

# UCITS V

## **Trust Agreement** Including the fund-specific Appendix

and

## **Prospectus**

9<sup>th</sup> December 2016

# CoCo Alpha Bond Fund

UCITS according to Liechtenstein law  
in the legal form of a trusteeship

(hereinafter referred to as “UCITS”)

(Single fund)

Management Company



FUND MANAGEMENT AG

Haus Atzig, Industriestrasse 2, FL-9487 Bendern, [www.caiac.li](http://www.caiac.li)

## Organization of the UCITS at a glance

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<b>Management Company:</b>	CAIAC Fund Management AG Haus Atzig, Industriestrasse 2, FL-9487 Bendern
<b>Board of Directors:</b>	Dr. Roland Müller Dr. Dietmar Loretz Gerhard Lehner
<b>Executive Board:</b>	Thomas Jahn Raimond Schuster
<b>Asset Manager:</b>	AIF Alternativ Invest Finance AG Giessenstrasse 2, FL-9491 Ruggell
<b>Custodian:</b>	Volksbank AG Feldkircherstrasse 2, FL-9494 Schaan
<b>Management Share Register:</b>	Volksbank AG Feldkircherstrasse 2, FL-9494 Schaan
<b>Sales Office:</b>	AIF Alternativ Invest Finance AG Giessenstrasse 2, FL-9491 Ruggell
<b>Auditor UCITS:</b>	ReviTrust Grant Thornton AG Bahnhofstrasse 15, FL-9494 Schaan
<b>Auditor Management Company</b>	ReviTrust Grant Thornton AG Bahnhofstrasse 15, FL-9494 Schaan
<b>Representatives and Distributors in Switzerland:</b>	ACOLIN Fund Services AG Affolternstrasse 56, CH-8050 Zürich
<b>Paying agent in Switzerland:</b>	Frankfurter Bankgesellschaft (Schweiz) AG Börsenstrasse 16, Postfach, CH-8022 Zürich
<b>Paying agent in Austria:</b>	Erste Bank der österreichischen Sparkassen AG Am Belvedere 1. A-1100 Wien
<b>Tax representative in Austria:</b>	BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft Kohlmarkt 8-10, A-1010 Wien
<b>Paying and information agent in Germany:</b>	DZ BANK AG Platz der Republik 60, D-60265 Frankfurt

## UCITS at a glance

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<b>Name of UCITS:</b>	CoCo Alpha Bond Fund
<b>Legal structure:</b>	UCITS in the legal form of a trusteeship (“collective trusteeship”) according to the law of June 28, 2011 regarding certain Undertakings for Collective Investment in Transferable Securities (UCITSG)
<b>Country of formation:</b>	Liechtenstein
<b>Date of formation of UCITS:</b>	3 <sup>rd</sup> July 2014
<b>Financial year:</b>	The financial year of UCITS begins on January 1 and ends on December 31.
<b>Invoice currency of the UCITS:</b>	EUR
<b>Responsible supervisory authority</b>	Finanzmarktaufsicht Liechtenstein (FMA, Financial Market Supervisory Authority); <a href="http://www.fma-li.li">www.fma-li.li</a>

## Information for investors/selling restrictions

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Acquisition of shares of the UCITS is done on the basis of the prospectus, the Trust Agreement and the Key Investor Information Document (the "KIID") – as well as the latest annual report and, if already published, the following mid-year report. Only the information contained in the prospectus and in particular in the Trust Agreement, including Appendix A, shall be valid. Upon acquisition of the shares, they shall be considered approved by the investor.

This prospectus does not represent any offer or any request for the subscription of shares of the UCITS by a person in a legal system, in which this type of offer or this type of request is illegal or in which the person who declares such an offer or such a request is not qualified to do so or if this occurs vis-à-vis someone for whom such a submission of offer or request is illegal. Information not contained in this prospectus and Trust Agreement or in documents accessible to the public shall not be considered authorized and is not reliable. Potential investors should find out about possible tax consequences, the legal requirements and possible foreign currency limitations or control regulations that apply in the countries of their nationality, their place of residence or their whereabouts and which may be meaningful for the subscription, holding, exchange, redemption or disposal of shares. Additional tax considerations are explained in Item 11 "Tax Provisions". Appendix B, "Specific Information for Individual Distributor Countries" contains information regarding sales in various countries. The shares of the UCITS are not approved for sale in all countries of the world. The provisions in the foreign country shall apply for the issuing, exchange and redemption of shares in that foreign country.

In the United States of America in particular, the shares were not registered according to the United States Securities Act of 1933 and may therefore not be offered or sold in the USA, nor to U.S. citizens. U.S. citizens are considered to be natural persons who

- a) Were born in the USA or one of its territories or sovereign territories,
- b) Are naturalized citizens (or Green Card holders),
- c) Were born in a foreign country as a child of a citizen of the USA,
- d) Without being a citizen of the USA, spend the majority of time in the USA,
- e) Are married to a citizen of the USA or
- f) Are liable for taxes in the USA.

Also considered to be U.S. citizens:

- a) Investment companies and corporate enterprises which were formed under the laws of one of the 50 U.S. states or the District of Columbia,
- b) An investment company or partnership, which was formed under an "Act of Congress",
- c) A pension fund that was formed as a U.S. Trust,
- d) An investment company that is taxable in the USA or
- e) Investment companies which, according to Regulation S of the US Securities Act of 1933 and/or the US Commodity Exchange Act, are classified as such.

In general, shares of the UCITS may not be offered in jurisdictions or to persons in which or vis-à-vis which this is not permitted.

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## Part I The Prospectus

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The issue and redemption of shares of a UCITS is conducted on the basis of the current valid Trust Agreement and Appendix A "Funds at a glance". This Trust Agreement shall be supplemented by the latest annual report. If the cut-off date of the annual report is more than eight months ago, the purchaser shall also be offered the mid-year report. In a timely manner before the purchase of shares, the investor shall be provided with the Key Investor Information Document, KIID at no charge.

No information or representations may be provided that differ from the contents of this Prospectus, the Trust Agreement, Appendix A "Funds at a glance" or the Essential Investor Information. The management company shall not be liable if and when information or statements are released that deviate from the current prospectus, Trust Agreement or the Key Investor Information Document.

The Prospectus and Trust Agreement, including Appendix A "Funds at a glance" are presented here in one document. The essential founding document of the Fund is the Trust Agreement including Appendix A "Funds at a glance". Only the Trust Agreement including the Special Provisions of the investment policy in Appendix A "Funds at a glance" are subject to legal scrutiny of the Financial Market Authority of Liechtenstein.

### 1 Sales documents

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The Prospectus, the Essential Investor Information (KIID), the Trust Agreement and Appendix A "Funds at a glance", as well as the most recent annual and half-year reports, provided they have already been published, are available for free from the management company, the custodian, at paying agents and from authorised distributors in this country and abroad, as well as on the website of LAFV, the Liechtenstein Investment Fund Association [www.lafv.li](http://www.lafv.li).

At the request of the investor, hard copies of the above mentioned documents shall also be provided at no charge. Further information on UCITS is available on the internet at [www.caiac.li](http://www.caiac.li) and from CAIAC Fund Management, Haus Atzig, Industriestrasse 2, FL-9487 Bendern, during business hours.

### 2 The Trust Agreement

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The Trust Agreement includes a general part as well as Appendix A "Funds at a glance". The Trust Agreement and Appendix A "Funds at a glance" are printed in full. The Trust Agreement and Appendix A "Funds at a glance" can at any time be partially or fully changed or amended by the management company. The Trust Agreement and Appendix A "Funds at a glance" require the prior consent of the FMA.

Any change to the Trust Agreement and Appendix A "Funds at a glance" is published on the official publication of UCITS and is then legally binding for all investors. The UCITS gazette is the website of LAFV Liechtensteinischer Anlagfondsverband (Liechtenstein investment trust) [www.lafv.li](http://www.lafv.li).

### 3 General information on the UCITS

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The investment trust CoCo Alpha Bond Fund (hereinafter UCITS) was established on 3<sup>rd</sup> July 2014 as an Undertaking for Collective Investment in Securities (UCITS) according to the laws of the Principality of Liechtenstein.

The Trust Agreement and Appendix A "Sub-funds at a glance" were approved on 18<sup>th</sup> May 2015 by the FMA and the UCITS was entered into the Liechtenstein public register on 8<sup>th</sup> July 2014 (FL-0002.481.384-6).

The Trust Agreement and Appendix A "Funds at a glance" first came into force on 3<sup>rd</sup> July 2014.

The UCITS is a legally dependent undertaking for collective investments in securities of the open type and is subject to the law of June 28, 2011 on Specific Undertakings for Collective Investment in Securities (hereinafter: UCITSG).

The UCITS has the legal form of a collective trusteeship. A collective trusteeship is the entering into a trusteeship of identical content with an undetermined number of investors for the purpose of productive investment and management for the account of the investors, with the individual investors participating in this trusteeship according to their share and only personally liable up to the amount invested.

The UCITS is a single fund.

Management of the UCITS consists primarily of investing the monies procured from the investing public for a joint account according to the principle of distribution of risk in securities and/or in other liquid financial assets in accordance with Art. 51 of the UCITSG. The UCITS forms a special fund for the benefit of its investors. In the event of dissolution and bankruptcy of the management company, the special fund shall not belong to the bankruptcy assets of the management company.

The assets in which the management company invests and the provisions they must observe are stipulated in the UCITSG, the Trust Agreement and Appendix A and Appendix A "Funds at a glance", which govern the legal relationships between the shareholders (henceforth 'investors'), the management company and the custodian. Unless otherwise stipulated in the UCITSG, the legal relationship between the investors and the management company shall follow the Trust Agreement and, if no regulations are provided there, according to the provisions of the Persons and Company Law (PGR) regarding the trusteeship. The Trust Agreement includes a general part (the Trust Agreement), as well as the Appendix A "Funds at a glance". The Trust Agreement and Appendix A "Funds at a glance" and any changes require consent from the Financial Market Authority (FMA) to become effective.

## **4 Further information on UCITS**

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Depending on the shares they have acquired, investors share in the assets of the UCITS.

The shares are not documented, but rather only managed in the books; e.g. no certificates were issued. A meeting of the investors is not envisaged. By Subscribing or acquiring shares, the investors recognise the Trust Agreement and Appendix A "Funds at a glance". Investors, heirs or other beneficiaries may not request a division or dissolution of the UCITS. Details of the UCITS are given in Appendix A "Funds at a glance".

On principle, all shares of the UCITS have the same rights, unless the Management Company decides to issue different share classes within the UCITS pursuant to Article 26 of the Trust Agreement.

The assets of the UCITS are only liable to third parties for liabilities entered into by the UCITS.

This Prospectus and Trust Agreement including Appendix A "Funds at a glance" applies to CoCo Alpha Bond Fund.

### **4.1 Term of the UCITS**

The term of the UCITS is stated in Appendix A "Funds at a glance".

### **4.2 Classes of shares**

The management company can decide to establish several share classes within the UCITS.

In accordance with Art. 23 of the Trust Agreement of the UCITS, classes of shares can be formed in the future, which differ from the existing classes of shares with respect to the appropriation of earnings, the issue surcharge, the reference currency and the use of currency hedging, the minimum investment amount and/or a combination of these characteristics. However, the rights of the investors who have purchased shares from existing classes of shares shall remain unaffected by this.

The share classes that are set up in connection with the UCITS, as well as those in connection with the shares of the fees arising from the UCITS are stated in Appendix A "Funds at a glance". Additional information on the classes of shares can be found in Item 9.2.

### **4.3 Past performance of the UCITS**

The past performance of the UCITS or share classes is shown on the website of LAFV, the Liechtenstein Investment Fund Association, [www.lafv.li](http://www.lafv.li), or in KIID. The previous performance of a share is no guarantee of current or future performance. The value of a share may rise or fall at any time.

## **5 Organization**

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### **5.1 Country of incorporation / Responsible supervisory authority**

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

### **5.2 Legal relationships**

The legal relationships between the investors and the management company shall follow the law of June 28, 2011 regarding specific Undertakings for Collective Investment in Transferable Securities (UCITSG) and the regulation of July 5, 2011 regarding specific Undertakings for Collective Investment in Transferable Securities (UCITSV) and, if no regulations are provided there, according to the provisions of the Persons and Company Law (PGR) regarding the trusteeship.

### **5.3 Management Company**

CAIAC Fund Management AG (hereinafter: management company), Haus Atzig, Industriestrasse 2, FL-9487 Bendern, Public Register Number FL-0002.227.513-0

CAIAC Fund Management AG was established on May 15, 2007 in the form of a corporation with registered office and headquarters in Bendern, Principality of Liechtenstein, for an unspecified period of time. On May 10, 2007, the government gave the management company approval to initiate business activities.

The share capital of the management company amounts to CHF 1,000,000 (in words: one million Swiss francs) and is 100% paid in.

The purpose of the management company consists of the management and sale of undertakings for collective investment according to Liechtenstein law.

The management company manages the UCITS for the account of the investors and in their exclusive interests according to the principle of risk spreading and in compliance with the provisions of the Trust Agreement and Appendix A "Funds at a glance".

The management company is equipped with the most extensive rights possible for carrying out all administrative and management-related activities in its name for the account of the investors. It shall be authorized in particular to purchase, sell, subscribe and exchange securities and other stocks/assets, as well as exercise all rights which are directly or indirectly associated with the assets of the UCITS.

CAIAC Fund Management AG is subject to the regulatory requirements applicable to management companies under the Act on undertakings for collective investment in transferable securities (UCITSG) with regard to the design of its remuneration principles and practices. The management company has regulated the detailed design in an internal directive on remuneration policies and practices, the aim of which is to ensure a sustainable remuneration system while avoiding misguided incentives to enter into excessive risks. The remuneration principles and practices of the management company are verified at least once a year by the members of the board of directors to ensure that they are appropriate and comply with all legal requirements. They comprise both fixed and variable (performance-related) remuneration elements.

The management company has established a remuneration policy which is consistent with its business and risk policies. In particular, no incentives are created to enter into excessive risks. The calculation of the performance-related remuneration incorporates the overall performance of the management company and/or the personal performance of the employee in question and their department. The main focus of the target achievement defined in the personal performance appraisal is placed primarily on a sustainable business performance and the protection of the company against excessive risks. The variable remuneration elements are not tied to the performance of the funds managed by the company. Voluntary non-cash benefits provided by the employer or benefit in kind are permitted.

Defining bandwidths for remuneration furthermore guarantees that there is no significant dependency on the variable remuneration, but that there is an appropriate relationship between the variable and the fixed remuneration. The amount of the fixed salary part is designed in such a way that an employee working full-time can make a living from the fixed component of the salary alone (when a salary in line with the market is considered). The members of the management board and the chairman of the board of directors have the right to make the final decision on the allocation of the variable remuneration. The chairman of the board of directors is responsible for reviewing the remuneration principles and practices.

Special rules apply to the members of the management board of the management company and employees, whose activities have a significant influence on the overall risk profile of the management company and the funds it manages (risk takers). Employees who can exert a decisive influence on the risk and on the business policies of the management company are identified as risk takers. The variable remuneration is paid to these high risk employees over several years in arrears. A proportion of at least 40% of the variable remuneration is deferred over a period of at least three years here. The deferred part of the remuneration is dependent on risk during this period. The variable remuneration, including the deferred part, is paid out or earned only if justified in light of the financial position of the management company overall and on the basis of the performance of the department in question and the person in question. A weak or negative financial result of the management company generally leads to a significant decrease in the overall variable remuneration, whereby both current compensation as well as decreases in the payment of previously generated sums are taken into consideration.

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

### 5.3.1 Board of Directors

President	Dr. Roland Müller
Members	Dr. Dietmar Loretz Gerhard Lehner

### 5.3.2 Management

Managing Director	Thomas Jahn
Member	Raimond Schuster

### 5.4 Asset Manager

AIF Alternativ Invest Finance AG, Giessenstrasse 2, FL-9491 Ruggell functions as Asset Manager for the UCITS.

AIF Alternativ Invest Finance AG concentrates on managing investments and Funds for institutional and private clients and is supervised by FMA, Financial Market Authority, Liechtenstein.

The task of the Asset Manager is, in particular, the independent day-to-day implementation of the investment policy and the management of the day-to-day business of the UCITS, as well as other related services under the supervision, control and responsibility of the management company. These tasks are carried out in compliance with the principles of the investment policy and the investment restrictions of the UCITS, as described in Appendix A "Funds at a glance", as well as the legal investment restrictions.



The asset manager shall have the right to obtain advice from third parties, in particular from various investment consultants, at his own expense and responsibility.

An asset management agreement entered into between the management company and AIF Alternativ Invest Finance AG governs the exact execution of the contract.

### **5.5 Sales Office**

AIF Alternativ Invest Finance AG, Giessenstrasse 2, FL-9491 Ruggell is the sales office for the UCITS

A marketing agreement entered into between the management company and AIF Alternativ Invest Finance AG governs the exact execution of the order.

### **5.6 Custodian**

Volksbank AG, Feldkircherstrasse 2, FL-9494 Schaan is the custodian for the UCITS.

The company is entered in the Public Register under the Public Register Number FL-0001.541.083-9. Volksbank AG has been in existence since 1997. Its principal activities consist of private banking as well as the lending and mortgage lending business. At the end of 2014, the effective capital resources amounted to CHF 42.6 million.

The custodian holds the financial instruments that can be held in custody for the account of the UCITS. It can entrust them in full or in part to the custody of other banks, financial institutions and recognised clearing houses that fulfil the legal requirements.

The function of the custodian and its liability are governed by the act of 28 June 2011 on undertakings for collective investment in transferable securities (UCITSG) and the respective regulation as currently amended, the custodian contract and the constituent documents of the UCITS. It acts independently of the management company and exclusively in the interests of the investors.

The UCITSG stipulates that the management and the custodian of UCITS are separated. The custodian holds the assets in separate accounts which have been opened in the name of the UCITS and monitors whether the instructions of the management company concerning the assets are consistent with the regulations of the UCITSG and the constituent documents. For this purpose, the custodian monitors in particular compliance with the investment restrictions and debt limits by the UCITS.

Furthermore, the custodian manages the share register of the funds on behalf of the management company.

The obligations of the custodian are governed by section 33 UCITSG. The custodian shall ensure that

- the sale, issue, redemption and payment of shares of the UCITS take place in accordance with the provisions of the UCITSG and the constituent documents,
- the valuation of the shares of the UCITS is carried out in accordance with the provisions of the UCITSG and the constituent documents,
- in the case of transactions in assets of the UCITS, the equivalent value is transferred to the UCITS within the usual deadlines,
- the income of the UCITS is used in accordance with the provisions of the UCITSG and the constituent documents,
- the cash-flows of the UCITS are properly monitored and it must be ensured in particular that all payments made by investors or in the name of investors when shares of a UCITS are subscribed for are received and that all monies of the UCITS are registered in accordance with the provisions of the UCITSG and the constituent documents.

