tolerant investors with a long-term investment horizon who with a broadly diversified equity portfolio wish to participate in the development of globally leading companies (**Global Leaders**). **Investments in this sub-fund should be considered merely for the purpose of diversifying a portfolio.**

## **G2. Valuation**

The valuation process is handled by the management company.

## **H2. Risks and risk profiles of the sub-fund**

**a) Sub-fund-specific risks**

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

The **HOW Global Leaders Fund** invests its assets primarily in high-quality, globally leading companies that across decades have demonstrated that they are capable of generating above-average yields in the long term in any economic environment. Such companies (**Global Leaders**) generally occupy a controlling market position, high entry barriers, a solid and consistent business model, and a sound balance sheet.

Due to the fact that the **HOW Global Leaders Fund** invests its assets predominantly in equities and securities, this type of investment is associated with a country, market, issuer, and liquidity risk which may negatively affect the net asset value. In addition, other risks may be incurred, such as currency translation risks and interest-rate risks.

Increased risks may be incurred with the deployment of derivative financial instruments that are not used for hedging purposes. The risk associated with derivative financial instruments must not exceed 100% of the fund's net assets. Hereby, the total risk must not exceed 200% of the fund's net assets. In a borrowing transaction that is permissible pursuant to UCITSG, the total risk shall not exceed 210% of the fund's net assets. The management company utilizes the generally accepted Modified Commitment approach as its risk management procedure.

If the sub-fund engages in securities lending transactions, these are subject to the risks of default or failure to return the securities. In particular, due to financial losses incurred by the securities borrower, it may not be able to meet its obligations to the sub-fund in this regard (default risk). To the extent that the securities borrower provides collateral to the sub-fund in connection with the securities lending transaction, such collateral is subject to collateral risk. Furthermore, operational risks may arise, such as incorrect bookings or errors in the delivery of the securities lent. If the securities borrower continues to use the securities lent, these are also subject to the risk that they cannot be acquired by the securities borrower on the market upon termination of the securities lending transaction and accordingly cannot be returned.

**Results of the assessment of potential impacts of sustainability risks on returns:**

After assessing the impact of sustainability risks at the level of individual investments, it has been determined that, overall, there is a risk of a significant negative impact on the sub-fund's returns. In particular, due to the possible composition of the portfolio and the absence of an ESG strategy, a potential impact of sustainability risks on the overall portfolio cannot be ruled out.

**b) General risks**

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

**I2. Costs payable by the sub-fund**

An overview of the costs payable by the sub-fund is provided in the table "Master data and information on the sub-fund and its unit classes" from lit. A2 of this Annex A "Sub-funds at a glance".

**J2. Performance fee**

No performance fee is levied for the sub-fund.

Schaan/Vaduz, December 18, 2025

**The management company:**

IFM Independent Fund Management Aktiengesellschaft, Schaan

**The depositary:**

LGT Bank AG, Vaduz

## Sub-fund 3: HOW Absolute Return Fund

### A3. The sub-fund at a glance

Master data and information on the sub-fund and its unit classes		
	Unit classes of the sub-fund	
unit classes <sup>22</sup>	EUR-I	CHF-I
ISIN number	LI1278249639	LI1278249647
Security number	127.824.963	127.824.964
Suitable as a UCITS target fund	Yes	Yes
SDFR classification	Artikel 6	
Duration of sub-fund	Unlimited	
Listed	No	
Accounting currency of the sub-fund	Euro (EUR)	
Reference currency of the unit classes	Euro (EUR)	Schweizer Franken (CHF)
Minimum investment	EUR 10'000.--	CHF 10'000.--
Initial issue price	EUR 100.--	CHF 100.--
First subscription day	18.07.2023	18.07.2023
Payment	20.07.2023	20.07.2023
Valuation day <sup>23</sup> (T)	Monday through Friday	
Valuation interval	Daily	
Issue and redemption day <sup>24</sup>	Every valuation day	
Value date issue and redemption day (T+2)	Two bank business days after calculation the net asset value (NAV)	
Acceptance deadline for unit transactions (T-1)	the banking day preceding the valuation day by no later than 4 p.m. (CET)	
Denomination	Three decimal places	
Rounding <sup>25</sup>	EUR 0.01	CHF 0.01
Securitization	On the books / no certificates issued	
Close of accounting year	On December 31	
End of first financial year	31. Dezember 2023	
Use of proceeds	Reinvested	

<sup>22</sup> The currency risks of the unit class issued in EUR and in CHF can be hedged in whole or in part.

<sup>23</sup> If the valuation day should coincide with a bank holiday in Liechtenstein, the valuation day shall be rescheduled to the next following banking business day in Liechtenstein.

<sup>24</sup> The issue and redemption day is skipped on December 31. This valuation day is the closing day of the investment company's annual report.

<sup>25</sup> Rounding of the NAV per share upon the issue and redemption of shares

Costs borne by the investors		
unit classes	Unit classes of the sub-fund	
	EUR-I	CHF-I
Max. issue premium <sup>26</sup>	None	None
Redemption charge in favor of the sub-fund <sup>27</sup>	None	None
Exchange fee for switching from unit class to another unit class	None	None

Costs payable with the assets of the sub-fund <sup>28,29,30</sup>		
unit classes	Unit classes of the sub-fund	
	EUR-I	CHF-I
Max. charge for investment decision, risk management, and distribution <sup>24,31</sup>	1.25% p.a.	1.25% p.a.
Performance fee	15%	15%
Hurdle Rate	No	No
High-on-High Mark	Yes	Yes
Max. administration fee <sup>24</sup>	0.20% p.a. oder min. CHF 40,000.– p.a. plus CHF 5,000 p.a. per unit class from the 2 <sup>nd</sup> unit class	
Max. depositary fee <sup>24</sup>	0.115% p.a. oder min. CHF 20'000.–p.a.	
Basis: launch date	20.07.2023	20.07.2023

Use of benchmarks		
unit classes	Unit class of the sub-fund	
	EUR-I	CHF-I
Benchmark	The sub-fund does not use a benchmark.	

