

# AIF

## Prospectus

Date of publication: 24 March 2021

with

### **Unit Trust Agreement** including sub-fund-specific Annex

### **SGMC Capital Fund**

**AIF under Liechtenstein Law  
in the legal form of a unit trust**

**(hereinafter referred to as the "AIF")**

**(umbrella fund)**

**Portfolio Manager:**



**AIFM:**



## Notice to investors / selling restrictions

The purchase of units in the AIF is effected on the basis of the Prospectus, the Key Investor Information Document (hereinafter referred to as the "**KIID**") as well as the most recent annual report (if already published). Only the information contained in the Prospectus and particularly in the Unit Trust Agreement and its annexes is authoritative. By acquiring units, the investor is deemed to have approved such information. **The units of the AIF/sub-funds may only be subscribed for by professional investors within the meaning of Directive 2014/65/EU (MiFID II).**

This Prospectus does not constitute an offer or a solicitation to a person to subscribe for units in the AIF in any jurisdiction where any such offer or solicitation is unlawful, or where the person who makes any such offer or solicitation is not qualified to do so, or does so vis-à-vis a person who may not lawfully receive an offer or an invitation of this nature.

Any information not contained in this Prospectus (including its annexes) and the Unit Trust Agreement, or in other documents that are available to the public, are deemed to be unauthorised and unreliable. Potential investors should inform themselves of the possible tax consequences, the legal requirements and any possible currency restrictions or exchange control laws that may apply in the countries of their citizenship, residence or domicile and that may be relevant to the subscription, holding, conversion, redemption or sale of units. Further tax considerations are explained in the Prospectus (clause 11 "Tax provisions").

The AIF is not licensed for distribution in all countries. Annex C, "Specific information for individual distribution countries", contains information regarding the distribution in individual countries. If units are issued, converted or redeemed in another country, the provisions of that country may apply.

Investors are requested to read and understand the risk description in clause 8 "Risk warning notice" before they purchase Units of the AIF.

### **United States**

Units of the AIF must not be offered, sold or otherwise made available in the USA.

The units have not been and will not be registered in accordance with the United States Securities Act 1933, as amended, (the "**Act of 1933**") or in accordance with the securities laws of a federal state or any other political subdivision of the United States of America or its territories, possessions or other areas subject to its sovereignty, including the Commonwealth of Puerto Rico (the "**United States**").

The units may not be offered, sold or otherwise transferred in the United States nor to or for the account of US persons (within the meaning of the Act of 1933). Subsequent transfers of units within the United States or to US persons are also not permissible. The units are offered and sold on the basis of an exemption from the registration requirements of the Act of 1933 pursuant to Regulation S of said Act.

The AIF has not been and will not be registered under the United States Investment Company Act of 1940, as amended, or under any other US federal laws. Accordingly, the units are not offered, sold or otherwise transferred in the United States nor to or for the account of US persons (as per the definition contained in the Act of 1933).

The units have neither been admitted by the U.S. Securities and Exchange Commission ("**SEC**") nor by any other regulatory or supervisory authority in the United States, nor has any such admission been refused; furthermore, neither the SEC nor any other regulatory or supervisory authority in the United States has made any decision on the accuracy or the appropriateness of the Prospectus and the Unit Trust Agreement or the benefits provided by the units.

The Prospectus may not be brought into circulation within the United States.

Units of the AIF may also not be offered, sold or delivered to the following persons/vehicles: (i) citizens of or persons domiciled in the USA; (ii) partnerships or stock companies established under the laws of the USA or one of its federal states; (iii) a trust for which (A) a court in the USA has primary supervision over its management and (B) for which one or more U.S. persons are authorised to exercise control over all material decisions of the trust; (iv) an estate (hereinafter referred to as the "Estate") whose earnings, irrespective of their origin, are liable to U.S. income tax, other natural persons or legal entities

whose income and/or earnings, irrespective of their origin, are liable to U.S. income tax, and/or legal entities with U.S. beneficial owners, U.S. controlling persons or U.S. partners/grantors/beneficiaries, and/or (v) a person/legal entity who is treated or qualifies as a "Non-participating Foreign Financial Institution" (NPFFI), a "Non-participating Financial Institution" (NFI) or a "Recalcitrant Account Holder" pursuant to Sections 1471 to 1474 of the U.S. Internal Revenue Code and present or future regulations of the U.S. Treasury Department or official interpretations thereof or tax or regulatory laws, rulebooks or standards accepted under intergovernmental agreements, contracts or treaties between government authorities that implement the relevant Sections of the U.S. Internal Revenue Code (hereinafter referred to as "FATCA"), or (vi) persons who qualify as U.S. persons in accordance with Regulation S of the Act of 1933 and/or the U.S. Commodity Exchange Act as amended from time to time. Therefore, the investment may in particular not be acquired by the following investors (this list is not exhaustive):

- U.S. nationals, including dual citizens;
- Persons who live or are domiciled in the USA;
- Persons who are resident in the USA (Green Card holders) and/or whose primary abode is in the USA;
- Companies, trusts, funds, etc. domiciled in the U.S.;
- Companies that are classed as transparent for U.S. tax purposes and have investors mentioned in this Section and companies whose earnings are attributed to an investor mentioned in this Section within the framework of a consolidated statement for U.S. tax purposes;
- Legal entities with U.S. beneficial owners, U.S. controlling persons or U.S. partners/grantors/beneficiaries;
- "Non-participating Foreign Financial Institutions" (NPFFIs), "Non-participating Financial Institutions" (NFIs) or "Recalcitrant Account Holders" for FATCA purposes; or
- U.S. persons as defined by Regulation S of the Act of 1933 as amended from time to time.

**The distribution of the Prospectus and the offering of units may also be subject to restrictions in other jurisdictions.**

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# Overview of the organisational structure of the AIFM

<b>AIFM</b>	LGT Fund Management Company Ltd. Herrengasse 12, FL-9490 Vaduz
<b>Board of Directors</b>	Ivo Klein, President Member of the board of management, LGT Bank Ltd., Vaduz  Lars Inderwildi, director Head Operations, LGT Capital Partners (FL) Ltd., Vaduz  Dr. Magnus Pirovino, director
<b>Board of management</b>	Thomas Marte, CEO  Dr. Susanne Fabjan, eMBA, member
<b>Auditors</b>	PricewaterhouseCoopers Ltd. Birchstrasse 160, CH-8050 Zurich

## Overview of the AIF

<b>Name of the AIF</b>	SGMC Capital Fund
<b>Legal structure</b>	AIF in the legal form of a collective unit trusteeship in accordance with the Act of 19 December 2012 on Alternative Investment Fund Managers (AIFM Act), supplemented by the relevant provisions of the Persons and Companies Act (PGR).
<b>Type of fund</b>	Umbrella fund
<b>Country of incorporation</b>	Principality of Liechtenstein
<b>Date of incorporation</b>	08 April 2019
<b>Financial year</b>	The financial year of the AIF commences on 01 January and ends on 31 December.
<b>Portfolio manager</b>	<b>SGMC Capital Fund - SGMC Global Dynamic FX Fund</b> SGMC Capital Pte. Ltd., Singapore  <b>SGMC Capital Fund - SGMC Asia Equity Opportunities Fund</b> SGMC Capital Pte. Ltd., Singapore
<b>AIFM</b>	LGT Fund Management Company Ltd. Herrengasse 12, FL-9490 Vaduz
<b>Administration</b>	LGT Financial Services Ltd. Herrengasse 12, FL-9490 Vaduz
<b>Depository</b>	LGT Bank Ltd. Herrengasse 12, FL-9490 Vaduz
<b>Auditors</b>	PricewaterhouseCoopers Ltd. Birchstrasse 160, CH-8050 Zurich
<b>Competent supervisory authority</b>	Liechtenstein Financial Market Authority (FMA), <a href="http://www.fma-li.li">www.fma-li.li</a>
<b>Maintenance of the register of unitholders</b>	LGT Bank Ltd. Herrengasse 12, FL-9490 Vaduz



## Part I Prospectus of the SGMC Capital Fund

The issuance and redemption of units in the relevant sub-fund will be effected on the basis of the Unit Trust Agreement as currently in effect and Annex B "Overview of sub-funds". This Unit Trust Agreement is supplemented by the most recent annual report. The creation of a semi-annual report is renounced. In good time prior to the purchase of the units, the investor will be provided with the Key Investor Information Document (hereinafter referred to as "KIID") free of charge.

It is not permitted to make statements that deviate from the Prospectus, the Unit Trust Agreement, Annex B "Overview of sub-funds" or the Key Investor Information Document. The AIFM will not be liable for statements that deviate from the current Prospectus, the Unit Trust Agreement, Annex B "Overview of sub-funds" or the Key Investor Information Document.

The Prospectus and the Unit Trust Agreement, including Annex B "Overview of sub-funds" are presented in this document. A fundamental organisational document of the AIF is the Unit Trust Agreement including its Annex B "Overview of sub-funds". Only the Unit Trust Agreement, including its Annex "Overview of sub-funds", is subject to substantive legal examinations conducted by the Liechtenstein Financial Market Authority (hereinafter referred to as "FMA").

### 1. Sales documentation

The Prospectus, the Key Investor Information Document (KIID), the Unit Trust Agreement, Annex A "Organisational structure of the AIF and the AIFM", Annex B "Overview of sub-funds", Annex C "Specific information for individual distribution countries" and Annex D "Example for calculating the performance fee" and the most recent annual reports (if already published) are available, free of charge, on a durable data carrier from the AIFM, the depositary, the paying agents and all other authorised distributors in Liechtenstein and abroad as well as on the website of the Liechtenstein Investment Fund Association (Liechtensteinischer Anlagefondsverband, hereinafter referred to as "LAFV") at [www.lafv.li](http://www.lafv.li).

Upon the investor's request, hard copies of the said documents shall also be provided at no charge. Further information on the AIF is also available on the internet on [www.lafv.li](http://www.lafv.li) or from LGT Fund Management Company Ltd., Herrengasse 12, 9490 Vaduz, Principality of Liechtenstein, during business hours.

### 2. The Unit Trust Agreement

The Unit Trust Agreement includes a general part and Annex B "Overview of sub-funds". The Unit Trust Agreement has been reproduced in full. The AIFM may amend or supplement this Unit Trust Agreement, in whole or in part, at any time.

Material amendments to the Unit Trust Agreement shall be notified to the FMA in writing by the AIFM no later than one month before the implementation of the amendment or immediately after an unscheduled amendment.

Any and all amendments to the Unit Trust Agreement will be published in the publication medium of the AIF and, thereafter, will be legally binding on all investors. The publication medium of the AIF is the website of the LAFV, [www.lafv.li](http://www.lafv.li).

### 3. General information on the AIF

The SGMC Capital Fund (hereinafter referred to as "AIF") complies with the provisions of the Act of 19 December 2012 on Alternative Investment Fund Managers (hereinafter referred to as the "AIFM Act") and was launched in accordance with the laws of the Principality of Liechtenstein.

The AIF has the legal form of a collective unit trust. Under a collective unit trust, identical trusteeships are entered into with an indefinite number of investors in order to invest and manage assets for the investors' account. The individual investors will be invested in line with their respective share in this unit trust and will be personally liable only up to the amount invested.

The AIF is an umbrella fund which may comprise one or more sub-funds. The various sub-funds are separate in terms of their assets and any liability they assume.

The AIFM Act, the Ordinance of 22 March 2016 on Managers of Alternative Investment Funds (hereinafter referred to as "**AIFM Ordinance**"), the Unit Trust Agreement and Annex B "Overview of sub-funds" regulate the legal relationship between the unit holder (hereinafter referred to as the "**Investor**"), the AIFM and the depositary and stipulate in which assets the AIFM may invest the funds as well as the provisions it has to observe. Except as otherwise provided by the AIFM Act / the AIFM Ordinance, the legal relationships between the Investors and the AIFM are governed by the Unit Trust Agreement and, where this does not contain specific provisions, the provisions of the Liechtenstein Persons and Companies Act (*Personen- und Gesellschaftsrecht*, PGR) on trusteeships.

The unit trust agreement and Annex A "Organisational structure of the AIF and the AIFM", Annex B "Overview of sub-funds", Annex C "Specific information for individual distribution countries" and Annex D "Example for calculating the performance fee" contain further information (e.g. relating to the authorisation by the FMA, registration in the Liechtenstein commercial register).

#### **4. Further information on the sub-funds**

The Investors participate in the relevant sub-fund assets of the AIF according to the number of units purchased by them.

In acquiring the units of the AIF or the relevant sub-fund (hereinafter referred to as the "**Units**"), each Investor agrees to the application of this Unit Trust Agreement, including the sub-fund-specific annexes, which regulates the contractual relationship between the Investors, the AIFM and the depositary, as well as any amendments to this document that were effected in the prescribed manner.

The Units are not certificated, but are held on a book-entry basis only, i.e. no certificates are issued. A general meeting of Investors is not provided for. By subscribing or purchasing Units, the Investor accepts the provisions of the Unit Trust Agreement and Annex B "Overview of sub-funds" and acknowledges the Prospectus and the other Annexes of the Unit Trust Agreement.

Investors, their heirs or other beneficiaries may not demand the division or liquidation of the AIF.

The details of the individual sub-funds are set out in Annex B "Overview of sub-funds" for the respective sub-fund.

The AIFM may resolve, at any time, to launch additional sub-funds and to amend the Prospectus and the Unit Trust Agreement, including Annex B "Overview of sub-funds", accordingly.

All Units of a sub-fund generally embody the same rights, unless the AIFM resolves to issue different unit classes within a sub-fund in accordance with Art. 21 of the Unit Trust Agreement.

In terms of the internal relationship between the individual Investors, each sub-fund shall be deemed to be independent. The rights and obligations of the Investors of a sub-fund are separate from the rights and obligations of Investors in other sub-funds.

Vis-à-vis third parties, the individual sub-funds will be liable with their assets only for the liabilities contracted by the relevant sub-funds.

This Prospectus and Unit Trust Agreement, including Annex A "Organisational structure of the AIF and the AIFM", Annex B "Overview of sub-funds", Annex C "Specific information for individual distribution countries" and Annex D "Example for calculating the performance fee" shall be applicable for all sub-funds of the AIF.

##### **4.1 Duration of the AIF**

The term of the respective sub-fund is set out in Annex B "Overview of sub-funds".

##### **4.2 Unit classes**

The AIFM may resolve to create several unit classes within a sub-fund.

Pursuant to Art. 21 of the Unit Trust Agreement of the AIF, several and, in the future, additional unit classes may be created that differ from the existing unit classes with regard to the application of income, subscription fees, reference currency and the use of currency hedges, the management remuneration,

the minimum investment amount or a combination of these. However, the rights of Investors who have acquired Units in the existing unit classes remain unaffected thereby.

The unit classes which are launched in connection with any sub-fund, as well as the fees and remuneration arising in connection with the Units of the sub-funds, are listed in Annex B "Overview of sub-funds".

#### **4.3 Past performance**

The past performance of the individual sub-funds or unit classes is shown on the website of the LAFV at [www.lafv.li](http://www.lafv.li) and in the KIID or in the relevant document for any other distribution countries of the AIF in addition to Liechtenstein.

**Past performance is no guarantee for the current or future performance. The value of a Unit may rise or fall at any time and there is no guarantee that the Investors will get back their invested capital on redemption.**

### **5. Organisation**

#### **5.1. Country of corporate domicile / competent supervisory authority**

Liechtenstein / financial market supervisory authority of Liechtenstein (Finanzmarktaufsicht, "FMA") [www.fma-li.li](http://www.fma-li.li).

#### **5.2. Legal relationships**

The legal relationships between the Investors and the AIFM are governed by the Law of 19 December 2012 on Alternative Investment Fund Managers ("AIFM Act") and the Ordinance of 22 March 2016 on Alternative Investment Fund Managers ("AIFM Ordinance") and, to the extent that these statutes contain no applicable provisions, by the provisions of the Liechtenstein Persons and Companies Act (*Personen- und Gesellschaftsrecht*, "PGR") concerning trusteeship.

#### **5.3. Alternative Investment Fund Manager (AIFM)**

LGT Fund Management Company Ltd. (hereinafter referred to as "**AIFM**"), Herrengasse 12, FL-9490 Vaduz, commercial register number 0002.004.353-5.

LGT Fund Management Company Ltd. was incorporated, for an indefinite time, on 31 August 1999 in the form of a limited company (Aktiengesellschaft) under the laws of Liechtenstein, with its registered office and head office in Vaduz, Principality of Liechtenstein. On 31 August 1999, the government issued approval to the AIFM to commence business.

The FMA authorised LGT Fund Management Company Ltd. to act as AIFM in accordance with the AIFM Act on 24 November 2015. LGT Fund Management Company Ltd. is also approved as management company in accordance with the UCITS Act.

The share capital of the AIFM is CHF 1.5 million and is fully paid up.

The AIFM has taken out liability insurance to cover professional liability risks.

The AIFM shall manage the AIF for the account and in the exclusive interest of the Investors and in accordance with the provisions of the Unit Trust Agreement and Annex A "Organisational structure of the AIF and the AIFM" and Annex B "Overview of sub-funds".

In carrying out its activities, the AIFM shall comply with the applicable provisions - and in particular with the AIFM Act / the AIFM Ordinance - which also involves the implementation of an internal risk management system to enable the AIFM to recognise risks related to the activities of the AIF at an early stage and to avoid the occurrence of such risks. If potential damage cannot be avoided in the course of the business activities and if they result in the incurrance of a liability to the AIFM, the AIFM must, in accordance with legal provisions, have sufficient equity capital at its disposal.

The AIFM has extensive rights at its disposal to perform, in its own name but for the account of the Investors, any and all administrative and management measures and actions. More specifically, the AIFM is entitled to buy, sell, subscribe or exchange securities and other assets and to exercise any and all rights associated, either directly or indirectly, with the assets of the AIF.

The AIFM conducts its activities with honesty, the required expertise, care, diligence and integrity. It shall always act in the best interests of the AIF and the Investors and shall uphold market integrity. In so doing, priority will always be given to the equal treatment of Investors. Any preferential treatment of individual Investors is expressly prohibited. To ensure that this requirement is complied with, the AIFM has implemented a set of guidances in accordance with the legal provisions which includes, but is not limited to, best execution standards, late trading prohibitions etc. and which shall be made subject to ongoing amendments and controls.

The website of the FMA on [www.fma-li.li](http://www.fma-li.li) contains an overview of all the AIF managed by the AIFM.

#### **5.3.1. Board of directors of the AIFM**

President:

Ivo Klein

Member of the board of management, LGT Bank Ltd., Vaduz

Directors:

Lars Inderwildi

Head Operations, LGT Capital Partners (FL) Ltd., Vaduz

Dr. Magnus Pirovino

#### **5.3.2. Board of management of the AIFM**

Chairperson:

Thomas Marte

Member:

Dr. Susanne Fabjan, eMBA

#### **5.4. Portfolio management**

The AIF's portfolio management has been delegated to SGMC Capital Pte. Ltd. (hereinafter referred to as "**portfolio manager**"). SGMC Capital Pte. Ltd. is registered with the MAS as a *Registered Fund Management Company* under Paragraph 5(1)(i) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations of Singapore to conduct the regulated activity of fund management in respect of not more than 30 qualified investors (as defined under the SFA), of which not more than 15 are collective investment schemes.