#### **Sub-custodian**

The custodian may transfer the custodian function to other companies (sub-custodians).

The custody of the assets held for the UCITS can be carried out by the sub-custodians specified on the website of Volksbank AG at [www.volksbank.li](http://www.volksbank.li), with which the bank primarily cooperates.

There is no conflict of interests as a result of a transfer.

#### **Information on the custodian**

The investors in the UCITS have the option at any time to request personally from the custodian and free of charge information on the tasks and duties of the custodian as well as information on the UCITS using the above contact details.

The custodian is subject to the provisions of the Liechtenstein FATCA treaty as well as the corresponding implementation regulations in the Liechtenstein FATCA act.

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

UCITS: ReviTrust Grant Thornton AG, Bahnhofstrasse 15, FL-9494 Schaan

Management company: ReviTrust Grant Thornton AG, Bahnhofstrasse 15, FL-9494 Schaan

The UCITS and the management company must have their business activities audited each year by an independent auditor recognized by the FMA.

## **6 General investment principles and restrictions**

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The Fund assets are invested under the principle of risk spreading within the meaning of the provisions of UCITSG and according to the investment policy principles and the investment restrictions described in the Trust Agreement, Article 28, as well as Appendix A "The Fund at a glance".

### **6.1 Goal of the investment policy**

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

### **6.2 Investment policy of the UCITS**

The investment policy specific to Funds is described for the UCITS in Appendix A "The Fund at a glance".

The general investment principles and investment restrictions described in Articles 27 and 28 d of the Trust Agreement apply to UCITS provided no deviations or amendments are included for the UCITS in Appendix A "Funds at a glance".

### **6.3 Accounting/ reference currency of the UCITS**

The accounting currency of the UCITS and the reference currency per share class are stated in Appendix A "Funds at a glance".

The accounting currency is the currency in which the accounts of the UCITS are kept. The reference currency shall be the currency in which the performance and the net asset value of the share classes are calculated. The shares are in the currency which is optimally suited to the value performance of the UCITS.

### **6.4 Profile of the typical investor**

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

## **7 Investment regulations**

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### **7.1 Permitted investments**

The UCITS can invest the assets for the account of its investors exclusively in one or in several of the following assets:

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

- a) Which are listed or traded on a regulated market within the meaning of Art. 4 Sec. 1 Item 14 of Directive 2004/39/EC;
- b) Which are traded on another regulated market of an EEA member state, which is recognized, open to the public and has a mode of operation in accordance with the regulations;
- c) Which is officially listed on a securities exchange of a third country or on another market in a European, American, Asian, African or Oceanic country, which is recognized, open to the public and has a mode of operation in accordance with the regulations.

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

- a) The issuing conditions include the obligation that approval for the official listing and/or trading on a securities exchange mentioned under Item 7.1.1 a) to c) or on a regulated market mentioned there has been requested, and
- b) That this approval is obtained before expiration of one year after the issue date, at the latest.

**7.1.3** Shares from a UCITS and other undertakings for collective investments comparable to a UCITS, provided - according to their prospectus or their constitutive documents - the undertakings for collective investment may only invest a maximum of 10% of their assets in shares of another UCITS or comparable undertakings for collective investments;

**7.1.4** Demand deposits or deposits subject to call with a maximum term of twelve months at financial institutions which have their registered office in an EEA member state or a third country, and whose supervisory authority is equivalent to that of EEA law;

**7.1.5** Derivatives, whose underlying instrument are capital assets within the meaning of Art. 51 UCITSG or financial indices, interest rates, foreign exchange rates or currencies. In the case of transactions with OTC derivatives, the counterparties must be supervised institutes in a category approved by the FMA and the OTC derivatives must be subject to a reliable and verifiable evaluation on a daily basis and be able to be disposed of, liquidated or balanced by a countertrade at an appropriate fair value at any time 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 subject to deposit and investor protection regulations, and provided they are:

- a) Issued or guaranteed by a central state, regional or local entity or the central bank of an EEA member state, the European Central Bank, the Community or the European Investment Bank, a third country or, provided it is a federal state, a member state of the federation or of an international orientation with a public-law character, which belongs to at least one EEA member state;

- b) Issued by a company whose securities are traded on the regulated markets designated under letter a;
- c) Issued or guaranteed by an institute which is under the control of a supervisory authority according to the criteria defined in EEA law or an institute whose supervisory authority is equivalent to EEA law and abides by this law; or
- d) Issued by an issuer that belongs to a category approved by the FMA, provided equivalent investor protection provisions apply to letters a through c for investments in these instruments and the issuer is either a company with an equity capital of at least EUR 10 million with its annual financial statements prepared and published by PGR according to the provisions of Directive 78/660/EEC, implemented in Liechtenstein, or is a legal entity belonging to a group which is responsible for the financing of the corporate group with at least one corporation listed on the stock exchange, or is a legal entity, which intends to finance the securities-based backing/collateralization of liabilities through the use of a credit line granted by a bank.

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

## **7.2 Investments not allowed**

The management company may not:

- 7.2.1** To invest more than 10% of the assets of the UCITS in other securities and financial market institutions than those named in Article paragraph 7.1;
- 7.2.2** Precious metals or certificates for precious metals;
- 7.2.3** Dealing in uncovered short selling.

## **7.3 Investment limits**

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

- 7.3.1** The UCITS can invest a maximum of 5% of its assets in securities or financial market instruments from the same issuer and a maximum of 20% of its assets in deposits from the same issuer.
- 7.3.2** The default risk from transactions of UCITS with OTC derivatives with a credit institution as a counterparty, whose headquarters are in an EEA Member State or a third country whose supervisory provisions are equivalent to those of EEA law, cannot exceed 10% of the assets of the UCITS. For other counterparts the maximum default risk is 5% of the assets.
- 7.3.3** Provided the overall value of the securities and financial market instruments of the issuer in which the UCITS invests more than 5% of its assets does not exceed 40% of its assets, then the issuer limit named in paragraph 7.3.1 is raised from 5% to 10%. The limit of 40% shall not apply for deposits or transactions with OTC derivatives with overseen financial institutions. If the increase is utilized, the securities and money market instruments as per Item 7.3.5 and the bonds as per 7.3.6 shall not be taken into account.
- 7.3.4** Notwithstanding the individual upper limits stipulated in paragraphs 7.3.1 and 7.3.2, a UCITS cannot combine the following if this would result in an investment of more than 20% of its assets in one and the same establishment:
  - a) Securities or money market instruments issued by this establishment;
  - b) Deposits at this establishment;
  - c) OTC derivatives acquired from this establishment.
- 7.3.5** If the securities or money market instruments are issued or guaranteed by an EEA member state or its territorial authority, by a third country or by an international establishment with a public-law character, to which at least one EEA member state belongs, then the upper limit of 5% mentioned in Item 7.3.1 shall be increased to a maximum of 35%.
- 7.3.6** If bonds are issued by a financial institution with registered office in an EEA member state which is subject to special public supervision based on legal provisions for the protection of the holder of these bonds, and in particular the earnings from the issue of these bonds are to be invested in assets which during the entire term of the bonds sufficiently cover the liabilities arising therefrom and are primarily intended for the repayment of capital and interest which shall come due if the issuer should default, then the upper limit of 5% mentioned in Item 7.3.1 for such bonds shall be increased to a maximum of 25%. In this case the overall value of the investments cannot exceed 80% of the assets of the UCITS.
- 7.3.7** The limits mentioned in Item 7.3.1 to 7.3.6 may not be accumulated. The maximum issuer limit is 35% of the assets of the Fund.
- 7.3.8** Companies of the same corporate group shall be considered a single issuer when calculating the "investment limits" in Item 7.3. For investments in securities and financial market instruments of the same group of companies, the issuer limit is raised to 20% of the assets of the UCITS.
- 7.3.9** A UCITS can invest a maximum of 10% of its assets in shares in other UCITS or a comparable collective investment undertaking. These investments are not to be taken into consideration with respect to the upper limits in Art. 54.

**7.3.10** A UCITS can invest a maximum of 20% of its assets in shares and/or bonds from the same issuer if, according to the investment policy of the UCITS, it is the objective of the Fund to replicate a certain FMA approved shares or bonds index. The precondition for this is that the composition of the index is sufficiently diversified.

- The index represents an adequate basis of comparison for the market to which it refers;
- The index is publicized in an appropriate manner.

This limit amounts to 35%, provided it can be justified based on extraordinary market conditions, and in particular on regulated markets where certain securities or money market instruments strongly dominate. An investment up to this upper limit is only possible with a single issuer.

If the limits mentioned under Items 7.1 and 7.3 are exceeded unintentionally or as the result of exercising subscription rights, then the management company must make it a primary goal to try and normalize this situation when selling, taking into account the interests of the investors. The UCITS can deviate from the regulations of this chapter 'Provisions for the investment policy' within the first six months after their admission. The requirement to distribute risk must continue to be followed.

**7.3.11** The UCITS can subscribe, acquire and/or hold shares that were or are issued by one or more other UCITS provided:

- The target fund does not invest in the UCITS which is investing in this target fund; and
- In accordance with their Prospectus or their statutes, the share of the assets, which the target fund intends to acquire in shares of another target fund of a UCITS comparable collective shares undertaking does not exceed 10%; and
- The voting right possibly linked to the securities concerned is suspended for the time that it is held by the UCITS concerned, notwithstanding a reasonable evaluation in the financial statements and the periodic reports; and
- In any case the value of those securities, that takes into account the calculation of the net assets of the UCITS required by UCITSG to verify the minimum amount of the net assets in accordance with UCITSG, for the period they are held by the UCITS. and
- There is no multi-amount calculation of the fees for the issuing or redemption of shares for one at the amount of the UCITS, who has invested in the target fund and in another at the amount of the target fund.

**7.3.12** In accordance with paragraph 7.3.9, if the investments comprise a significant portion of the assets of the UCITS, the UCITS specific Appendix must provide information about the maximum amount and the annual report about the maximum share of the management fees to be borne by, in accordance with paragraph 7.3.9, the UCITS itself and the collective investment undertakings whose shares were purchased.

**7.3.13** If shares are indirectly or directly managed by the management company of the UCITS or by a company that is linked to the management company of the UCITS by joint management, control or qualifying holding, neither the management company nor the other company can charge fees for the issue or redemption of shares to or from the Fund assets.

**7.3.14** A management company shall not acquire for the UCITS it manages any shares carrying voting rights from the same issuer which would enable it to exercise significant influence over the management of the issuer. Considerable influence shall be presumed to start at 10% of the voting rights of the issuer. If a lower limit for the acquisition of voting stock from the same issuer applies in another EEA member state, this limit shall be decisive for the management company if it acquires shares for a UCITS from an issuer with registered office in this EEA member state.

**7.3.15** The UCITS can acquire financial instruments from the same issuer to a maximum of:

- a) 10% of the share capital of the issuer, provided they are not shares with voting rights;
- b) 10% of the total nominal value of all bonds that are in circulation or financial instruments from the issuer, provided they are bonds or financial instruments. This limit need not be complied with if the total nominal amount at the time of acquisition cannot be determined;
- c) To acquire 25% of the shares of the same collective investment undertaking, insofar as shares of another UCITS or from a UCITS comparable collective investment undertaking are concerned. This specific limit need not be complied with if the net amount at the time of acquisition cannot be determined.

**7.3.16** Item 7.3.14 and 7.3.15 shall not be applied:

- a) Of securities and money market instruments which are issued or guaranteed by a governmental issuer;
- b) In shares that the UCITS owns in the capital of a company in a third state, whose assets are primarily in securities of the issuer located in this third state, if a contribution of this sort represents the only possibility for the UCITS, due to the legal requirements of this third state, to invest in securities from issuers in this country. The requirements of the UCITSG must be observed in the process;

- c) Of shares held by management companies of the capital of their subsidiaries, which organize the repurchase of shares for the management company in the country of settlement at the request of the investor.

In addition to the restrictions in accordance with paragraph 7.3.1-7.3.16, any further restrictions in Appendix A "Funds at a glance" must be observed.

**B. Deviations from the investment limits may be made in the following cases:**

**7.3.17** The Fund does not have to comply with the investment limits when exercising stock options from securities or financial market instruments.

**7.3.18** If the limits stated are exceeded, then as a sales priority the Fund must attempt to normalise the situation in accordance with the interests of the investors.

**7.3.19** The Fund does not need to comply with the investment limits within the first six months after its admission. The requirement to distribute risk must continue to be followed.

**7.4 Limit on borrowing and ban on lending and surety**

**7.4.1** The Fund's assets may not be pledged or otherwise encumbered or transferred as security or assigned as security only for borrowing pursuant to paragraph 7.4.2 or to provide collateral within the scope of financial instrument transactions.

**7.4.2** Borrowing by the UCITS is limited to temporary loans, whereby the borrowing cannot exceed 10% of the Fund's assets; the limit shall not apply to the acquisition of foreign currencies by means of a "back-to-back loan".

**7.4.3** A UCITS may not grant loans or act as guarantor on behalf of third parties. Neither the UCITS nor the investors are bound against these agreements that violate the prohibitions.

**7.4.4** Item 7.4.3 shall not be an obstacle to the acquisition of financial instruments not yet fully paid in.

**7.5 Derivative use, techniques and instruments**

The overall risk associated with derivatives cannot exceed the overall net value of the Fund's assets. As part of the investment strategy within the limits stipulated in Art. 53 UCITSG, the management company may make investments in derivatives, as long as the overall risk of the underlying instruments does not exceed the investment limits of Art. 54 of the UCITSG. When calculating this risk, the market value of the underlying instruments, the default risk, future market fluctuations and the liquidation risk of the positions must be taken into consideration.

Provided the protection of investors and public interest are not opposed, investments of the UCITS in index-based derivatives are excluded from the upper limit stated in Article 54 of the UCITSG.

With the approval of the FMA, the UCITS can use techniques and instruments that involve securities and financial market instruments for the efficient management of the portfolio in compliance with the conditions of UCITSG.

**7.5.1 Risk management procedures**

The management company shall use a base model (grassroots model) to calculate the risks arising from the investment instruments, in particular in connection with derivative financial instruments, and employ generally accepted methods of calculation. It must ensure that the risk from derivative financial instruments shall not exceed the overall value of the portfolio at any time and in particular, that no positions representing unlimited risk for the assets shall be adopted. When measuring the overall risk, both its default risk as well as the leverage achieved with derivative financial instruments must be taken into account. Combinations of derivative financial instruments and securities must also meet these regulations at all times.

The management company can use in particular the following derivatives financial instruments, techniques and instruments for the UCITS:

**7.5.2 Derivative financial instruments**

For the UCITS, the management company can use derivatives for hedging, efficient portfolio management, to achieve additional returns and as part of the investment strategy. This can increase the risk of loss for the UCITS at least temporarily.

The risk associated with derivatives financial instruments cannot exceed 100% of the net fund assets. The overall risk cannot exceed 200% of the net fund assets. The overall risk for borrowing permitted in accordance with UCITS (paragraph 7.4.2) cannot exceed 210% of the net fund assets.

The management company applies the commitment approach as a risk management procedure.

The following basic forms of derivatives or combinations of these derivatives or combinations of other assets that can be acquired for the UCITS, can be employed in the UCITS by the management company:

**7.5.2.1** Futures contracts on securities, money market instruments, financial indices within the meaning of Article 1 Section 9 of Directive 2007/16/EC, interest rates, foreign exchange rates or currencies;

**7.5.2.2** Options or warrants on securities, money market instruments, financial indices within the meaning of Article 9 Section 1 of Directive 2007/16/EC, interest rates, foreign exchange rates or currencies and on futures contracts according to Item 7.5.2.1, if

- it can be exercised either during the entire term or at the end of the term, and

- The option value is a fraction or a multiple of the difference between the base price and market price of the underlying instrument and becomes zero if the difference has the other algebraic sign;

**7.5.2.3** Interest swaps, currency swaps or interest-currency swaps;

**7.5.2.4** Options on swaps as per Item 7.5.2.3, provided they feature the properties described under Item 7.5.2.2 (swaptions);

**7.5.2.5** Credit default swaps, provided they serve exclusively and verifiably as hedges for the credit risk of exactly attributable assets of the UCITS.

The above-mentioned financial instruments may be either independent assets or a component of assets.

### **Futures contracts**

Within the scope of the investment principles, the management company may, for the account of the UCITS, enter into futures contracts on securities and financial market instruments acquirable for the UCITS, as well as financial indices within the sense of Article 9, paragraph 1 of the guidelines 2007/16/EG, interest rates, exchange rates or currencies. Futures contracts are unconditional, binding agreements for both contractual parties to buy or sell at a certain point in time, the due date, or within a specific period of time, a certain amount of a certain underlying instrument at a price determined in advance.

### **Options**

Within the scope of the investment principles, the management company may, for the account of the UCITS, buy and sell call and put options in securities and financial market instruments as well as financial indices within the sense of Article 9, paragraph 1 of the guidelines 2007/16/EG, interest rates, exchange rates or currencies, as well as trade in warrants. Options imply that in return for a fee (option premium), a third party shall be granted the right to request the delivery or decline of assets or payment of a differential amount during a specific time or at the end of a specific time period at a price agreed upon in advance (base price), or to acquire the respective options. The options or warrants must plan for being exercised during the entire term or at the end of the term. In addition, the option value at the time of exercise must represent a fraction or a multiple of the difference between the base price and market price of the underlying instrument and becomes zero if the difference has the other algebraic sign.

### **Swaps**

Within the scope of the investment principles, the management company may, for the account of the UCITS, enter into interest rate swaps, currency swaps and interest rate/currency swaps. Swaps are barter agreements, in which the flow of payments or risks underlying the transaction between the contractual parties are swapped.

### **Swaptions**

Swaptions are options on swaps. The management company may, for the account of the UCITS, acquire such swap options as are formed from the options and swaps described above. A swaption is the right, but not the obligation, to enter into a swap that is precisely specified to the conditions at a certain time or within a certain period of time. In other respects, the principles presented in connection with options shall apply.

### **Credit default swaps**

Credit default swaps are credit derivatives that allow a potential credit default volume to be transferred to others. In return for assuming the credit default risk, the seller of the risk shall pay a premium to his contractual partner. The management company may, for the account of the UCITS, acquire only simple, standardised credit default swaps that are used to hedge individual credit risks in the UCITS. In other respects, the information on swaps shall apply accordingly.