### B3. Delegation of functions

#### a) Asset manager

Als Asset Manager für diesen Teilfonds fungiert die House of Wealth SA, Piazza Colombaro 6, CH-6952 Canobbio.

#### b) Distributor

The distribution of units of the sub-fund has not been delegated.

### C3. Investment consultant

No investment consultant was appointed.

### D3. Depositary

The depositary function for this sub-fund and investment company has been entrusted to LGT Bank AG, Herrengasse 12, FL-9490 Vaduz.

<sup>26</sup> The commissions and charges actually levied are published in the (semi-annual and) annual reports.

<sup>27</sup> The management company or investment company may, if deemed necessary and appropriate for the protection of unitholders, apply a 'redemption discount' in favour of the UCITS or sub-fund in accordance with section 9.7 of the prospectus or letter F3 of this appendix as a liquidity management tool (LMT) to manage liquidity risk in the event of redemptions.

<sup>28</sup> Plus taxes as well as other costs and charges: Transaction costs as well as expenses incurred by the management company and the depositary in the fulfillment of their functions. Details are provided in the prospectus in sections 11 (Taxation) and 12.2 (Costs and charges borne by the sub-fund).

<sup>29</sup> In the event of a dissolution of the sub-fund, the management company may levy a liquidation fee of up to CHF 10,000 in its favor.

<sup>30</sup> In accordance with § 38 of the Investment Conditions, pursuant to Art. 24 (2) of Delegated Regulation (EU) No. 231/2013, it is hereby disclosed that third-party payments may be granted in connection with this sub-fund. These do not result in any additional costs for the sub-fund, but are calculated as a percentage of the above-mentioned fee rates

<sup>31</sup> plus any applicable VAT.

### E3. Auditors

The auditor for the sub-fund is Ernst & Young AG, Schanzenstrasse 4a, CH-3008 Bern.

### F3. Investment principles and risk regulations of the sub-fund

The following provisions govern the sub-fund-specific investment principles and risk regulations of the **HOW Absolute Return Fund**

Investment principles and risk regulations of the sub-fund in brief	
<b>Non permissible investments</b>	See section 7.2 of the prospectus.
<b>Investments in other UCITS</b>	The sub-fund may invest a maximum of 10% of its assets in units of other UCITS or other collective investment undertakings comparable to UCITS. These other collective investment undertakings may, according to their prospectus or constituent documents, invest a maximum of 10% of their assets in units of another UCITS or another comparable collective investment undertaking.
<b>Special permission for investment in securities issued by government entities</b>	No
<b>Securities lending</b>	In order to reduce the costs of managing the sub-fund's assets, the sub-fund is also permitted to engage in securities lending transactions. The maximum proportion of securities that may be lent in such transactions is 30% of the sub-fund's assets. The premiums (commissions) received for this represent an additional performance component and thus improve the sub-fund's performance. The total income from securities lending transactions is divided between the sub-fund and the custodian (securities lending agent). The types of assets used in this context are the securities held in the sub-fund's assets. The actual proportion of the sub-fund's assets that is subject to securities lending transactions is disclosed in the respective half-yearly and annual reports.
<b>Securities repurchase agreements (repurchase and reverse repurchase agreements)</b>	The sub-fund may not enter into securities repurchase agreements.
<b>Total Return Swaps</b>	Yes, the sub-fund may enter into total return swaps.
<b>Derivative risk (Leverage)</b>	<p>The investment company or management company uses absolute value at risk (VaR) to measure risk. It must ensure that the total risk of the portfolio does not exceed an absolute VaR of 20% at any time and, in particular, that no positions are entered into that represent an unlimited risk to the assets. The VaR method used by the management company is based on a confidence interval of 99%, an observation period of 20 trading days and a historical observation period of at least one year (250 business days).</p> <p>The investment company or management company expects that the leverage effect of the sub-fund resulting from the use of derivatives will generally be less than 3 on the basis of the commitment approach.</p>
<b>Borrowing</b>	Yes, at most 10% (see section 7.4.2)
<b>Overall risk</b>	The sub-fund's portfolio may not exceed an absolute VaR of 20% and, in particular, no positions may be entered into that represent an unlimited risk for the sub-fund's assets.
<b>Derivative financial instruments</b>	For efficient management, the management company may use derivative financial instruments on securities, share and bond indices, volatilities, currencies and exchange-traded funds, as well as forward exchange transactions and swaps, provided that such transactions do not deviate from the investment objective of the UCITS and comply with the 'General Investment Principles and Restrictions' in accordance with Section E of the Investment Conditions.