The portfolio manager's tasks include, but are not limited to, the independent implementation of the AIF's investment policy on a daily basis and the management of its day-to-day operations and other related services under the supervision, control and responsibility of the relevant sub-fund. When fulfilling these tasks, the portfolio manager adheres to the AIF's investment policies and the investment restrictions of the relevant sub-fund in accordance with the provisions of the Unit Trust Agreement and the further explanations in the Prospectus und the applicable legal provisions.

At its own risk and cost, the portfolio manager is entitled to avail himself of third-party advisers, particularly investment advisers.

The details of the execution of this mandate are governed by a portfolio management agreement between the AIFM and SGMC Capital Pte. Ltd.

Further information and details about the portfolio manager are set out in the sub-fund-specific Annex B "Overview of sub-funds".

#### **5.5. Depositary**

LGT Bank Ltd., Herrengasse 12, FL-9490 Vaduz, Principality of Liechtenstein, acts as the depositary.

The role of the depositary is governed by the AIFM Act, the depositary agreement, the Unit Trust Agreement (Art. 4 Depositary) and this Prospectus. It shall act independently from the AIFM and exclusively in the best interests of the Investors.

The depositary shall fulfil its obligations and assume the responsibilities described in the AIFM Act / AIFM Ordinance and the depositary agreement, as amended. Under the laws and the depositary agreement, the depositary is responsible for (i) the general supervision of all the assets of the AIF and (ii) the custody of any of the AIF's assets entrusted to it and held by the depositary or in its name, and (iii) the administrative activities in connection with its responsibilities.

The depositary may delegate its depositary tasks, in accordance with above-mentioned decrees and provisions, to one or more delegates (hereinafter referred to as "**sub-depositary**"). Information about the depositary network and the list of sub-depositaries, to which the depositary has delegated the safe-keeping of financial instruments eligible for safe-keeping, may be accessed via the following link: [www.lgt.li/custodynetwork](http://www.lgt.li/custodynetwork)

In addition, information about the up-to-date status of the depositary network and the list of appointed sub-depositaries will be provided by the depositary upon request. No conflicts of interest arise from the mentioned sub-custodial relationships for the depositary. Upon request, the depositary will provide additional information about any conflicts of interest which may potentially arise from sub-custodial relationships.

The depositary shall maintain the AIF's share register on behalf of the AIFM.

Investors should note that the effect of the segregation of assets, which is generally prescribed, might, in the event of bankruptcy, not be recognised in certain jurisdictions with regard to the assets which are subject to seizure by such jurisdiction. The AIFM and the depositary shall cooperate to avoid safekeeping of assets in such jurisdictions.

The depositary submits to the provisions of the Liechtenstein FATCA Agreement and the related implementing provisions under the Liechtenstein FATCA Act.

Further information and details about the depositary are provided in sub-fund-specific Annex B "Overview of sub-funds".

#### **5.6. Prime broker**

No prime broker was mandated for the AIF.

#### **5.7. Auditor of the AIF and the AIFM**

PricewaterhouseCoopers Ltd.  
Birchstrasse 160  
CH-8050 Zurich, Switzerland

The AIF and the AIFM must have their business activities audited once a year by an independent certified auditor, recognised by the FMA.

Further information and details about the AIF's auditor and the AIFM are set out in Annex A "Organisational structure of the AIF and the AIFM".

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

The relevant sub-fund's assets are invested in accordance with the provisions of the AIFM Act / AIFM Ordinance, the Unit Trust Agreement, the investment policy principles described in Annex B "Overview of sub-funds" and the supplementary explanations in the Prospectus; the AIFM shall always comply with the investment restrictions applicable to the relevant sub-funds.

#### **6.1. Investment objective and investment policy**

The investment objective of the individual sub-funds and the sub-fund-specific investment policy are described in Annex B "Overview of sub-funds".

#### **6.2. Currency of account / reference currency of the AIF**

The relevant sub-fund's currency of account and the reference currency for each unit class are set out in Annex B "Overview of sub-funds".

The currency of account is the currency used in the accounting of the sub-funds. The reference currency is the currency in which the performance and the net asset value of the unit classes are calculated. Funds are invested in currencies which are best suited for the relevant sub-fund's performance.

### **6.3. Profile of a typical Investor**

The profile of a typical Investor in the sub-funds is described in Annex B "Overview of the sub-funds".

## **7. Investment principles**

### **7.1. Eligible investments**

Eligible investments are specified in the sub-fund-specific Annex B "Overview of sub-funds". Any restrictions are specified in Annex B "Overview of sub-funds".

Investment of the relevant sub-fund's assets is strictly restricted to these investments.

### **7.2. Non-eligible investments**

Non-eligible investments of each sub-fund are specified in the sub-fund-specific Annex B "Overview of sub-funds".

The AIFM, acting in the best interests of the Investors, may specify additional investment restrictions at any time where these are necessary to comply with the laws and provisions of those countries in which the Units are offered and sold.

### **7.3. Investment restrictions**

The specific investment restrictions are specified in Annex B "Overview of sub-funds".

The AIFM, acting in the best interests of the Investors, may specify additional investment restrictions at any time where these are necessary to comply with the laws and provisions of those countries in which the Units are offered and sold.

### **7.4. Borrowing, lending and furnishing of guarantees**

The details of borrowings are set out in Annex B "Overview of sub-funds".

### **7.5. Use of derivatives, techniques and instruments**

#### **7.5.1. Risk management procedure**

The AIFM may, on behalf of the relevant sub-funds, enter into derivative transactions for hedging purposes, for the purpose of an efficient portfolio management or for the generation of additional revenues and also as part of its investment strategy, thereby temporarily increasing the risk of loss for the relevant sub-funds.

The AIFM shall use a basic model for calculating risks resulting from investment instruments, particularly in relation to derivative financial instruments, and apply generally accepted calculation methods in this regard. This risk is determined taking into account the market value of the underlyings, the counterparty risk, future market movements and the time available to liquidate positions. Combinations of derivative financial instruments and securities must also meet these requirements at any time.

The AIFM applies the absolute Value at Risk approach in its risk management process.

The AIFM shall submit reports to the FMA, at least once per year, containing information that present a true and fair view of the actual situation with regard to the derivative financial instruments used for the sub-funds, the underlying risks, the investment limits and the methods which are used to estimate the risks associated with these derivative transactions.

#### **7.5.2. Derivative financial instruments**

The sub-funds may invest in derivatives as part of their investment strategy insofar as the total exposure of the underlying does not exceed the sub-fund-specific limits set out in Annex B "Overview of sub-funds". The total exposure is calculated in accordance with the commitment method (cf. art. 8 Commission Delegated Regulation (EU) No 231/2013).

Unless precluded by Investor protection considerations or public interest, any investments the sub-funds may hold in the form of index-based derivatives do not count towards the specific investment limits pursuant to Annex B "Overview of sub-funds".

The AIFM may in particular use the following basic types of derivatives or combinations of these derivatives or combinations of other assets which are eligible for the sub-fund and these derivatives for the relevant sub-fund:

- a) securities futures contracts, money market instruments, financial indices, currencies;
- b) options or warrants on securities and currencies;
- c) asset swaps, interest rate swaps and currency swaps.

### **Options**

An option is the right to buy ("call option") or sell ("put option") a specific asset at a pre-determined time ("time of exercise") or during a pre-determined period for a pre-determined price ("exercise price"). The price of a call or put option is the option premium.

The sub-funds may buy or sell call or put options, provided that the relevant sub-fund has the right, in accordance with the investment objectives specified in its Unit Trust Agreement, to invest in the relevant underlyings.

### **Futures**

Futures contracts represent an unconditional binding commitment for both contractual parties, in which a certain quantity of an underlying will be bought or sold at a pre-defined future date ("exercise date") at a price agreed in advance.

The sub-funds may only enter into futures contracts if the relevant sub-fund is entitled, in accordance with the investment objectives specified in its Unit Trust Agreement and the special investment policy provisions, to invest in the relevant underlyings.

### **Swaps**

The AIFM may enter into swaps for the account of the relevant sub-fund, provided that the investment principles are adhered to.

A swap is an agreement between two parties that involves the swapping of cash flows, assets, income or risks. The swap transactions that may be concluded for the relevant sub-fund include interest-rate, currency, asset, equity and credit default swaps. This is not an exhaustive list.

An interest-rate swap is a transaction involving two parties swapping cash flows that are based on fixed or variable interest payments. This transaction is comparable to the raising of funds at a fixed interest rate while at the same time lending funds at a variable interest rate, with the nominal amounts of the assets not being exchanged.

Currency swaps usually involve the swapping of the nominal amounts of the assets and may be equated to the raising of funds in one currency while at the same time lending funds in another.

Asset swaps (often referred to as "synthetic securities") are transactions that convert the yield from a specific asset to another interest rate flow (fixed or variable) or to another currency by combining the asset (e.g. bond, floating-rate note) with an interest-rate swap or currency swap.

An equity swap is characterised by the swapping of cash flows, changes in value and/or returns from an asset for cash flows, changes in value and/or returns from another asset, with at least one of the swapped cash flows or returns from an asset reflecting an equity or an equity index.

The AIFM may enter into swaps, provided that the counterparty is an investment grade financial institution and is specialised in such transactions and provided that the relevant sub-fund has the right, in accordance with the investment objectives specified in its Unit Trust Agreement and the special investment policy provisions, to invest in the relevant underlyings.

### **Techniques for the management of credit risks**

The AIFM may use credit-linked notes deemed to be securities and credit default swaps for sub-funds to ensure the efficient management of the relevant sub-fund's assets, provided that such notes or swaps

have been issued by first-class financial institutions and are compatible with the investment policy of the relevant sub-fund.

### **Credit-linked notes ("CLN")**

Credit-linked notes (CLN) are a type of debt security issued by the protection buyer which is repaid at its nominal value on maturity only if a pre-defined credit event has not occurred. If the pre-defined credit event does materialise, the CLN will be repaid after deducting any agreed equalisation credit within a certain period. CLN therefore provide for a risk premium in addition to their principal and interest thereon, which is paid to the Investor by the issuer for the right to reduce the amount to be repaid on the note in the event that the credit event materialises.

### **Financial instruments embedded in securities**

The AIFM may also purchase the above-mentioned financial instruments if they are represented by securities. They may include transactions relating to financial instruments which are only partly embedded in securities (e.g. bonds with warrants). The information relating to risks and opportunities shall apply analogously to such securitised financial instruments, subject, however, to the provision that the risk of loss is limited to the value of the security.

### **OTC derivatives transactions**

An AIFM may enter into derivatives transactions which are admitted to trading on an exchange or included in any other organised market as well as so-called over-the-counter (OTC) transactions. Derivative transactions which are neither admitted to trading on an exchange nor included in any other organised market may only be entered into by the AIFM with suitable credit institutions or financial service institutions on the basis of standardised master agreements. The counterparty risk for OTC derivatives shall be limited to 5% of the value of the relevant sub-fund's assets for each counterparty. Where the counterparty is a credit institution with registered office in the European Union, the European Economic Area or a non-member state with a comparable level of supervision, the counterparty risk may amount to up to 10% of the value of the relevant sub-fund's assets. OTC-traded derivative transactions which were entered into with a central clearing house of a stock exchange or another organised market as contracting party shall not be taken into account when determining counterparty limits if such derivatives are subject to a daily valuation at market prices and subject to daily margin calls.

Where the relevant sub-fund's assets comprise claims against an intermediary such claims shall, however, be taken into account for the limits even if the derivative is traded on a stock exchange or any other organised market.

### **Remarks**

The AIFM may use more than the aforementioned techniques and instruments if other instruments are offered in the market that are compatible with the investment objective and which the relevant sub-fund may use. In such case, the Prospectus and Annex B "Overview of sub-funds" to the Unit Trust Agreement, if applicable, must be amended accordingly.

#### **7.5.3. Securities lending**

The details of securities lending are set out in Annex B "Overview of sub-funds".

#### **7.5.4. Securities borrowing**

The details of securities borrowing are set out in Annex B "Overview of sub-funds".

#### **7.5.5. Repurchase transactions**

The details of repurchase transactions are set out in Annex B "Overview of sub-funds".

#### **7.5.6. Investments in units of other investment funds**

The sub-fund's assets may be invested in accordance with the provisions in Annex B "Overview of sub-funds" in units of other investment funds.

Investors are advised that indirect investments incur additional indirect costs and fees, as well as remunerations and fees that are charged directly to the individual indirect investments.



## 8. Risk warning notice

### 8.1. Risks specific to the fund

**The performance of the Units depends on the investment policy as well as on market trends of individual investments of the relevant sub-fund and cannot be determined in advance. In this context, it should be noted that the value of the Units may rise above or fall below the issue price at any time. There can be no guarantee that the Investor will recover the full amount he has initially invested.**

The risks specific to each sub-fund (hereinafter referred to as "**sub-fund-specific risks**") are described in Annex B "Overview of sub-funds".

### 8.2. General risks

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

All investments in sub-funds entail risks. These risks include or relate to equity and bond market risks, currency, interest-rate, credit and volatility risks as well as political risks. Each of these risks can occur together with other risks. Some of these risks are covered briefly in this section. It should be noted, however, that this is not an exhaustive list of all possible risks.

The value of investments and the income obtained from them may fall or rise. There is no guarantee that the investment objective of the relevant sub-fund will actually be achieved, that the investments will increase in value or that income or a certain level of income will be generated. When an investor redeems his Units, he may not receive the amount originally invested in the relevant sub-fund.

*Potential Investors should be aware of the risks associated with an investment in the Units and make an investment decision only once they have obtained comprehensive advice from their legal, tax and financial advisers, auditors and other experts with regard to the suitability of an investment in Units in a sub-fund of this AIF, regarding the information contained in this Prospectus and the Unit Trust Agreement and the investment policy of the respective sub-fund, taking into consideration their individual financial and tax situation as well as any other circumstances.*

### **Derivative financial instruments**

The AIF and/or the sub-funds may use derivative financial instruments. These instruments may be used not only for hedging purposes but also as an integral part of the investment strategy. The use of derivative financial instruments for hedging purposes may alter the general risk profile by reducing opportunities and risks. Conversely, the use of derivative financial instruments for investment purposes may alter the general risk profile by creating additional opportunities and risks.

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

Depending on the special features of derivative financial instruments, the aforementioned risks may take different forms and, in some cases, be greater than the risks incurred when investing in the underlying. The use of derivatives therefore not only requires an understanding of the underlying, but also sound knowledge of the derivatives themselves.

Derivative financial instruments also entail the risk that the AIF and/or the relevant sub-funds incur losses if another party involved in the derivative transaction (usually a "counterparty") defaults on its obligations. This risk is particularly high with warrants, OTC options and OTC forwards, structured products, exotic options, etc.

The credit risk of derivatives traded on an exchange is usually lower than the risk associated with derivatives traded over the counter ("OTC derivatives"), as settlement is guaranteed by a clearing agency that acts as the issuer of or counterparty for every derivative traded on an exchange. To reduce the aggregate default risk, this guarantee is backed by a payment system maintained by the clearing agency, which is used to calculate the amount of assets which are required to provide cover. There is

no comparable clearing agency guarantee for OTC derivatives, and the AIF must take the credit quality of each counterparty for an OTC derivative into consideration when assessing the potential credit risk.

Moreover, there may be liquidity risks, as certain instruments may be difficult to buy or sell. In the event of large-scale derivative transactions or if the relevant market is illiquid (as may be the case for OTC derivatives), it may not be possible to perform certain transactions in full, or it may only be possible to liquidate a position at a higher cost.

Additional risks encountered when using derivatives are incorrect price determinations or incorrect valuations of derivatives. Furthermore, there is the possibility that derivatives do not fully correlate with the underlying assets, interest rates or indices. Many derivatives are complex and their valuation is often based on subjective assessments. Inappropriate valuations may result in higher claims for cash payments from counterparties or a loss in value for the relevant sub-fund. Derivatives are not always directly correlated with, and do not always develop in parallel with, the value of the assets, interest rates or indices they are derived from. Therefore, the use of derivatives by the relevant sub-fund is not always an effective means of achieving the investment objective of the relevant sub-fund, and may even have the opposite effect.

### **Collateral management**

Where the AIF and/or the sub-fund performs over-the-counter transactions ("OTC transactions"), it may be exposed to risks in connection with the credit quality of the OTC counterparties: When entering into futures contracts, options and swap transactions or using any other derivative techniques, the AIF and/or the sub-fund is exposed to the risk that an OTC counterparty fails to fulfil or is unable to fulfil its obligations under one or more contracts. The counterparty risk may be reduced by the provision of collateral. Where the AIF and/or the sub-fund is owed collateral in accordance with the applicable agreements, any such collateral will be held in safe custody by the depositary, or on behalf of the depositary, for the benefit of the relevant sub-fund. Bankruptcy or insolvency or any other events of credit default on the part of the depositary, or its network of Sub-Depositaries and correspondent banks, may result in the AIF's rights in the collateral being altered or restricted in some other way. Where the AIF and/or the sub-fund owes collateral to the OTC counterparty in accordance with the applicable agreements, any such collateral must be transferred to the OTC counterparty as agreed between the AIF and the OTC counterparty. Bankruptcy or insolvency or any other events of credit default on the part of the OTC counterparty, the depositary, or the depositary's network of Sub-Depositaries and correspondent banks, may result in the AIF's rights in the collateral, or the recognition of the AIF in relation to the collateral, being delayed, restricted or even excluded. This would force the AIF to comply with its obligations under the OTC transaction, irrespective of any collateral provided in advance to cover any such obligation.

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

Any deterioration of the issuer's solvency, or any insolvency on the part of the issuer, could mean a loss of the assets involved, or at least part thereof.

### **Counterparty risk**

There is a risk that the execution of trades entered into for the account of the fund assets may be jeopardised by liquidity problems or insolvency/bankruptcy on the part of the relevant counterparty.

### **Inflation risk**

Inflation may reduce the asset value of the investment. The purchasing power of the invested capital declines if the inflation rate is higher than the income generated from the investments.

### **Economic risk**

This is the risk of price losses resulting from the economic development not being taken into account to a sufficient degree, or not accurately, when making the investment decision, resulting in securities investments being carried out at the wrong time or securities being held during an unfavourable phase of the economic cycle.

### **Country or transfer risk**

Country risk refers to the situation that arises when a foreign debtor, although not insolvent, is unable to fulfil its obligations on time, or unable to fulfil them at all, as a result of the fact that the country in which the debtor has its registered office is either unable or unwilling to permit transfers (e.g. due to currency restrictions, transfer risks, moratoriums or embargoes). This may result in the non-receipt of payments to which the sub-fund is entitled or in payments being received in a currency that is no longer convertible as a consequence of currency restrictions.

**Liquidity risk**

With regard to small caps (second liners) there is a risk that the market may be temporarily illiquid. This may result in securities not being tradable at the desired time and/or not in the desired quantity and/or not at the targeted price.