### **Financial instruments documented in securities**

The management company may also acquire the financial instruments described above if they are documented in securities. Thus, the transactions that involve financial instruments may also be contained partially in securities (e.g. warrant bonds). Statements regarding opportunities and risks apply respectively for such documented financial instruments, with the proviso however that the loss of risk for documented financial instruments is limited to the value of the security.

### **OTC derivative transactions**

The management company may make both derivative transactions approved for trading on a stock exchange or included in another organized market, as so-called over-the-counter (OTC) transactions.

The management company may only make derivative transactions that are not admitted on a stock exchange or included in another organized market with suitable financial institutions or financial service institutions based on standardized framework agreements. For derivatives traded off-exchange, the counterparty risk of a contracting party is limited to 5% of the Fund's assets. If the contracting partner is a credit institution based in the European Union, the European Economic Area or a third state with a comparable amount of supervision, then the counterparty risk can amount to up to 10% of the value of the Fund's assets. Derivative transactions traded off the board, which are entered into with a central clearing house of a stock exchange or another organized market as the contractual partner, shall not be charged up against the counterparty's limits if the derivatives are subject to a daily evaluation at market prices with a daily margin correction.

Claims of the Fund's assets against an intermediary must however be included in the limits, even if the derivative is traded on an exchange or another organised market.

### 7.5.3 Securities lending

The management company shall not transact any securities lending.

### 7.5.4 Pension transactions

The management company shall not make any pension transactions.

### 7.5.5 Borrowing

Borrowing by the UCITS is limited to temporary loans whereby the loans do not exceed 10% of the assets of the UCITS. The limit shall not apply to the acquisition of foreign currencies by means of a "back-to-back loan".

### 7.5.6 Investment in shares of other UCITS or other undertakings for collective investments comparable to a UCITS

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

## 8 Risk Information

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### 8.1 Fund-specific risks

**The value performance of shares is dependent on the investment policy and the market development of the individual investments of the UCITS and cannot be determined in advance. It must be pointed out in this regard that the value of the shares may rise or fall at any time compared to the issue price. There is no guarantee that the investor will get back his invested capital.**

The fund-specific risks of the UCITS are specified in Appendix A "Funds at a glance".

### 8.2 General Risks

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

All investments in UCITS are associated with risks. The risks may comprise or be associated with stock market and bond market risks, exchange rate, interest rate, credit and volatility risks, as well as political risks. Any of these risks may also occur together with other risks. This section will examine some of these risks. It is important to note, however, that this is not a complete list of all possible risks.

Potential investors should be clearly aware of the risks associated with an investment in shares and not make any investment decisions before receiving comprehensive advice from their legal, financial and fiscal advisors, auditors and other experts on the suitability of an investment in shares of the UCITS, taking into consideration their personal financial and fiscal and other circumstances, as well as the information in this Prospectus, the Trust Agreement and the investment policy of the UCITS.

#### Derivative financial instruments

The UCITS can use derivative financial instruments. They cannot be used for hedging, but may represent a part of the investment strategy. The use of derivative financial instruments for hedging purposes may change the general risk profile due to correspondingly lower opportunities and risks. The use of derivative financial instruments for investment purposes may have an effect on the general risk profile due to additional opportunities and risks.

Derivative financial instruments are not independent investment instruments, but instead deal with rights, the valuation of which is derived primarily from the price and price fluctuations and expectations of an underlying reference instrument. Investments in derivatives are subject to general market risk, management risk, credit and liquidation risk.

Due to special features of the derivative financial instruments, the risks referred to may be different and turn out to be somewhat higher than risks for an investment in basic instruments.

The use of derivatives therefore requires not only an understanding of the basic instrument, but also well-founded knowledge of the derivatives.

Derivative financial instruments also carry the risk of a loss to the UCITS because another party participating in the derivative financial instrument (usually a 'counterparty') does not fulfil its obligations.

The credit risk for derivatives traded on a stock exchange is generally lower than the risk for derivatives traded off the board, since the clearing house which acts as issuer or counterparty of each derivative traded on the stock exchange undertakes a handling guarantee. To reduce the overall default risk, this guarantee is supported by a daily payment system maintained by the clearing house, in which the assets required for coverage are calculated. There is no comparable guarantee by the clearing house for derivatives traded off the board, and the UCITS must factor in the creditworthiness of each counterparty of a derivative traded off the board when analysing the potential credit risk.

There are also liquidity risks, since certain instruments may be difficult to buy or sell. If derivative transactions are especially large, or if the respective market is not liquid (which can happen with derivatives traded off the board), it might not be possible to completely execute transactions in all instances or a position can only be liquidated with increased costs.

Additional risks associated with the use of derivatives lie in inaccurate pricing or valuation of derivatives. It is also possible that derivatives might not completely correlate with the assets, interest rates and indices underlying them. Many derivatives are complex and often analysed subjectively. Inaccurate valuations can result in increased cash payments for counterparts or a loss of value to the UCITS. Derivatives are not always in direct or parallel proportion to the value of the assets, interest rates or indices from which they are derived. Therefore the use of derivatives by the UCITS is not always an effective means of achieving the investment objective of the UCITS, but can sometimes even achieve the opposite effect.

### **Collateral management**

If the UCITS carries out off-trade transactions (OTC transactions), then it can incur risks associated with the creditworthiness of the OTC counterparts: when concluding futures contracts, options and swap transactions or using other derivatives techniques, the UCITS incurs the risk that an OTC counterparty does not (or cannot) fulfil its obligations in one or more contracts. The counterparty's risk may be decreased by depositing a security. According to current agreements, if the UCITS owes a security, then this is held by or for the custodian on behalf of the UCITS. Cases of bankruptcy or insolvency or other credit default events at the custodian or within its sub-depositaries / correspondent bank networks may result in the fact that the rights of the UCITS in connection with the security are suspended or otherwise limited. According to current agreements, if the UCITS owes the OTC counterparty a security, then a security of this sort is arranged between the UCITS and the OTC counterparty to transfer to the OTC counterparty. Cases of bankruptcy or insolvency or other credit default events at the OTC counterparty, the custodian or within its sub-depositaries / correspondent bank network may result in the fact that the rights or the recognition of the UCITS with respect to the security will be delayed, limited or even excluded, which would force the UCITS to fulfil its obligations within the scope of the OTC transaction regardless of any securities set up in advance to cover this type of obligation.

### **Issuer risk (creditworthiness risk)**

A deterioration of the ability to pay (solvency) or even the bankruptcy of an issuer may signify at least a partial or possibly a total loss of assets.

### **Counterparty risk**

The risk here is that the fulfilment of transactions entered into for the account of the asset will be jeopardized by liquidity difficulties or bankruptcy of the respective counterparty.

### **Monetary value risk**

Inflation may decrease the value of the asset's investments. The purchasing power of the invested capital decreases if the inflation rate is higher than the income yielded by the investments.

### **Risk related to the state of the economy**

This pertains to the risk of stock price losses that arise due to the fact that the economic trend is not factored in when making the investment decision and securities investments are transacted at the wrong point in time or securities are being held in an unfavourable economic phase.

### **Country or transfer risk**

Country risk is said to exist if a foreign debtor, despite solvency, cannot perform a service in a timely manner or at all due to a lack of transferability or willingness of its country of domicile (e.g. due to foreign currency restrictions, transfer risks, moratoriums or embargos). So, for instance, payments to which the UCITS is entitled may not be made, or may be made in a currency that is no longer convertible due to currency restrictions.

### **Settlement risk**

In particular when it comes to investment in unlisted securities, there is a risk that settlement via a transfer system may not be carried out as expected due to delayed payment or to payment or delivery not in accordance with the agreement.

### **Liquidity risk**

Assets may be acquired for the UCITS that are not permitted on the stock exchange or included in another organised market. The acquisition of such assets runs the risk that problems may arise in particular in the resale of the assets to third parties.

With securities of smaller companies (secondary issues) there is the risk that the market will at times not be liquid. This may result in the securities not being traded at the desired point in time, and/or not in the desired amount, and/or not at the desired price.

### **Potential investment spectrum**

In compliance with the investment principles and restrictions specified by the UCITSG and the Trust Agreement, which provide a very wide framework for the UCITS, the actual investment policy may also be aimed at acquiring assets from e.g. only a few sectors, markets or regions/countries. This concentration on a few special investment sectors may be associated with special opportunities, which are also faced with corresponding risks (e.g. narrowness of the market, high fluctuation margin within certain economic cycles). The annual report provides information on the content of the investment policies after the fact for the previous financial year.



### **Concentration risk**

Additional risks may arise due to the fact that a concentration of investments will be in certain assets or markets. Then the UCITS is particularly dependent on the performance of these assets or markets.

### **Market risk (price risk)**

This is a general risk associated with all investments that results in the value of a particular investment possibly changing counter to the interests of the UCITS.

### **Psychological market risk**

Moods, opinions and rumours can cause a significant declining market, even though the profit situation and future outlook of the company invested in need not have sustainably changed. The psychological market risk has a particular impact on stocks.

### **Settlement risk**

This concerns the loss risk of the UCITS due to the failure to fulfil a concluded transaction because one counterparty fails to pay or deliver, or due to errors in the execution of a transaction.

### **Legal and tax risk**

The purchase, holding or sale of investments of the UCITS can be subject to tax rules (e.g. source taxation) outside the country of domicile of the UCITS. Furthermore, the legal and tax treatment of the UCITS can change unforeseeably and beyond its control. The correction of inaccurately defined taxation bases for the UCITS for past financial years (e.g. due to external tax audits) may lead, in the case of a correction with negative tax consequences for the investors, to investors having to carry the tax burden arising from the correction for past financial years even though they were not invested in the UCITS at the time. Conversely, the situation can arise for investors whereby they do not benefit from an essentially favourable tax correction for the current and preceding financial years during which they were invested in the UCITS, because they redeemed or sold their shares before the correction was made. A correction of tax data may also lead to a situation where taxable income or tax advantages are actually tax assessed in an assessment period other than the truly appropriate period, having a negative effect on the individual investor.

### **Entrepreneurial risk**

Investments in shares represent a direct participation in the economic success or failure of a company. An extreme case – such as bankruptcy – this may mean the complete loss of value of the respective investments.

### **Currency risk**

If the UCITS holds assets that are denominated in a foreign currency (or currencies), then it carries a direct currency risk (unless the foreign currency positions are hedged). Decreasing foreign exchange prices result in depreciation of the foreign currency investments. Conversely, the foreign exchange market offers opportunities for profit. In addition to direct currency risks, there are also indirect currency risks. Internationally active companies are more or less greatly dependent on the exchange rate movement, which can also indirectly impact the market trend of investments.

### **Change in investment policy**

Amendments to the investment policy within the range of investments permitted may change the nature of the risk associated with the UCITS. The management company can make significant changes at any time to the investment policy of the UCITS within the valid Trust Agreement by amending the Prospectus and Appendix A included in the Trust Agreement

### **Revision of the Trust Agreement**

The management company shall reserve the right within the Trust Agreement to change the trust provisions. Furthermore, in accordance with the Trust Agreement, the management company can fully liquidate the UCITS or merge it with another UCITS. The investor therefore runs the risk of not being able to realize the holding period as he had planned.

### **Risk of redemption exposure**

In principle, investors can demand the redemption of their shares in accordance with the valuation frequency of the UCITS. The management company may temporarily suspend the redemption of shares; however, if extraordinary circumstances exist, and redeem the shares only later at the price which is valid at that time (see also for more detail “**Suspension of the Calculation of Net Asset Value and the Issuing, Redemption and Exchange of Shares**”). This price may be lower than the price before the suspension of redemption.

### **Key personnel risk**

UCITS that perform very well over a certain period owe this success in part to the skill of the individuals involved in making the right management decisions. The personnel makeup of the fund management can change, however. New decision-makers may then act in ways that are less successful.

### **Risk due to change in interest rates**

If the UCITS has invested in interest bearing securities it carries an interest rate risk. If the market interest rate level increases, the market value of the interest-bearing securities associated with the assets may decrease significantly. This is increasingly valid if the asset also holds interest-bearing securities with a rather long residual term and a rather low nominal interest yield.

## **9 Participation in the UCITS**

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### **9.1 Selling restrictions**

The shares of the UCITS are not approved for sale in all countries of the world.

The provisions in the foreign country shall apply for the issuing, exchange and redemption of shares in that foreign country.

In the United States of America in particular, the shares were not registered according to the United States Securities Act of 1933 and may therefore not be offered or sold in the USA, nor to U.S. citizens. U.S. citizens are considered to be natural persons who

- a) Were born in the USA or one of its territories or sovereign territories,
- b) Are naturalized citizens (or Green Card holders),
- c) Were born in a foreign country as a child of a citizen of the USA,
- d) Without being a citizen of the USA, spend the majority of time in the USA,
- e) Are married to a citizen of the USA or
- f) Are liable for taxes in the USA.

Also considered to be U.S. citizens:

- a) Investment companies and corporate enterprises which were formed under the laws of one of the 50 U.S. states or the District of Columbia,
- b) an investment company or partnership, which was formed under an "Act of Congress",
- c) A pension fund that was formed as a U.S. Trust,
- d) an investment company that is taxable in the USA or
- e) Investment companies which, according to Regulation S of the US Securities Act of 1933 and/or the US Commodity Exchange Act, are classified as such. In general, shares of the UCITS may not be offered in jurisdictions or to persons in which or vis-à-vis which this is not permitted.

### **9.2 General information on the shares**

The shares are only managed in the books, i.e. no certificates are issued.

The management company is authorised to establish shares of various classes within the UCITS, as well as to cancel or combine existing classes.

The various share classes differ in particular with regard to the management fee and the reference currency, including the use of currency hedging transactions.

There are currently 4 share classes.

The share classes that are set up in connection with the UCITS, as well as those in connection with the shares of the fees arising from the UCITS are stated in Appendix A 'Funds at a glance'.

In addition, certain other charges, fees and costs are settled from the assets of the UCITS. See Items 11 and 12 regarding this (Tax provisions as well as costs and fees).

### **9.3 Calculation of net asset value per share**

The "NAV" (Net Asset Value) per share of the respective share class is calculated by the management company at the end of the accounting year as well as on the respective valuation date based on the last-known prices with due regard to the valuation interval.

Due to the accumulation of bank holidays between 22<sup>nd</sup> December and 7<sup>th</sup> January each year there can be a distortion of the valuation prices of the target investments of the fund. This could be based on missing liquidity (low trade volumes) and different business hours of the international stock exchanges. This leads to difficulties in assessing if sufficient price quality exists and therefore transactions within the share register of the fund can be carried out fairly. Another difficulty lays in the comprehensible communication of the deadline for share register transactions as the relevant NAV (net asset value) could occur several days later with the result that the issue or redemption of shares/units will be delayed.

For funds with daily or weekly valuation intervals the administration company has the option to amend the rules in regard to issue and redemption of shares as well as the calculation of the NAV differing from the usual valuation days between the 22<sup>nd</sup> December and 7<sup>th</sup> January each year. The administration company can resolve the postponement or cancellation of the single valuation days. Furthermore the administration company can resolve that orders can be accepted for the NAV as of 31<sup>st</sup> December.

The administration company will inform the investors about the amended modalities of orders and valuations of the NAV in the official publication platform of the fund or by direct information not later than 30<sup>th</sup> November each year.

The NAV of a share in a share class of the UCITS is expressed in the accounting currency of the UCITS or, if different, in the reference currency of the corresponding share class and is equal to the proportion of assets of the UCITS of the respective share class, minus any possible liabilities of the UCITS attributable to the share class concerned, divided by the number of shares in the respective share class in circulation. When issuing or redeeming shares, it shall be rounded to two decimal places as follows:

- to 0.01 EUR
- to 0.01 USD

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

- a) Securities that are officially listed on a stock exchange shall be valued at the last available price. If a security is officially listed on several stock exchanges, then the last available price on the stock exchange which is the main market for this security shall prevail.
- b) Securities which are not officially listed on any stock exchange but are traded on a market open to the public shall be valued at the last available price.
- c) Securities or money market instruments could be valued according to the amortization method under the requirements described in the Trust Agreement.
- d) Investments whose price is not in line with the market and those assets that are not covered by Items 1, 2 and 3 above are calculated at the price that would probably have been achieved in a diligent purchase at the time of valuation and that is defined in good faith by the executive board of the management company or under their guidance and supervision by representatives).
- e) OTC derivatives shall be valued on a daily basis at a valuation to be set and verified by the management company, as stipulated in good faith by the management company and according to the generally accepted valuation models verifiable by auditors on the basis of the likely achievable sales value.
- f) UCITS and/or other undertakings for collective investments shall be valued at the last established and available redemption price. If redemption of the shares is suspended or if no redemption prices are specified, then these shares shall be valued just like all other assets at the respective fair market value, as stipulated in good faith by the management company and according to the generally accepted valuation models verifiable by auditors.
- g) If no tradable price is available for the respective assets, then these assets – just like the other legally permitted assets – shall be valued at the respective fair market value as stipulated in good faith by the management company and according to the generally accepted valuation models verifiable by auditors on the basis of the likely achievable sales value.
- h) The liquid assets shall be valued at their nominal value plus accrued interest.
- i) The market value of securities and other investments which are denominated in a different currency from the Fund currency are converted into the corresponding Fund currency using the latest exchange rate.

The management company is entitled to apply other adequate principles for the valuation of the assets at times should, as a result of extraordinary circumstances; the above-mentioned criteria seem impossible or impractical for valuation purposes. In the case of large numbers of redemption requests, the management company may value the units of the particular segment on the basis of prices at which the necessary sales of securities were made. In this case, the same calculation method will be applied for subscription and redemption requests that are submitted simultaneously.

#### **9.4 Issuing of shares**

Shares of the UCITS are issued on each valuation day (issue day) and at the net asset value calculated on the valuation date per share of the corresponding share class of the UCITS, plus any issue surcharge and payable duty and taxes.

The shares are not documented as securities.

Subscription requests must be received by the custodian on or before the closing date. If a subscription request is received after the closing date, it will be earmarked for the following valuation date (issue date). For requests placed at sales offices in-country and abroad, earlier closing dates for submission of requests may apply to ensure timely forwarding to the custodian in Liechtenstein. These can be ascertained at the respective sales offices.

Information on the issue date, valuation date, closing date and the amount of the possible maximum issue surcharge is provided in Appendix A "Funds at a glance".

Payment must be received within two banking days after the applicable official issue.