<b>Short selling</b>	Uncovered short selling is not permitted (see section 7.2.3).
<b>Risk management procedures</b>	Value at Risk (VaR)
<b>Liquidity management instruments (LMT)</b>	<p>The management company or investment company shall use the following liquidity management instruments to manage liquidity risk in the event of redemptions, provided this is deemed necessary and appropriate for the protection of unitholders:</p> <p><b>Redemption discount</b> The management company or investment company may, if deemed necessary and appropriate for the protection of unitholders, use a 'redemption discount' in favour of the UCITS or sub-fund in a range of 0% to 1% as a liquidity management tool (LMT) to manage liquidity risk in the event of redemptions.</p> <p><b>Redemption Gate</b> If redemption requests would result in a cash outflow of more than 10% of the total net assets of the UCITS or sub-fund on the relevant redemption date, the redemption gate may be activated; in such a case, not all redemption requests will be executed in full. Under these circumstances, the management company will decide to execute these redemption requests on a pro rata basis and to postpone the unexecuted redemption requests from the redemption date to the next redemption date. Should this measure be necessary, a corresponding notice to investors regarding the activation (and subsequent deactivation) and the modalities will be published in the UCITS' publication medium.</p> <p><b>Suspension of the calculation of the net asset value and the issue, redemption and conversion of units</b> The management company or investment company may temporarily suspend the calculation of the net asset value and/or the issue, redemption and conversion of units of the UCITS or sub-fund in special circumstances, provided that this is justified in the best interests of investors.</p> <p><b>Separation of assets ("side pockets")</b> The management company is entitled to form "side pockets" in accordance with the applicable legal provisions and with the prior consent of the Liechtenstein Financial Market Authority (FMA). Side pockets serve to manage separately assets that have become illiquid or difficult to value due to exceptional market conditions or special circumstances. The separation of these assets into a newly established sub-fund is intended to ensure that the ordinary liquidity and valuation of the remaining fund assets is not impaired. Side pockets may only be created if this is in the best interests of investors and if equal treatment of all investors is guaranteed. Investors will be informed immediately of the creation of a side pocket once approval has been granted by the FMA.</p>
<b>Sustainability-related disclosures (Art. 6 FMT)</b>	The investments underlying this sub-fund (financial product) do not take into account the EU criteria for environmentally sustainable economic activities.
<b>Consideration of Principle Adverse Impacts (PAI)</b>	As this financial product does not constitute a product within the meaning of Article 8 or Article 9 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, no adverse impacts of investment decisions on sustainability factors (known as "principle adverse impacts") are taken into account in the investment decision-making process.
<b>Impact of sustainability risks on returns</b>	Information on the impact of sustainability risks on returns can be found in Chapter H3. Letter a. 'Sub-fund-specific risks'.
<b>Compliance with the investment objective</b>	No later than 6 months after the sub-fund has been liquidated

a) **Investment objective and policy**

The investment objective of the **HOW Absolute Return Fund** is mainly to achieve a positive absolute return over the medium term through capital growth, investing on the principle of risk spreading in securities and other investments as described below. The sub-fund is actively managed without reference to a benchmark. The performance of the sub-fund is not linked to any reference index and the sub-fund can therefore make its investment decisions independently of this index. To the extent that no deviating investment principles are specified for the subfund in lit. F3 of this Appendix, subparagraph E of the Terms and Conditions of Investment "General Investment Principles and Restrictions" shall apply. **No guarantee can be given that the investment objective will be achieved.**

In order to achieve its investment objective, the **HOW Absolute Return Fund** mainly invests **in European and American equity securities and rights** (shares, shares with warrants, etc.) as well as in **fixed- or variable-interest debt securities and debt securities** (bonds, annuities, notes, zero bonds, floating rate notes, convertible bonds and bonds with warrants, debt securities, etc.) and/or in **money market instruments** of issuers **worldwide**. The sub-fund may also invest its assets in deposits, in particular in time deposits with first-class banks, and may also hold cash and cash equivalents.

The weighting of the individual asset classes depends on the asset manager's assessment of the economic situation and the outlook for the stock market, with no restrictions other than those set out in the investment limits.

To implement the investment policy, the asset manager combines a top-down approach with the assessment of individual companies (stock picking). The former implies an assessment of the macroeconomic context and focuses on the sectors best suited for investment. The latter aims to identify companies with solid fundamentals and superior quality metrics (high cash flow yield, steady revenues, stable and sustainable earnings growth, high margins, and an excellent track record of operational excellence) with positive long-term structural prospects that drive medium- and long-term share price performance.

For the core part of the equity portfolio, the asset manager invests in a core equity portfolio of European and American companies in order to be more efficient in hedging long positions. In the satellite portfolio, the asset manager invests in companies that either underperform or are in a niche market but have strong growth potential.

The short part of the portfolio is mainly entered into by means of the use of derivative financial instruments, which from an economic point of view correspond to short sales (synthetic short sales, short positions).

The sub-fund may be net long, net short or market neutral. The equity exposure may vary depending on the market situation. In addition, when selecting companies, investments are not made according to a fixed country key. The geographical and sector weighting is based on the quantitative and fundamental analysis of the individual markets and companies.

In periods where no investment corresponds to the selection criteria of the strategy, the sub-fund may hold all of its assets in cash and/or fixed income.

The sub-fund is not subject to any restrictions regarding currency allocations. The share of the sub-fund's assets not invested in EUR-denominated securities will vary depending on the market situation. To minimize the currency translation risk, assets not denominated in the sub-fund's accounting currency can be temporarily or permanently hedged. The currency risks of the unit classes denominated in "CHF" may

be fully or partially hedged; this can have a negative impact on the NAV of the unit class denominated in "EUR". The costs of currency hedges in the CHF unit classes, if any, are assigned to the respective unit class.

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

**The sub-fund-specific risks listed in lit. H3 of this annex and the general risks listed in section 8.2 of the prospectus must be observed.**

**b) Accounting and reference currency**

The accounting currency of the sub-fund as well as the reference currency for each unit class are stated in lit. A3 of this Annex "Sub-funds at a glance".

The accounting currency is the currency in which the sub-fund keeps its books. The reference currency is the currency used to calculate the performance and the net asset value of the respective unit class of the sub-fund and not the investment currency of the respective unit class of the sub-fund. Investments are made in the currencies optimally suited to the performance of the sub-fund.

**c) Profile of a typical investor**

The **HOW Absolute Return Fund** is suitable for investors with a medium to long-term investment horizon who wish to invest in a portfolio of European and American equity securities in order to achieve a positive absolute return in the medium term.

### **G3. Valuation**

The valuation process is handled by the management company.

### **H3. Risks and risk profiles of the sub-fund**

**a) Sub-fund-specific risks**

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

Due to the fact that the assets of the **HOW Absolute Return 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.