**Transfer risk**

Particularly when investing in non-listed securities, there is a risk that settlement via a transfer system is not effected as planned due to delayed or non-compliant payment or delivery.

**Possible investment spectrum**

In compliance with the AIFM Act and the investment principles and limits set forth in the Unit Trust Agreement, which provide a very wide scope for the AIF and/or the sub-fund, the actual investment policy may also be geared towards purchasing assets primarily from a small number of industries, markets or regions/countries, for example. This focus on a few specific investment sectors may offer special opportunities but may also give rise to special risks (e.g. market constraints, high fluctuations during certain economic cycles). The annual report informs the Investors about the nature of the investment policy of the past financial year.

**Concentration risk**

Further risks may arise if investments are concentrated on specific assets or markets. In this case, the sub-fund would be highly dependent on the development of any such assets or markets.

**Market risk (price risk)**

This is a general risk inherent in all investments, stemming from the fact that the value of a certain investment may possibly change to the detriment of the AIF and/or the sub-fund.

**Psychological market risk**

Market sentiment, opinion and rumour may result in significant price slumps, even if the earnings situation and prospects of the companies in which investments are made might not have changed significantly. The psychological market risk has a particularly strong effect on equities.

**Settlement risk**

This is the risk of loss of the sub-fund which occurs if an executed trade is not settled as expected due to the failure of payment or delivery by a counterparty or the risk that losses may occur as a result of operational errors in connection with the settlement of a trade.

**Legal and tax risks**

The buying, holding or selling of investments of the AIF may be subject to tax provisions (e.g. withholding tax) outside of the AIF's and/or the sub-fund's country of domicile. Moreover, the legal and tax treatment of the AIF may change in an unforeseeable fashion, and the AIF may have no control over any such changes. Amendments to the AIF's and/or the sub-fund's tax bases for previous financial years, which were proven to be incorrect (e.g. in tax audits), may lead to a correction that is disadvantageous to the Investor from a tax perspective. As a consequence, the Investor may have to bear the tax burden resulting from an amended tax assessment for previous financial years, even if the Investor was not invested in the AIF and/or the sub-fund at that time. Conversely, the Investor may be faced with a situation where a favourable amended tax assessment for the current and previous financial years, in which the Investor was invested in the AIF and/or the sub-fund, does not benefit the Investor as a result of the Investor having redeemed or sold the Units before the amendment took effect. Furthermore, the correction of tax data may result in taxable profits or tax benefits actually being assessed in a different tax assessment period from the correct one. This may have a negative impact on the individual Investor.

**Entrepreneurial risk**

Equity investments represent a direct participation in the economic success or failure of a company. In the worst-case scenario (i.e. insolvency and the compulsory winding-up of the company), this may result in the total loss of the amounts invested.

**Currency risk**

If the sub-funds hold foreign currency assets, such assets are exposed to a direct currency risk, unless their foreign currency positions are hedged. Falling exchange rates would lead to a decrease in the value of foreign currency investments. Conversely, the foreign currency market also offers profit poten-

tial. In addition to direct currency risks there are also indirect currency risks. Internationally active companies are exposed to exchange rate developments to a greater or lesser extent. This may also have an indirect impact on the price development of investments.

### **Changes in investment policy**

The risk associated with a particular sub-fund may change if the investment policy changes within the legally and contractually permissible investment spectrum. Within the scope of the applicable Unit Trust Agreement, the AIFM may at any time materially alter the investment policy of the particular sub-fund by amending the Prospectus and the Unit Trust Agreement, including Annex B "Overview of sub-funds".

### **Amendments to the Unit Trust Agreement**

Under the Unit Trust Agreement, the AIFM reserves the right to amend the terms and conditions of the conditions of the trust relationship. Moreover, the AIFM has the right under the Unit Trust Agreement to completely liquidate the AIF, a specific sub-fund or to merge it with another sub-fund or fund. For the Investor, this entails the risk that the Investor may not realise his envisaged holding period.

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

In principle, Investors may request that the AIFM repurchases (redeems) their Units in line with the respective sub-fund's valuation frequency. However, the AIFM may opt to temporarily suspend the redemption of Units in extraordinary circumstances, and only redeem the Units at a later time at the price then applicable (for further details see "**Suspension of the calculation of the net asset value and the issuance, redemption and conversion of Units**"). This price may be lower than the price prior to the suspension of redemption.

### **Risks resulting from increased redemptions and subscriptions**

Purchase or sales orders result in liquidity inflows or liquidity outflows for the relevant sub-fund's assets. When inflows and outflows are netted, this may result in net inflows or outflows of cash and cash equivalents. Such net inflow or outflow may prompt the AIFM to purchase or sell assets and thereby incur transaction costs. This shall particularly apply when such inflows or outflows result in a breach of a specified ratio for cash and cash equivalents provided for a sub-fund. The resulting transaction costs are charged to the assets of the sub-fund and may compromise performance. If the company is not able to invest the funds at adequate conditions, inflows may weigh on the performance of the sub-fund due to a higher liquidity of the sub-fund.

### **Key personnel risk**

A sub-fund whose investment performance is positive during a certain period may owe this success, among other factors, to the skills of their specialists and thus to the correct decisions of their management. However, the composition of the fund management may change. New decision-makers might be less successful in their endeavours.

### **Interest rate risk**

To the extent that a sub-fund invests in interest-bearing securities, it is exposed to an interest rate risk. If market interest rates rise, the price of the interest-bearing securities in the assets may fall considerably. This applies even more so if and to the extent that the sub-fund holds interest-bearing securities with longer residual terms and lower nominal interest returns.

### **Sustainability risk**

Sustainability risks are environmental, social and governance (ESG) events or conditions that could potentially have negative impacts on the value of an investment. Further explanations on how sustainability risks are included in investment decisions and the expected impact on returns can be found in Annex B "Overview of sub-funds".

## **9. Investing in the AIF**

### **9.1. Selling restrictions**

As a general rule, Units of the AIF may not be offered in jurisdictions or to persons in which or to whom it is unlawful to make such offer. The Units of the AIF are registered for distribution only in the countries listed in this Prospectus.

If Units are issued, converted or redeemed in another country, the provisions of that country shall apply.

The purchase of Units in the AIF is effected on the basis of the Prospectus, the Key Investor Information Document (hereinafter referred to as the "**KIID**") as well as the most recent annual report (if already published). Only the information contained in the Prospectus and particularly in the Unit Trust Agreement and its annexes is authoritative. By acquiring Units, the Investor is deemed to have approved such information. **The units of the AIF/sub-funds may only be subscribed for by professional investors within the meaning of Directive 2014/65/EU (MiFID II).**

This Prospectus does not constitute an offer or a solicitation to a person to subscribe for Units in the AIF in any jurisdiction where any such offer or solicitation is unlawful, or where the person who makes any such offer or solicitation is not qualified to do so, or does so vis-à-vis a person who may not lawfully receive an offer or an invitation of this nature.

Any information not contained in this Prospectus (including its annexes) and the Unit Trust Agreement, or in other documents that are available to the public, are deemed to be unauthorised and unreliable. Potential Investors should inform themselves of the possible tax consequences, the legal requirements and any possible currency restrictions or exchange control laws that may apply in the countries of their citizenship, residence or domicile and that may be relevant to the subscription, holding, conversion, redemption or sale of Units. Further tax considerations are explained in the Prospectus (clause 11 "Tax provisions").

The AIF is not licensed for distribution in all countries. Annex C, "Specific information for individual distribution countries", contains information regarding the distribution in individual countries. If Units are issued, converted or redeemed in another country, the provisions of that country may apply.

Investors are requested to read and understand the risk description in clause 8 "Risk warning notice" before they purchase Units of the AIF.

#### **United States**

Units of the AIF must not be offered, sold or otherwise made available in the USA.

The Units have not been and will not be registered in accordance with the United States Securities Act 1933, as amended, (the "**Act of 1933**") or in accordance with the securities laws of a federal state or any other political subdivision of the United States of America or its territories, possessions or other areas subject to its sovereignty, including the Commonwealth of Puerto Rico (the "**United States**").

The Units may not be offered, sold or otherwise transferred in the United States nor to or for the account of US persons (within the meaning of the Act of 1933). Subsequent transfers of Units within the United States or to US persons are also not permissible. The Units are offered and sold on the basis of an exemption from the registration requirements of the Act of 1933 pursuant to Regulation S of said Act.

The AIF has not been and will not be registered under the United States Investment Company Act of 1940, as amended, or under any other US federal laws. Accordingly, the Units are not offered, sold or otherwise transferred in the United States nor to or for the account of US persons (as per the definition contained in the Act of 1933).

The Units have neither been admitted by the U.S. Securities and Exchange Commission ("**SEC**") nor by any other regulatory or supervisory authority in the United States, nor has any such admission been refused; furthermore, neither the SEC nor any other regulatory or supervisory authority in the United States has made any decision on the accuracy or the appropriateness of this Prospectus and the Unit Trust Agreement or the benefits provided by the Units.

This prospectus may not be brought into circulation within the United States.

Units of the AIF may also not be offered, sold or delivered to the following persons/vehicles: (i) citizens of or persons domiciled in the USA; (ii) partnerships or stock companies established under the laws of the USA or one of its federal states; (iii) a trust for which (A) a court in the USA has primary supervision over its management and (B) for which one or more U.S. persons are authorised to exercise control over all material decisions of the trust; (iv) an estate (hereinafter referred to as the "Estate") whose earnings, irrespective of their origin, are liable to U.S. income tax, other natural persons or legal entities whose income and/or earnings, irrespective of their origin, are liable to U.S. income tax, and/or legal entities with U.S. beneficial owners, U.S. controlling persons or U.S. partners/grantors/beneficiaries,

and/or (v) a person/legal entity who is treated or qualifies as a "Non-participating Foreign Financial Institution" (NPFFI), a "Non-participating Financial Institution" (NFI) or a "Recalcitrant Account Holder" pursuant to Sections 1471 to 1474 of the U.S. Internal Revenue Code and present or future regulations of the U.S. Treasury Department or official interpretations thereof or tax or regulatory laws, rulebooks or standards accepted under intergovernmental agreements, contracts or treaties between government authorities that implement the relevant Sections of the U.S. Internal Revenue Code (hereinafter referred to as "**FATCA**"), or (vi) persons who qualify as U.S. persons in accordance with Regulation S of the Act of 1933 and/or the U.S. Commodity Exchange Act as amended from time to time. Therefore, the investment may in particular not be acquired by the following investors (this list is not exhaustive):

- U.S. nationals, including dual citizens;
- Persons who live or are domiciled in the USA;
- Persons who are resident in the USA (Green Card holders) and/or whose primary abode is in the USA;
- Companies, trusts, funds, etc. domiciled in the U.S.;
- Companies that are classed as transparent for U.S. tax purposes and have investors mentioned in this Section and companies whose earnings are attributed to an investor mentioned in this Section within the framework of a consolidated statement for U.S. tax purposes;
- Legal entities with U.S. beneficial owners, U.S. controlling persons or U.S. partners/grantors/beneficiaries;
- "Non-participating Foreign Financial Institutions" (NPFFIs), "Non-participating Financial Institutions" (NFIs) or "Recalcitrant Account Holders" for FATCA purposes; or
- U.S. persons as defined by Regulation S of the Act of 1933 as amended from time to time.

### **Singapore**

The offer of or solicitation for Units, which is the subject of this Prospectus does not relate to a collective investment scheme which is authorised under section 286 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**") or recognised under section 287 of the SFA. The fund is not authorised or recognised by the Monetary Authority of Singapore (the "**MAS**") and the Units are not allowed to be offered to retail investors. This Prospectus and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA. Therefore, the statutory liability provisions under the SFA in relation to the contents of the prospectus shall not apply. Investors are advised to consider carefully whether the investment is suitable for them.

This Prospectus has not been registered as a prospectus with the MAS. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Units may not be circulated or distributed, nor may Units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under section 304 of the SFA, (ii) to a relevant person pursuant to section 305(1), or any person pursuant to section 305(2), and in accordance with the conditions specified in section 305, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

In the event that Units are subscribed for or purchased, in accordance with section 305 of the SFA, by a relevant person which is:

- (a) a corporation (not being an accredited investor pursuant to the definition in section 4A of the SFA) whose sole business is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (the trustee of which is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of such trust is an individual who is an accredited investor;

the securities of this corporation or the beneficiaries' rights and interests (howsoever described) in this trust shall not be transferred within six months after this corporation or this trust has acquired such Units pursuant to an offer made in accordance with section 305 of the SFA, except:

- (1) to an institutional investor or a relevant person as defined in section 305 (5) of the SFA or to a person arising from an offering mentioned in section 275 (1A) or section 305A (3)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in section 305A(5) of the SFA; or

- (5) as specified in Regulation 36 of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.

### **Hong Kong**

**WARNING:** The content of this document has not been reviewed by any regulatory authority in Hong Kong. Investors are advised to exercise caution in relation to the offer. Where an Investor has any doubt whatsoever as to the content of this document, he is advised to consult an independent professional advisor.

The AIF is a collective investment scheme but is not authorised under Section 104 of the Securities and Futures Ordinance of Hong Kong by the Securities and Futures Commission of Hong Kong. Accordingly, the distribution of this Prospectus, and the placement of units in Hong Kong, is restricted. This Prospectus may only be distributed, circulated or issued to persons who are professional investors under the Securities and Futures Ordinance and any rules made under that Ordinance or as otherwise permitted by the Securities and Futures Ordinance.

**The distribution of this Prospectus and the offering of the Units may also be subject to restrictions in other jurisdictions.**

### **9.2. General information regarding the Units**

The Units are held only in book-entry form, i.e. no certificates or other securities are issued for the holding in the AIF. The AIFM is entitled to cancel or merge unit classes within the sub-funds.

Pursuant to Art. 21 of the Unit Trust Agreement additional unit classes may be created in the future that differ from the existing unit classes with regard to the application of income, subscription fees, reference currency and the use of currency hedges, the management fee, the minimum investment amount or a combination of these. However, the rights of Investors who have acquired Units in the existing unit classes remain unaffected thereby.

The unit classes may be issued in differing currencies; whether the currency risk may be hedged or not depends on the relevant applicable terms and conditions. The net asset values of unit classes having differing currencies will develop differently. For unit classes denominated in differing currencies, hedging transactions for one unit class may have a negative impact on the net asset value of the other unit class.

The unit classes which are launched for a sub-fund, as well as the fees and remuneration arising in connection with the Units of the sub-fund, are listed in Annex B "Overview of sub-funds". In addition, certain other fees, remunerations and costs will be paid from the relevant sub-fund's assets. Please refer to clauses 11 ("Tax provisions") and 12 ("Costs and fees").

### **9.3. Calculation of net asset value per Unit**

The net asset value (hereinafter referred to as "NAV") per unit of a sub-fund/unit class is calculated by the AIFM or its agent/representative on each NAV day and at the end of the accounting year.

The NAV of a Unit within a unit class of a sub-fund is expressed in the currency of account of the sub-fund or, if different, in the reference currency of the relevant unit class. Upon the issuance and redemption of Units, the NAV is rounded up or down to two decimal places of the relevant reference currency in each case.

Further information and details are provided in Art. 26 of the Unit Trust Agreement.

### **9.4. Issuance of Units**

Units of a sub-fund are issued on each NAV day pursuant to Annex B "Overview of sub-funds" (issue date). Subscriptions must be received by the depositary no later than the "cut-off time for unit trading" pursuant to Annex B "Overview of sub-funds". If a subscription is received after the cut-off time, it shall be treated as if it had been received prior to the cut-off time of the following cut-off date.

Given the fact that the receipt of subscriptions by the depositary by the aforementioned deadline is determinative, authorised third-party distributors in Liechtenstein and abroad may set an earlier deadline for the receipt of subscriptions to ensure timely forwarding to the depositary in Liechtenstein. This deadline is made available by the respective authorised distributor.

As a rule, payment must be received within the issuance value date as set out in Annex B "issuance value date".

The valuation is always carried out after the issue date on the basis of the closing prices of the issue date. Hence, the net asset value applicable for any subscription will not be known at the time when the Units are subscribed.

The issue price of a Unit is determined on the basis of the net asset value calculated as at the NAV day, plus subscription fee in accordance with Annex B "Overview of sub-funds" and any taxes and duties incurred in connection therewith.

The AIFM ensures that the issuance of Units will be charged on the basis of the net asset value per Unit, which is not known to the Investor at the time of application (forward pricing).

The Unit's net asset value is determined in accordance with Art. 26 of the Unit Trust Agreement.

Any taxes due upon the issuance of Units will also be charged to the Investor. Where Units are acquired via banks that are not mandated to distribute such Units, it cannot be excluded that said banks will charge additional transaction costs.

If payment is made in a currency other than the currency of account, the amount shall be converted into the currency of account and the proceeds, less any fees incurred for the conversion, shall be used to purchase Units.

The minimum investment amount for any given unit class is set forth in Annex B "Overview of sub-funds".

Furthermore, the AIFM may also decide to suspend the issuance of Units, either permanently or temporarily, if new investments can impair the realisation of the investment objective.

The depositary and/or the AIFM and/or the authorised distributors may, at any time, reject subscriptions or temporarily limit, suspend or ultimately discontinue the issuance of Units, where this appears to be necessary in the best interests of the Investors, in the public interest or for the protection of the AIFM, the AIF and/or the sub-funds or the Investors. In such cases, the depositary will refund, without undue delay and without any interest, any payments received on subscriptions not yet actioned, if necessary by resorting to the assistance of the paying agents.

The issuance of Units may be suspended in the scenarios provided for in clause 9.8 of this Prospectus.

Contributions in kind are permissible; they must be assessed by the AIFM on the basis of objective criteria and are to be executed by the depositary after successful conclusion of plausibility checks.

## **9.5. Redemption of Units**

Units of a sub-fund are redeemed at each NAV day pursuant to Annex B "Overview of sub-funds" (redemption date). Redemptions must be received by the depositary no later than the "cut-off time for unit trading" pursuant to Annex B "Overview of sub-funds". If a redemption is received after the cut-off time, it shall be treated as if it had been received prior to the cut-off time of the following cut-off date.

Given the fact that the receipt of redemptions by the depositary by the aforementioned deadline is determinative, authorised third-party distributors in Liechtenstein and abroad may set an earlier deadline for the receipt of redemptions to ensure timely forwarding to the depositary in Liechtenstein. This deadline is made available by the respective authorised distributor.

Payment of the redemption price is made within the redemption value date as set out in Annex B "redemption value date". This does not apply if, due to currency or transfer restrictions or for other reasons outside the depositary's control, the transfer of the redemption amount proves to be impossible.

At an Investor's request, the redemption amount may be paid in a currency other than the reference currency. The depositary is under no obligation to act upon any such application. The fees incurred on the conversion will be deducted from the redemption amount.