The management company shall ensure that the issuing of shares shall be calculated on the basis of a net asset value per share unknown to the investor at the time of application (forward pricing).

All taxes and duties that accrue from the issuing of shares shall likewise be billed to the investor. If shares are acquired via banks that are not familiar with the sale of the shares, it is possible that such banks may bill for additional transaction costs.

If payment is made in a currency other than the reference currency, the equivalent value from converting the payment currency into the reference currency, less any fees, will be used for the acquisition of shares.

The minimum investment which may be held by an investors in a particular share class is specified in Appendix A "Funds at a glance".

The management company may also decide to pass a resolution on the complete or temporary suspension of issuing shares in the event that new investments might adversely affect achievement of the investment objective.

Investments in kind are not permitted.

The management company and / or the custodians reject a subscription application at any time or temporarily restrict, suspend or permanently discontinue the payment of shares if this is in the interest of the investors, in public interest or to protect the management company or the UCITS or if it is necessary to the investors. In this case, the custodian will promptly reimburse incoming payments for subscription requests not already executed with no interest; if needed, this will occur with the help of the paying agent.

The issuing of shares will be temporarily stopped in particular if the calculation of the net asset value per share is stopped. If the issuing of shares is discontinued, the investors shall be informed immediately via notification in the gazette as well as in the media mentioned in the prospectus and Trust Agreement or by means of permanent data carriers (letter, fax, e-mail or the like) as to the reason and the time of the discontinuation.

The issuing of fund shares may be discontinued in cases of application of Item 9.7.

### **9.5 Redemption of shares**

Shares of a UCITS are redeemed on each valuation date (redemption date) and at the net asset value per share of the corresponding UCITS share class determined on the valuation date, minus any applicable redemption fee, taxes and duties.

Redemption requests must be received by the custodian by the closing date at the latest. If a redemption request is received after the closing date, it will be earmarked for the following valuation date (redemption date). For requests placed at sales offices in-country and abroad, earlier closing dates for submission of requests may apply to ensure timely forwarding to the custodian in Liechtenstein. These can be ascertained at the respective sales offices.

Information on the redemption date, the valuation frequency, closing date and the amount of the possible maximum redemption fees is provided in Appendix A "Funds at a glance".

Since the assets of the UCITS must contain an adequate provision of liquid assets, shares are paid out within two bank working days after the given redemption date. This shall not apply if the remittance of the redemption amount proves to be impossible based on legal regulations or possible foreign exchange and transfer restrictions or based on other circumstances beyond the control of the custodian.

If, at the request of the investor, payment is to be made in a currency other than the currency in which the respective shares are invested, the amount to be paid shall be calculated from the proceeds of the conversion from the reference currency to the payment currency, less any fees and duties.

Upon payment of the redemption price, the respective share shall expire.

The management company and / or the custodians can buy back shares unilaterally at the redemption price if this seems necessary in the interests of or to protect the investors, the management company or the UCITS, particularly if

- a) There is suspicion that market timing, late trading or other market techniques are being used by the respective investor in the acquisition of the shares, which could harm the entire aggregate of investors,
- b) The investor is not meeting the conditions for the acquisition of shares or
- c) The shares are offered for sale in a country in which the UCITS is not permitted to be sold or acquired by someone who is not permitted to acquire the shares.

The management company shall ensure that the redemption of shares is calculated on the basis of a net asset value per share unknown to the investor at the time of submitting the application (forward pricing).

If the execution of a redemption claim causes the portfolio of the respective investor to fall below the minimum investment for the corresponding share class specified in Appendix A "Funds at a glance", then the management company may, without further notifying the investors, treat this redemption claim as a claim for the redemption of all shares held by the respective investor in this share class or as a claim to convert the remaining shares into another share class of the UCITS with the same reference currents, whose preconditions for participation are fulfilled by the Investor.

The redemption of fund shares may be discontinued in cases of application of Item 12.

### **9.6 Exchange of shares**

If different share classes are offered, shares can be converted from one share class into shares of another share class. No conversion fee is charged for conversion within a UCITS. If a conversion of shares for share classes is not possible, then this is indicated for the share class concerned in Appendix A "Funds at a glance".

In certain cases, a share class conversion may incur duties, taxes and stamp duty in individual countries.

The management company can at any time refuse a conversion claim for a share class if this seems necessary in the interests of or to protect the investors, the management company or the UCITS, particularly if

- a) There is suspicion that market timing, late trading or other market techniques are being used by the respective investor in the acquisition of the shares, which could harm the entire aggregate of investors;
- b) The investor is not meeting the conditions for the acquisition of shares; or
- c) The shares are offered for sale in a country in which the UCITS is not permitted to be sold or acquired by someone who is not permitted to acquire the shares.

The management company shall ensure that the exchange of shares shall be calculated on the basis of a net asset value per share unknown to the investor at the time of submitting the request (forward pricing).

The exchange of fund shares may be discontinued in cases of application of Item 12.

#### **9.7 Suspension of the Calculation of Net Inventory Value and the Issuing, Redemption and Exchange of Shares**

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

- a) if a market that forms the basis for the valuation of a Substantial portion of the assets of the UCITS is closed or if trading on such a market is restricted or suspended;
- b) In the event of political, economic or other emergencies; or
- c) If transactions for the UCITS become impossible to execute due to restrictions on the transfer of assets.

The management company may also decide to pass a resolution on the complete or temporary suspension of issuing shares in the event that new investments might adversely affect achievement of the investment objective.

The issuing of shares will be temporarily stopped in particular if the calculation of the net asset value per share is stopped. If the issuing of shares is discontinued, the investors shall be informed immediately via notification in the gazette as well as in the media mentioned in the prospectus and Trust Agreement or by means of permanent data carriers (letter, fax, e-mail or the like) as to the reason and the time of the discontinuation.

Taking into account the interests of the investors, the management company is only entitled to realise significant redemptions, i.e. to suspend the redemption temporarily, after the corresponding assets of the UCITS have been sold immediately with consideration for the interests of the investors.

No new shares of the UCITS shall be issued while the redemption of shares is suspended. The exchange of shares for which redemption is temporarily limited is not possible.

The management company ensures that the Fund has adequate liquid assets available, so that a redemption or conversion of shares upon request of the investor can, under normal circumstances, be realised immediately.

The management company shall promptly inform the FMA and - in an appropriate way - the investors, of the suspension of the share redemption and disbursement. Subscription, redemption and/or exchange requests will be settled after resumption of the calculation of net asset value. The investor may withdraw his subscription, redemption or exchange request until share trading is resumed.

The management company shall be entitled but not obliged to suspend the calculation of the net asset value (suspension), if falling below the required minimum net asset volume or if the net asset volume is insufficient compared to present costs. Subscriptions and redemptions that could not be settled by the suspension will be accomplished with the next officially published net asset value.

## **10 Application of income**

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The success of a UCITS results from the net income and the realised gains.

The management company can distribute the profits from a UCITS or share class to the investors of this UCITS or share class, or reinvest it in the respective UCITS or share class.

#### **Reinvested:**

The earned income of those sub-funds and/or share class, which show an income application of type "THES" according to Appendix A "Sub-funds at a glance", will be continuously reinvested. Realized capital gains from the disposal of goods and rights shall be retained by the management company for reinvestment.

#### **Distributed:**

The profits of a UCITS or share class which, in accordance with Appendix A "The Fund at a glance", shows profits utilisation of the 'distributing' type, are distributed annually. If distributions are made, this shall occur within 4 months after the close of the financial year.

Up to 10% of the net income of the UCITS can be brought forward to a new account. Distributions shall be paid out on the shares issued on the distribution date. From the time of their maturity, no interest shall be paid on declared distributions. Realized capital gains from the disposal of goods and rights shall be retained by the management company for reinvestment.

## 11 Tax provisions

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### 11.1 Fund assets

All Liechtenstein UCITS in the legal form of a (contractual) investment fund or collective trust shall be absolutely liable for taxation in Liechtenstein and subject to income tax. The income from the managed assets represents tax-free income.

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

The establishment (issuing) of shares to this type of UCITS shall not be subject to issuing and sales tax. The transfer of property to investor shares in return for payment shall be subject to sales tax, provided one party or one broker is a domestic securities dealer. The redemption of investor shares shall be excluded from sales tax. The contractual investment fund or the collective trust shall be considered a sales-tax-exempt investor.

#### Withholding taxes

The UCITS in the legal form of a contractual investment fund or collective trust shall not be subject to any withholding tax obligation in the Principality of Liechtenstein, in particular any coupon or withholding tax. Foreign income and capital gains generated by the UCITS in the legal form of a contractual investment fund or collective trusteeship can be subject to taxation at source in the country of investment. Possible double taxation agreements shall remain reserved.

### 11.2 Natural persons with tax domicile in Liechtenstein

The private investor domiciled in the Principality of Liechtenstein must declare his shares as assets, which are subject to a wealth tax. Any distribution or reinvestment of the income of the UCITS in the legal form of a contractual investment fund or collective trusteeship is not subject to acquisition tax. The capital gains achieved for the sale of shares are exempt from profit and income tax. Capital losses may not be deducted from earnings subject to taxation.

### 11.3 Persons with tax domicile outside of Liechtenstein

For investors with country of domicile outside the Principality of Liechtenstein, the taxation and other fiscal effects for holding or buying or selling investor shares according to the tax-law regulations of the respective country of domicile, as well as and in particular with respect to the EU savings tax, shall be geared toward the country of domicile of the paying agent.

### 11.4 EU savings tax

In relation to the UCITS, a Liechtenstein paying agent can be obliged to charge a tax retention for certain interest income of the UCITS, both for the distribution and for the purchase or redemption of investors' shares, levied on individuals whose domicile for tax purposes is in an EU Member State (EU savings income tax). If applicable, a paying agent in Liechtenstein may provide for a notification procedure instead of the tax retention, at the express request of the person holding the rights of use.

#### Disclaimer

The tax-related remarks are going on the assumption of the currently recognized legal situation and practice. Modifications to the legislation, case law and/or edicts and practice of the tax authorities shall remain expressly reserved.

Investors are requested to consult their own professional consultants regarding the respective tax consequences. Neither the management company, the custodian, nor its designee can assume responsibility for the individual tax consequences for the investor from the purchase or sale or holding of investor shares.

## 12 Costs and fees

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### 12.1.1 Costs and fees chargeable to the investor

#### 12.1.2 Issue surcharge

To cover the costs arising from the placement of the shares, the management company may impose an issue surcharge on the net asset value of the newly issued shares, payable to the management company, the custodian and/or the domestic or foreign sales agents pursuant to Appendix A "Funds at a glance".

#### 12.1.3 Redemption discount

For the redemption of repurchased shares, the management company charges a redemption fee on the net asset value of the redeemed shares pursuant to Appendix A "Funds at a glance".

#### 12.1.4 Exchange fee

If the investor wishes to switch from one share class to another, the management company charges a fee on the net asset value of the converted shares pursuant to Appendix A "Funds at a glance".

For the changeover from one share class to another share class, no exchange fee is charged.

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<sup>1</sup> As stipulated in the customs examination area agreement between Switzerland and Liechtenstein, Swiss stamp duty law also applies in Liechtenstein. For the purposes of Swiss stamp duty legislation, the principality of Liechtenstein is therefore considered as a domestic country.

## 12.2 Costs and fees levied on the UCITS

### A. Fees dependent upon assets

#### Management fee (administration):

The management company charges an annual fee for the management, risk management and administration of the UCITS pursuant to Appendix A "Funds at a glance". This is calculated on the basis of the average net asset value of the UCITS, accrued within the NAV calculation and paid quarterly. Minimum fees may be calculated pro rata on basis of the average net assets of the UCITS / share class, accrued under the NAV calculation and paid quarterly. The exact amount of the management fee for the UCITS/ share class is stated in the annual report.

#### Custodian fee:

The custodian shall receive an established fee as per Appendix A "Sub-funds at a glance" for the fulfilment of its tasks arising from the custodian agreement "Funds at a glance" remuneration. This is calculated on the basis of the average net asset value of the UCITS, accrued within the NAV calculation and paid quarterly. Minimum fees may be calculated pro rata on basis of the average net assets of the UCITS / share class, accrued under the NAV calculation and paid quarterly. The exact amount of the custodian fee for the UCITS/ share class is stated in the annual report.

#### Management fee:

If an asset manager is contracted then he can receive from the Fund's assets a fee pursuant to Appendix A "Funds at a glance". This is calculated on the basis of the average net asset value of the UCITS/share classes, accrued within the NAV calculation and paid quarterly. Minimum fees may be calculated pro rata on basis of the average net assets of the UCITS / share class, accrued under the NAV calculation and paid quarterly. In addition, the asset manager can receive thereof a performance fee from the net Fund's/share classes' assets. The exact amount of the management fee for the UCITS/ share class is stated in the annual report.

#### Advisory fee:

If an investment advisor is appointed then he can receive a fee whose maximum amount, calculation, payment for the UCITS is specified in Appendix A "Funds at a glance". In addition, the investment advisor can receive a performance fee from the net Fund's assets. The amount of the advisory fee for the UCITS/ share class is stated in the annual report.

#### Distributor fee:

If a sales office is contracted then it can receive from the Fund's assets a fee whose maximum amount, calculation, payment for the UCITS is specified in Appendix A "Funds at a glance". This is calculated on the basis of the average net asset value of the UCITS, accrued within the NAV calculation and paid quarterly. Minimum fees may be calculated pro rata on basis of the average net assets of the UCITS / share class, accrued under the NAV calculation and paid quarterly. The exact amount of the sales office fee for the UCITS/ share class is stated in the annual report.

### B. Fees independent of the assets:

#### Ordinary Expenses

The management company and the custodian shall also have a right to reimbursement of the following expenditures, which have accrued to them in carrying out their functions:

- Costs for the preparation, printout and forwarding of the annual reports and mid-year reports as well as additional legally required publications;
- Costs for publishing the UCITS' announcements to investors in the official publications and any additional newspapers or electronic media specified by the Fund, including exchange publications;
- Fees and costs for permits and supervision of the UCITS in Liechtenstein and abroad;
- all taxes charged to the assets of the UCITS and its income and income utilisations for the benefit of the UCITS;
- Fees in connection with a possible listing of the UCITS and with sales in Liechtenstein or abroad (e.g. advisory, legal and translation costs).
- Fees, costs and remunerations in connection with the calculation and publication of tax factors for the countries of the EU/EEA and/or all countries where sales permits and/or private placements exist, according to the effective expenditures at market-rate carrying values.
- Fees for paying agents, deputies and other representatives with a comparable function in-country and abroad;
- An appropriate share in the costs of printed matter and advertising, which accrue in direct relation to the offering and sale of shares;
- Auditors' and tax consultants' fees, provided these expenditures were made in the interest of the investors.

Certain costs and commissions can be waived for the fund; especially in the initial phase of the fund resp. they can be paid externally. This with the aim to mitigate the high cost charges of the fund in relation to the net asset value in the initial phase. This can cause that the declared TER (Total Expense Ratio) is not charged on the same basis as prospective TERs. Corresponding disclosure and declarations as well as the valid high of the expenses of the fund will be quote on the annual report.

The investors will be informed by the "information to the investors" about the utilisation and the abandonment of this possibility.

#### **Transaction costs**

In addition, the UCITS bears all additional expenses arising from the management of the assets, the purchase and sale of investments (standard market brokerage fees, commissions, duets), as well as all taxes charged to the assets of the UCITS, its income and income utilisations (e.g. source taxation on foreign income). Any possible external costs e.g. fees from third parties arising from the purchase and sale of shares are borne by the UCITS. These costs shall be directly offset by the cost and/or selling price of the respective investments. Any currency hedging costs shall also be charged to the respective share classes.

Counter-performances (quid pro quos) included in a fixed flat fee may not be additionally charged as a separate expense. Possible remuneration for commissioned third parties is in any case included in the fees as per Art. 30 of the Trust Agreement.

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

The possible costs of currency hedging of share classes shall be allocated to the respective share class.

#### **Liquidation fees**

If the UCITS is liquidated, the management company can levy a maximum liquidation fee of CHF 10,000 for their benefit.

#### **Extraordinary Disposition Costs**

In addition, the management company can levy extraordinary disposition costs on the Fund's assets.

Extraordinary disposition costs comprise the expenses that serve exclusively to protect interests and that arise unforeseeably in the course of regular business transactions and the establishment of the UCITS. Extraordinary disposition costs comprise, in particular, costs for prosecution in the interests of the UCITS or the investors. Also included under these costs are any extraordinary dispositions that become necessary according to UCITSG and UCITSV (e.g. changes to the fund documents).

#### **Current fees (Total Expense Ratio)**

The overall costs incurred by the UCITS or the share class on an annual basis (total expense ratio, TER) are disclosed in the annual report.

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

The management company may also impose a performance fee. If a performance fee is charged then this is detailed in Appendix A "Funds at a glance".

#### **Formation Costs**

The costs entailed in establishing the UCITS and the initial issue of shares are levied to the assets of the UCITS over five years.

## **13 Information about the Investors**

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The gazette for the UCITS is the website of the LAFV Liechtensteiner Anlagefondsverband (Liechtenstein investment trust) ([www.lafv.li](http://www.lafv.li)).

All announcements to investors, including those about changes to the Trust Agreement and Appendix A "The Sub-fund at a glance" are published on the website of LAFV, [www.lafv.li](http://www.lafv.li), Liechtenstein Funds Association, as the publication organ of UCITS, as well as other media and information outlets named in the Prospectus.

The net asset value, as well as the issue and redemption price of the shares of the UCITS or share class is announced for the day on the valuation date, on the website of LAFV, [www.lafv.li](http://www.lafv.li), Liechtenstein Funds Association, as the official publication of UCITS, as well as other media and permanent data carriers named in the Prospectus (letter, fax, email or similar).

The annual report examined by an auditor and the mid-year report, which does not need to be examined, shall be provided to the investors at no charge at the registered office of the management company and the custodian.

## **14 Duration, Dissolution, Merger and Structural Measures of the UCITS**

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### **14.1 Duration**

The UCITS is set up for an indefinite period of time.

### **14.2 Dissolution**

The liquidation of the UCITS is mandatory in the cases provided by law. In addition the management company is entitled at any time to liquidate the UCITS.



Investors, inheritors and other authorised parties cannot demand the division or liquidation of either the UCITS or a single share class.

The decision to liquidate the UCITS or a share class is published on the website of LAFV, [www.lafv.li](http://www.lafv.li), the Liechtenstein Investment Funds Association, as the official publication of UCITS, as well as other media and permanent information carriers named in the Prospectus (letter, fax, email or similar). From the date of the dissolution decision onward, no additional shares shall be issued, exchanged or redeemed.