It must be explicitly pointed out that for the sub-fund, equities and equity-like securities as well as derivative instruments are both purchased (long positions) and positions are entered into by means of the use of derivative financial instruments which, from an economic point of view, correspond to short sales (synthetic short sales, short positions). The use of derivative financial instruments that are not used for hedging purposes may result in increased risks

Due to the execution of over-the-counter transactions (OTC transactions), the Sub-Fund may be exposed to risks related to the creditworthiness of the OTC counterparties: when entering into futures contracts, options and swap transactions or using other derivative techniques, the Sub-Fund is subject to the risk that an OTC counterparty may not (or may not) perform its obligations under a particular contract or contracts.

The management company uses a basic model to calculate the risks associated with the investment instruments, especially with respect to derivative financial instruments, and uses for this purpose generally established calculation methods. The management company shall use the **absolute Value at Risk (VaR)** for risk measurement purposes. It is obliged to ensure that the total risk of the portfolio at no time exceeds an **absolute VaR amounting to 20%**, and that in particular no positions are acquired that constitute an unlimited risk to the assets. The VaR method applied by the management company is based on a **confidence interval of 99%**, an **observation period of 20 trading days and a historic observation time frame of at least one year (250 trading days)**.

The management company expects that the **leverage** of the UCITS resulting from the use of derivatives will generally be **below 3** on the basis of the commitment approach.

If the sub-fund engages in securities lending transactions, these are subject to the risks of default or failure to return the securities. In particular, due to financial losses incurred by the securities borrower, it may not be able to meet its obligations to the sub-fund in this regard (default risk). To the extent that the securities borrower provides collateral to the sub-fund in connection with the securities lending transaction, such collateral is subject to collateral risk. Furthermore, operational risks may arise, such as incorrect bookings or errors in the delivery of the securities lent. If the securities borrower continues to use the securities lent, these are also subject to the risk that they cannot be acquired by the securities borrower on the market upon termination of the securities lending transaction and accordingly cannot be returned.

**Results of the assessment of potential impacts of sustainability risks on returns:**

After assessing the impact of sustainability risks at the level of individual investments, it has been determined that, overall, there is a risk of a significant negative impact on the sub-fund's returns. In particular, due to the possible composition of the portfolio and the absence of an ESG strategy, a potential impact of sustainability risks on the overall portfolio cannot be ruled out.

**b) General risks**

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

**I3. Costs payable by the sub-fund**

An overview of the costs payable by the sub-fund is provided in the table "Master data and information on the sub-fund and its unit classes" from lit. A3 of this Annex A "Sub-funds at a glance".

**J3. Performance Fee**

Furthermore, the management company is entitled to receive a performance-linked remuneration (performance fee) pursuant to Annex A "Sub-funds at a glance" on the unit value gain adjusted for dividends or capital measures, if any, in the respective unit class. The High-on-High (HoH)-model is used to calculate the performance fee as follows:

A performance fee, if any, shall be determined on each valuation day on the basis of the number of outstanding units of the respective unit class and deferred, provided the unit price in the respective unit class exceeds the High-on-High Mark. The performance fee is calculated on the net asset value per share after deduction of all costs and fees but before deduction of the performance-related fee accrued up to the calculation date.

Based on the result of the daily valuations, each calculated performance fee is deferred per issued unit within the sub-fund or deferrals already formed are reversed accordingly. Reversals of deferrals are credited to the sub-fund's assets.

The crystallization (reference) period for the calculation of the performance fee is one business year. Crystallization (payout) defines the point in time from which the deferred performance fee is irrevocably owed to the asset manager. Additionally, a deferred performance fee is deemed owed if unit redemptions occur before the end of the business year. The performance fee owed due to unit redemptions is calculated pro rata based on unit redemptions. A performance fee, if any, for the respective unit class is paid out at the end of a business year (crystallization point) in retrospect.

The High-on-High Mark principle applied in the performance fee model means that the NAV per unit must have attained a new high in the period since the last recent crystallization (end of each business year) to allow a performance fee to be deferred and/or paid out. The High-on-High Mark of the respective unit class will be adjusted after each crystallization of a performance fee.

A schematic calculation example is provided in section K3 "Sub-funds at a glance".

Schaan/Vaduz, December 18, 2025

**The management company:**

IFM Independent Fund Management Aktiengesellschaft, Schaan

**The depositary:**

LGT Bank AG, Vaduz

### K3. Calculation example for the performance fee

The following examples schematically explain the calculation of the performance fee at the level of the respective unit class:

Performance-Fee	15%
Hurdle Rate	0%
Updating hurdle rate	No
High-on-High-Mark	Yes
Calculation of performance fee	with each NAV calculation at the end of each fiscal year
Payout frequency calculation model	High-on-High (HoH)-Model

Bewertungstag	NAV Start	High-on- High-Mark	NAV before Perf.-Fee <sup>32</sup>	Perf.-Fee	cum. Perf.-Fee	NAV after Perf.-Fee
<b>Year 1</b>						
day 1	100.00	100.00	105.00	0.75	0.75	104.25
day 2	104.25	100.00	110.50	0.83	1.58	108.93
day 3	108.93	100.00	113.75	0.49	2.06	111.69
day 4	111.69	100.00	112.50	-0.19	1.88	110.63
day 5	110.63	100.00	112.25	-0.04	1.84	110.41
day 365	110.41	100.00	114.25	0.30	<b>2.14</b>	<b>112.11</b>
<b>Year 2</b>						
day 1	112.11	114.25	114.00	0.00	0.00	114.00
day 2	114.00	114.25	113.75	0.00	0.00	113.75
day 3	113.75	114.25	111.50	0.00	0.00	111.50
day 4	111.50	114.25	108.00	0.00	0.00	108.00
day 5	108.00	114.25	105.00	0.00	0.00	105.00
day 365	105.00	114.25	103.00	0.00	<b>0.00</b>	<b>103.00</b>
<b>Jahr 3</b>						
day 1	103.00	114.25	113.00	0.00	0.00	113.00
day 2	113.00	114.25	115.00	0.11	0.11	114.89
day 3	114.89	114.25	122.00	1.05	1.16	120.84
day 4	120.84	114.25	124.00	0.30	1.46	122.54
day 5	122.54	114.25	121.00	-0.45	1.01	119.99
day 365	119.99	114.25	119.00	-0.30	<b>0.71</b>	<b>118.29</b>
<b>Year 4</b>						
day 1	118.29	119.00	121.38	0.36	0.36	121.02