Upon request and with the express consent of the affected Investors, the AIFM and/or the depositary may disburse the redemption price to a shareholder *in specie* (redemption in kind). In this case, certain investments are transferred from the assets of the relevant sub-funds to the Investor in the amount of the net asset value of the redeemed Units as of the relevant NAV day. The value of the investments on the relevant NAV day is calculated as described under "Calculation of net asset value per Unit". The type of assets to be transferred in this event must be determined on a fair and reasonable basis and without impairment of the interests of the other Investors in the relevant sub-fund.

The redemption price of a Unit is determined on the basis of the net asset value of the fund calculated as at the NAV day, less any redemption fee in accordance with Annex B "Overview of sub-funds" and any taxes and duties incurred in connection therewith.

The valuation is always carried out after the redemption date on the basis of the closing prices of the redemption date. Hence, the net asset value applicable for any redemption will not be known at the time when the Units are redeemed.

Where a redemption results in the holdings of the Investor in question falling below the minimum investment of the relevant unit class specified in Annex B "Overview of sub-funds" then the AIFM may, without further notice to the Investor, treat this redemption as redemption of all the Units held by the corresponding Investor.

In the case of large net redemptions, the AIFM may decide to refrain from settling the redemptions until an appropriate amount of the relevant sub-fund's assets can be sold without unnecessary delay. If such a measure is necessary, then the net asset value of the same NAV day shall be applied for all redemptions of the same redemption date.

Upon payment of the redemption price, the relevant Unit will be cancelled. The AIFM and/or the depositary may unilaterally repurchase Units against payment of the redemption price where this is deemed to be in the best interests or for the protection of the Investors or the AIFM, in particular if:

- there is a suspicion that the Investor is performing "market timing", "late trading" or any other market techniques that may be detrimental to the position of Investors as a whole;
- the Investor does not meet the requirements for the purchase of Units; or
- the Units are sold in a country in which the relevant sub-fund is not registered for distribution or have been acquired by a person who is not permitted to purchase such Units.

The AIFM ensures that the redemption of Units will be settled on the basis of the net asset value per Unit, which is not known to the Investor at the time of redemption (forward pricing).

#### **9.6. Conversion of Units**

Provided that the terms and conditions set forth in the Unit Trust Agreement and Annex B "Overview of sub-funds" are met, Investors may, at any time, switch from one sub-fund to another.

Where various unit classes are offered, Investors may convert Units of one unit class into Units of another unit class, both within the same sub-fund and from one sub-fund into another sub-fund. Where the conversion takes place within one sub-fund, no conversion fee will be charged. Where the conversion of Units is not possible with regard to certain sub-funds or unit classes, this will be specified for the relevant sub-funds or the relevant unit class in Annex B "Overview of sub-funds".

In some countries, levies, taxes and/or stamp duties may be incurred when switching between sub-funds and/or unit classes.

Further information and details are provided in Art. 29 of the Unit Trust Agreement.

#### **9.7. Suspension of the calculation of the net asset value and of the issuance and redemption of Units**

The AIFM may temporarily suspend the calculation of the net asset value and/or the issuance, redemption and conversion of Units in a sub-fund if this is warranted in the best interests of the Investors, particularly under the following circumstances:

- if the market which forms the basis for the valuation of a substantial part of the assets contained in the sub-fund has been closed, or trading in such market has been restricted or suspended;
- in the event of political, economic or other emergencies; or
- if trades on behalf of the AIF become inexecutable due to restrictions on the transfer of assets.

Furthermore, the AIFM may also decide to suspend the issuance of Units, either permanently or temporarily, if new investments could impair the achievement of the investment objective.

The suspension of the calculation of the net asset value of any sub-fund has no effect on the calculation of the net asset value of any other sub-fund, as long as none of the above-mentioned circumstances apply to the other sub-funds. Furthermore, the AIFM may also decide to suspend the issuance of Units, either permanently or temporarily, if new investments could impair the achievement of the investment objective.

Further information on the suspension of the calculation of the net asset value and on the issuance, the redemption and the conversion of Units is set out in Art. 30 of the Unit Trust Agreement.

## **10. Application of income**

The profit of a sub-fund is derived from both its net income and any capital gains realised. The AIFM may either distribute the profit realised by a sub-fund and/or a unit class among the Investors of the sub-fund and/or unit class or reinvest (accumulate) said profit in the relevant sub-fund and/or unit class.

In accordance with Annex B "Overview of sub-funds", the generated income shall be continuously reinvested (accumulated) or distributed to the Investors.

### **Reinvesting (accumulating) fund:**

The profits generated by relevant sub-funds or unit classes designated as "reinvesting" as per Annex B "Overview of sub-funds" are constantly being reinvested. The AIFM will retain, for reinvestment, any realised capital gains from the disposal of assets or rights.

### **Distributing fund:**

The realised profit generated by sub-funds or unit classes designated as "distributing" as per the sub-fund specific Annex B "Overview of sub-funds" are distributed on an annual basis. Where distributions are made, these shall be made within six (6) months following the end of the financial year.

Further information and details about the use of income are provided in art. 35 of the Unit Trust Agreement.

## **11. Tax provisions**

### **11.1. Fund assets**

All Liechtenstein-based AIF having the legal form of a (contractual) investment fund or a collective unit trust are subject to unrestricted taxation in Liechtenstein and are subject to income tax. The income from the managed assets is exempt from taxation.

### **Issue levy and transfer taxes<sup>1</sup>**

The creation (issuance) of Units of an AIF is not subject to any issue levy or transfer stamp tax. The transfer of title to the investor units against payment is subject to transfer stamp tax if one of the parties or an intermediary is a domestic securities trader. The redemption of investor units is exempt from transfer taxes. The contractual investment fund / collective unit trust is deemed to be an Investor that is exempt from transfer taxes.

### **Withholding tax and/or paying agent tax**

Both income and capital gains, whether distributed or left to accumulate, may be subject in part or in full to "tax withheld by the paying agent" (e.g. final withholding tax, withholding under the Foreign Account Tax Compliance Act) depending on the person who holds the Units of the AIF and/or any sub-funds either directly or indirectly.

<sup>1</sup> Pursuant to the Treaty regarding the inclusion of the Principality of Liechtenstein in the Swiss Customs Union, Swiss stamp duty law also applies in Liechtenstein. Liechtenstein is thus considered to be part of the national territory for the purpose of Swiss stamp duty laws.

The AIF with the legal form of a contractual investment fund or a collective unit trust, or its sub-funds, are not subject to withholding tax in the Principality of Liechtenstein, i.e. it is exempt from coupon tax or withholding tax in particular. Foreign income and capital gains generated by the AIF with the legal form of a contractual investment fund or a collective unit trust or by any of the sub-funds may be subject to withholding tax in the country of investment, subject, however, to double taxation treaties, if any.

The AIF and/or any sub-funds have the following tax status:

#### **FATCA**

The AIF and/or its sub-funds subject themselves to the provisions of the Liechtenstein FATCA Agreement and the related implementation provisions in the Liechtenstein FATCA Act.

#### **11.2. Individuals with tax domicile in Liechtenstein**

Retail investors domiciled in the Principality of Liechtenstein must report their Units as assets, and these will be subject to wealth tax. Where an AIF with the legal form of a contractual investment fund or a collective unit trust or its sub-funds distribute or reinvest income, such income is exempt from income taxes. Capital gains from the sale of the Units are exempt from income tax. Capital losses cannot be deducted from taxable purchases.

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

The taxation of Investors domiciled outside the Principality of Liechtenstein as well as any other tax implications of the holding, buying or selling of investor units is based on the tax laws of their relevant countries of domicile and, particularly with regard to the final withholding tax, the country of domicile of the paying agent.

#### **Disclaimer**

The explanations on the tax situation are based on the legal situation and practice as it currently stands. Legislative changes, changes to case law and changes to the decrees and practice of the tax authorities are expressly reserved.

**Investors are advised to consult their own professional advisers with regard to the relevant tax implications. Neither the AIFM nor the depositary or their representatives/agents can be held liable for the Investor's individual tax implications that arise from the sale or purchase or the holding of investor units.**

## **12. Costs and commissions**

### **12.1. Commissions and costs charged to the Investors**

#### **12.1.1. Subscription fee**

To cover the costs incurred through the placement of the Units, the AIFM may charge a subscription fee as per Annex B "Overview of the sub-funds", on the net asset value of newly issued Units in favour of the AIFM, the depositary and/or the distributors in Liechtenstein or abroad.

#### **12.1.2. Redemption fee**

For payments for redeemed Units, the AIFM may charge a redemption fee on the NAV of the redeemed Units, payable to the sub-funds, as per Annex B "Overview of the sub-funds".

#### **12.1.3. Conversion fee**

For switching from one sub-fund to another, or from one unit class into another, as requested by the Investor, the AIFM may charge a fee on the net asset value of the original sub-fund or the original unit class, as set forth in Annex B "Overview of sub-funds".

### **12.2. Costs and fees charged to the sub-fund**

#### **12.2.1. Asset-related fees**

##### **Operations fee (depositary, risk management, administration)**

The AIFM charges an annual fee for risk management, administration of the relevant sub-fund and depositary services (hereinafter referred to as "**Operations Fee**"), as set forth in Annex B "Overview of

sub-funds". This fee is calculated on the basis of the average net assets of the relevant sub-fund, accrues for each NAV day and is charged *pro rata temporis* at the end of each quarter. The Operations Fee is shown in the annual report.

### **Portfolio management fee**

Where a portfolio manager has been contractually engaged, such portfolio manager may charge an annual portfolio management fee in accordance with Annex B "Overview of sub-funds" to the relevant sub-fund for portfolio management activities. This fee is calculated on the basis of the average net assets of the relevant sub-fund, accrues for each NAV day and is charged *pro rata temporis* at the end of each quarter. The portfolio management fee is shown in the annual report.

The portfolio management fee includes costs for distribution in Liechtenstein and abroad, as well as any retrocessions paid to third parties for investor referrals and investor relationship management.

### **Performance fee**

In addition, the portfolio manager may receive a performance-related fee (hereinafter referred to as the "**Performance Fee**") out of the relevant sub-fund's net assets. The Performance Fee described in Annex B "Overview of sub-funds" is charged to the sub-funds.

## **12.2.2. Non-asset-related fees**

### **Ordinary expenses**

In addition, the AIFM and the depositary are entitled to compensation for the following expenses incurred in the exercise of their functions:

- any costs for the preparation, printing and forwarding of annual reports or any other publications legally required;
- auditor's fees and professional fees for legal and tax services incurred by the AIFM or the depositary, to the extent such expenses are incurred when acting in the best interests of the Investors;
- costs of the publication of notices from a sub-fund to Investors that are published in the publication media and, if applicable, any newspapers or electronic media specified by the AIFM, including price publications;
- fees and costs for permits (including their maintenance) and the supervision of a sub-fund in Liechtenstein and abroad;
- any and all taxes imposed on the assets, earnings and expenses of a sub-fund, to the extent they are borne by a sub-fund;
- any fees incurred in connection with any listing of a sub-fund and the distribution in Liechtenstein and abroad (e.g. advisory, legal and translation costs);
- fees, expenses and remuneration, in line with actual expenses at market rates, in connection with the determination and publication of tax factors for EU/EEA countries and/or any other countries where distribution licences were issued and/or private placements were made;
- costs for the preparation, translation, filing, printing and sending of, or amendments to, the constituting documents in those countries where the Units are distributed (this shall also apply to periodical reports and notices);
- administrative fees and reimbursement of costs of governmental agencies;
- costs related to statutory provisions applicable to a sub-fund (e.g. reporting to authorities, material investor information);
- fees of paying agents, representatives and other parties with similar functions in Liechtenstein and abroad;
- an appropriate share in the costs of printed material and advertising incurred in direct connection with the offering and selling of Units;
- costs for the valuation of investments by a qualified, independent third party;
- costs related to third parties conducting in-depth tax, legal, accounting, business and market reviews and analysis (due diligence), in order to scrutinise the suitability of, in particular, private equity investments for a sub-fund's investment objectives; even if these do not result in an investment being made such costs can nonetheless be charged to the sub-fund;
- any extraordinary expenses required under the AIFM Act / the AIFM Ordinance (e.g. amendments to fund documents);
- Fees and costs arising from other legal or regulatory requirements, which have to be met by the AIFM with regard to the implementation of the investment strategy (such as reporting and other

costs incurred under the European Market Infrastructure Regulation (EMIR, Regulation (EU) No 648/2012); and

- internal and external costs for recovering foreign withholding taxes, to the extent that these are recoverable for the account of the sub-fund.

It should be noted that, for the purposes of recovering foreign withholding taxes, the AIFM does not undertake an obligation to recover such taxes and that such recovery is only carried out if the procedure is justified according to the criteria of materiality of amounts and proportionality of costs in relation to the amount which may be recoverable.

The resulting amount of expenses per sub-fund/unit-class is shown in the annual report in each case.

### **Transaction costs**

Moreover, the sub-funds shall bear any and all ancillary costs related to the sale and purchase of investments (standard market brokerage charges, commissions, levies) which are attributable to the management of the assets as well as any and all taxes imposed on the assets of the relevant sub-fund, its income and expenses (such as withholding taxes on income from abroad). In addition, the sub-funds shall bear any external costs, i.e. third-party fees incurred through the sale and purchase of investments. Any such costs are set off directly against the cost price or sales value of the relevant investments. In addition, any currency hedging costs are also charged to the relevant unit classes.

Any consideration included in a fixed flat-rate fee may not be additionally charged as an individual expense. Any remuneration paid to contracted third parties is also included in the fees as per no. 12.2 of the Prospectus.

### **Costs for hedging the currency of a unit class**

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

### **Formation costs**

The costs for the formation of the AIF and the initial offering of Units (e.g. fees for licensing and authorisation, for the preparation and printing of the prospectuses and the constituting documents) shall be expensed, over a maximum period of five years, against the assets of the sub-funds existing at the time of such formation. The costs of formation are allocated on a pro rata basis to the relevant sub-funds. Any costs associated with the inception of additional sub-funds will be expensed, over not more than a five-year period, against the assets of the relevant sub-funds they are attributable to.

### **Liquidation fees**

In the event of the liquidation of the AIF and/or a sub-fund, the AIFM and/or the depositary may charge a liquidation fee of up to CHF 10'000 or the equivalent amount in another currency for its own benefit. In addition, the AIF or the relevant sub-fund respectively shall bear any and all costs charged by agencies, the auditor and the depositary.

### **Total expense ratio**

The total expense ratio before performance-related expenses (total expense ratio before Performance Fee; hereinafter referred to as TER), if any, is calculated in accordance with the general principles recognised by the FMA and shall include any and all costs and fees charged to the assets of the sub-fund on an ongoing basis, with the exception of transaction costs. The particular sub-fund's TER is available on the website of the LAFV) at [www.lafv.li](http://www.lafv.li) as well as in the relevant annual reports, insofar as these have already been published.

### **Inducements**

In connection with the purchase and sale of assets and rights for a sub-fund, the AIFM, the depositary and their agents/representatives, if any, shall ensure that inducements will inure, directly or indirectly, to the benefit of this sub-fund. The depositary shall be entitled to retain no more than 30% of the inducements as retention.

### **Extraordinary expenses**

Furthermore, the AIFM may charge extraordinary expenses to the respective sub-fund.

Extraordinary expenses are comprised of expenses which are incurred in the course of the ordinary business to safeguard the relevant Investor interests and were not foreseeable when the AIF had been launched. More specifically, extraordinary expenses include, but are not limited to, legal costs and the

costs for the pursuit of legal claims in the interest of the AIF, the relevant sub-fund or the Investors. They also include any extraordinary expenses required under the AIFM Act / the AIFM Ordinance (e.g. amendments to fund documents).

The AIFM is also entitled to charge costs related to transaction taxes to the fund's assets, provided that such costs arise as a consequence of an assessment or subsequent assessment which results from the revocation of the qualification as tax-exempt investor (by the competent authority) due to changes in the tax laws or practice or different interpretations of the same by the tax authorities.

### **13. Information for Investors**

The publication media of the AIF are the website of the LAFV ([www.lafv.li](http://www.lafv.li)) and other media specified in the prospectus. Any and all notices to Investors, including on any amendments to the Unit Trust Agreement and Annex B "Overview of sub-funds" are published on the website of the LAFV ([www.lafv.li](http://www.lafv.li)) as the publication medium of the AIF and in other media or on data carriers specified in the Prospectus.

The net asset value, the issue price and the redemption price of the Units of the sub-funds and/or unit classes will be published, on each valuation day, on the LAFV website ([www.lafv.li](http://www.lafv.li)) as the publication medium of the AIF and in other media or on permanent data carriers (letter, fax, e-mail or similar) specified in the Prospectus.

#### **Periodic information for Investors**

During the investment period, the AIFM is obliged to provide periodic information in accordance with Art. 106 of the AIFM Act. This information is made available to the Investor at the registered office of the AIFM and sent to the Investor, free of charge, upon request. If this information, in whole or in part, is contained in the periodic reporting or in Key Investor Information Documents (KIID), such information shall always be available for inspection on the website of the LAFV as publication medium.

The annual report audited by an auditor will be made available to Investors at the registered offices of the AIFM and the depository, and sent to the Investors, free of charge, upon request.

### **14. Liquidation, merger and structural measures of the AIF**

#### **14.1. Duration**

The term of the umbrella AIF and its sub-funds is governed by the provisions of the Unit Trust Agreement and the sub-fund-specific provisions in Annex B "Overview of sub-funds".

#### **14.2. Liquidation**

The AIF or one of its sub-funds is compulsorily liquidated in the events prescribed by law. Moreover, the AIFM is entitled to liquidate the AIF or individual sub-funds at any time.

Investors, heirs or other beneficiaries are not entitled to request the division or liquidation of the AIF or an individual sub-fund or any individual unit classes.

The resolution for the liquidation of the AIF, a sub-fund or a unit class will be published on the website of the LAFV ([www.lafv.li](http://www.lafv.li)) as the publication medium of the AIF and in other media and on permanent data carriers (letter, fax, e-mail or similar) as specified in the Prospectus at least 30 days before such liquidation becomes effective. The FMA shall receive a copy of the notice to the Investors. As from the day of such liquidation resolution, no further Units will be issued, converted or redeemed.

When the AIF or one of its sub-funds is being liquidated, the AIFM may immediately liquidate the assets of the AIF or a sub-fund in the best interests of the Investors. In all other regards, the AIF shall be liquidated in accordance with the provisions of the Liechtenstein Persons-and-Companies Act (PGR).

If the AIFM liquidates a unit class without liquidating the AIF and/or the sub-fund, then all Units of that class shall be redeemed at their net asset value at that time. Any such redemption shall be published by the AIFM, and the depository shall disburse the redemption price for the benefit of the former Investors.

### **14.3. Merger and other structural measures**

Pursuant to the AIFM Act / AIFM Ordinance, the AIFM may, at any time and at its sole discretion, subject to prior approval by the competent supervisory authority, resolve on the merger of the AIF with one or more other AIF, regardless of their legal form and irrespective of whether or not such other AIF are registered in Liechtenstein or elsewhere.

Sub-funds and unit classes of the AIF may also be merged with each other and even with one or more other AIF or their sub-funds and unit classes.

It is also possible to split the AIF and its sub-funds and unit classes. Additional structural measures are permissible under the AIFM Act / AIFM Ordinance.