When liquidating the UCITS, the management company may immediately liquidate the assets of the UCITS in the best interests of the investors. The management company shall be authorized to commission the custodian to distribute the net liquidation earnings to the investors after deduction of the liquidation costs. Distribution of the net assets may only be undertaken after approval of the supervisory authority. In other respects, liquidation of the UCITS shall take place according to the provisions of the Liechtenstein Persons and Company Law (PGR).

If the management company liquidates a share class without liquidating the UCITS, all remaining shares of this class are repurchased at the current net asset value. This redemption shall be published by the management company and the redemption price will be paid out by the custodian for the benefit of the former investors.

By liquidation of the fund the management company can decide to deliver appropriate assets of the fund with the approval of the investors instead of cash. The valuation of these assets must be identical to the valuation of the net asset value.

#### **14.3 Merger**

Within the meaning of Art. 38 UCITSG, the management company may at any time and at its discretion, with the approval of the respective supervisory authority, decide on a merger of the UCITS with one or several other UCITS, regardless of the legal form of the UCITS and whether the other UCITS has its registered office in Liechtenstein or not. The UCITS and its share classes can be merged with one or more other UCITS or their Sub-funds and share classes.

It is likewise possible to split the UCITS and the share classes.

Other structural measure within the meaning of Art. 49 UCITSG are also permitted.

More specific details are governed by the Trust Agreement.

#### **14.4 Structural Measures**

In accordance with Article 38 UCITSG, with the consent of the respective supervisory authorities the UCITS can at any time and at its own discretion decide to merge with one or more other UCITS regardless of the legal form of the other UCITS and whether the other UCITS are based in Liechtenstein or not. The UCITS and its share classes can be merged with one or more other UCITS or their Sub-funds and share classes.

It is likewise possible to split the UCITS and the share classes.

Other structural measure within the meaning of Art. 49 UCITSG are also permitted.

Unless other regulations are passed subsequently, the legal provisions of Art. 36 ff. UCITSG as well as the associated regulatory provisions shall apply.

## **15 Applicable Law, Place of Jurisdiction and Prevailing Language**

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

The management company and/or the custodian may, however, with regard to the demands of investors from these countries, submit to the place of jurisdiction of the countries in which shares are offered and sold. Other legally mandatory places of jurisdiction shall be reserved.

German is the legally binding language for the Prospectus, the Trust Agreement, as well as the Appendix A "Funds at a glance".

This prospectus shall go into effect on 18<sup>th</sup> May 2015.

## **16 Specific Information for Individual Marketing Countries**

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According to applicable law in the Principality of Liechtenstein, the constitutive documents will be approved by the FMA. This approval refers only to information pertaining to implementation of the provisions of the UCITSG. For this reason, Appendix B "Specific Information for Individual Marketing Countries", which is based on foreign law, does not comprise part of the review by the FMA and is excluded from the approval.

## Part II Trust Agreement of the CoCo Alpha Bond Fund

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### Preamble

The Trust Agreement and the Appendix A 'Funds at a glance' form an essential entity.

If a circumstance in this Trust Agreement is not regulated, the legal relationships between the investors and the management company shall follow the law of June 28, 2011 regarding specific Undertakings for Collective Investment in Transferable Securities (UCITSG) and the regulation of July 5, 2011 regarding specific Undertakings for Collective Investment in Transferable Securities (UCITSV), and, if no regulations are provided there, according to the provisions of the Persons and Company Law (PGR) regarding the trusteeship.

## I. General Provisions

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### Art. 1 The UCITS

The CoCo Alpha Bond Fund (hereinafter: UCITS) was established on 3<sup>rd</sup> July 2014 as an Undertaking for Collective Investment in Securities (UCITS) according to the laws of the Principality of Liechtenstein.

The UCITS is subject to the law of June 28, 2011 regarding certain Undertakings for Collective Investment in Securities (UCITSG).

The UCITS has the legal form of a collective trusteeship. A collective trusteeship is the entering into a trusteeship of identical content with an undetermined number of investors for the purpose of productive investment and management for the account of the investors, with the individual investors participating in this trusteeship according to their share and only personally liable up to the amount invested.

The UCITS is a single fund.

According to its investment policy the UCITS can invest in securities and other assets. The investment policy of the UCITS is prescribed in the investment objectives. The net assets of the UCITS or the share class and the net asset values of the shares of the UCITS or the share classes are expressed in the reference currency.

The respective rights and obligations of the owners of the shares (hereinafter referred to as "Investors") and the management company and the custodian shall be governed by this Trust Agreement.

With the acquisition of shares ('shares') of the UCITS every investor recognises the Trust Agreement, which sets out the contractual relations between investors, the management company and the custodian, as well as the properly implemented changes to this.

### Art. 2 Management Company

The UCITS shall be managed by CAIAC Fund Management AG, which was established in the legal form of a corporation with registered office in Vaduz, Liechtenstein, according to this Trust Agreement. In accordance with UCITSG, the management company is approved by Finanzmarktaufsicht Liechtenstein (FMA) (Financial Market Supervisory Authority) and entered on the officially published list of management companies approved in Liechtenstein by the FMA.

The management company manages the UCITS for the account and in the exclusive interests of the investors according to the principle of risk spreading and the provisions of the Fund Agreement/ Trust Agreement, as well as Appendix A "Funds at a glance".

The management company shall be authorized to have at its disposal the fixed assets belonging to the UCITS in its own name and according to the legal provisions of the Trust Agreement and to exercise all rights arising therefrom.

### Art. 3 Transfer of duties

In keeping with the provisions of the UCITSG and the UCITSV, the management company may transfer a portion of its duties to third parties for the purpose of efficient management of the business. The exact execution of the contract shall always be governed by an agreement entered into between the management company and the agent.

### Art. 4 Custodian

The management company has appointed a bank or investment firm with headquarters or branches in the Principality of Liechtenstein for the Fund assets. The function of the custodian follows the UCITSG, the custodian agreement and this Trust Agreement.

### Art. 5 Auditor

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

**Art. 6 Calculation of net asset value per share**

The "NAV" (Net Asset Value) per share of the respective share class is calculated by the management company at the end of the accounting year as well as on the respective valuation date based on the last-known prices with due regard to the valuation interval.

Due to the accumulation of bank holidays between 22<sup>nd</sup> December and 7<sup>th</sup> January each year there can be a distortion of the valuation prices of the target investments of the fund. This could be based on missing liquidity (low trade volumes) and different business hours of the international stock exchanges. This leads to difficulties in assessing if sufficient price quality exists and therefore transactions within the share register of the fund can be carried out fairly. Another difficulty lays in the comprehensible communication of the deadline for share register transactions as the relevant NAV (net asset value) could occur several days later with the result that the issue or redemption of shares/units will be delayed.

For funds with daily or weekly valuation intervals the administration company has the option to amend the rules in regard to issue and redemption of shares as well as the calculation of the NAV differing from the usual valuation days between the 22<sup>nd</sup> December and 7<sup>th</sup> January each year. The administration company can resolve the postponement or cancellation of the single valuation days. Furthermore the administration company can resolve that orders can be accepted for the NAV as of 31<sup>st</sup> December.

The administration company will inform the investors about the amended modalities of orders and valuations of the NAV in the official publication platform of the fund or by direct information not later than 30<sup>th</sup> November each year.

The NAV of a share in a share class of the UCITS is expressed in the accounting currency of the UCITS or, if different, in the reference currency of the corresponding share class and is equal to the proportion of assets of the UCITS of the respective share class, minus any possible liabilities of the UCITS attributable to the share class concerned, divided by the number of shares in the respective share class in circulation. When issuing or redeeming shares, it shall be rounded to two decimal places as follows:

- to 0.01 EUR
- to 0.01 USD

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

- a) Securities that are officially listed on a stock exchange shall be valued at the last available price. If a security is officially listed on several stock exchanges, then the last available price on the stock exchange which is the main market for this security shall prevail.
- b) Securities which are not officially listed on any stock exchange but are traded on a market open to the public shall be valued at the last available price.
- c) Securities or money market instruments with a residual term of less than 397 days may be depreciated or amortized [attributed, imputed] according to the linear method, using the difference between the original price (purchase price) and the repayment price (price at final maturity). Valuation at the current market price may cease if the repayment price is known and fixed. Any changes to creditworthiness are also taken into account;
- d) Investments whose price is not in line with the market and those assets that are not covered by Items 1, 2 and 3 above are calculated at the price that would probably have been achieved in a diligent purchase at the time of valuation and that is defined in good faith by the executive board of the management company or under their guidance and supervision by representatives.
- e) OTC derivatives shall be valued on a daily basis at a valuation to be set and verified by the management company, as stipulated in good faith by the management company and according to the generally accepted valuation models verifiable by auditors on the basis of the likely achievable sales value.
- f) UCITS or undertakings for collective investment are valued at the latest available redemption price. If the redemption for shares is suspended or, for closed-ended UCIs, there is no redemption claim or no redemption price has been set, these shares, like all other assets, are valued at the current market value as determined by the management company in good faith and according to generally recognised valuation rules verifiable by auditors.
- g) If no tradable price is available for the respective assets, then these assets – just like the other legally permitted assets – shall be valued at the respective fair market value as stipulated in good faith by the management company and according to the generally accepted valuation models verifiable by auditors on the basis of the likely achievable sales value.
- h) The liquid assets shall be valued at their nominal value plus accrued interest.
- i) The market value of securities and other investments which are in a different currency from the Fund currency are converted into the corresponding Fund currency using the latest exchange rate.

The management company conducts the valuation.

The management company is entitled to apply other adequate principles for the valuation of the assets at times should, as a result of extraordinary circumstances; the above-mentioned criteria seem impossible or impractical for valuation purposes. In the case of large numbers of redemption requests, the management company may value the units of the particular segment on the basis of prices at which the necessary sales of securities were made. In this case, the same calculation method will be applied for issue and redemption requests that are submitted simultaneously.

**Art. 7 Issuing of shares**

Shares are issued on each valuation day (issue day) and at the net asset value calculated on the valuation date per share of the corresponding share class of the UCITS, plus any issue surcharge and payable duty and taxes.

The shares are not documented as securities.

Subscription requests must be received by the custodian on or before the closing date. If a subscription request is received after the closing date, it will be earmarked for the following valuation date (issue date). For requests placed at sales offices in-country and abroad, earlier closing dates for submission of requests may apply to ensure timely forwarding to the custodian in Liechtenstein. These can be ascertained at the respective sales offices.

Information on the issue date, the closing date and the amount of the possible maximum issue surcharge is provided in Appendix A "Funds at a glance".

Payment must be received within two banking days after the applicable official issue.

The management company shall ensure that the issuing of shares shall be calculated on the basis of a net asset value per share unknown to the investor at the time of application (forward pricing).

All taxes and duties that accrue from the issuing of shares shall likewise be billed to the investor. If shares are acquired via banks that are not familiar with the sale of the shares, it is possible that such banks may bill for additional transaction costs.

If the payment is made in a different currency from the reference currency, the equivalent value resulting from the conversion of the payment currency to the accounting currency – less fees - will be used for the acquisition of shares.

The minimum investment which may be held by an investor in a particular share class is specified in Appendix A "Funds at a glance".

The trade can be suspended in applications of Article 12.

Investments in kind are not permitted.

The management company and / or the custodians can reject a subscription application at any time or temporarily restrict, suspend or permanently discontinue the payment of shares if this is in the interest of the investors, in public interest or to protect the management company or the UCITS or if it is necessary to the investors. In this case the investors will immediately return without interest any incoming payments for subscription applications not yet executed, where appropriate this is carried out via paying agencies.

The payment of Fund shares can be suspended in applications of Article 12.

**Art. 8 Redemption of shares**

Shares are cancelled on each valuation date (redemption date) and at the net asset value calculated on the valuation date per share of each corresponding share class of the UCITS, minus any redemption charge and payable duty and taxes.

Redemption requests must be received by the custodian by the closing date at the latest. If a redemption request is received after the closing date, it will be earmarked for the following valuation date (redemption date). For requests placed at sales offices in-country and abroad, earlier closing dates for submission of requests may apply to ensure timely forwarding to the custodian in Liechtenstein. These can be ascertained at the respective sales offices.

Information on the redemption date, the valuation frequency, the closing date and the amount of the possible maximum redemption fees is provided in Appendix A "Funds at a glance".

As a reasonable portion of the assets of the UCITS must be liquid, shares are paid within the two bank working days after the given redemption date. This shall not apply if the remittance of the redemption amount proves to be impossible based on legal regulations or possible foreign exchange and transfer restrictions or based on other circumstances beyond the control of the custodian.

If, on request of the investor, payment is made in a different currency from that in which the shares are issued, the payable portion is calculated on the exchange of the accounting currency into the payment currency, minus any duty and taxes.

Upon payment of the redemption price, the respective share shall expire.

If the execution of a redemption claim causes the portfolio of the respective investor to fall below the minimum investment for the corresponding share class specified in Appendix A "Funds at a glance", then the management company may, without further notifying the investors, treat this redemption claim as a claim for the redemption of all shares held by the respective investor in this share class or as a claim to convert the remaining shares into another share class of the UCITS with the same reference currents, whose preconditions for participation are fulfilled by the Investor.

The management company and/or custodians can retract shares against the will of the investors against payment of the redemption price, as long as this is in the interest of, or in order to protect the investors, the management company or the UCITS, particularly if

- 1) there is suspicion that market timing, late trading or other market techniques are being used by the respective investor in the acquisition of the shares, which could harm the entire aggregate of investors,
- 2) the investor does not fulfil the conditions for acquisition of the shares or
- 3) the shares are offered for sale in a country in which the UCITS is not permitted to be sold or acquired by someone who is not permitted to acquire the shares.

The management company shall ensure that the redemption of shares is calculated on the basis of a net asset value per share unknown to the investor at the time of submitting the application (forward pricing).

The redemption of fund shares may be discontinued in cases of application of Item 12.

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

If different share classes are offered, shares can be converted from one share class into shares of another share class. No conversion fee is charged for conversion within a UCITS. If a conversion of shares for share classes is not possible, then this is indicated for the share class concerned in Appendix A "Funds at a glance".

The conversion of shares into another share class is only possible if the investor fulfils the conditions for the direct acquisition of shares of the relevant share class.

If a conversion of shares for specific share classes is not possible, then this is indicated for the share class concerned in the relevant Fund-specific Appendix A "Funds at a glance".

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

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

- A = Number of shares of the share class into which they are to be converted
- B = Number of shares of the share class from which the conversion is to be completed
- C = Net asset value or redemption price of the shares for conversion
- D = Exchange rate between the share classes. If both share classes are calculated in the same reference currency, then this is coefficient 1.
- E = The net asset value of the shares of the possible share class, into which the conversion is to be completed, plus taxes, fees or other duties

In certain cases, a share class conversion may incur duties, taxes and stamp duty in individual countries.

The management company can at any time reject a conversion application for a share class if it is in the interest of the management company or in the interest of the investors, in particular if:

- 1) there is suspicion that market timing, late trading or other market techniques are being used by the respective investor in the acquisition of the shares, which could harm the entire aggregate of investors,
- 2) the investor is not meeting the conditions for the acquisition of shares, or
- 3) the shares are sold in a state in which the UCITS is not authorised for sale or acquired by someone who is not permitted to acquire the shares.

The management company shall ensure that the exchange of shares shall be calculated on the basis of a net asset value per share unknown to the investor at the time of submitting the request (forward pricing).

The exchange of fund shares may be discontinued in cases of application of Item 12.

#### **Art. 10 Late trading and market timing**

If there is a suspicion that the applicant is involved in Late Trading or Market Timing, then the management company or auditors will refuse to accept an application for subscription, conversion or redemption until the applicant has cleared up any doubt in connection with his application.

##### **Late trading**

Under Late Trading the acceptance of a subscription, conversion or redemption order means one which is received after the cut-off time and its execution at the price based on the net asset value valid on that day. An investor can gain an advantage through Late Trading with the knowledge of events or information which is revealed after the application closing time but is not yet reflected in the price according to which the investor's order is charged. This investor therefore has an advantage against investors who have adhered to the official cut-off time. The advantage of this investor is even greater if he combines Late Trading with Market Timing.

##### **Market timing**

Under Market Timing the arbitration process is that by which an investor, for a short term, systematically subscribes to, sells back or converts shares of the same UCITS or share class and uses the time difference and/or problems or weaknesses of the system in calculating the net asset value of the UCITS or the share class.

**Art. 11 Preventing money-laundering and the financing of terrorism**

The management company must ensure that domestic sales agencies are obliged vis-a-vis the management company to observe the Duty of Care laws of the Principality of Liechtenstein and the related Duty of Care regulation, as well as the FMA guidelines in the current version.

If the domestic sales agencies accept money from investors, being subject to due diligence, they are obliged to identify the subscriber, to determine the economic beneficiary, to create a profile of the business relationship and to observe all valid local regulations to prevent money-laundering.

Furthermore the sales agencies and their outlets must also observe all regulations to prevent money-laundering and the financing of terrorism that are in force in the relevant countries of sale.

**Art. 12 Suspension of the Calculation of Net Inventory Value and the Issuing, Redemption and Exchange of Shares**

The management company can temporarily suspend the calculation of the net asset value and/or the subscription, redemption and conversion of shares of a UCITS if this is justified in the interest of investors, in particular:

- 1) if a market that forms the basis for the valuation of a Substantial portion of the assets of the UCITS is closed or if trading on such a market is restricted or suspended;
- 2) In the event of political, economic or other emergencies; or
- 3) If transactions for the UCITS become impossible to execute due to restrictions on the transfer of assets.

The management company may also decide to pass a resolution on the complete or temporary suspension of issuing shares in the event that new investments might adversely affect achievement of the investment objective.

The issuing of shares will be temporarily stopped in particular if the calculation of the net asset value per share is stopped. If the issuing of shares is discontinued, the investors shall be informed immediately via notification in the gazette as well as in the media mentioned in the prospectus and Trust Agreement or by means of permanent data carriers (letter, fax, e-mail or the like) as to the reason and the time of the discontinuation.

Taking into account the interests of the investors, the management company is only entitled to realise significant redemptions, i.e. to suspend the redemption temporarily, after the corresponding assets of the UCITS have been sold immediately with consideration for the interests of the investors.

No new shares of the UCITS shall be issued while the redemption of shares is suspended. Shares whose redemption is temporarily limited cannot be converted.

The management company ensures that the Fund has adequate liquid assets available, so that a redemption or conversion of shares upon request of the investor can, under normal circumstances, be realised immediately.