In **year 1**, a performance fee was levied because the net asset value of the respective unit class at the end of the year was higher than at the beginning of the year. The performance fee is calculated and deferred on every valuation day. The performance fee of the respective unit class deferred in the course of the year was partially reversed again due to the decline of the net asset value of the respective unit class.

In **year 2**, no performance fee was charged because the High-on-High Mark principle was applied. A performance fee, if any, shall only be charged when the value per unit of the respective unit class after deduction of all costs exceeds the High-on-High Mark.

In **year 3**, a performance fee was levied because the net asset value of the respective unit class exceeded the High-on-High Mark. Thereby, the performance fee was partially reversed again due to the decline of the net asset value of the respective unit class.

The crystallization period for the calculation of the performance fee is one business year. A performance fee, if any, for the respective unit class is paid out at the end of a business year (crystallization point) in retrospect. Additionally, a deferred performance fee is deemed owed if unit redemptions occur before the end of the business year.

**It should be noted that a performance fee may be levied on non-realized gains although the non-realized gains may never be realized subsequently.**

<sup>32</sup> The performance fee is calculated on the net asset value per share after deduction of all costs and fees but before deduction of the performance-related fee accrued up to the calculation date.

## Sub-fund 4: HOW Made of Switzerland Fund

### A4. The sub-fund at a glance

Master data and information on the sub-fund and its unit classes	
	Unit classes of the sub-fund
unit classes	CHF-I
ISIN number	LI1342555136
Security number	134.255.513
Suitable as a UCITS target fund	Yes
SDFR classification	Artikel 6
Duration of sub-fund	Unlimited
Listed	No
Accounting currency of the sub-fund	Swiss Franc (CHF)
Reference currency of the unit classes	Swiss Franc (CHF)
Minimum investment	CHF 10'000.--
Initial issue price	CHF 100.--
First subscription day	13.05.2024
Payment	15.05.2024
Valuation day <sup>33</sup> (T)	Monday through Friday
Valuation interval	Daily
Issue and redemption day <sup>34</sup>	Every valuation day
Value date issue and redemption day (T+2)	Two bank business days after calculation the net asset value (NAV)
Acceptance deadline for unit transactions (T-1)	the banking day preceding the valuation day by no later than 4 p.m. (CET)
Denomination	Three decimal places
Rounding <sup>35</sup>	CHF 0.01
Securitization	On the books / no certificates issued
Close of accounting year	On December 31
End of first financial year	31. Dezember 2024
Use of proceeds	Reinvested

<sup>33</sup> If the valuation day should coincide with a bank holiday in Liechtenstein, the valuation day shall be rescheduled to the next following banking business day in Liechtenstein.

<sup>34</sup> The issue and redemption day is skipped on December 31. This valuation day is the closing day of the investment company's annual report.

<sup>35</sup> Rounding of the NAV per share upon the issue and redemption of shares

Costs borne by the investors	
	Unit classes of the sub-fund
unit classes	CHF-I
Max. issue premium <sup>36</sup>	None
Redemption charge in favor of the sub-fund <sup>37</sup>	None
Exchange fee for switching from unit class to another unit class	None

Costs payable with the assets of the sub-fund <sup>38,39,40</sup>	
	Unit classes of the sub-fund
unit classes	CHF-I
Max. charge for investment decision, risk management, and distribution <sup>32,41</sup>	1.25% p.a.
Performance fee	15%
Hurdle Rate	No
High-on-High Mark	Yes
Max. administration fee <sup>32</sup>	0.20% p.a. oder min. CHF 40,000.-- p.a. plus CHF 5,000 p.a. per unit class from the 2 <sup>nd</sup> unit class
Max. depositary fee <sup>32</sup>	0.09% p.a. oder min. CHF 15'000.—p.a.
Basis: launch date	15.05.2024

Use of benchmarks	
	Unit class of the sub-fund
unit classes	CHF-I
Benchmark	The sub-fund does not use a benchmark.

## B4. Delegation of functions

### a) Asset manager

Als Asset Manager für diesen Teilfonds fungiert die House of Wealth SA, Piazza Colombaro 6, CH-6952 Canobbio.

### b) Distributor

The distribution of units of the sub-fund has not been delegated.

## C4. Investment consultant

No investment consultant was appointed.

## D4. Depositary

The depositary function for this sub-fund and investment company has been entrusted to LGT Bank AG, Herrengasse 12, FL-9490 Vaduz.

<sup>36</sup> The commissions and charges actually levied are published in the (semi-annual and) annual reports.

<sup>37</sup> The management company or investment company may, if deemed necessary and appropriate for the protection of unitholders, apply a 'redemption discount' in favour of the UCITS or sub-fund in accordance with section 9.7 of the prospectus or letter F4 of this appendix as a liquidity management tool (LMT) to manage liquidity risk in the event of redemptions.

<sup>38</sup> Plus taxes as well as other costs and charges: Transaction costs as well as expenses incurred by the management company and the depositary in the fulfillment of their functions. Details are provided in the prospectus in sections 11 (Taxation) and 12.2 (Costs and charges borne by the sub-fund).