The Unit Trust Agreement provides further details. Unless otherwise provided hereinafter, the statutory provisions pursuant to the AIFM Act / AIFM Ordinance shall apply.

### **15. Specific information for individual distribution countries**

Pursuant to the applicable laws of the Principality of Liechtenstein, the constituting documents shall be approved by the FMA. This approval covers only information relating to the implementation of the provisions of the AIFM Act / AIFM Ordinance. For this reason, Annex C (which is based on foreign law) "Specific information for individual distribution countries" shall not be subject to the FMA's review and thus not covered by the approval.

### **16. Governing law; jurisdiction**

The AIF is governed by the laws of Liechtenstein. Exclusive legal venue for any and all disputes arising between the Investors, the AIFM and the depositary is Vaduz, Liechtenstein.

However, with regard to the claims of Investors from such countries, the AIFM and/or the depositary may submit to the jurisdiction of countries in which Units are offered and sold. Other mandatory statutory places of jurisdiction may apply. Foreign judgements are only recognised and enforced if this is provided in state treaties or if reciprocity is guaranteed by state treaties or declarations of reciprocity.

This Prospectus enters into force on 24 March 2021.

## Part II: Unit Trust Agreement of the SGMC Capital Fund

### Preamble

The Unit Trust Agreement and Annex A "Organisational structure of the AIFM and the AIF" and Annex B "Overview of sub-funds" form an integral unit.

To the extent that this Unit Trust Agreement does not contain rules governing a particular situation or circumstance, the legal relationships between the Investors and the AIFM are governed by the Law of 19 December 2012 on Alternative Investment Fund Managers (hereinafter referred to as the "**AIFM Act**") and the Ordinance of 22 March 2016 on Alternative Investment Fund Managers (hereinafter referred to as the "**AIFM Ordinance**") and, to the extent that these statutes contain no applicable provisions, by the provisions of the Liechtenstein Persons and Companies Act (*Personen- und Gesellschaftsrecht*, "PGR") concerning trusteeship.

### I. General provisions

#### Art. 1 The AIF

The SGMC Capital Fund (hereinafter referred to as the "**AIF**") was established for an unlimited term as open-ended alternative investment fund (AIF) under the laws of the Principality of Liechtenstein on 8 April 2019 and registered in the Liechtenstein commercial register on 17 April 2019.

The AIF is governed by the AIFM Act.

The AIF has the legal form of a collective unit trust. Under a collective unit trust, identical trusteeships are entered into with an indefinite number of investors in order to invest and manage assets for the investors' account. The individual investors will be invested in line with their respective share in this unit trust and will be personally liable only up to the amount invested.

The AIF is an umbrella structure that may comprise one or more sub-funds. The various sub-funds are separate in terms of their assets and any liability they assume.

The sub-funds may make investments in accordance with their specific investment policy. The investment policy of each sub-fund is governed by its investment objectives. The net assets of each sub-fund and/or each unit class as well as the net asset values of the units of these sub-funds and/or its unit classes are expressed in the relevant reference currency.

The respective rights and obligations of the holders of units of the AIF or the relevant sub-fund (hereinafter referred to as "**Investors**"), the management company and the depositary are set forth in this Unit Trust Agreement.

In acquiring the units of the AIF or the relevant sub-fund (hereinafter referred to as the "**Units**"), each Investor agrees to the application of this Unit Trust Agreement, which regulates the contractual relationship between the Investors, the AIFM and the depositary, as well as any amendments to this document that were effected in the prescribed manner.

#### Art. 2 AIFM

The AIF is managed by LGT Fund Management Company Ltd. Vaduz (hereinafter the "**AIFM**"), a company incorporated in the legal form of a limited company (Aktiengesellschaft) under the laws of Liechtenstein with its registered office in Vaduz, Liechtenstein, in accordance with this Unit Trust Agreement. The AIFM was admitted by the Financial Markets Authority of Liechtenstein (Finanzmarktaufsicht Liechtenstein, (hereinafter referred to as the "**FMA**")) pursuant to the AIFM Act and has been entered into the official list of AIFM registered in Liechtenstein.

The AIFM manages the AIF for the account, and in the sole interest, of the Investors in accordance with the risk diversification principle and pursuant to the provisions of the Unit Trust Agreement and Annex B "Overview of sub-funds".

The AIFM is entitled to administer the assets of the AIF in its own name in accordance with the statutory provisions and this Unit Trust Agreement, and to exercise any and all rights thereunder.



### **Art. 3 Delegation of tasks**

In compliance with the provisions of the AIFM Act and the AIFM Ordinance, the AIFM may delegate some of its tasks to third parties for the purpose of the efficient performance of its business, but shall remain liable for its obligations under Art. 2 and the other provisions of this Unit Trust Agreement pursuant to Art. 47 para. 1 AIFM Act. The specifics of any such delegation will be set forth in an agreement between the AIFM and the relevant third party.

### **Art. 4 Depositary**

The AIFM has appointed a depositary for each sub-fund's assets, which depositary is a bank or an investment firm under the Liechtenstein Banking Act, with registered office or a branch office in the Principality of Liechtenstein, or any other agent approved in accordance with the AIFM Act. The assets of the individual sub-funds may be held in safe custody at various depositaries. The role of the depositary is governed by the AIFM Act, the depositary agreement and this Unit Trust Agreement.

### **Art. 5 Prime broker**

Only credit institutions, regulated investment firms or any other entity which is subject to regulatory supervision and ongoing monitoring and which offers services to professional investors - primarily financing or executing transactions in financial instruments as a counterparty - and which may also provide other services such as transaction clearing and settlement, depositary services, securities lending and customised technology and operational support facilities may be appointed as prime brokers.

A prime broker may be appointed by the depositary to act as a sub-depositary or by the AIFM to act as counterparty.

## **II. Distribution**

### **Art. 6 Selling information / selling restrictions**

Before Investors acquire Units of the AIF, the AIFM shall provide the Investors with up-to-date information as required by the AIFM Act, on the website of the Liechtenstein Investment Fund Association (Liechtensteinischer Anlagefondsverband, hereinafter referred to as "LAFV") at [www.lafv.li](http://www.lafv.li). Such information can also be obtained from the AIFM and the depositary free of charge.

The purchase of Units is effected on the basis of the constituting documents and the most recent annual report (if already published and/or required). Only the information in the constituting documents shall be deemed validly given information. By acquiring Units, the Investor is deemed to have approved such information.

The Units of the AIF are not registered for distribution in all countries. If Units are issued, converted or redeemed in another country, the provisions of that country shall apply.

### **Art. 7 Professional investors / retail investors**

**The units of the AIF may only be subscribed for by professional investors within the meaning of Directive 2014/65/EU (MiFID II).**

#### **A. Professional investors**

**In relation to AIF, the following shall apply for professional investors within the meaning of Directive 2014/65/EU (MiFID II):**

A professional investor is defined in Directive 2011/61/EU and/or Art. 4 para 1 no. 31 AIFM Act as an investor who is considered to be a professional client or may, on request, be treated as a professional client within the meaning of Annex II of Directive 2014/65/EU (MiFID II):

A professional client for the purposes of Directive 2014/65/EU (MiFID II) is a client who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs.

The following entities are all regarded as professionals in all investment services and financial instruments for the purposes of the Directive.

1. Entities which must be admitted or supervised in order to be able to act in the financial markets. The list below should be understood as including all admitted entities carrying out the activities which are characteristic for such entities:
  - entities admitted by a Member State under a Directive,
  - entities admitted or supervised by a Member State without reference to a Directive,
  - and entities admitted or supervised by a non-Member State:
    - a) credit institutions
    - b) investment firms
    - c) other authorised or supervised financial institutions
    - d) insurance companies
    - e) collective investment schemes and their management companies
    - f) pension funds and their management companies
    - g) commodity dealers and commodity derivatives dealers
    - h) local investors
    - i) other institutional investors
2. Large undertakings meeting two of the following size requirements on a company basis:
  - Total assets: EUR 20,000,000
  - Net revenues: EUR 40,000,000
  - Own funds: EUR 2,000,000
3. National and regional governments, public bodies that manage public debt, Central Banks, international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB and other similar international organisations.
4. Other institutional investors whose main activity is to invest in financial instruments, including entities engaged in the securitisation of assets or other financing transactions.

The entities mentioned above are considered to be professionals. They must however be allowed to request nonprofessional treatment and investment firms may agree to provide a higher level of protection. Where the client of an investment firm is an undertaking referred to above, the investment firm must inform it prior to any provision of services that, on the basis of the information available to the firm, the client is deemed to be a professional client, and will be treated as such unless the firm and the client agree otherwise. The firm must also inform the customer that he can request a variation of the terms of the agreement in order to secure a higher degree of protection.

Any client considered to be a professional client is himself responsible to request a higher level of protection when he believes that he is unable to properly assess or manage the risks involved.

This higher level of protection will be provided when a client who is considered to be a professional client enters into a written agreement with the investment firm to the effect that it shall not be treated as a professional client within the meaning of the applicable conduct of business regime. Such agreement should specify whether this applies to one or more particular services or transactions, or to one or more types of product or transaction.

5. Clients who may be treated as professional clients upon request pursuant to Directive 2014/65/EU (MiFID II).

## **B. Retail investors**

Every investor, who is not a professional investor, is a retail investor.

### III. Structural measures

#### **Art. 8 General**

Unless otherwise provided hereinafter, the statutory provisions in Art. 76 et seqq. of the AIFM Act and the relevant provisions of the Ordinance shall apply to structural measures. It is in particular possible to merge AIF with UCITS in accordance with the provisions of the UCITS Act.

It is also possible to split the AIF and its sub-funds and unit classes. In addition, further structural measures within the meaning of Art. 90 of the AIFM Act are also permissible.

#### **Art. 9 Merger**

Pursuant to Art. 78 of the AIFM Act, the AIFM may, at any time and at its sole discretion, subject to prior approval by the competent supervisory authority, resolve on the merger of the AIF with one or more other AIF, regardless of their legal form and irrespective of whether or not such other AIF are registered in Liechtenstein or elsewhere.

Sub-funds and unit classes of the AIF may also be merged with each other and even with one or more other AIF or their sub-funds and unit classes.

Any and all assets of the AIF and/or a sub-fund may be transferred to another existing or newly (by way of the merger) established AIF and/or sub-fund on any transfer date.

The Investors' depositary institutions shall provide information on the reasons for the merger and the potential consequences for the Investors not later than 35 working days before the scheduled transfer date. Investors shall also obtain key investor information relating to the surviving or newly (by way of the merger) established AIF.

Until five working days before the envisaged transfer date, Investors can either redeem their Units without a redemption fee or exchange their Units for units of another AIF which is also managed by the AIFM and applies an investment policy similar to that of the AIF to be merged.

On the transfer date, the assets of the surviving and the transferring investment fund or AIF shall be evaluated and the exchange ratio shall be determined; the complete procedure shall be audited by the external auditor or the depositary. The exchange ratio shall be determined in accordance with the relevant *pro-rata* shares of net asset values of the transferring and the surviving special investment fund at the time of the transfer. The Investor shall receive a number of units in the new special investment fund which corresponds to the value of his Units in the transferring special investment fund. It is also possible that the Investors of the transferring special investment fund receive up to 10% of the value of their Units in cash. If the merger takes place during the current financial year of the transferring special investment fund, the managing AIFM of such special investment fund shall be obliged to prepare a report as at the transfer date which complies with the requirements for an annual report.

The fact that the AIF has absorbed another AIF and such merger has taken effect shall be published by the AIFM in the publication medium of the AIF, the website of the LAFV, [www.lafv.li](http://www.lafv.li). Should the AIF cease to exist after a merger, the AIFM managing the absorbing or newly established AIF shall be responsible for such publication.

The transfer of all assets of this AIF to another domestic AIF or another foreign AIF shall not be effected without the approval of the FMA.

#### **Art. 10 Investor information, consent and investor rights**

Information in relation to mergers are given on the website of the LAFV ([www.lafv.li](http://www.lafv.li)) as publication medium of the AIF. Publication via permanent data carrier (letter, fax, e-mail or similar) is only required for causing effectiveness of the waiver or forfeiture in accordance with Art. 43 of the AIFM Act.

Where the distribution of Units of the AIF involved in the merger is limited to professional investors, the draft terms of the merger shall include at least the following particulars:

- a) the merging AIF;
- b) information whether the merger is carried out by acquisition, by new establishment or by partial liquidation;

- c) the background to and rationale for the proposed merger; and
- d) the planned effective date of the merger.

AIF which are exclusively distributed to professional investors must not present a report of the depository or the independent auditor within the meaning of Art. 83 of the AIFM Act.

The Investors shall be informed, appropriately and accurately, about any merger planned. The investor information must be such that Investors are able to make an informed assessment of the implications of such plans for their investments and the exercise of their rights under Art. 85 and 86 of the AIFM Act. For AIF which are exclusively distributed to professional investors, the period for publication shall be curtailed or waived.

In the case of a merger, Investors may request the following, without incurring any further costs than those retained by the AIF or the sub-fund respectively to cover the costs of liquidation:

- a) the resale of their Units;
- b) the redemption of their Units; or
- c) the conversion of their Units into those of another AIF pursuing a similar investment policy.

The right of conversion exists only insofar as the AIF and/or the relevant sub-fund that pursues a similar investment policy is a sub-fund of the same AIF or is managed by the same AIFM or a company closely affiliated with the AIFM. If applicable, a settlement of fractions will be carried out.

This right will arise upon the conveyance of the investor information and expire five (5) bank business days prior to the day when the conversion ratio is calculated.

To the extent that the Units of the AIF are only distributed to professional investors, the period for the exercise of these rights under Art. 86 para. 2 of the AIFM Act shall be changed or waived.

#### **Art. 11 Merger costs**

Neither any of the AIF and/or sub-funds that are part of the merger nor the Investors will be charged with the legal, advisory or administrative costs associated with the preparation and execution of a merger.

This also applies analogously to any structural measures under Art. 90 lit. a to c of the AIFM Act.

In the event of AIF which are exclusively distributed to professional investors, the legal, advisory or administrative costs associated with the preparation and execution of any structural measures within the meaning of Art. 90 lit. d of the AIFM Act may be charged to the sub-fund's assets. In such event, provided that the investor information was not fully waived, the investor information must also state the expected costs, both in total and - by approximation - per each unit.

#### **Art. 12 Restructuring of a master AIF or feeder AIF into an AIF and vice versa**

The above provisions relating to structural measures shall apply analogously to the restructuring of a feeder AIF or master AIF.

### **IV. Liquidation of the AIF, its sub-funds and unit classes**

#### **Art. 13 General**

The provisions regarding the liquidation of the AIF also apply to its sub-funds and unit classes.

The Investors shall be informed about the relevant resolution in the same way as described in the above section "Structural measures".

#### **Art. 14 Liquidation resolution**

The AIF or one of its sub-funds are compulsorily liquidated in the events prescribed by law. Moreover, the AIFM is entitled to liquidate the AIF or an individual sub-fund and/or an individual unit class at any time.

Investors, their heirs or other beneficiaries are not entitled to request the division or liquidation of the AIF or an individual sub-fund and/or any individual unit class.

The resolution for the liquidation of the AIF and/or a sub-fund will be published on the LAFV website ([www.lafv.li](http://www.lafv.li)) as the publication medium of the AIF and in other media specified in the fund documentation or on permanent data carriers (letter, fax, e-mail or similar) at least 30 days before the liquidation becomes effective. The FMA shall receive a copy of the notice to the Investors. As from the day of such liquidation resolution, no further Units will be issued, converted or redeemed.

When the AIF or one of its sub-funds is being liquidated, the AIFM may immediately liquidate the assets of the AIF or a sub-fund in the best interests of the Investors. In all other regards, the AIF and/or the sub-fund shall be liquidated in accordance with the provisions of the Liechtenstein Persons-and-Companies Act (PGR).

If the AIFM liquidates a unit class without liquidating the AIF and/or the sub-fund, then all Units of that unit class shall be redeemed at their net asset value at that time. Any such redemption shall be published by the AIFM, and the depositary shall disburse the redemption price for the benefit of the former Investors.

#### **Art. 15 Reasons for liquidation**

To the extent that the net asset value of an AIF falls below the minimum value that is required to manage the AIF in a financially efficient manner or where material changes have taken place in the political, economic or monetary environment, or as part of rationalisation measures, the AIFM may resolve to redeem all Units of the AIF, a sub-fund or a unit class at the net asset value (taking into consideration the actual prices and costs for realising the investments) of the valuation day on which the relevant resolution takes effect.

#### **Art. 16 Costs of liquidation**

The costs of liquidation shall be borne by the net fund assets of the AIF or the relevant sub-fund.

#### **Art. 17 Liquidation and insolvency of the AIFM or the depositary**

In the event of liquidation or insolvency of the AIFM, the assets managed, as part of a collective capital investment, for the account of the Investors will not be part of the insolvency estate of the AIFM and will not be liquidated together with the AIFM's own assets. The AIF or the relevant sub-fund is a special fund in favour of its Investors. Subject to FMA approval, each special fund must be transferred to another AIFM or liquidated by way of separate satisfaction in favour of the Investors of the AIF or a sub-fund.

In the event of insolvency of the depositary, the managed assets of the AIF or a sub-fund must be transferred, subject to FMA approval, to another depositary or liquidated by way of separate satisfaction in favour of the Investors of the AIF or the relevant sub-fund.

#### **Art. 18 Termination of the depositary agreement**

In the event of termination of the depositary agreement, the net fund assets of the AIF or any sub-fund must be transferred, subject to FMA approval, to another depositary or liquidated by way of separate satisfaction in favour of the Investors of the AIF or a relevant sub-fund.

## **V. Creation of sub-funds and unit classes**

#### **Art. 19 Creation of sub-funds**

The AIF is made up of one or more sub-funds. The AIFM may resolve, at any time to launch new sub-funds and liquidate or merge existing sub-funds. The Unit Trust Agreement, including sub-fund-specific Annex B "Overview of sub-funds", must be amended accordingly.

The Investors participate in the relevant sub-fund's assets according to the number of Units purchased by them.

In terms of the internal relationship between the individual Investors, each sub-fund shall be deemed to be independent. The rights and obligations of the Investors of a sub-fund are separate from the rights and obligations of Investors in other sub-funds.

Vis-à-vis third parties, the individual sub-funds will be liable with its assets only for the liabilities contracted by the relevant sub-funds.

#### **Art. 20 Duration of the individual sub-funds**

The sub-funds may be established for a definite or for an indefinite time. The term of a sub-fund is set out in Annex B "Overview of sub-funds" for the relevant sub-fund.

#### **Art. 21 Unit classes**

The AIFM may create several unit classes for each sub-fund.

Unit classes may be created that differ from the existing unit classes with regard to the application of income, subscription fees, reference currency and the use of currency hedges, the management fee, the minimum investment amount or a combination of these. However, the rights of Investors who have acquired Units in the existing unit classes remain unaffected thereby.

Class (USD) IM units are exclusively reserved for investors who have concluded an asset management agreement or investment management agreement with SGMC Capital Pte. Ltd.