The management company immediately informs the FMA and the investors in an appropriate way of the suspension of the redemption and payment of shares. Subscription, redemption and/or exchange requests will be settled after resumption of the calculation of net asset value. The investor may withdraw his subscription, redemption or exchange request until share trading is resumed.

The management company shall be entitled but not obliged to suspend the calculation of the net asset value (suspension), if falling below the required minimum net asset volume or if the net asset volume is insufficient compared to present costs. Subscriptions and redemptions that could not be settled by the suspension will be accomplished with the next officially published net asset value.

**Art. 13 Selling restrictions**

The shares of the UCITS are not approved for sale in all countries of the world. When issuing, redeeming and converting shares abroad, the conditions valid in the country concerned apply. Details are available in the Prospectus.

## II. Structural Measures

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**Art. 14 Merger**

Within the meaning of Art. 38 UCITSG, the management company may at any time and at its discretion, with the approval of the respective supervisory authority, decide on a merger of the UCITS with one or several other UCITS, regardless of the legal form of the UCITS and whether the other UCITS has its registered office in Liechtenstein or not. UCITS and share classes can be merged with another or several other UCITS or their Sub-funds or share classes.

It is likewise possible to split the UCITS and the share classes.

All UCITS assets must be moved by the end of the financial year (transfer date) into another existing or newly established through a merger UCITS or Sub-fund. The UCITS can also be merged with a UCITS which has been issued in another EU or EEA State and conforms to the conditions of guideline 2009/65/EG. With the agreement of the FMA of Liechtenstein, another transfer date can be set.

Before the end of the financial year or another transfer date, all assets of another UCITS or a foreign UCITS that conforms to the guidelines can be transferred to a UCITS. Finally it is also possible that the assets of a foreign UCITS that conforms to the guidelines can be transferred to the UCITS without its liabilities.

The investor's credit institutions submit information on the reasons for the merger, the potential implications for the investors, their rights in relation to the merger and the relevant procedural aspects in paper or electronic form at the latest 35 working days before the planned transfer date. The investors receive the important investor information for the special funds or the UCITS that already exist or are newly formed through the merger.

Up to five working days before the planned transfer date, the investors have the possibility to either return their shares without redemption deductions or to exchange their shares against shares of another UCITS that is also managed by the management company and has a similar investment policy as the UCITS being merged.

On the transfer date the value of the special fund or UCITS being acquired or transferred is calculated, the conversion ratio is determined and the whole process is checked by the auditor. The conversion ratio is determined according to the ratio of the net asset value of the acquired and transferred special fund at the time of the transfer. The investor receives the number of shares in the new special fund that corresponds to the value of his shares in the transferred special fund. It is also possible that the investors of the transferred special fund can receive up to 10% of the value of their shares in cash. If the merger of the transferred special fund takes place during the current financial year, then the management company which administers it must make a report on the transfer date in compliance with the requirements for an annual report.

The management company announces in the UCITS publications, the LAFV Liechtenstein Swiss Funds Association [www.lafv.li](http://www.lafv.li) website if the UCITS has incorporated another UCITS and the merger is in effect. If the UCITS is completely absorbed in a merger, the management company must announce that they are managing the incorporated or newly formed UCITS.

The transfer of all the assets of this UCITS to another domestic UCITS or another foreign UCITS can only occur with the consent of the Liechtenstein FMA.

#### **Art. 15 Investor information, consent and investors' rights**

Investors are informed fully of the planned. The investor information must give the investors an informed assessment of the effects of the venture on their investment and must enable them to exercise their rights in accordance with Article 44 and 45 UCITSG.

The investors have no co-determination right with regard to structural measures.

In the case of a structural measure, the investors can demand, without further costs than those retained from the UCITS to cover the liquidation costs,

- 1) the resale of their shares;
- 2) the redemption of their shares; or
- 3) the conversion of their shares into another UCITS with a similar investment policy

The right to convert shares exists only if the UCITS is managed by the same management company or a company closely related to the management company. The investors retain a tax cap.

The right comes with the transfer of the investor information and ceases five bank working days from the time of the calculation of the conversion ratio.

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

The costs of legal fees, consultancy or administration related to the preparation and execution of the merger are not charged to either the UCITS involved in the merger or the investors.

This also applies to structural measures in accordance with Article 49 a-d UCITSG.

For structural measures within the meaning of Article 49 e-i UCITSG, the costs of legal fees, consultancy or administration related to the preparation and execution of this structural measure can be charged to the relevant Fund assets. In this case the probable costs, overall and estimated per share, are given in the investor information.

If a UCITS is a master-UCITS, then a merger will only become effective when the relevant UCITS has provided the investors as well as the relevant authorities of the home Member State of the Feeder-UCITS with the legally required information up to 60 days before the proposed date of effectuation. In this case the UCITS concerned grants the feeder-UCITS the possibility to cancel or to pay out all shares prior to the execution of the merger, unless the relevant authorities of the home member state of the feeder-UCITS does not authorise the investment in shares of the master-UCITS formed by the merger.

### III. Liquidation of the UCITS and its share classes

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#### Art. 17 In general

The conditions for the liquidation of the UCITS also apply to its share classes. The investors are informed of the decision of the management company in the same way as described in the preceding section "Structural measures".

#### Art. 18 Liquidation decision

The liquidation of the UCITS is mandatory in the cases provided by law. In addition the management company is entitled at any time to liquidate the UCITS or a single share class. Investors, inheritors and other authorised parties cannot demand the division or liquidation of either the UCITS or a single share class.

The decision to liquidate the UCITS or a share class is published on the website of LAFV, [www.lafv.li](http://www.lafv.li), the Liechtenstein Investment Funds Association, as the official publication of UCITS, as well as other media and permanent information carriers named in the Prospectus (letter, fax, email or similar). From the date of the dissolution decision onward, no additional shares shall be issued, exchanged or redeemed.

If the UCITS is liquidated the management company can immediately liquidate the shares of the UCITS in the best interests of the investors. The management company shall be authorized to commission the custodian to distribute the net liquidation earnings to the investors after deduction of the liquidation costs. Distribution of the net assets may only be undertaken after approval of the supervisory authority. In other respects, liquidation of the UCITS shall take place according to the provisions of the Liechtenstein Persons and Company Law (PGR).

If the management company liquidates a share class without liquidating the UCITS, all remaining shares of this class are repurchased at the current net asset value. This redemption shall be published by the management company and the redemption price will be paid out by the custodian for the benefit of the former investors.

By liquidation of the fund the management company can decide to deliver appropriate assets of the fund with the approval of the investors instead of cash. The valuation of these assets must be identical to the valuation of the net asset value.

#### Art. 19 Reasons for the liquidation

If the net assets of a UCITS is below the value that is required for economically efficient management, as well as in the case of a significant change in the political, economic or monetary policy environment or in the framework of a streamlining, the management company can decide to annul or revoke all shares of the UCITS, or a share class to the net asset value (allowing for the actual price of implementation and the cost of realising the investments) on the valuation date on which the decision concerned becomes effective.

#### Art. 20 Liquidation costs

The costs of liquidation are charged to the net Fund assets of the UCITS.

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

In the case of liquidation and bankruptcy, the assets managed for the purpose of collective capital investment of the investors is not included in their bankrupt estate and is not liquidated together with the management company's own assets. The UCITS forms a special fund for the benefit of its investors. Each special fund must be transferred with the consent of the FMA to another management company or be liquidated to obtain separate satisfaction for the benefit of the investors of the UCITS.

In the case of bankruptcy of the custodian, the managed assets of the UCITS must be transferred with the consent of the FMA to another custodian or be liquidated to obtain separate satisfaction for the benefit of the investors of the UCITS.

#### Art. 22 Termination of the custodian agreement

In the case of the termination of the custodian agreement, the net Fund assets of the UCITS must be transferred with the consent of the FMA to another custodian or be liquidated to obtain separate satisfaction for the benefit of the investors of the UCITS.

### IV. Share classes and the formation of Sub-funds

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#### Art. 23 Share classes and the formation of Sub-funds

The management company can set up several share classes for the UCITS.

Share classes can be established that are distinguished by the allocation of income, issue premium, reference currency and the use of currency hedging, the management fee, minimum investment sum or a combination of these features of the existing share classes. However, the rights of the investors who have purchased shares from existing classes of shares shall remain unaffected by this.

The share classes that are set up in connection with the UCITS, as well as those in connection with the shares of the fees arising from the UCITS are stated in Appendix A 'Funds at a glance'. The UCITS is not an umbrella Fund and therefore there are no Sub-funds. At any time the management company can decide to turn the UCITS into an umbrella Fund and thereby to issue Sub-funds. The Prospectus is then adapted accordingly.



## V. General investment principles and limitations

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### Art. 24 Investment policy

The investment policy specific to Funds is described for UCITS in Appendix A "Funds at a glance".

The following general investment principles and restrictions apply to UCITS, as long as no deviations or amendments for UCITS are included in Appendix A "Funds at a glance".

### Art. 25 General investment principles and restrictions

The Fund assets concerned are invested in compliance with the principle of risk spreading within the meaning of the UCITSG rules and the investment policy principles described in the following sections and within the restrictions of the investment policy.

### Art. 26 Permitted investments

Each UCITS can invest the assets for the account of its investors exclusively in one or more of the following assets:

- 1) Securities and money market instruments:
  - a) Which are listed or traded on a regulated market within the meaning of Art. 4 Sec. 1 Item 14 of Directive 2004/39/EC;
  - b) Which are traded on another regulated market of an EEA member state, which is recognized, open to the public and has a mode of operation in accordance with the regulations;
  - c) Which are listed on the stock exchange of a third country or traded on another international market that operates regularly and is recognised and open to the public.
- 2) Securities from new issues, provided:
  - a) The terms and conditions of the issue include the obligation that admission to official listing or trade on another stock exchange mentioned in points 1a) to c) or on a market regulated there has been requested.
  - b) That this approval is obtained before expiration of one year after the issue date, at the latest;
- 3) Shares from a UCITS and others with a collective investment undertaking comparable to UCITS, provided the collective investment undertaking can invest at most 10% of their assets in shares of another UCITS or comparable collective investment undertaking;
- 4) Demand deposits or deposits subject to call with a maximum term of twelve months at financial institutions which have their registered office in an EEA member state or a third country, and whose supervisory authority is equivalent to that of EEA law;
- 5) Derivatives whose underlying assets are fixed assets within the meaning of this Article or financial indices, interest rates, exchange rates or currencies. In the case of transactions with OTC derivatives, the counterparties must be supervised institutes in a category approved by the FMA and the OTC derivatives must be subject to a reliable and verifiable evaluation on a daily basis and be able to be disposed of, liquidated or balanced by a countertrade at an appropriate fair value at any time at the initiative of the UCITS;
- 6) Money market instruments not traded on a regulated market, provided the issue or the issuer of these instruments is subject to deposit and investor protection regulations, and provided they are:
  - a) Issued or guaranteed by a central state, regional or local entity or the central bank of an EEA member state, the European Central Bank, the Community or the European Investment Bank, a third country or, provided it is a federal state, a member state of the federation or of an international orientation with a public-law character, which belongs to at least one EEA member state;
  - b) Issued by a company whose securities are traded on the regulated markets designated under letter a);
  - c) Issued or guaranteed by an institute which is under the control of a supervisory authority according to the criteria defined in EEA law or an institute whose supervisory authority is equivalent to EEA law and abides by this law; or
  - d) Issued by an issuer that belongs to a category approved by the FMA, provided equivalent investor protection provisions apply to letters a through c for investments in these instruments and the issuer is either a company with an equity capital of at least EUR 10 million with its annual financial statements prepared and published by PGR according to the provisions of Directive 78/660/EEC, implemented in Liechtenstein, or is a legal entity belonging to a group which is responsible for the financing of the corporate group with at least one corporation listed on the stock exchange, or is a legal entity, which intends to finance the securities-based backing/collateralization of liabilities through the use of a credit line granted by a bank.
- 7) The management company may also hold liquid assets.

**Art. 27 Investments not allowed**

The management company may not:

- a) To invest more than 10% of the assets in securities and financial market instruments other than those named in Article 26.
- b) Precious metals or certificates for precious metals;
- c) Uncovered short sales

**Art. 28 Derivative use, techniques and instruments**

The overall risk associated with derivatives cannot exceed the overall net value of the Fund's assets. As part of the investment strategy, the management company can invest in derivatives within the restrictions stipulated in Article 53 UCITSG. In calculating the risk, the market value of the underlying assets, the default risk, future market fluctuation and the period required to liquidate the positions are considered. As part of their investment policy and within the restrictions of Article 53 UCITSG, the Fund can invest in derivatives, provided the overall risk of the underlying assets does not exceed the investment limit of Article 54 UCITSG.

Provided the protection of investors and public interest is not opposed, investments of the UCITS in index-based derivatives are not excluded from the upper limit stated in Article 54 UCITSG. If a derivative is embedded in securities or a financial market instrument, with regard to compliance with the regulations of Article 54 UCITSG, it must be taken into consideration. With the approval of the FMA, the management company can use techniques and instruments that involve securities and financial market instruments for the efficient management of the portfolio in compliance with the conditions of UCITSG.

Borrowing are permitted within the restrictions stipulated in UCITSG and the relevant regulation. Lending and repurchase agreements are not permitted.

**Art. 29 Investment limits****A. The following investment limits must be observed for the UCITS:**

- 1) The Fund may invest at the most 5% of its assets in securities or financial market instruments from the same issuer and at the most 20% of its assets in deposits of the same issuer.
- 2) The default risk from transactions of the UCITS with OTC derivatives with a credit institution as a counterparty, whose headquarters are in an EEA Member State or a third country whose supervisory provisions are equivalent to those of EEA law, cannot exceed 10% of the assets of the UCITS. For other counter parties the maximum default risk is 5% of the assets.
- 3) Provided the overall value of the securities and financial market instruments of the issuer in which the UCITS invests 5% of its assets does not exceed 40% of its assets, then the issuer limit named in paragraph 1 is raised from 5% to 10%. The limit of 40% shall not apply for deposits or transactions with OTC derivatives with overseen financial institutions. When claiming the increase, securities and financial market instruments are excluded in accordance with paragraph 5, and debt securities are excluded in accordance with paragraph 6.
- 4) Notwithstanding the individual upper limits stipulated in paragraphs 1 and 2, a UCITS cannot combine the following if this would result in an investment of more than 20% of its assets in one and the same establishment:
  - a) Securities or money market instruments issued by this establishment;
  - b) Deposits at this establishment;
  - c) OTC derivatives acquired from this establishment.
- 5) Provided the securities or financial market instruments are issued or guaranteed by an EEA Member State or its regional authorities, by a third country or an international establishment under public law that belongs to at least one EEA Member State, the upper limit of 5% named in paragraph 1 is raised to a maximum of 35%.
- 6) Provided debt securities are issued by a credit institution based in an EEA Member State that is subject to special public supervision on the basis of legal regulations to protect the holder of these debt securities and in particular the sums deriving from the issue of these debt securities are invested in assets that adequately cover the arising liabilities throughout the entire term of the debt securities and, as a matter of priority, are intended for reimbursement of the principle and payment of the accrued interest in the event of failure of the issuer, the upper amount for such debt securities, named in paragraph 1 as 5%, is raised to a maximum of 25%. In this case the overall value of the investments cannot exceed 80% of the UCITS.
- 7)
  - a) The limits named in paragraphs 1 to 6 are not cumulative. The maximum issuer limit is 35% of the assets of the Fund.
  - b) In the case of an exemption, the FMA can set this limit above 35%. This must be made clear in the Prospectus as well as the advertising.

The management company is authorised, in accordance with the principle of risk spreading, to invest up to 100% of the assets of a UCITS in securities and financial market instruments from the same issuer, provided these are issued or guaranteed by a country, a public-law institution in the OECD or international public-law organisations. These securities or financial market instruments must be divided into at least six different issues, whereby the securities or financial market instruments from one and the same issue do not exceed

30% of the assets of a UCITS. The aforementioned securities and financial market instruments are precluded from the 40% limit in accordance with paragraph 3. These investments include in particular company and state securities.

- 8) Companies in the same group of companies are classified as a single issuer for the calculation of the investment limits given in this Article. For investments in securities and financial market instruments of the same group of companies, the issuer limit is raised to 20% of the assets of the UCITS.
- 9) A UCITS can invest a maximum of 10% of its assets in shares in other UCITS or a comparable collective investment undertaking. These investments are not to be taken into consideration with respect to the upper limits in Art. 54.
- 10) A UCITS can invest at most 20% of its assets in shares and/or debt instruments from the same issuer if, according to the investment policy of the UCITS, it is the objective of the UCITS to reproduce a particular stocks and debt instruments index recognised by the FMA. The prerequisite for this is that
  - The composition of the index is sufficiently diversified;
  - The index represents an adequate basis of comparison for the market to which it refers;
  - The index is publicized in an appropriate manner.

This limit amounts to 35%, provided it can be justified based on extraordinary market conditions, and in particular on regulated markets where certain securities or money market instruments strongly dominate. An investment up to this upper limit is only possible with a single issuer.

If the limits named in Article 27 and 29 of this agreement are exceeded unintentionally or as a result of exercising stock option rights, then the UCITS must make its sales priority to normalise the situation, taking into account the interests of the investors. UCITS may deviate from the regulations of this chapter 'Provisions for the investment policy' within the first six months after their admission. The requirement to distribute risk must continue to be followed.

- 11) The UCITS can subscribe, acquire and/or hold shares that were or are issued by one or more other UCITS provided:
  - The target fund does not invest in the UCITS which is investing in this target fund; and
  - In accordance with their Prospectus or their statutes, the share of the assets, which the target fund intends to acquire in shares of another target fund of a UCITS comparable collective shares undertaking does not exceed 10%; and
  - The voting right possibly linked to the securities concerned is suspended for the time that it is held by the UCITS concerned, notwithstanding a reasonable evaluation in the financial statements and the periodic reports; and
  - In any case the value of those securities, that takes into account the calculation of the net assets of the UCITS required by UCITSG to verify the minimum amount of the net assets in accordance with UCITSG, for the period they are held by the UCITS. and
  - There is no multi-amount calculation of the fees for the issuing or redemption of shares for one at the amount of the UCITS, who has invested in the target fund and in another at the amount of the target fund.
- 12) In accordance with paragraph 9, if the investments comprise a significant portion of the assets of the UCITS, the Appendix specific to the UCITS must provide information about the maximum amount and the annual report about the maximum share of the management fees to be borne by, in accordance with paragraph 9, the UCITS itself and the collective investment undertakings whose shares were purchased.
- 13) If further shares are managed indirectly or directly by the management company or by a company associated with the management company through joint management, control or qualifying holding, neither the management company nor the other company can charge fees for the issuing or redemption of shares to or from the Fund.
- 14) A management company shall not acquire for the UCITS it manages any shares carrying voting rights from the same issuer which would enable it to exercise significant influence over the management of the issuer. Considerable influence shall be presumed to start at 10% of the voting rights of the issuer. If the limit for the acquisition of voting shares issued by the same issuer is lower in another EEA Member State, then this is the limit that applies for the management company when it purchases UCITS shares of an issuer based in this EEA Member State.
- 15) For the UCITS, financial instruments from the same issuer are permitted to a maximum of:
  - a) 10% of the capital stock of the issuer, provided it pertains to shares without voting rights;
  - b) 10% of the total amount of the bonds in circulation or money market instruments of the issuer will be acquired, if bonds or money market instruments are involved. This limit need not be complied with if the total nominal amount at the time of acquisition cannot be determined;
  - c) 25% of the shares of the same undertaking shall be acquired if shares from other UCITS or from an undertaking for collective investments comparable to a UCITS are involved. This specific limit need not be complied with if the net amount at the time of acquisition cannot be determined.