<sup>39</sup> In the event of a dissolution of the sub-fund, the management company may levy a liquidation fee of up to CHF 10,000 in its favor.

<sup>40</sup> In accordance with § 38 of the Investment Conditions, pursuant to Art. 24 (2) of Delegated Regulation (EU) No. 231/2013, it is hereby disclosed that third-party payments may be granted in connection with this sub-fund. These do not result in any additional costs for the sub-fund, but are calculated as a percentage of the above-mentioned fee rates

<sup>41</sup> plus any applicable VAT.

## E4. Auditors

The auditor for the sub-fund is Ernst & Young AG, Schanzenstrasse 4a, CH-3008 Bern.

## F4. Investment principles and risk regulations of the sub-fund

The following provisions govern the sub-fund-specific investment principles and risk regulations of the **HOW Made of Switzerland**.

Investment principles and risk regulations of the sub-fund in brief	
Non permissible investments	See section 7.2 of the prospectus.
Investments in other UCITS	The sub-fund may invest a maximum of 10% of its assets in units of other UCITS or other collective investment undertakings comparable to UCITS. These other collective investment undertakings may, according to their prospectus or constituent documents, invest a maximum of 10% of their assets in units of another UCITS or another comparable collective investment undertaking
Special permission for investment in securities issued by government entities	No
Securities lending	The sub-fund may not engage in securities lending transactions.
Securities repurchase agreements (repurchase and reverse repurchase agreements)	The sub-fund may not enter into securities repurchase agreements.
Total Return Swaps	The sub-fund may not enter into total return swaps.
Derivative risk (Leverage)	The use of derivative financial instruments that are not used for hedging purposes may result in increased risks. The risk associated with derivative financial instruments may not exceed 100% of the net fund assets. The total risk may not exceed 200% of the net fund assets. In the case of borrowing permitted under UCITS, the total risk may not exceed 210% of the net fund assets. The management company uses the commitment approach as a recognised calculation method for risk management purposes.
Borrowing	Yes, at most 10% (see section 7.4.2)
Overall risk	In the case of borrowing permitted under UCITSG, the total risk may not exceed 210% of the net fund assets.
Derivative financial instruments	For efficient management, the management company may use derivative financial instruments on securities, equity and bond indices, volatilities, currencies and exchange-traded funds, as well as forward exchange transactions and swaps, provided that such transactions do not deviate from the sub-fund's investment objective and comply with the 'General Investment Principles and Restrictions' set out in section E of the Investment Conditions.
Short selling	Uncovered short selling is not permitted (see section 7.2.3).
Risk management procedures	Commitment Ansatz
Liquidity management instruments (LMT)	<p>The management company or investment company shall use the following liquidity management instruments to manage liquidity risk in the event of redemptions, provided this is deemed necessary and appropriate for the protection of unitholders:</p> <p><b>Redemption discount</b></p> <p>The management company or investment company may, if deemed necessary and appropriate for the protection of unitholders, use a 'redemption discount' in favour of the UCITS or sub-fund in a range of 0% to 1% as a liquidity management tool (LMT) to manage liquidity risk in the event of redemptions.</p>

	<p><b>Redemption Gate</b> If redemption requests would result in a cash outflow of more than 10% of the total net assets of the UCITS or sub-fund on the relevant redemption date, the redemption gate may be activated; in such a case, not all redemption requests will be executed in full. Under these circumstances, the management company will decide to execute these redemption requests on a pro rata basis and to postpone the unexecuted redemption requests from the redemption date to the next redemption date. Should this measure be necessary, a corresponding notice to investors regarding the activation (and subsequent deactivation) and the modalities will be published in the UCITS' publication medium.</p> <p><b>Suspension of the calculation of the net asset value and the issue, redemption and conversion of units</b> The management company or investment company may temporarily suspend the calculation of the net asset value and/or the issue, redemption and conversion of units of the UCITS or sub-fund in special circumstances, provided that this is justified in the best interests of investors.</p> <p><b>Separation of assets ("side pockets")</b> The management company is entitled to form "side pockets" in accordance with the applicable legal provisions and with the prior consent of the Liechtenstein Financial Market Authority (FMA). Side pockets serve to manage separately assets that have become illiquid or difficult to value due to exceptional market conditions or special circumstances. The separation of these assets into a newly established sub-fund is intended to ensure that the ordinary liquidity and valuation of the remaining fund assets is not impaired. Side pockets may only be created if this is in the best interests of investors and if equal treatment of all investors is guaranteed. Investors will be informed immediately of the creation of a side pocket once approval has been granted by the FMA.</p>
<b>Sustainability-related disclosures (Art. 6 Funds)</b>	The investments underlying this sub-fund (financial product) do not take into account the EU criteria for environmentally sustainable economic activities.
<b>Consideration of Principle Adverse Impacts (PAI)</b>	As this financial product does not constitute a product within the meaning of Article 8 or Article 9 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, no adverse impacts of investment decisions on sustainability factors (known as "principle adverse impacts") are taken into account in the investment decision-making process.
<b>Impact of sustainability risks on returns</b>	Information on the impact of sustainability risks on returns can be found in Chapter H4. Letter a. 'Sub-fund-specific risks'.
<b>Compliance with the investment objective</b>	No later than 6 months after the sub-fund has been liquidated

**a) Investment objective and policy**

The investment objective of the **HOW Made of Switzerland Fund** is mainly to achieve long-term above-average capital gains through investments made on the principle of diversification of risk in securities and other instruments as described below. It is a sub-fund that is actively managed without referencing a benchmark. The performance of the sub-fund is not coupled with any reference index, so it can make its investment decisions independently of such indices. To the extent that no contradictory investment principles are specified for the sub-fund in lit. F4 of this annex, section E of the "General investment principles and restrictions" of the investment regulations shall apply. **No guarantee can be given that the investment objective will be achieved.**

To achieve its investment objective, the **HOW Made of Switzerland Fund** invests its assets **predominantly (at least 51%) in equity securities and equity rights** (stocks, cooperative shares, participation certificates, preference shares, shares with warrants, etc.) of **Swiss companies**.