The AIFM, the depositary or any other depositary agent of the LGT Group are entitled to require class (USD) IM investors to provide proof that they (continue to) meet the requirements for participating in the relevant unit class. To the extent that banks, securities traders or other institutional investors having comparable functions hold units for the account of their clients, these organisations must, on request, provide proof that they hold these units for the account of clients who meet the specified requirements.

The depositary shall, at its own discretion, determine whether or not the requirements have been met.

Investors who fail to furnish said proof may be asked to convert their units, free of charge, within 30 calendar days into units, the specified requirements of which they meet or to transfer such units to a unit holder who meets the specified requirements. Where the Investor fails to comply with this request or omits to give instructions, the AIFM in co-operation with the depositary may effect the compulsory conversion of the relevant units into such units whose specified requirements the Investor fulfils, or, if this is not possible, enforce a compulsory redemption of the relevant units.

The unit classes which are launched in connection with each sub-fund, as well as the fees and remuneration arising in connection with the Units of the sub-funds, are listed in Annex B "Overview of sub-funds".

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

The relevant sub-fund's assets shall be invested in line with the provisions of the AIFM Act and the investment policy principles and investment restrictions described hereinafter.

#### **Art. 22 Investment policy**

The sub-fund-specific investment policy is described in Annex B "Overview of sub-funds".

The following general investment principles and restrictions shall apply to all sub-funds unless Annex B "Overview of sub-funds" contains different or additional provisions for the relevant sub-fund.

#### **Art. 23 Eligible investments**

The details of the relevant sub-fund as well as any restrictions are set out in Annex B "Overview of sub-funds".

#### **Art. 24 Use of derivatives, techniques and instruments**

The use of derivatives, borrowings, securities lending and repurchase transactions are governed by the statutory provisions of the AIFM Act and the provisions of Annex B "Overview of sub-funds".

#### **Risk management procedure**

The AIFM uses a base model to calculate the risks attaching to the investment instruments, in particular to derivative financial instruments, and widely accepted calculations methods; moreover, the AIFM must use a procedure which enables it to precisely and independently determine the value of OTC derivatives.

The AIFM shall submit reports to the FMA, at least once per year, containing information that present a true and fair view of the actual situation with regard to the derivative financial instruments used for each

managed sub-fund, the underlying risks, the investment limits and the methods used to estimate the risks associated with these derivative transactions.

### **Securities lending**

The details of securities lending are set out in Annex B "Overview of sub-funds".

### **Securities borrowing**

The details of securities borrowing are set out in Annex B "Overview of sub-funds".

### **Repurchase transactions**

The details of repurchase transactions are set out in Annex B "Overview of sub-funds".

## **Art. 25 Investment limits**

### **A. Investment limits**

The sub-fund-specific investment restrictions are specified in Annex B "Overview of Sub-Fund".

### **B. Procedures in the event of deviations from the investment limits and the look-through approach:**

1. A sub-fund is not required to meet the investment limits when subscription rights attaching to securities or money-market instruments which are part of its assets are exercised.
2. When exceeding said limits, the sub-fund shall strive, first and foremost, for a normalisation of this situation through the sale of investments, taking into consideration the Investors' best interests.
3. Within the first six months following its launch, the sub-funds may deviate from the investment limits as stipulated in its investment policy.
4. In the case of index-based investments or derivatives positions with an index as underlying the look-through approach shall not be applied with regard to the individual index components.
5. In the case of investments in units of other investment funds (collective investment undertakings, investment funds of any type), the look-through approach shall not be applied with regard to the investments of the fund.
6. The sub-fund must be reimbursed for any damage incurred due to an active breach of the investment limits/investment rules without undue delay.

## **VII. Valuation and Unit trading**

### **Art. 26 Calculation of net asset value per Unit**

The net asset value (hereinafter referred to as "**NAV**") per unit of a sub-fund/unit class is calculated by the AIFM or its agent/representative on each valuation date and at the end of the accounting year (NAV day).

The NAV of a Unit in a unit class of the sub-fund is expressed in the currency of account of the sub-fund or, if different, in the reference currency of the relevant unit class and will be determined as the share of the particular unit class in the assets of this sub-fund (minus any debt obligations of the same sub-fund that are attributable to the relevant unit class) divided by the number of outstanding Units in the relevant unit class. Upon the issuance and redemption of Units, the NAV is rounded to two decimal places of the reference currency.

The relevant sub-fund's net assets are calculated in accordance with the following:

1. Securities officially listed on an exchange are valued at their last available price. Where a security is officially listed on more than one exchange, the last available price recorded on the exchange that is the principal market of the relevant security will be authoritative.
2. Securities not officially listed on an exchange, but traded in a market that is open to the public, are valued at their last available price.

3. Securities or money market instruments with a remaining time to maturity of less than 397 days may be valued by adding or deducting the difference between purchase price (acquisition price) and redemption price (price at maturity) in line with the straight-line method. Valuation at the current market price is not required where the redemption price is known and fixed. Any changes in credit ratings are also taken into account.
4. Where the prices of investments are not in line with the market and where assets do not fall under the preceding clauses 1, 2 and 3, such investments and assets are valued at a price which would probably be obtained if the asset was sold, at arm's length, at the time of valuation and which is determined, in good faith, by the AIFM's Executive Board or by its agents/representatives or under its control or supervision.
5. OTC derivatives are valued daily and verifiably on a basis to be determined by the AIFM in good faith and in accordance with generally accepted valuation models that are verifiable by auditors and based on likely sales value.
6. Investment funds, investment companies and other collective investment schemes and/or undertakings for collective investment (UCI) shall be valued at the latest redemption price determined by, and available from, the competent bodies or delegates (e.g. administrator). If redemption is suspended for Units or if redemption cannot be requested for closed-ended undertakings, such Units are valued in accordance with statutory provisions on the basis of information about such undertakings which are or were made available. If no valuation of these undertakings is available, the relevant Units as well as any other assets will be valued at the relevant market value, as determined by the AIFM in good faith and in accordance with generally accepted valuation models that are verifiable by auditors.
7. Where no tradable price is available for the relevant assets, any such assets as well as any other legally permissible assets will be valued at the relevant market value, as determined by the AIFM in good faith and in accordance with generally accepted valuation models that are based on likely sales values and are verifiable by auditors.
8. Liquid funds are valued at their nominal value plus interest accrued.
9. The market value of securities and other investments denominated in a currency other than that of the relevant sub-fund will be converted into the relevant sub-fund currency using the most recent mean rate of exchange.

The AIFM is authorised to temporarily apply other suitable valuation principles for the relevant sub-fund's assets if the aforementioned valuation criteria appear to be unfeasible or inappropriate in light of extraordinary events. In the event of a huge number of redemption applications, the AIFM is entitled to value the relevant sub-fund assets on the basis of the prices which are expected to be realised when effecting the necessary securities sales. In this case, the same valuation method will be applied to any issue or redemption applications that were submitted at the same time.

#### **Art. 27 Issuance of Units**

Units are issued on the NAV day (issue date) at the net asset value per each Unit of the relevant unit class of the relevant sub-fund, plus any subscription fee as well as any applicable taxes and levies.

The Units are not certificated as securities.

Subscriptions must be received by the depositary no later than by the cut-off time. Where a subscription is received after the cut-off time, it will be scheduled for the following issue date. For applications submitted to distributors in Liechtenstein or abroad, earlier cut-off times may apply to ensure the timely forwarding of any such applications to the depositary in Liechtenstein. The applicable cut-off times may be obtained from the relevant distribution agents.

For further information on the issue date, the cut-off time and any maximum amount of the subscription fee, see Annex B "Overview of sub-funds".

Payment must be made within the time mentioned in Annex B "issuance value date".



The AIFM ensures that the issuance of Units will be charged on the basis of the net asset value per Unit, which is not known to the Investor at the time of application (forward pricing). Any and all taxes and levies incurred through the subscription of Units will also be charged to the Investor. Where Units are acquired via banks that are not mandated to distribute such Units, it cannot be excluded that said banks will charge additional transaction costs.

If payment is made in a currency other than the reference currency, the amount resulting from the conversion of the payment currency into the reference currency, minus any fees, will be applied to the purchase of Units.

The minimum investment amount for any given unit class is set forth in Annex B "Overview of sub-funds".

Trading may be suspended in cases where Art. 30 of this Unit Trust Agreement applies.

Contributions in kind are permissible; they must be assessed by the AIFM on the basis of objective criteria and are to be carried out by the depositary after successful conclusion of plausibility checks.

Upon an Investor's application and subject to the AIFM's approval, Units may also be subscribed for against the transfer of investments at the relevant daily price (contribution in kind or payment *in specie*). The AIFM is under no obligation to accept any such subscription.

Contributions in kind must be examined and assessed by the AIFM on the basis of objective criteria. The investments transferred must be in compliance with the investment policy of the relevant sub-fund and there must be, in the opinion of the AIFM, a current Investor interest in those securities. The intrinsic value of the contribution in kind must be examined by an auditor. Any and all costs incurred in this connection (including the auditor's remuneration and any other expenses as well as any taxes and levies) will be borne by the relevant Investor and must not be charged to the relevant sub-fund's assets.

The depositary and/or the AIFM may, at any time, reject subscriptions or temporarily limit, suspend or ultimately discontinue the issuance of Units, where this appears to be necessary in the best interests of the Investors, in the public interest or for the protection of the AIFM, the AIF or the Investors. In such cases, the depositary will refund, without undue delay and without any interest, any payments received on subscriptions not yet actioned, if necessary by resorting to the assistance of the paying agents.

The issuance of Units may be suspended in the scenarios provided for in Art. 30 of this Unit Trust Agreement.

#### **Art. 28 Redemption of Units**

Units are redeemed on each redemption date at the net asset value per each Unit of the relevant unit class of the relevant sub-fund, as determined for the relevant NAV day, minus any redemption fees as well as any applicable taxes and levies.

Redemption applications must be received by the depositary no later than by the cut-off time. Where a redemption application has been received following the cut-off time, it will be scheduled for the following redemption date. For applications submitted to distributors in Liechtenstein or abroad, earlier cut-off times may apply to ensure the timely forwarding of any such applications to the depositary in Liechtenstein. The applicable cut-off times may be obtained from the relevant distribution agents.

For further information on the redemption date, the valuation frequency, the cut-off time and any maximum amount of the redemption fee, see Annex B, "Overview of sub-funds".

Payment of the redemption price is made within the redemption value date as set out in Annex B "redemption value date". This does not apply if, for legal reasons such as currency or transfer restrictions or for other reasons outside the depositary's control, the transfer of the redemption amount proves to be impossible.

Where, on the Investor's request, payment is to be made in a currency other than the one in which the relevant Units were issued, the amount due shall be calculated on the basis of the proceeds from the conversion of the currency of account into the payment currency, minus any fees and charges.

Upon request and with the express consent of the affected Investors, the AIFM and/or the depositary may disburse the redemption price to a shareholder *in specie* (redemption in kind). In this case, certain investments are transferred from the assets of the relevant sub-funds to the Investor in the amount of the net asset value of the redeemed Units as of the relevant NAV day. The value of the investments on the relevant NAV day is calculated as described under "Calculation of net asset value per Unit". The type of assets to be transferred in this event must be determined on a fair and reasonable basis and without impairment of the interests of the other Investors in the relevant sub-fund.

Upon payment of the redemption price, the relevant Unit will be cancelled.

Where the execution of the redemption results in the holdings of the relevant Investor falling under the minimum investment threshold specified in Annex B "Overview of sub-funds", for the relevant unit class, the AIFM may, without further notification to the Investor, treat said redemption as an application for the conversion of the remaining Units into units of another unit class of the same sub-fund which is denominated in the same reference currency and whose requirements the Investor meets.

The AIFM and/or the depositary may, contrary to the wishes of the Investor, cancel Units against payment of the redemption price where this is deemed to be in the best interests or for the protection of the Investors, the AIFM, or one or more sub-funds in particular if:

1. there is a suspicion that the Investor is performing "market timing", "late trading" or any other market techniques that may be detrimental to the position of Investors as a whole;
2. the Investor does not meet the requirements for the purchase of Units; or
3. the Units are sold in a country in which the relevant sub-fund is not registered for distribution or have been acquired by a person who is not permitted to purchase such Units.

The AIFM ensures that the redemption of Units will be charged on the basis of the net asset value per unit, which is not known to the Investor at the time of submission of the application (forward pricing).

The redemption of Units may be suspended in the scenarios provided for in Art. 30 of this Unit Trust Agreement.

#### **Art. 29 Conversion of Units**

The conversion of Units, in whole or in part, into units of another sub-fund shall be effected on the basis of the relevant sub-funds' unit price as per this Unit Trust Agreement, taking into consideration of a conversion fee for the benefit of the recipient and in the amount specified in the Annex B "Overview of sub-funds", not less, however, than the difference between the subscription fee charged by the sub-fund from which the units are to be converted and the subscription fee of the sub-fund into which the units are to be converted. Where no conversion fee is charged, this will be specified in Annex B "Overview of sub-funds" to the Unit Trust Agreement.

The conversion of Units into another sub-fund and/or into another unit class is only possible if the Investor complies with the conditions for the direct purchase of units of the relevant sub-fund and/r the relevant unit class.

Where various unit classes are offered, Investors may convert Units of one unit class into Units of another class, both within the same sub-fund and from one sub-fund into another sub-fund. Where such conversion takes place within one and same sub-fund, no conversion commission will be charged. Where the conversion of Units is not possible with regard to certain sub-funds or unit classes, this will be specified for the relevant sub-fund or unit class in Annex B "Overview of sub-funds".

The number of units into which the Investor wishes to convert the Units held by him will be calculated in accordance with the following formula:

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

A = Number of units of the new sub-fund or any unit class into which the conversion is to be effected.

B = Number of units of the sub-fund or any unit class from which existing units are to be converted

C = Net asset value or redemption price of units submitted for conversion

D = Currency exchange rate between the relevant sub-fund or any unit classes. Where both sub-funds or unit classes are valued in the same currency of account, the coefficient is 1.

E = Net asset value of units of the sub-fund or any unit class that is the target of the conversion, plus taxes, fees and other levies

In some countries, levies, taxes and/or stamp duties may be incurred when switching between sub-funds and/or unit classes.

The AIFM may reject any conversion application for any sub-fund or unit class at any time where this appears to be necessary in the best interests of the AIFM, the sub-fund or the Investors, in particular if:

1. there is a suspicion that the Investor is performing "market timing", "late trading" or any other market techniques that may be detrimental to the position of Investors as a whole;
2. the Investor does not meet the requirements for the purchase of Units; or
3. the Units are sold in a country in which the relevant sub-fund is not registered for distribution or have been acquired by a person who is not permitted to purchase such Units.

The AIFM ensures that the conversion of Units will be charged on the basis of the net asset value per unit, which is not known to the Investor at the time of application (forward pricing).

The conversion of Units may be suspended in the scenarios provided for in Art. 30 of this Unit Trust Agreement.

### **Art. 30 Suspension of the calculation of the net asset value and the issuance, redemption and conversion of Units**

The AIFM may temporarily suspend the calculation of the net asset value and/or the issuance, redemption and conversion of Units of a sub-fund if this is warranted in the best interests of the Investors, particularly under the following circumstances:

1. if the market which forms the basis for the valuation of a substantial part of the assets of the sub-fund has been closed, or trading in such market has been restricted or suspended;
2. in the event of political, economic or other emergencies; or
3. if trades on behalf of the AIF become inexecutable due to restrictions on the transfer of assets.

The suspension of the calculation of the net asset value of any sub-fund has no effect on the calculation of the net asset value of any other sub-fund, as long as none of the above-mentioned circumstances apply to the other sub-funds.

Furthermore, the AIFM may also decide to suspend the issuance of Units, either permanently or temporarily, if new investments could impair the realisation of the investment objective.

In particular, the issuance of Units will be temporarily suspended if the calculation of the net asset value per unit is discontinued. If the issuance of Units has been discontinued, the Investors will be immediately informed about the reason and the time of said discontinuation by notice in the publication medium and the media specified in the Unit Trust Agreement or on permanent data carriers (letter, fax, e-mail or similar).

Moreover, in order to safeguard the best interests of the Investors, the AIFM shall be entitled to carry out larger redemptions only once the relevant sub-fund's assets can be sold, with due regard to the Investors' interests, without delay, i.e. the AIFM shall be entitled to temporarily suspend redemptions.

As long as the redemption of Units is suspended, no new Units of the relevant sub-fund will be issued. Units whose redemption is temporarily restricted cannot be converted. The temporary suspension of

units of a sub-fund does not result in the temporary suspension of the redemption of other sub-funds that are not affected by the relevant circumstances.

The AIFM shall ensure that the relevant sub-fund assets contain sufficient liquid funds to enable, under normal circumstances, redemption or conversion of Units upon application by Investors without undue delay.

The AIFM will notify the FMA, without undue delay, as well as the Investors, in a suitable manner, of any suspension of redemption of or payment on Units. Any subscription, redemption or conversion shall be settled after resumption of the calculation of the net asset value. Investors may revoke their subscriptions, redemptions or conversions until trading in the Units has been resumed.

#### **Art. 31 Late trading and market timing**

If there is a suspicion that an applicant conducts late trading or market timing, the AIFM and/or the depositary will refuse acceptance of subscription, conversion or redemption until the subscriber has dispelled any doubts with regard to the subscription.

##### **Late trading**

Late trading is the acceptance of an application for subscription, conversion or redemption received after the cut-off time for applications for that specific day, and the execution of such applications at a price based on the net asset value applicable on that day. Late trading provides an Investor with the possibility to benefit from the knowledge of events or information published after the cut-off time and not yet reflected in the price at which the Investor's order will be settled. Said Investor therefore has an advantage over those Investors who complied with the official cut-off time. Said Investor's advantage is even more marked when he can combine late trading with market timing.

##### **Market timing**

Market timing is an arbitrage transaction in which an Investor systematically subscribes Units of the same sub-fund and/or the same unit class on a short-term basis and then either redeems or converts them by exploiting time differences and/or errors or weaknesses within the system for the calculation of the net value of the sub-fund and/or unit class.

#### **Art. 32 Prevention of money laundering and the financing of terrorism**

The AIFM and the depositary are obliged to comply with the current provisions of the Due Diligence Act (*Sorgfaltspflichtgesetz*) and the Due Diligence Ordinance (*Sorgfaltspflichtverordnung*) prevailing in the Principality of Liechtenstein, as well as the FMA guidelines, notifications and directives, as amended. The AIFM ensures that domestic distributors comply to those provisions as well.

Where any Liechtenstein authorised distributors themselves accept money from Investors, they are under a duty of care in accordance with the Due Diligence Act and the Due Diligence Ordinance to identify the subscriber, to ascertain the beneficial owner, to create a profile of the business relationship and to comply with any and all local provisions for the prevention of money laundering.

Furthermore, the distributors and their selling agents must comply with any and all provisions for the prevention of money laundering and the financing of terrorism that are in force in the relevant distribution countries.