- 16) Item 14 and 15 shall not be applied:
- a) of securities and money market instruments which are issued or guaranteed by a governmental issuer;
  - b) in shares that a UCITS owns in the capital of a company or third state, which invests its assets primarily in securities from issuers based in this third state, if a contribution of this sort represents the only possibility for the UCITS due to the legal provisions of this third state to invest in securities from issuers in this country. The requirements of the UCITSG must be observed in the process;
  - c) of shares held by management companies of the capital of their subsidiaries, which organize the repurchase of shares for the management company in the country of settlement at the request of the investor.

In addition to the restrictions listed in Article 29, part a), paragraphs 1-17, any further restrictions in Appendix A "Funds at a glance" must be observed.

**B. Deviations from the investment limits may be made in the following cases:**

- 1) The Fund assets must not break the investment limits when exercising stock options in securities or financial market instruments.
- 2) If the limits stated are exceeded, then as a sales priority the Fund must attempt to normalise the situation in accordance with the interests of the investors.
- 3) The Fund assets must not break the investment limits within the first six months after the Fund's approval. The requirement to distribute risk must continue to be followed.

**C. Particular techniques and instruments that involve securities and financial market instruments.**

As specified under Article 26, paragraph 5 of this agreement, under the legally defined conditions and within the legal restrictions, the management company can use particular techniques and financial instruments as a key element in achieving the investment policy for the UCITS whose underlying assets are securities, financial market instruments and other financial instruments.

The management company must use a risk management procedure that enables them to monitor and measure the risks associated with the investment positions and their respective contribution to the overall risk profile of the investment portfolio. Furthermore the management company must use a procedure that provides a precise and independent assessment of the value of the OTC derivatives. The management company must submit reports at least annually to the FMA with information that gives a true and fair view of the derivatives used for each managed UCITS, the underlying risks, the investment limits and the methods employed to estimate the risks associated with the derivatives transactions.

The management company is permitted, in compliance with the conditions and restrictions set by the FMA, to make use of techniques and instruments that involve securities and financial market instruments, provided the use of these techniques and instruments is with regard to the efficient management of the portfolio. If these transactions relate to the use of derivatives, then the conditions and restrictions must be in agreement with the requirements of the UCITSG.

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

The management company ensures that the overall risk tied to derivatives does not exceed the overall net value of the UCITS. In calculating the risks, the following are considered: the market value of the underlying assets, the default risk, future foreseeable market developments and the period required to liquidate the positions

As part of their investment strategy, the management company can, in accordance with Article 26, paragraph 5, invest in derivatives, provided the overall risk of the underlying assets does not exceed the investment limits stated in Article 32 "Investment limits". Investments of a UCITS in index-based derivatives do not have to be considered in regard to the investment limits in Article 32 "Investment limits".

If a derivative is embedded in a security or financial market instrument, it must be considered in regard to compliance with the regulations of Article 32 "Investment limits".

## VI. Costs and fees

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### Art. 30 Current fees

#### A. Fees dependent upon assets

##### Management fee (administration):

The management company charges an annual fee for the management, risk management and administration of the UCITS pursuant to Appendix A "Funds at a glance". This is calculated on the basis of the average net asset value of the UCITS, accrued within the NAV calculation and paid quarterly. Minimum fees may be calculated pro rata on basis of the average net assets of the UCITS / share class, accrued under the NAV calculation and paid quarterly. The exact amount of the management fee for the UCITS/ share class is stated in the annual report.

**Custodian fee:**

The custodian shall receive an established fee as per Appendix A "Sub-funds at a glance" for the fulfilment of its tasks arising from the custodian agreement "Funds at a glance" remuneration. This is calculated on the basis of the average net asset value of the UCITS, accrued within the NAV calculation and paid quarterly. Minimum fees may be calculated pro rata on basis of the average net assets of the UCITS / share class, accrued under the NAV calculation and paid quarterly. The exact amount of the custodians' fees for the UCITS/ the share class is stated in the annual report.

**Management fee:**

If an asset manager is contracted then he can receive from the Fund's assets a fee pursuant to Appendix A "Funds at a glance". This is calculated on the basis of the average net assets of the UCITS, accrued within the NAV calculation and paid quarterly. Minimum fees may be calculated pro rata on basis of the average net assets of the UCITS / share class, accrued under the NAV calculation and paid quarterly. In addition, the asset manager can receive a performance fee from the net Fund's assets. The exact amount of the management fee for the UCITS/ the share class is stated in the annual report.

**Advisory fee:**

If an investment advisor is appointed then he can receive a fee whose maximum amount, calculation, payment for the UCITS is specified in Appendix A "Funds at a glance". In addition, the investment advisor can receive a performance fee from the net Fund's assets. The amount of the advisory fee for the UCITS/ share class is stated in the annual report.

**Distributor fee:**

If a sales office is contracted then it can receive from the Fund's assets a fee whose maximum amount, calculation, payment for the UCITS is specified in Appendix A "Funds at a glance". This is calculated on the basis of the average net assets of the UCITS, accrued within the NAV calculation and paid quarterly. Minimum fees may be calculated pro rata on basis of the average net assets of the UCITS / share class, accrued under the NAV calculation and paid quarterly. The exact amount of the sales office's fee for the UCITS/ the share class is stated in the annual report.

**B. Fees independent of the assets:**

**Ordinary Expenses**

The management company and the custodian shall also have a right to reimbursement of the following expenditures, which have accrued to them in carrying out their functions:

- Costs for the preparation, printout and forwarding of the annual reports and mid-year reports as well as additional legally required publications;
- Costs for publishing the UCITS' announcements to investors in the official publications and any additional newspapers or electronic media specified by the Fund, including exchange publications;
- Fees and costs for permits and supervision of the UCITS in Liechtenstein and abroad;
- All taxes that are levied on the assets of the UCITS, as well as its profits and related expenses of the UCITS;
- The fees related to the listing of a UCITS and the sale, domestic and abroad, (e.g. advisory, legal and translation costs);
- Fees, costs and remunerations in connection with the calculation and publication of tax factors for the countries of the EU/EEA and/or all countries where sales permits and/or private placements exist, according to the effective expenditures at market-rate carrying values.
- Fees for paying agents, deputies and other representatives with a comparable function in-country and abroad;
- An appropriate share in the costs of printed matter and advertising, which accrue in direct relation to the offering and sale of shares;
- Auditors' and tax consultants' fees, provided these expenditures were made in the interest of the investors.

Certain costs and commissions can be waived for the fund; especially in the initial phase of the fund resp. they can be paid externally. This with the aim to mitigate the high cost charges of the fund in relation to the net asset value in the initial phase. This can cause that the declared TER (Total Expense Ratio) is not charged on the same basis as prospective TERs. Corresponding disclosure and declarations as well as the valid high of the expenses of the fund will be quote on the annual report.

The investors will be informed by the "information to the investors" about the utilisation and the abandonment of this possibility.

**Transaction costs**

In addition, the UCITS bears all additional expenses arising from the management of the assets, the purchase and sale of investments (standard market brokerage fees, commissions, duets), as well as all taxes charged to the assets of the UCITS, its income and income utilisations (e.g. source taxation on foreign income). Any possible external costs e.g. fees from third parties arising from the purchase and sale of shares are borne by the UCITS. These costs shall be directly offset by the cost and/or selling price of the respective investments. In addition, any currency hedge costs are levied to the respective share classes.

Counter-performances (quid pro quos) included in a fixed flat fee may not be additionally charged as a separate expense. Possible remuneration for commissioned third parties is in any case included in the fees as per Art. 30 of the Trust Agreement.

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

The possible costs of currency hedging of share classes shall be allocated to the respective share class.

#### **Liquidation fees**

In the case of the liquidation of the UCITS the management company can charge a maximum liquidation fee of CHF 10,000.

#### **Extraordinary Disposition Costs**

In addition, the management company can levy extraordinary disposition costs on the Fund's assets.

Extraordinary disposition costs comprise the expenses that serve exclusively to protect interests and that arise unforeseeably in the course of regular business transactions and the establishment of the UCITS. Extraordinary disposition costs comprise, in particular, costs for prosecution in the interests of the UCITS or the investors. Also included under these costs are any extraordinary dispositions that become necessary according to UCITSG and UCITSV (e.g. changes to the fund documents).

#### **Maximum limits for on-going fees (total expense-ratio, TER-ratio)**

The overall costs incurred by the UCITS or the share class on an annual basis (total expense ratio, TER) are disclosed in the annual report.

#### **Art. 31 Costs charged to the investor**

Issue, redemption and conversion fees, as well as any associated taxes and duties are charged to the investor.

#### **Art. 32 Fee dependent on investment performance (performance fee)**

The management company may also impose a performance fee. If a performance fee is charged then this is detailed in Appendix A "Funds at a glance".

#### **Art. 33 Formation Costs**

The costs entailed in establishing the UCITS and the initial issue of shares are levied to the assets of the UCITS over five years.

#### **Art. 34 Application of income**

The success of a UCITS results from the net income and the realised gains.

The management company can distribute the profits from a UCITS or share class to the investors of this UCITS or share class, or reinvest it in the respective UCITS or share class.

#### **Reinvested:**

The earned income of those sub-funds and/or share class, which show an income application of type "THES" according to Appendix A "Sub-funds at a glance", will be continuously reinvested. Realized capital gains from the disposal of goods and rights shall be retained by the management company for reinvestment.

#### **Distributed:**

The profits of those UCITS or share classes which, in accordance with Appendix A "Funds at a glance", show profits utilisation of the "distributing" type, are distributed annually. If distributions are made, this shall occur within 4 months after the close of the financial year.

Up to 10% of the net income of the UCITS or share class can be brought forward to a new account. Distributions shall be paid out on the shares issued on the distribution date. From the time of their maturity, no interest shall be paid on declared distributions. Realized capital gains from the disposal of goods and rights shall be retained by the management company for reinvestment.

#### **Art. 35 Benefits**

The management company reserves the right to grant benefits to third parties for investor referrals and/or rendering services. The assessment basis for such benefits is normally formed on the commissions, fees etc. charged to the investors and/or the assets / asset elements placed by the management company. Their amount corresponds to a percentage of the respective assessment basis. On request the management company will disclose at any time further details on the agreements reached with third parties. The management company herewith expressly waives any further claims to information; in particular the management company is under no obligation to provide a detailed account of remunerations actually paid.

The investor acknowledges and accepts that that the management company can be granted remunerations in the form of portfolio payments by third parties (including groups of companies) in connection with the input of investors, the purchase/sale of collective capital investments, certificates, notes etc. (henceforth 'products'; which includes those managed and/or issued by a group company). The amount of these benefits varies according to the product and product supplier. As a rule, portfolio payments are calculated on the basis of the amount of the volume of a product or product group held by the management company.

Their amount usually corresponds to a percentage of the share of the management fees debited for the respective product, paid on a period basis for the duration they are held. Sales commissions can also be paid by issuers of securities in the form of discounts on the issue price (percentage rebate), or in the form of one-off payments, the amount of which corresponds to a percentage share of the issue price. Subject to rules to the contrary, the investor can at any time before or after the provision of the service (purchase of the product) demand that the management company provides further details of the agreements made with third parties regarding such benefits. The right to request further information regarding executed transactions is limited to transactions during the 12 months preceding the request. The investor expressly waives the right to request more extensive information. If the investor demands no further details prior to the provision of services or if they procure the service after obtaining further details, they waive any claim pursuant to § 1009 of the General Code of Civil Law.

#### **Art. 36 Information for investors**

The gazette for the UCITS is the website of the LAFV Liechtensteiner Anlagefondsverband (Liechtenstein investment trust) ([www.lafv.li](http://www.lafv.li)).

All announcements to investors, including those about changes to the Fund Agreement/ Trust Agreement and Appendix A "Funds at a glance" are published on the website of LAFV, [www.lafv.li](http://www.lafv.li), Liechtenstein Funds Association, as the official publication of UCITS, as well as other media and information outlets named in the Prospectus.

The net asset value, as well as the issue and redemption price of the shares of the UCITS or share class is announced on the valuation date, on the website of LAFV, [www.lafv.li](http://www.lafv.li), Liechtenstein Funds Association, as the official publication of UCITS, as well as other media and permanent data carriers named in the Prospectus (letter, fax, email or similar).

The annual report examined by an auditor and the mid-year report, which does not need to be examined, shall be provided to the investors at no charge at the registered office of the management company and the custodian.

#### **Art. 37 Reports**

For each UCITS the management company makes an audited annual report as well as a half-year report in accordance with the legal requirements of the Principality of Liechtenstein.

Not more than four months after the end of each business year, the management company publishes an audited annual report in accordance with the requirements of the Principality of Liechtenstein.

Two months after the end of the first six months of the business year, the management company publishes an unaudited half-year report.

In addition, audited and unaudited mid-term reports can be made.

#### **Art. 38 Financial year**

The business year for UCITS begins on 1<sup>st</sup> January and ends on 31<sup>st</sup> December of the following year. The first business year is an extended business year.

#### **Art. 39 Changes to the Trust Agreement**

This Trust Agreement can at any time be fully or partially changed or extended by the management company.

Changes to the Trust Agreement require the prior consent of the FMA.

#### **Art. 40 Limitation**

Claims by investors against the management company, the liquidator, insolvency administrator or the custodian lapse after the deadline of five years after the admission of the claim and at most one year after the redemption of the shares or after the damages have become known

#### **Art. 41 Applicable Law, Place of Jurisdiction and Prevailing Language**

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

The management company and/or the custodian can, with regard to claims by investors from these countries, submit themselves and the UCITS to the jurisdiction of the countries in which the shares are offered and sold. Other legally mandatory places of jurisdiction shall be reserved.

German is the legally binding language for this Trust Agreement.

#### **Art. 42 General**

Reference is made to the provisions of the UCITSG, the provisions of the Persons and Companies Act (PGR) regarding collective trusteeship, as well as the general provisions of the Persons and Companies Act in the current version.

**Art. 43 Coming into force**

This Trust Agreement comes into force on 18<sup>th</sup> May 2015.

Bendern, 18<sup>th</sup> May 2015

**The management company**

CAIAC Fund Management AG, Bendern

**The custodian**

Volksbank AG, Schaan



## Appendix A: Funds at a glance

The Trust Agreement and this Appendix A "Funds at a glance" form the essential unit and thus supplement each other.

### CoCo Alpha Bond Fund

#### A. Funds at a glance

##### Master data and information on the UCITS and its share classes

Classes of shares <sup>2</sup>	Share classes of the UCITS			
	Class I EUR	Class I USD	Class R EUR	Class R USD
Security numbers	24869923	24869928	24869929	24869931
ISIN number	LI0248699238	LI0248699287	LI0248699295	LI0248699311
Suitable as UCITS - target Fund	Yes			
Term of the UCITS	Unlimited			
Listing	No			
Invoice currency of the UCITS	EUR			
Reference currency of the share classes	EUR	USD	EUR	USD
Minimum investment	5000 shares	5000 shares	1 share	1 share
Initial issue price	EUR 100.-	USD 100.-	EUR 100.-	USD 100.-
Initial subscription date	n/a	n/a	n/a	n/a
Payment (first value date)	n/a	n/a	n/a	n/a
Valuation date <sup>3</sup> (T)	Daily			
Valuation interval	Daily			
Issue and redemption date	Each valuation date			
Value. issue and redemption date (T+2)	Two bank business days after calculation of the net asset value /NAV			
Closing date share transactions (T-1)	Day before the valuation date, 4 p.m. (CET) at the latest			
Denominations	No decimal places			
Securitization	Accounts / no issuing of certificates			
Closing of fiscal year <sup>4</sup>	On 31 December			
End of the first business year	31 December 2015			
Utilisation of profit	Reinvested			

#### Costs charged to the investor

Classes of shares	Share classes of the UCITS			
	Class I EUR	Class I USD	Class R EUR	Class R USD
Maximum issue surcharge	1%	1%	3%	3%
Redemption discount	None	None	None	None
Conversion fees when switching from one share class to another share class	None	None	None	None

<sup>2</sup> The currency risks of the published currency classes can be fully or partially hedged.

<sup>3</sup> If the valuation date falls on a bank holiday in Liechtenstein; the NAV will be still calculated by the official valuation date with the latest available prices.

<sup>4</sup> This valuation date is decisive for the annual fund report.

**Costs charged on the Fund assets<sup>5 6 7 8</sup>**

Share classes	Class I EUR	Class I USD	Class R EUR	Class R USD
<b>Max. Risk Management and Administration Fee<sup>9</sup> (excl. Asset Management Fee and Distributors Fee)</b>	0.15% p.a. or minimum 1 <sup>st</sup> year CHF 30'000.- p.a. or minimum from the 2 <sup>nd</sup> year CHF 40'000.- p.a. add. for each share class CHF 2'500.- p.a.			
<b>Max. Asset Management Fee and Distributor's Fee<sup>10</sup> (excl. Risk Management and Administration Fee)</b>	0.70% p.a.	0.70% p.a.	1.25% p.a.	1.25% p.a.
<b>Advisory Fee</b>	is includes in "Asset Management Fee and Distributor's Fee"			
<b>Distributors' Fees</b>	is includes in "Asset Management Fee and Distributor's Fee"			
<b>Performance Fee<sup>11</sup></b>	None		10%	
<b>High Watermark</b>	None		Yes	
<b>Max. Custodians' Fee<sup>12</sup></b>	0.10% p.a. or minimum CHF 10'000.- p.a.			