In the stock-picking process, the focus of the considerations is on value preservation, growth, and/or earnings. The selection of investments is based on traditional analyses. Hereby, the focus is, for example, on the fundamental bottom-up analysis of individual instruments, the technical analysis of price trends, and the financial situation of the individual issuers. When selecting instruments, the sub-fund is not subject to limitations with respect to business sectors or market capitalization. Thus, as regards market capitalization, the UCITS is entitled to invest in small caps, mid caps, and blue chips (large internationally known companies).

The sub-fund may also invest up to 49% of its assets in fixed and/or variable-interest debt securities and debt rights (corporate and government bonds) **of Swiss issuers**, money market instruments, and/or demand deposits or callable deposits which are denominated in Swiss Francs. In exceptional circumstances, demand deposits or callable deposits may temporarily exceed 49% of the assets if deemed necessary in the interest of shareholders.

The sub-fund exclusively makes investments in Swiss Francs.

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

**The sub-fund-specific risks listed in lit. H4 of this annex and the general risks listed in section 8.2 of the prospectus must be observed.**

**b) Accounting and reference currency**

The accounting currency of the sub-fund as well as the reference currency for each unit class are stated in lit. A4 of this Annex "Sub-funds at a glance".

The accounting currency is the currency in which the sub-fund keeps its books. The reference currency is the currency used to calculate the performance and the net asset value of the respective unit class of the sub-fund and not the investment currency of the respective unit class of the sub-fund. Investments are made in the currencies optimally suited to the performance of the sub-fund.

**c) Profile of a typical investor**

The **HOW Made of Switzerland** is suitable for investors with a medium to long-term investment horizon who wish to invest in a broadly diversified portfolio of Swiss equity securities and rights.

## **G4. Valuation**

The valuation process is handled by the management company.

## **H4. Risks and risk profiles of the sub-fund**

**a) Sub-fund-specific risks**

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

Due to the predominant investment of the assets of the **HOW Made of Switzerland Fund** in equity securities and equity rights, this type of investment carries market and issuer risks, which can have a negative impact on the net assets. In addition, other risks such as interest rate risk may arise.

Due to the possibility of investing in stocks of companies with low (Small Caps) and medium (Mid Caps) market capitalization, the sub-fund offers increased opportunities, but corresponding risks exist. It should be noted that in this market segment, price fluctuations (volatility) occur to a much greater extent than in other market segments familiar to investors. Furthermore, the liquidity of individual stocks may be affected during the buying and selling process due to temporarily low liquidity (limited number of freely tradable shares). The credit risk associated with a securities investment cannot be completely eliminated even with careful selection of securities.

The use of derivative financial instruments that do not serve as hedging instruments may result in increased risks. The risk associated with derivative financial instruments must not exceed 100% of the net assets of the fund. The total risk must not exceed 200% of the net assets of the fund. With borrowing permitted according to UCITS regulations, the total risk from all sources must not exceed 210% of the net assets of the fund. The management company employs the Commitment Approach as an accepted calculation method for risk management.

#### **Results of the assessment of potential impacts of sustainability risks on returns:**

After assessing the impact of sustainability risks at the level of individual investments, it has been determined that, overall, there is a risk of a significant negative impact on the sub-fund's returns. In particular, due to the possible composition of the portfolio and the absence of an ESG strategy, a potential impact of sustainability risks on the overall portfolio cannot be ruled out.

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

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

### **14. Costs payable by the sub-fund**

An overview of the costs payable by the sub-fund is provided in the table "Master data and information on the sub-fund and its unit classes" from lit. A4 of this Annex A "Sub-funds at a glance".

### **J4. Performance Fee**

Furthermore, the management company is entitled to receive a performance-linked remuneration (performance fee) pursuant to Annex A "Sub-funds at a glance" on the unit value gain adjusted for dividends or capital measures, if any, in the respective unit class. The High-on-High (HoH)-model is used to calculate the performance fee as follows:

A performance fee, if any, shall be determined on each valuation day on the basis of the number of outstanding units of the respective unit class and deferred, provided the unit price in the respective unit class exceeds the High-on-High Mark. The performance fee is calculated on the net asset value per share after deduction of all costs and fees but before deduction of the performance-related fee accrued up to the calculation date.

Based on the result of the daily valuations, each calculated performance fee is deferred per issued unit within the sub-fund or deferrals already formed are reversed accordingly. Reversals of deferrals are credited to the sub-fund's assets.

The crystallization (reference) period for the calculation of the performance fee is one business year. Crystallization (payout) defines the point in time from which the deferred performance fee is irrevocably owed to the asset manager. Additionally, a deferred performance fee is deemed owed if unit redemptions occur before the end of the business year. The performance fee owed due to unit redemptions is calculated pro rata based

on unit redemptions. A performance fee, if any, for the respective unit class is paid out at the end of a business year (crystallization point) in retrospect.

The High-on-High Mark principle applied in the performance fee model means that the NAV per unit must have attained a new high in the period since the last recent crystallization (end of each business year) to allow a performance fee to be deferred and/or paid out. The High-on-High Mark of the respective unit class will be adjusted after each crystallization of a performance fee.

A schematic calculation example is provided in section K4 "Sub-funds at a glance".