## **VIII. Costs and fees**

### **Art. 33 Total Expense Ratio**

#### **Costs and fees borne by the AIF**

##### **A. Asset-related fees (variable)**

##### **Operations fee (depositary, risk management, administration)**

The AIFM charges an annual fee for risk management, administration of the relevant sub-fund and depositary services (hereinafter referred to as "**Operations Fee**"), as set forth in Annex B "Overview of sub-funds". This fee is calculated on the basis of the average net assets of the relevant sub-fund, accrues for each NAV day and is charged *pro rata temporis* at the end of each quarter. The Operations Fee is shown in the annual report.

### **Portfolio management fee**

Where a portfolio manager has been contractually engaged, such portfolio manager may charge an annual portfolio management fee in accordance with Annex B "Overview of sub-funds" to the relevant sub-fund for portfolio management activities. This fee is calculated on the basis of the average net assets of the relevant sub-fund, accrues for each NAV day and is charged *pro rata temporis* at the end of each quarter. The portfolio management fee is shown in the annual report.

The portfolio management fee includes costs for distribution in Liechtenstein and abroad, as well as any retrocessions paid to third parties for investor referrals and investor relationship management.

### **Performance fee**

Moreover, the AIFM is entitled to charge a performance related fee (hereinafter referred to as "**Performance Fee**"). Where a Performance Fee is charged, this is described in detail in Annex B "Overview of sub-funds".

## **B. Non-asset-related fees (fix):**

### **Ordinary expenses**

In addition, the AIFM and the depositary are entitled to compensation for the following expenses incurred in the exercise of their functions:

- any costs for the preparation, printing and forwarding of annual reports or any other publications legally required;
- auditor's fees and professional fees for legal and tax services incurred by the AIFM or the depositary, to the extent such expenses are incurred when acting in the best interests of the Investors;
- costs of the publication of notices from a sub-fund to Investors that are published in the publication media and, if applicable, any newspapers or electronic media specified by the AIFM, including price publications;
- fees and costs for permits (including their maintenance) and the supervision of a sub-fund in Liechtenstein and abroad;
- any and all taxes imposed on the assets, earnings and expenses of a sub-fund, to the extent they are borne by the sub-fund;
- any fees incurred in connection with any listing of a sub-fund and the distribution in Liechtenstein and abroad (e.g. advisory, legal and translation costs);
- fees, expenses and remuneration, in line with actual expenses at market rates, in connection with the determination and publication of tax factors for EU/EEA countries and/or any other countries where distribution licences were issued and/or private placements were made;
- costs for the preparation, translation, filing, printing and sending of, or amendments to, the constituting documents in those countries where the Units are distributed (this shall also apply to periodical reports and notices);
- administrative fees and reimbursement of costs of governmental agencies;
- costs related to statutory provisions applicable to a sub-fund (e.g. reporting to authorities, material investor information);
- fees of paying agents, representatives and other parties with similar functions in Liechtenstein and abroad;
- an appropriate share in the costs of printed material and advertising incurred in direct connection with the offering and selling of Units;
- costs for the valuation of investments by a qualified, independent third party;
- costs related to third parties conducting in-depth tax, legal, accounting, business and market reviews and analysis (due diligence), in order to scrutinise the suitability of, in particular, private equity investments for sub-fund investment objectives; even if these do not result in an investment being made such costs can nonetheless be charged to the sub-fund;
- any extraordinary expenses required under the AIFM Act / the AIFM Ordinance (e.g. amendments to fund documents);
- Fees and costs arising from other legal or regulatory requirements, which have to be met by the AIFM with regard to the implementation of the investment strategy (such as reporting and other costs incurred under the European Market Infrastructure Regulation (EMIR, Regulation (EU) No 648/2012); and
- internal and external costs for recovering foreign withholding taxes, to the extent that these are recoverable for the account of the sub-fund.

It should be noted that, for the purposes of recovering foreign withholding taxes, the AIFM does not undertake an obligation to recover such taxes and that such recovery is only carried out if the procedure is justified according to the criteria of materiality of amounts and proportionality of costs in relation to the amount which may be recoverable.

The resulting amount of expenses of the sub-fund/unit class is shown in the annual report in each case.

#### **Transaction costs**

Moreover, the sub-funds shall bear any and all ancillary costs related to the sale and purchase of investments (standard market brokerage charges, commissions, levies) which are attributable to the management of the assets as well as any and all taxes imposed on the assets of the relevant sub-fund, its income and expenses (such as withholding taxes on income from abroad). In addition, the sub-funds shall bear any external costs, i.e. third-party fees incurred through the sale and purchase of investments. Any such costs are set off directly against the cost price or sales value of the relevant investments. In addition, any currency hedging costs are also charged to the relevant unit classes.

Any consideration included in a fixed flat-rate fee may not be additionally charged as an individual expense. Any remuneration paid to contracted third parties is also included in the fees as per Art. 34 of this Unit Trust Agreement.

#### **Costs for hedging the currency of a unit class**

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

#### **Formation costs**

The costs for the formation of the AIF and the initial offering of Units will be expensed, over a period of not more than five-years, against the assets of the sub-funds existing at the time of such formation. The costs of formation are allocated on a pro rata basis to the relevant sub-funds. Any costs associated with the inception of additional sub-funds will be expensed, over not more than a five-year period, against the assets of the relevant sub-funds they are attributable to.

#### **Liquidation fees**

In the event of the liquidation of the AIF and/or the sub-fund, the AIFM and/or the depositary may charge a liquidation fee of up to CHF 10'000 or the equivalent amount in another currency for its own benefit. In addition, the AIF or the relevant sub-fund respectively shall bear any and all costs charged by agencies, the auditor and the depositary.

#### **Total expense ratio**

The total expense ratio before performance-related expenses (total expense ratio before Performance Fee; hereinafter referred to as TER), if any, is calculated in accordance with the general principles recognised by the FMA and shall include any and all costs and fees charged to the assets of the AIF on an ongoing basis, with the exception of transaction costs. The AIF's TER is available on the website of the LAFV at [www.lafv.li](http://www.lafv.li) as well as in the relevant annual reports, insofar as these have already been published.

#### **Inducements**

In connection with the purchase and sale of assets and rights for the fund, the AIFM, the depositary and their agents/representatives, if any, shall ensure that inducements will inure, directly or indirectly, to the benefit of the fund. The depositary shall be entitled to retain no more than 30% of the inducements as retention.

#### **Extraordinary expenses**

Furthermore, the AIFM may charge extraordinary expenses to the relevant sub-funds.

Extraordinary expenses comprise of expenses which are incurred in the course of the ordinary business to safeguard the relevant Investor interests and were not foreseeable when the AIF and/or the relevant sub-fund, had been launched. More specifically, extraordinary expenses include, but are not limited to, legal costs and the costs for the pursuit of legal claims in the interest of the AIF or the relevant sub-fund or the Investors. They also include any extraordinary expenses required under the AIFM Act / the AIFM Ordinance (e.g. amendments to fund documents).

The AIFM is also entitled to charge costs related to transaction taxes to the relevant sub-funds provided that such costs arise as a consequence of an assessment or subsequent assessment which results from the revocation of the qualification as tax-exempt investor (by the competent authority) due to changes in the tax laws or practice or different interpretations thereof by the tax authorities.

#### **Art. 34 Costs to be borne by the Investors**

##### **Subscription fee**

To cover the costs incurred through the placement of the Units, the AIFM may charge a subscription fee as per Annex B "Overview of sub-funds" on the net asset value of newly issued Units in favour of the AIFM, the depositary and/or the distributors in Liechtenstein or abroad.

##### **Redemption fee**

For payments for redeemed Units, the AIFM may charge a redemption fee on the NAV of the redeemed Units, payable to the sub-funds, as per Annex B "Overview of the sub-funds".

##### **Conversion fee**

For switching from one sub-fund to another, or from one unit class into another, as requested by the Investor, the AIFM may charge a fee on the net asset value of the original sub-fund or the original unit class, as set forth in Annex B "Overview of sub-funds".

## **IX. Final provisions**

#### **Art. 35 Application of income**

The realised profit of the AIF is derived from both its net income and any realised price gains.

The AIFM may either distribute the profit realised by a sub-fund and/or a unit class to the Investors of this sub-fund and/or unit class or reinvest (accumulate) said realised profit in the relevant sub-fund and/or unit class.

##### **Reinvesting (accumulating) fund:**

The realised profit generated by those sub-funds and/or unit classes designated as "reinvesting" as per Annex B "Overview of sub-funds" are continuously reinvested.

##### **Distributing fund:**

The realised profit generated by sub-funds or unit classes designated as "distributing" as per the sub-fund specific Annex B "Overview of sub-funds" are distributed on an annual basis. Where distributions are made, these shall be made within six (6) months following the end of the financial year.

Up to 10% of the net income of the sub-fund and/or the unit class of the fund may be carried forward.

The AIFM will retain, for reinvestment, any realised capital gains from the disposal of assets or rights.

Distributions are paid out on the Units issued on the distribution date. No interest will be paid on declared distributions after the time of their due date.

#### **Art. 36 Inducements**

The AIFM reserves the right to offer inducements to third parties for the procurement of Investors and/or the provision of services. The calculation basis for any such inducements is usually the commissions, fees, etc. charged to the Investors and/or the assets or asset components placed with the AIFM. The amount of any such inducement shall correspond to a percentage of the relevant calculation basis. Upon request, the AIFM shall, at any time, disclose any further information regarding its agreements with third parties. The Investor hereby expressly waives any further right to information vis-à-vis the AIFM; more specifically, the AIFM is not accountable with regard to inducements actually paid.

The Investor acknowledges and accepts that the AIFM may accept inducements from third parties (including group companies) in connection with the intermediation of Investors, the purchase/distribution of collective investment undertakings, certificates, notes, etc. (hereinafter referred to as "products", including those managed and/or issued by a group company) in the form of trailer fees. The amount of such inducements differs depending on the product and the product provider. Trailer fees are usually based on the volume of a product or product group held by the AIFM. Their amount usually corresponds

to a percentage of the management fees charged for the relevant product, which are paid on a regular basis during the holding period. Moreover, sales commissions may also be paid by securities issuers in the form of discounts on the issue price (percentage rebate) or in the form of one-off payments as a percentage of the issue price. Unless provided otherwise, the Investor may request from the AIFM additional information about agreements with third parties relating to any such inducements at any time prior or after the provision of a service (purchase of a product). However, the right to information about further details regarding past transactions is limited to the twelve (12) months preceding the request. The Investor hereby expressly waives any further right to information. Where the Investor does not request any information on further details prior to providing the service or where the Investor obtains the service after obtaining further details, the Investor waives any claim for the surrender of items within the meaning of section 1009 of the General Civil Code (*Allgemeines Bürgerliches Gesetzbuch*, "ABGB").

In connection with the purchase and sale of assets and rights for the fund, the AIFM, the depositary and their agents/representatives, if any, shall ensure that inducements will inure, directly or indirectly, to the benefit of the fund. The depositary shall be entitled to retain no more than 30% of the inducements as retention.

## **Art. 37 Tax provisions**

### **Fund assets**

All Liechtenstein-based AIF having the legal form of a (contractual) investment fund or a collective unit trust are subject to unrestricted taxation in Liechtenstein and are subject to income tax. The income from the managed assets is exempt from taxation.

### **Issue levy and transfer taxes<sup>2</sup>**

The creation (issuance) of Units of an AIF is not subject to any issue levy or transfer stamp tax. The transfer of title to the investor units against payment is subject to transfer stamp tax if one of the parties or an intermediary is a domestic securities trader. The redemption of investor units is exempt from transfer taxes. The contractual investment fund / collective unit trust is deemed to be an Investor that is exempt from transfer taxes.

### **Withholding tax and/or paying agent tax**

Both income and capital gains, whether distributed or left to accumulate, may be subject in part or in full to "tax withheld by the paying agent" (e.g. final withholding tax, withholding under the Foreign Account Tax Compliance Act) depending on the person who holds the Units of the AIF or any sub-funds either directly or indirectly.

The AIF with the legal form of a contractual investment fund or a collective unit trust and/or its sub-funds are not subject to withholding tax in the Principality of Liechtenstein, i.e. they are exempt from coupon tax or withholding tax in particular. Foreign income and capital gains generated by the AIF with the legal form of a contractual investment fund or a collective unit trust or by any of the sub-funds of the AIF may be subject to withholding tax in the country of investment, subject, however, to double taxation treaties, if any.

The AIF and/or any sub-funds, respectively, have the following tax status:

### **FATCA**

The AIF and/or its sub-funds subject themselves to the provisions of the Liechtenstein FATCA Agreement and the related implementation provisions in the Liechtenstein FATCA Act.

### **Individuals with tax domicile in Liechtenstein**

Retail investors domiciled in the Principality of Liechtenstein must report their Units as assets, and these will be subject to wealth tax. Where an AIF with the legal form of a contractual investment fund or a collective unit trust or its sub-funds distribute or reinvest income, such income is exempt from income taxes. Capital gains from the sale of the Units are exempt from income tax. Capital losses cannot be deducted from taxable purchases.

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<sup>2</sup> Pursuant to the Treaty regarding the inclusion of the Principality of Liechtenstein in the Swiss Customs Union, Swiss stamp duty law also applies in Liechtenstein. Liechtenstein is thus considered to be part of the national territory for the purpose of Swiss stamp duty laws.



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

The taxation of Investors domiciled outside the Principality of Liechtenstein as well as any other tax implications of the holding, buying or selling of investor units is based on the tax laws of their relevant countries of domicile and, particularly with regard to the final withholding tax, the country of domicile of the paying agent.

### **Disclaimer**

The explanations on the tax situation are based on the legal situation and practice in Liechtenstein as it currently stands. Legislative changes, changes to case law and changes to the decrees and practice of the tax authorities in Liechtenstein and under foreign tax laws are expressly reserved.

Investors are advised to consult their own professional advisers with regard to the relevant tax implications. Neither the AIFM nor the depositary or their representatives/agents can be held liable for the Investor's individual tax implications that arise from the sale or purchase or the holding of investor units.

### **Art. 38 Information for Investors**

The publication media of the AIF are the website of the LAFV, ([www.lafv.li](http://www.lafv.li)) and other media specified in the fund documentation.

Any and all notices to Investors, including on any amendments to the Unit Trust Agreement and Annex B "Overview of sub-funds" are published on the website of the LAFV ([www.lafv.li](http://www.lafv.li)) as the publication medium of the AIF, in other media and on data carriers specified in the fund documentation.

The net asset value, the issue price and the redemption price of the Units of the AIF or any sub-fund or unit class will be published, for each valuation day on which issues and/or redemptions take place, on the LAFV website ([www.lafv.li](http://www.lafv.li)) as the publication medium of the AIF, in other media and on permanent data carriers (letter, fax, e-mail or similar) as specified in the fund documentation.

During the investment period, the AIFM is obliged to provide periodic information in accordance with Art. 106 of the AIFM Act. This information is made available to the Investor at the registered office of the AIFM and sent to the Investor, free of charge, upon request. If this information, in whole or in part, is included in the periodic reporting or in Key Investor Information Documents, such information shall be available for download on the website of the LAFV ([www.lafv.li](http://www.lafv.li)) as publication medium.

The annual report audited by an auditor will be made available to Investors at the registered offices of the AIFM and the depositary, and sent to the Investors, free of charge, upon request.

### **Art. 39 Reports**

The AIFM shall prepare for each AIF an audited annual report in accordance with the statutory provisions applicable within the Principality of Liechtenstein.

No later than six (6) months following the end of each financial year, the AIFM shall publish an audited annual report in accordance with the statutory provisions applicable within the Principality of Liechtenstein.

The creation of a semi-annual report is renounced. An AIF for qualified investors is exempted from the preparation and publication of a semi-annual report.

Additional audited and unaudited interim reports may be prepared.

### **Art. 40 Accounting year**

The financial year of the AIF commences on 01 January of each year and ends on 31 December.

### **Art. 41 Amendments to the Unit Trust Agreement**

The Unit Trust Agreement includes a general part and Annex B "Overview of sub-funds". The Unit Trust Agreement has been reproduced in full. The AIFM may amend or supplement this Unit Trust Agreement, in whole or in part, at any time.

Material amendments to the Unit Trust Agreement shall be notified to the FMA in writing by the AIFM no later than one month before the implementation of the amendment or immediately after an uncheduled amendment.

Any and all amendments to the Unit Trust Agreement will be published in the publication medium of the AIF and, thereafter, will be legally binding on all Investors. The publication medium of the AIF is the website of the LAFV, [www.lafv.li](http://www.lafv.li).

**Art. 42 Limitation**

Any claims on the part of Investors vis-à-vis the AIFM, the liquidator, the administrator or the depositary will be statute-barred after five (5) years following occurrence of the damage or loss, no later however than one (1) year after redemption of the relevant unit or of becoming aware of the damage.

**Art. 43 Governing law; jurisdiction**

The AIF is governed by the laws of Liechtenstein. Exclusive legal venue for any and all disputes arising between the Investors, the AIFM and the depositary is Vaduz, Liechtenstein.

However, with regard to the claims of Investors from such countries, the AIFM and/or the depositary may submit themselves and the AIF to the jurisdiction of countries in which Units are offered and sold. Other mandatory statutory places of jurisdiction may apply.

**Art. 44 General**

In all other regards, reference is made to the provisions of the AIFM Act, the provisions of the Persons-and-Companies Act (PGR) on collective trusts and the general provisions of the PGR as amended.

**Art. 45 Effective date**

This Unit Trust Agreement enters into force on 24 March 2021.

Vaduz, dated 24 March 2021

**The AIFM:**

LGT Fund Management Company Ltd.  
Herrengasse 12, FL-9490 Vaduz

**The depositary:**

LGT Bank Ltd.  
Herrengasse 12, FL-9490 Vaduz

# Annex A: Organisational structure of the AIF and the AIFM

## The organisational structure of the AIFM

<b>AIFM</b>	LGT Fund Management Company Ltd. Herrengasse 12, FL-9490 Vaduz
<b>Board of Directors</b>	Ivo Klein, President Member of the board of management, LGT Bank Ltd., Vaduz  Lars Inderwildi, director Head Operations, LGT Capital Partners (FL) Ltd., Vaduz  Dr. Magnus Pirovino, director
<b>Board of management</b>	Thomas Marte, CEO  Dr. Susanne Fabjan, eMBA, member
<b>Auditors</b>	PricewaterhouseCoopers Ltd. Birchstrasse 160, CH-8050 Zurich

## Information relating to the AIF

<b>Auditors</b>	PricewaterhouseCoopers Ltd. Birchstrasse 160, CH-8050 Zurich
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## Annex B: Overview of sub-funds

The Unit Trust Agreement and this Annex B "Overview of sub-funds" form an integral unit and as such supplement each other.

### I. SGMC Capital Fund - SGMC Global Dynamic FX Fund

#### A. Overview of the sub-fund

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

The units of the sub-fund may only be subscribed for by professional investors within the meaning of Directive 2014/65/EU (MiFID II).