**B. Asset management**

The investment decisions are delegated to AIF Alternativ Invest Finance AG.

**C. Investment Consultant**

The management company has not appointed an investment consultant to advise them regarding investment decisions.

**D. Share Register**

The share register will be managed by the custodian, Volksbank AG.

**E. Distribution**

The distribution in Switzerland is delegated to ACOLIN Fund Services AG (Zürich).

The distribution otherwise is delegated to AIF Alternativ Invest Finance AG (Ruggell).

**F. Tax representative**

The tax representative in Austria is BDO Austria GmbH (Wien).

The tax representative in Germany is PwC FS Tax GmbH, Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, regional office in Frankfurt / Main.

**G. Investment principles of the UCITS**

The following provisions govern the investment principles specific to Funds of CoCo Alpha Bond Fund.

**a) Investment objective and investment policy**

The CoCo Alpha Bond Fund aims to achieve continuous returns through receipts of bond interests and capital gains, whereby temporary fluctuations are tolerated.

In order to achieve the investment objective, investment opportunities are analyzed in selected financial instruments in terms of attractiveness, whereby the portfolio management will use mostly bonds, convertible bonds, contingent convertible bonds ("CoCo-Bonds") and debt securities of financial institutions and industrial companies. The focus of the fund's strategy is "CoCo-Bonds", which can be converted depending on regulatory capital requirements in equity (shares).

In addition the fund may invest up to 49% in equities and up to a maximum of 10% in target funds. Derivatives may be used for investment and hedging purposes.

The Fund is not dependent from a benchmark. Earned income of the fund will be reinvested.

5 The actual commission or fee charged is reported in the biannual and annual report.

6 Additional taxes and miscellaneous costs: Transaction costs such as expenses incurred by the management company and the depository in the course of their duties. Details can be found in paragraph 11 (Tax regulations) and paragraph 12.2 (Costs and fees chargeable to the UCITS) of the prospectus.

7 In the event of the liquidation of the UCITS, the management company can charge a maximum liquidation fee of CHF 10,000 in its favour.

8 See fig. 12.2 B resp. art. 30

9 Details see fig. 12.2 and Art. 30 Management fee (administration): The payment of the risk management and administration fee is quarterly.

10 Details see fig. 12.2 and Art. 30 Management fee / distributor fee: The payment of the management fee / distributor fee is quarterly.

11 Details see Appendix A fig. I): The payment of the performance fee is quarterly.

12 Details see fig. 12.2 and Art. 30 custodian fee: The payment of the custodian fee is quarterly.

**b) Accounting/ reference currency of the UCITS**

The accounting currency of the UCITS, as well as the reference currency per share class is stated in part a) of this Appendix "Funds at a glance".

The accounting currency is the currency in which the accounts of the UCITS are kept. The reference currency shall be the currency in which the performance and the net asset value of the share classes are calculated. The shares are in the currency which is optimally suited to the value performance of the UCITS.

**c) Profile of the typical investor**

The CoCo Alpha Bond Fund is suitable as a portfolio supplement to conventional investments for risk-tolerant investors with a medium to long term investment horizon. Investors must be able to accept any possible losses.

**H. Assessment**

The assessment is carried out by the management company.

**I. Risks and risk profiles of the UCITS**

**a) Fund-specific risks**

**The performance of the shares is dependent on the investment policy, as well as the market development of the individual Fund investments and cannot be determined in advance. It must be pointed out in this regard that the value of the shares may rise or fall at any time compared to the issue price. There is no guarantee that the investor will get back his invested capital.**

Because CoCo Alpha Bond Fund invests its assets predominantly in securities and equities, this type of investment incurs a market and issuer risk which may have a negative impact on its net assets. In addition, other risks such as currency risk and interest rate risk can arise. Increased risks can arise from the use of derivatives financial instruments which do not serve to hedge risks.

**Risk management methods:**

Due to the planned use of derivatives, the Commitment Approach is used in the risk measurement.

**Maximum leverage:**

The risk tied to derivatives financial instruments cannot exceed 100% of the net assets. The overall risk cannot exceed 200% of the net assets of the Fund. In the event that the Fund takes out a permitted loan pursuant to UCITSG, the overall risks cannot exceed 210% of the net assets of the Fund.

**Anticipated leverage:**

Due to the planned use of derivative financial instruments, we expect them to cause a limited leverage effect.

**Reference portfolio:**

A reference portfolio is not proposed for the risk measurement of CoCo Alpha Bond Fund.

**b) General Risks**

In addition to the fund-specific risks, the investments of the UCITS can be subject to general risks. A non-exhaustive list of examples is presented in paragraph 8.2 of the Prospectus.

**J. Costs that are reimbursed from the UCITS**

An overview of the costs that are reimbursed from the UCITS is presented in the table 'Master data and information on UCITS and their share classes' in section a) of this Appendix "Funds at a glance".

**K. Calculation example for the performance fee**

The performance related fee levied on the Fund as costs is the difference between the net asset value per share before the calculation of the performance related fee and the most recent high watermark multiplied by the number of shares at the beginning of the current calculation period.

A performance fee is only incurred if on the valuation date the net asset value per share before adding the performance related fee is higher than the existing high watermark.

This performance fee is subsequently paid quarterly.

Then for the next valuation period, instead of the current high watermark, the new, higher value comes into force minus the performance fee. Otherwise the high watermark remains unchanged. Even after the end of a business year for the Fund, a high watermark reached remains unchanged.

By way of illustration, the following shows a calculation example with 10% performance fee:

Performance-Fee	10.0%
Hurdle-Rate	0.00%
Days in the calculation period	1

Time	NAV per Share before Performance Fee	High Watermark per Share	Performance in %	Performance after last High Watermark in %	Performance Fee per Share	NAV per Share after Performance Fee
Period 1	100.08	100.0000	0.08%	0.08%	0.0080	100.0720
Period 2	101.30	100.0720	1.23%	1.23%	0.1228	101.1772
Period 3	100.50	101.1772	-0.67%	-0.67%	0.0000	100.5000
Period 4	103.80	101.1772	3.28%	2.59%	0.2623	103.5377
Period 5	105.60	103.5377	1.99%	1.99%	0.2062	105.3938
Period 6	102.70	105.3938	-2.56%	-2.56%	0.0000	102.7000

Bendern, 18<sup>th</sup> May 2015

**The management company**

CAIAC Fund Management AG, Bendern

**The custodian**

Volksbank AG, Schaan

## Appendix B: Specific Information for Individual Marketing Countries

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### Sales in the Swiss Confederation

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#### CoCo Alpha Bond Fund

##### Information for investors in Switzerland

##### Representative, paying agent, place of performance and place of jurisdiction

Representative in Switzerland: ACOLIN Fund Services AG, Affolternstrasse 58, CH-8050 Zürich

Paying agent in Switzerland: Frankfurter Bankgesellschaft (Schweiz) AG, Börsenstrasse 16, PO Box, CH-8022 Zürich

With regard to the units of the investment fund sold in Switzerland and from Switzerland, the place of performance and place of jurisdiction are the location in Switzerland where the representative is based.

##### Publications, issue and redemption price of units

The full-form sales prospectus with the contractual provisions, the short-form sales prospectus, the annual and the six monthly financial statements can be obtained free of charge from the representative in Switzerland.

The publications concerning the investment fund are made in Switzerland in the "Swiss Official Gazette of Commerce" and on the electronic platform "Fundinfo" ([www.fundinfo.com](http://www.fundinfo.com)). In particular, material notifications to the unit-holders such as important changes to the sales prospectus and the liquidation of investment funds or of one or more sub-funds are published in these publication media.

The issue and redemption prices or the net asset values with the note "not including commissions" are published on "Fundinfo" ([www.fundinfo.com](http://www.fundinfo.com)) on a daily basis.

##### The payment of refunds and sales commissions

In connection with sales in Switzerland, the management company can pay refunds to the following qualified investors who, from an economic perspective, hold units of collective capital investments for third parties:

- Life insurance companies
- Pension funds and other pension providers,
- Investment foundations,
- Swiss fund managers,
- Foreign fund managers and fund management companies,
- Investment companies.

In connection with sales in Switzerland, the management company can pay sales commissions to the following distributors and sales partners:

- approved distributors within the meaning of Article 19, Paragraph 1 of the Swiss Capital Investment Act (Kapitalanlagegesetz),
- distributors released from the obligation of approval within the meaning of Article 19, Paragraph 4 of the Swiss Capital Investment Act and Article 8 of the Swiss Collective Investment Schemes (Verordnung über die kollektiven Kapitalanlagen),
- sales partners who place the units of collective capital investment schemes solely with institutional investors with a professional Treasury Department,
- Sales partners who place the units of collective capital investment schemes exclusively by reason of a written wealth management mandate.



## Sales in the Federal Republic of Germany

*Additional information for investors in Federal Republic of Germany*

### CoCo Alpha Bond Fund

The management company has informed the Federal Financial Supervisory Authority that it intends to make a public offering of units in the fund in the Federal Republic of Germany and is authorised to make the public offering at the conclusion of the notification procedure.

The management company has appointed DZ BANK AG, Platz der Republik 60, D-60265 Frankfurt as the paying agent in the Federal Republic of Germany. In addition to the general procedures for redemptions, investors living in Germany may also submit applications for redemption of the units they hold to the German paying agent for onward transmission to the management company.

Unit-holders living in Germany may also require that the proceeds from redemptions and all further payments intended for the unit-holder (e.g. dividend distributions to be made from fund assets) should be directed via the paying agent.

DZ BANK AG, Platz der Republik 60, D-60265 Frankfurt has also been appointed to be the information office in Germany. Investors living in Germany can obtain the current prospectus, the KIID, the current Terms and Conditions of Contract and the latest financial statements (annual report and accounts) and, in so far as it was subsequently published, also the latest six-monthly financial statements free of charge in either electronic or paper form from the information office; they may also enquire about the latest issue and redemption prices of the units free of charge there. All other information and documents ("Fund Fact Sheet", "Quarterly Reports", "Managers' Reports") to which unit-holders are entitled at the registered office of the management company are also available free of charge from the German information office.

Any claims for liability in respect of the prospectus in accordance with § 306 of the Kapitalanlagegesetzbuch (KAGB) remain unaffected by the foregoing.

The issue and redemption prices and other information for unit-holders are published on the web-site of the Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) and other electronic platforms.

The management company intends to publish in the German Federal Gazette (Bundesanzeiger) the information stipulated in § 5, Paragraph 1, Sentence 1, Numbers 1 and 2 of the German Investment Tax Act (Investmentsteuergesetz) for the units in all the segments of the fund and to provide these with the certification necessary under § 5, Paragraph 1, Sentence 1, Number 3 of the German Investment Tax Act so that the units to the fund segments are deemed to be "transparent" in respect of the taxation in Germany of investors liable for tax.

However, the management company reserves the right to amend this business policy in the future. In other respects, no warranty can be accepted for compliance with the requirements of § 5, Paragraph 1 of the German Investment Tax Act. If specific minimum reporting obligations for a fund segment are not met, only partially met or are not met within the time period specified, investors are subject to a disadvantageous flat rate tax assessment (§ 6 of the German Investment Tax Act).

In this case a German investor must pay tax on distributions and on 70 % of the increase in value calculated between the first redemption price established in the calendar year and the last redemption price of his units established in the calendar year for his units but not less than 6 % of the last redemption price defined in the calendar year for his units (what is called non-transparent assessment). If the minimum reporting obligations are met but certain information providing relief from taxation is not published (according to § 5, Paragraph 1, Sentence 1, Number 1, Letter c) or f), Number 2 of the German Investment Tax Act), the entire income from the fund segment is liable to tax as a matter of principle and no offsetting or deduction of foreign tax is allowed in this respect (what is called semi-transparent assessment).

Further obligations exist in respect of the publication of what are called unrealised profits, profits on shares and real estate profits. In so far as unrealised profits are not published, a flat rate of up to 6 % of the redemption price is assessed as the taxable unrealised profit on sales or redemptions, as applicable. If the profits on shares and on real estate are not published, there is neither a correction for the taxable profit on sales or redemptions in the form of potential profits on shares nor a potential exemption of income of the fund segment under a double taxation agreement (real estate profit).

If a segment of the fund has a direct or indirect holding in "a German or foreign pool of investment assets" which does not meet all reporting obligations, similar and sometimes disadvantageous fiscal consequences to those described above arise in respect of the taxation of income from these investment assets and or on the redemption or sale of units. This also applies if all reporting obligations in respect of the fund segment are met. No guarantee can be accepted that "German or foreign pools of investment assets" in which a fund segment invests directly or indirectly meets the reporting obligations for (fully or semi) transparent funds and publishes unrealised profits, profits on shares and real estate profits.

Attention is drawn to the fact that unit-holders with a residence in Germany, who are ordinarily resident or domiciled in Germany or who have a company management or a place of business in Germany can be subject to taxation on income in the Federal Republic of Germany on distributions as well as on profits retained in the segments which are attributed to them for taxation purposes and also on the proceeds from the sale or redemption of units, from the assignment of entitlements arising from the units or from cases on an equal footing and that, if certain conditions are met, tax can also be deducted (plus the solidarity surcharge, as appropriate) which, subject to specific conditions, is of a definitive nature. A non-resident tax-payer is also subject to German tax on such income from funds which a paying agent in Germany (a credit or financial services institute) pays or credits to the non-resident tax-payer on presentation of the units (an over the counter transaction). It is not possible to provide more detailed information in this prospectus about this taxable income and further taxation of unit-holders with regard to their investment in the fund.

Unit-holders and persons interested in becoming unit-holders are therefore strongly recommended to obtain advice from their tax advisor about the consequences with regard to German and foreign tax of purchasing and holding units in the fund segments and the disposal of the units as well as the rights arising from the units. The management company accepts no liability for the occurrence of specific taxation-related outcomes. The review of the basis of taxation for foreign investment units under the German Investment Tax Act is undertaken by the German Federal Central Taxation Office. The cost of correcting possible errors, for example on the occasion of a review of this nature, will be met by investors holding units at the time the errors are corrected. The effects can be either advantageous or disadvantageous.

Your attention is drawn to the fact that neither the management company nor the fund is subject to the supervision of the German Federal Financial Supervisory Authority.

#### Right of withdrawal in accordance with § 305 KAGB

If the investment units are purchased on the basis of oral negotiations outside the permanent business premises of the party selling the units or who has acted as a broker in the sale of the units, The purchaser may revoke his statement purchasing the units by so informing the foreign management company in writing within two weeks (right of withdrawal); this also applies if the person selling the units or who has acted as a broker in the sale of the units has no permanent business premises. If the transaction is a distance selling transaction within the meaning of § 312b of the German Civil Code (Bürgerliches Gesetzbuch), a right of withdrawal is excluded in the case of the purchase of financial services, the price of which is subject to variations (§ 312d, Paragraph 4, Number 6 of the German Civil Code).

The time allowed for withdrawal is satisfied if the statement of withdrawal is despatched within the time allowed. The withdrawal must be notified to CAIAC Fund Management AG, Haus Atzig, Industriestrasse 2, FL-9487 Bendern in writing indicating the person making this statement along with his/her signature. No reason need be given.

The withdrawal period commences when the copy of the application for the conclusion of a contract is handed to the purchaser or a statement of purchase containing instructions on the right of withdrawal as above is sent to him/her.

If there is a dispute about the commencement of the withdrawal period, the burden of proof is on the seller.

No right of withdrawal exists if the seller demonstrates either that the purchaser has acquired the units in the context of his business operations or if he has visited the purchaser for the negotiations which led to the sale of the units by reason of an appointment made in advance in accordance § 55 Paragraph 1 of the German Trade Regulations (Gewerbeordnung).

If the purchaser has withdrawn from the transaction and if he has already made payments, the foreign management company is obliged to reimburse the purchaser, if necessary *pari passu* with the reassignment of the units, for the costs incurred and a sum corresponding to the value on the day after receipt of the statement of withdrawal of the units for which payment was already made.

The right of withdrawal cannot be waived.

#### German jurisdiction

The place of jurisdiction for actions against the investment company, the management company or the sales company involved in the sales to the public of investment units in the Federal Republic of Germany is D-60265 Frankfurt. The statement of claim and all other documents may be served on the representative.

**Sales in the Republic of Austria**

**CoCo Alpha Bond Fund**

**Supplementary information for Austrian investors**

The following information is intended for potential investors in the CoCo Alpha Bond Fund in the Republic of Austria. This information supplements the prospectus and provides further details with regard to sales in Austria:

**Credit institute (custodian) within the meaning of § 41 of the Austrian Federal Act on Capital Investment Funds (Bundesgesetz über die Kapitalanlagefonds - InvFG 2011)**

Erste Bank der österreichischen Sparkassen AG, Am Belvedere 1, A-1100 Vienna

Phone 0043 (0) 50100 12139, Fax 0043 (0) 50100 9 12139

Units may be purchased and redeemed via the paying agent. Enquiries about the issue and redemption prices may also be made there.

**Office at which unit-holders (“investors“) may obtain the required information within the meaning of § 136 InvFG 2011**

Erste Bank der österreichischen Sparkassen AG, Am Belvedere 1, A-1100 Vienna

Phone 0043 (0)-50100 12139, Fax 0043 (0) 50100 9 12139

The prospectus, in the form of a trust deed, the material information for investors (KID) and the annual and six monthly financial statements may be obtained free of charge at the above-mentioned office.

**Publication medium**

The net asset value, the issue and redemption price and all other official announcements of the CoCo Alpha Bond Fund are available on the web-site of the LAFV, the Liechtenstein Investment Fund Association at [www.lafv.li](http://www.lafv.li).

**Austrian fiscal representative within the meaning of § 186 Paragraph 2 Z 2 of the InvFG 2011**

BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Kohlmarkt 8 - 10, A-1010 Vienna

Phone 0043 1 537 37, Fax 0043 1 537 37-53

**Other information**

The performance of the CoCo Alpha Bond Fund since its inception can be seen in the corresponding financial statements for the relevant financial years of the CoCo Alpha Bond Fund and may be examined at the offices of the Austrian representative.

The German wording of the prospectus and other documents and publications is authoritative for sales in the Republic of Austria.

**Subscriptions are only accepted on the basis of the valid prospectus in conjunction with (i) the most recently published audited annual financial statements of the organisation for collective investments in securities or (ii) the most recently published half-yearly financial statements in so far as these were published after the annual financial statements.**

Potential purchasers of units are urged to inform themselves about the currency regulations as well as about the relevant legal and fiscal regulations relevant for them.

The place of performance and place of jurisdiction with regard to units purchased in Austria is at the representative's registered office.