Schaan/Vaduz, December 18, 2025

**The management company:**

IFM Independent Fund Management Aktiengesellschaft, Schaan

**The depositary:**

LGT Bank AG, Vaduz

## K4. Calculation example for the performance fee

The following examples schematically explain the calculation of the performance fee at the level of the respective unit class:

Performance-Fee	15%
Hurdle Rate	0%
Updating hurdle rate	No
High-on-High-Mark	Yes
Calculation of performance fee	with each NAV calculation at the end of each fiscal year
Payout frequency calculation model	High-on-High (HoH)-Model

Bewertungstag	NAV Start	High-on- High-Mark	NAV before Perf.-Fee <sup>42</sup>	Perf.-Fee	cum. Perf.-Fee	NAV after Perf.-Fee
<b>Year 1</b>						
day 1	100.00	100.00	105.00	0.75	0.75	104.25
day 2	104.25	100.00	110.50	0.83	1.58	108.93
day 3	108.93	100.00	113.75	0.49	2.06	111.69
day 4	111.69	100.00	112.50	-0.19	1.88	110.63
day 5	110.63	100.00	112.25	-0.04	1.84	110.41
day 365	110.41	100.00	114.25	0.30	<b>2.14</b>	<b>112.11</b>
<b>Year 2</b>						
day 1	112.11	114.25	114.00	0.00	0.00	114.00
day 2	114.00	114.25	113.75	0.00	0.00	113.75
day 3	113.75	114.25	111.50	0.00	0.00	111.50
day 4	111.50	114.25	108.00	0.00	0.00	108.00
day 5	108.00	114.25	105.00	0.00	0.00	105.00
day 365	105.00	114.25	103.00	0.00	<b>0.00</b>	<b>103.00</b>
<b>Jahr 3</b>						
day 1	103.00	114.25	113.00	0.00	0.00	113.00
day 2	113.00	114.25	115.00	0.11	0.11	114.89
day 3	114.89	114.25	122.00	1.05	1.16	120.84
day 4	120.84	114.25	124.00	0.30	1.46	122.54
day 5	122.54	114.25	121.00	-0.45	1.01	119.99
day 365	119.99	114.25	119.00	-0.30	<b>0.71</b>	<b>118.29</b>
<b>Year 4</b>						
day 1	118.29	119.00	121.38	0.36	0.36	121.02

In **year 1**, a performance fee was levied because the net asset value of the respective unit class at the end of the year was higher than at the beginning of the year. The performance fee is calculated and deferred on every valuation day. The performance fee of the respective unit class deferred in the course of the year was partially reversed again due to the decline of the net asset value of the respective unit class.

In **year 2**, no performance fee was charged because the High-on-High Mark principle was applied. A performance fee, if any, shall only be charged when the value per unit of the respective unit class after deduction of all costs exceeds the High-on-High Mark.

In **year 3**, a performance fee was levied because the net asset value of the respective unit class exceeded the High-on-High Mark. Thereby, the performance fee was partially reversed again due to the decline of the net asset value of the respective unit class.

The crystallization period for the calculation of the performance fee is one business year. A performance fee, if any, for the respective unit class is paid out at the end of a business year (crystallization point) in retrospect. Additionally, a deferred performance fee is deemed owed if unit redemptions occur before the end of the business year.

**It should be noted that a performance fee may be levied on non-realized gains although the non-realized gains may never be realized subsequently.**

<sup>42</sup> The performance fee is calculated on the net asset value per share after deduction of all costs and fees but before deduction of the performance-related fee accrued up to the calculation date.

# Annex B: Specific information for individual countries of distribution

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## Information for qualified investors in Switzerland

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

### 1. Representative

The representative in Switzerland is LLB Swiss Investment AG, Bahnhofstrasse 74, CH-8001 Zurich.

### 2. Paying agent

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

### 3. Place of reference of the relevant documents

The prospectus, the articles of incorporation, the investment conditions, the key investor information documents (PRIIP-KIDs) or the basic information sheet as well as the annual and semi-annual reports can be obtained free of charge from the Swiss representative.

### 4. Payment of retrocessions and rebates

#### 4.1 Retrocessions

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

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

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

#### 4.2 Rebates

The management company and its agents may pay rebates directly to investors upon request for distribution in Switzerland. Discounts serve to reduce the fees and/or costs attributable to the investors concerned. Discounts are permissible if they are

- ◆ are paid out of fees of the management company and thus do not additionally burden the fund assets;
- ◆ are granted on the basis of objective criteria
- ◆ are granted to all investors who meet the objective criteria and request rebates, under the same time conditions and to the same extent.

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

- ◆ The volume subscribed by the investor or the total volume held by the investor in the collective investment scheme or, where applicable, in the pro-moter's product range;
- ◆ The amount of fees generated by the investor;
- ◆ the investment behavior practiced by the investor (e.g. expected investment period);

Upon request of the investor, the Management Company shall disclose the corresponding amount of the rebates free of charge.

### 5. Place of performance and jurisdiction

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

## Information for qualified investors in Italy

In Italy, the UCITS and its sub-funds are intended for distribution exclusively to **qualified investors**.

# Annex C: Regulatory disclosure

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## Conflicts of interest

The following conflicts of interest can occur within the UCITS:

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

- ◆ Interests of the management company and companies and persons closely affiliated with it
- ◆ Interests of the management company and its clients
- ◆ Interests of the management company and its investors
- ◆ Interests of different investors of the management company
- ◆ Interests of an investor and a fund
- ◆ Interests of two funds
- ◆ Interests of the management company's employees

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

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

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

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

## Handling of complaints

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

The management company's complaints policy as well as the procedure in dealing with the complaints of investors are described on the website of the management company at [www.ifm.li](http://www.ifm.li) and can be viewed there free of charge.

## Principles of voting policy at general meetings

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

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

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

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

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

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

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

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

## Best execution of trading decisions

When executing trading decisions for the portfolios entrusted to it, the management company shall act in the best interest of its managed funds.

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

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

The principles governing the execution of trading decisions (best execution policy) can be accessed on the website of the management company at [www.ifm.li](http://www.ifm.li).

## Remuneration principles and practices

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

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

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

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



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