	(USD) B	(USD) IM
Security number	47100564	47100577
ISIN number	LI0471005640	LI0471005772
Duration of the sub-fund	Unlimited	Unlimited
Listing	no	no
Currency of account of the sub-fund	USD	
Minimum investment	USD 250'000	USD 250'000
Initial issue price	USD 1'000	USD 1'000
Initial subscription date	13 May 2019	13 May 2019
Payment for securities subscribed (first value date)	14 May 2019	14 May 2019
NAV day (T)	Friday <sup>3</sup>	
Valuation frequency	Weekly	
Cut-off time for unit trading	One bank business day before NAV day, not later than 2.00 p.m. CET	
Issue and redemption date	Each NAV day	
Issuance value date	Three bank business days after the NAV day	
Redemption value date	Three bank business days after the NAV day	
Denomination	With up to 3 decimal places	
Securitisation	Not applicable	
End of accounting year	As at 31 December in each case	
End of the first business year	31 December 2019	
Application of income	Accumulating	Accumulating

#### Costs charged to Investors

	(USD) B	(USD) IM
Max. subscription fee <sup>4</sup>	Not applicable	Not applicable
Max. redemption fee	Not applicable	Not applicable
Conversion fee when switching from one unit class to another unit class	Not applicable	Not applicable

<sup>3</sup> Where the NAV day falls on a bank holiday in Liechtenstein, the NAV day shall be postponed to the next following bank business day in Liechtenstein.

<sup>4</sup> The commission or fee charged is reported in the annual reports.

## Costs charged to the sub-fund's assets<sup>5 6</sup>

	(USD) B	(USD) IM
<b>Max. portfolio management fee</b>	1.00% p.a.	0.00 % p.a.
<b>Max Operations Fee (depository, risk management, administration)</b>	In any event at least CHF 60'000 p.a. For a net sub-fund volume of CHF 25'000'000 or higher in relation to the NAV day for calculating the net asset value, the Operations Fee amounts to 0.24%.	
<b>Max. Performance Fee</b>	20% p.a.	
<b>Hurdle Rate</b>	10% p.a.	
<b>High Watermark</b>	yes	

### B. Delegation of tasks by the AIFM

#### 1. Portfolio management

The sub-fund's portfolio management has been delegated to SGMC Capital Pte. Ltd., Singapore. SGMC Capital Pte. Ltd. is registered with the Monetary Authority of Singapore as a *Registered Fund Management Company* under Paragraph 5(1)(i) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations of Singapore to conduct the regulated activity of fund management in respect of not more than 30 qualified investors (as defined under the SFA), of which not more than 15 are collective investment schemes.

#### 2. Administrator

Administration of this sub-fund has been delegated to LGT, Financial Services Ltd., Herrengasse 12, 9490 Vaduz, Principality of Liechtenstein.

### C. Depository

The depository function for this sub-fund has been delegated to LGT Bank Ltd., Herrengasse 12, 9490 Vaduz, Principality of Liechtenstein.

### D. Investment principles of the sub-fund

The following provisions shall govern the sub-fund-specific investment principles of the SGMC Capital Fund - SGMC Global Dynamic FX Fund.

#### 1. Investment objective and investment policy

##### 1.1 Investment objective

The investment objective of the sub-fund is to achieve substantial capital appreciation by primarily trading in the global foreign exchange market.

The sub-fund does not offer capital protection. Unless otherwise agreed for the sub-fund in clause 1, the general investment rules in accordance with clause 2 shall apply.

**There is no guarantee that the investment objective will be achieved not that the investors will receive their invested capital back.**

##### 1.2 Investment policy

The SGMC Capital Fund - SGMC Global Dynamic FX Fund primarily looks to take advantage of both tactical (shorter term and based on momentum and key support / resistance levels) and fundamental opportunities (longer term and based on fundamentals and the macroeconomic environment) in the global foreign exchange market to generate returns.

<sup>5</sup> Plus taxes and other costs: Transaction costs and expenses incurred by the AIFM and the depository in the exercise of their functions. For further information please refer to clauses 11 (Tax provisions) and 12.2 (Costs and fees charged to the sub-fund) of the Prospectus.

<sup>6</sup> In the case of the liquidation of the AIF, the AIFM and/or depository may charge a liquidation fee of not more than CHF 10'000 for its own benefit.

The sub-fund invests in a mix of strategies including derivative strategies. Beyond others, the vehicles used are forex spot and forward trades, options (both plain vanilla and exotic) and structured products.

Given the nature of the asset class, the sub-fund will be using leverage to efficiently implement the desired trades. The maximum allowed leverage level, calculated in accordance with the commitment method (cf. art. 8 Commission Delegated Regulation (EU) No 231/2013), is equal to 800% of the sub-fund's net assets.

The use of leverage can, in certain circumstances, substantially increase the adverse impact to which the sub-fund's investment portfolio may be subject.

### **Integration of ESG**

The investment decision for this sub-fund is delegated to an external Portfolio Manager. The AIFM periodically reviews if and how the Portfolio Manager takes sustainability risks as well as adverse impacts of investment decisions on sustainability factors into consideration in its investment decisions. Due to the specific investment policy and restrictions and the past performance, generally no material impact of sustainability risks is expected on the value of the investments and the return of the sub-fund. Past performance is not indicative of future performance and it cannot be excluded that sustainability risks may influence future performance. A regular review will be performed to assess the influence of sustainability risks. The strategy of this sub-fund does not focus systematically or to any particular extent on ESG characteristics, meaning it is not a product pursuant to Art. 8 or Art. 9 of the Regulation of the European Parliament and of the Council of 27 November 2019 on Sustainability-Related Disclosure Requirements in the Financial Services Sector.

## **2. Investment guidelines**

In all other regards, the following provisions shall apply to the sub-fund's investments:

### **2.1 Eligible investments**

Eligible investments of the sub-fund are:

- a) securities, participation rights and money market instruments listed or traded on a stock exchange or another regulated market which is open to the public;
- b) securities relating to new issues, provided that these are intended to be traded on a stock exchange or another regulated market which is open to the public and will be admitted to trading after no more than a year;
- c) demand deposits or deposits subject to call with a term of no more than 12 months held with financial institutions based in an EEA Member State or another state, provided that they are subject there to supervision equivalent to that of Liechtenstein;
- d) units of other investment funds (UCITS, AIF, UCI etc., including exchange traded funds (ETFs));
- e) derivative financial instruments, including warrants listed or traded on a stock exchange or on another regulated market which is open to the general public;
- f) derivative financial instruments embedded in a security or money market instrument (structured financial instruments);
- g) derivative financial instruments which are neither listed nor traded on a regulated market (OTC derivatives), provided that:
  1. the counterparty is subject to supervision equivalent to that of Liechtenstein; and
  2. they can at any time be valued, sold, liquidated or settled by an offset transaction in a comprehensible manner;
- h) money market instruments listed or traded on a regulated market;
- i) money market instruments which are neither listed nor traded on a regulated market, but which are liquid and whose value can be determined at any time;
- j) precious metals and financial instruments and certificates where the underlyings are precious metals;

The sub-fund may invest up to 10% of its assets in investments other than those described in clauses a) to j).

## **2.2 Cash and cash equivalents**

The sub-fund may hold cash and cash equivalents without restrictions. The holding of cash and cash equivalents with the depositary is unlimited and is not covered by the provisions under lit. D. nos. 1.2 and 2.3 of this Annex.

## **2.3 Investment restrictions**

The AIFM may specify investment restrictions at any time.

## **2.4 Non-eligible investments**

The following investments are not permitted:

- a) direct investments in physical goods (such as commodities or the like), with the exception of physical precious metals;
- b) physical short selling;
- c) direct investments in real estate.

The AIFM may specify additional investment restrictions at any time.

## **2.5 Taking out and granting of loans**

The sub-fund is subject to the following restrictions:

- a) The sub-fund may neither grant loans to, nor act as guarantor for, third parties. Securities lending shall not be considered granting a loan.
- b) Borrowing by the sub-fund is limited to 100% of the sub-fund's net assets.
- c) The property and rights belonging to the assets of the sub-fund may not be pledged except for the purposes of permitted borrowings and for transactions involving financial derivative instruments.

## **2.6 Limits for the use of derivatives, techniques and instruments**

The total exposure associated with derivatives and borrowing by the sub-fund, calculated in accordance with the commitment method (cf. art. 8 Commission Delegated Regulation (EU) No 231/2013), shall not exceed 800% of the sub-fund's net assets.

## **2.7 Securities lending**

The AIFM does not engage in securities lending transactions for the sub-fund.

## **2.8 Securities borrowing**

The AIFM does not engage in securities borrowing transactions for the sub-fund.

## **2.9 Repurchase transactions**

The AIFM does not engage in repurchase transactions for the sub-fund.

## **E. Currency of account / reference currency of the sub-fund**

The sub-fund's currency of account, and the reference currency for each unit class, are set out in lit. A of this Annex B "Overview of sub-funds".

The currency of account is the currency used in the accounting of the sub-fund. The reference currency is the currency in which the performance and the net asset value of the unit classes are calculated. Funds are invested in currencies which are best suited for the relevant sub-fund's performance.

## **F. Profile of a typical Investor**

The sub-fund is suitable for speculative Investors with a medium-term investment horizon who want to invest in a portfolio of investments which have a high risk profile and take advantage of forex movements. *In particular, Investors need to be prepared and be in a position to accept any - potentially even substantial - losses. A total loss of the invested capital cannot be ruled out.*

*The attention of the Investors of the sub-fund is expressly drawn to the general and sub-fund-specific risks described in detail in lit. H; this list is, however, not an exhaustive list of all potential risk factors.*

## **G. Valuation**

The valuation is carried out by the AIFM in accordance with the principles set out in constituting documents.

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

### **1. Sub-fund-specific risks**

**The performance of the Units depends on the investment policy as well as on market trends of individual investments of the sub-fund and cannot be determined in advance. In this context, it should be noted that the value of the Units may rise above or fall below the issue price at any time. There can be no guarantee that the Investor will recover the full amount he initially invested.**

Since most assets of the sub-fund are invested in the forex asset class, the sub-fund is subject to increased currency risk. The specific investment type is additionally subject to a higher level of interest rate risk which may have negative effects on net assets of the sub-fund. Other risks such as issuer risk and also market risk may occur.

The use of derivative financial instruments for purposes other than hedging may give rise to increased risk. The sub-fund may invest in derivatives as part of its investment strategy and may create leverage up to a multiple of the sub-fund's net assets. The use of leverage can, in certain circumstances, substantially increase the adverse impact to which the sub-fund's investment portfolio may be subject.

Further, the sub-fund is entitled to take out loans and invest the assets according to its investment guidelines. By taking out loans the sub-fund is subject to leverage. This may lead to over proportional high losses as compared to a portfolio without leverage, when credit financed investments develop adversely.

Risk management method: Commitment method

### **2. General risks**

In addition to sub-fund-specific risks, the relevant sub-fund's investments may be subject to general risks as described in the AIF's Prospectus in clause 8 "Risk warning notices".

### **I. Costs refunded by the sub-fund**

An overview of the costs refunded by the sub-fund is given in the table "Master data and information on the sub-fund and its unit classes" in lit. A of this Annex "Overview of sub-funds".

### **J. Performance Fee**

In addition, the portfolio manager receives a performance fee (hereinafter referred to as "Performance Fee"). The Performance Fee is calculated on the difference between the NAV per unit of the sub-fund at the end of the relevant business year and the higher of the high watermark and the NAV per unit (before deducting any Performance Fee) of the sub-fund at the end of the previous business year adjusted by the hurdle rate. The NAV relevant for the calculation of the Performance Fee shall be the NAV per unit after deducting all costs and fixed charges and before deducting any Performance Fee accrued by the time of calculation but not yet payable. Performance Fees deemed payable due to redemptions of Units shall be treated as fixed charges.

The Performance Fee shall accrue as at every NAV day. Returns are not calculated on days which are no NAV days.

The crystallisation period for calculating the Performance Fee shall be one business year in each case. Crystallisation is the point in time from which the accrued Performance Fee is due and



payable to the portfolio manager. Any accrued Performance Fee shall also become due and payable where Units are redeemed before the end of the business year. If, as a result of redemptions of Units, Performance Fee becomes due and payable, it shall be calculated pro-rata to the redeemed Units.

The exact amount of fees paid shall be published in the annual report.

## II. SGMC Capital Fund - SGMC Asia Equity Opportunities Fund

### A. Overview of the sub-fund

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

The units of the sub-fund may only be subscribed for by professional investors within the meaning of Directive 2014/65/EU (MiFID II).

	(USD) B	(USD) IM
Security number	59746037	59746038
ISIN number	LI0597460372	LI0597460380
Duration of the sub-fund	Unlimited	Unlimited
Listing	no	no
Currency of account of the sub-fund	USD	
Minimum investment	USD 100'000	USD 100'000
Initial issue price	USD 1'000	USD 1'000
Initial subscription date	XX March 2021	XX March 2021
Payment for securities subscribed (first value date)	XX March 2021	XX March 2021
NAV day (T)	Each Liechtenstein bank business day <sup>7</sup>	
Valuation frequency	Daily	
Cut-off time for unit trading	One bank business day before NAV day, not later than 2.00 p.m. CET	
Issue and redemption date	Each NAV day	
Issuance value date	Three bank business days after the NAV day	
Redemption value date	Three bank business days after the NAV day	
Denomination	With up to 3 decimal places	
Securitisation	Not applicable	
End of accounting year	As at 31 December in each case	
End of the first business year	31 December 2021	
Application of income	Accumulating	Accumulating

#### Costs charged to Investors

	(USD) B	(USD) IM
Max. subscription fee <sup>8</sup>	Not applicable	Not applicable
Max. redemption fee	Not applicable	Not applicable
Conversion fee when switching from one unit class to another unit class	Not applicable	Not applicable

<sup>7</sup> Where the NAV day falls on a bank holiday in Liechtenstein, the NAV day shall be postponed to the next following bank business day in Liechtenstein.

<sup>8</sup> The commission or fee charged is reported in the annual reports.

## Costs charged to the sub-fund's assets<sup>9 10</sup>

	(USD) B	(USD) IM
Max. portfolio management fee	1.00% p.a.	0.00 % p.a.
Max Operations Fee (depository, risk management, administration)	In any event at least CHF 70'000 p.a. For a net sub-fund volume of CHF 25'925'926 or higher in relation to the NAV day for calculating the net asset value, the Operations Fee amounts to 0.27%.	
Max. Performance Fee	20% p.a.	
Hurdle Rate	10% p.a.	
High Watermark	yes	

### B. Delegation of tasks by the AIFM

#### 1. Portfolio management

The sub-fund's portfolio management has been delegated to SGMC Capital Pte. Ltd., Singapore. SGMC Capital Pte. Ltd. is registered with the Monetary Authority of Singapore as a *Registered Fund Management Company* under Paragraph 5(1)(i) of the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations of Singapore to conduct the regulated activity of fund management in respect of not more than 30 qualified investors (as defined under the SFA), of which not more than 15 are collective investment schemes.

#### 2. Administrator

Administration of this sub-fund has been delegated to LGT, Financial Services Ltd., Herrengasse 12, 9490 Vaduz, Principality of Liechtenstein.

### C. Depository

The depository function for this sub-fund has been delegated to LGT Bank Ltd., Herrengasse 12, 9490 Vaduz, Principality of Liechtenstein.

### D. Investment principles of the sub-fund

The following provisions shall govern the sub-fund-specific investment principles of the SGMC Capital Fund - SGMC Asia Equity Opportunities Fund.

#### 1. Investment objective and investment policy

##### 1.1 Investment objective

The investment objective of the sub-fund is to achieve substantial capital appreciation by trading primarily in the Asian equity market.

The sub-fund does not offer capital protection. Unless otherwise agreed for the sub-fund in clause 1, the general investment rules in accordance with clause 2 shall apply.

**There is no guarantee that the investment objective will be achieved not that the investors will receive their invested capital back.**

##### 1.2 Investment policy

The SGMC Capital Fund - SGMC Asia Equity Opportunities Fund looks to take advantage of both tactical (shorter term and based on momentum and key support / resistance levels) and fundamental opportunities (longer term and based on fundamentals and the macroeconomic environment) primarily in the Asian equity market to generate returns.

<sup>9</sup> Plus taxes and other costs: Transaction costs and expenses incurred by the AIFM and the depository in the exercise of their functions. For further information please refer to clauses 11 (Tax provisions) and 12.2 (Costs and fees charged to the sub-fund) of the Prospectus.

<sup>10</sup> In the case of the liquidation of the AIF, the AIFM and/or depository may charge a liquidation fee of not more than CHF 10'000 for its own benefit.

The sub-fund may use different approaches which includes, beyond others, the investment into equities as well as derivative financial instruments.

### **Integration of ESG**

The investment decision for this sub-fund is delegated to an external Portfolio Manager. The AIFM periodically reviews if and how the Portfolio Manager takes sustainability risks as well as adverse impacts of investment decisions on sustainability factors into consideration in its investment decisions. Due to the broad diversification of the investments and the past performance, generally no material impact of sustainability risks is expected on the value of the investments and the return of the sub-fund. Past performance is not indicative of future performance and it cannot be excluded that sustainability risks may influence future performance. A regular review will be performed to assess the influence of sustainability risks. The strategy of this sub-fund does not focus systematically or to any particular extent on ESG characteristics, meaning it is not a product pursuant to Art. 8 or Art. 9 of the Regulation of the European Parliament and of the Council of 27 November 2019 on Sustainability-Related Disclosure Requirements in the Financial Services Sector.

## **2. Investment guidelines**

In all other regards, the following provisions shall apply to the sub-fund's investments:

### **2.1 Eligible investments**

Eligible investments of the sub-fund are:

- a) securities, participation rights and money market instruments listed or traded on a stock exchange or another regulated market which is open to the public;
- b) securities relating to new issues, provided that these are intended to be traded on a stock exchange or another regulated market which is open to the public and will be admitted to trading after no more than a year;
- c) demand deposits or deposits subject to call with a term of no more than 12 months held with financial institutions based in an EEA Member State or another state, provided that they are subject there to supervision equivalent to that of Liechtenstein;
- d) units of other investment funds (UCITS, AIF, UCI etc., including exchange traded funds (ETFs));
- e) derivative financial instruments, including warrants listed or traded on a stock exchange or on another regulated market which is open to the general public;
- f) derivative financial instruments embedded in a security or money market instrument (structured financial instruments);
- g) derivative financial instruments which are neither listed nor traded on a regulated market (OTC derivatives), provided that:
  1. the counterparty is subject to supervision equivalent to that of Liechtenstein; and
  2. they can at any time be valued, sold, liquidated or settled by an offset transaction in a comprehensible manner;
- h) money market instruments listed or traded on a regulated market;
- i) money market instruments which are neither listed nor traded on a regulated market, but which are liquid and whose value can be determined at any time;
- j) precious metals and financial instruments and certificates where the underlyings are precious metals;

The sub-fund may invest up to 10% of its assets in investments other than those described in clauses a) to j).

### **2.2 Cash and cash equivalents**

The sub-fund may hold cash and cash equivalents without restrictions. The holding of cash and cash equivalents with the depositary is unlimited and is not covered by the provisions under lit. D. nos. 1.2 and 2.3 of this Annex.

### **2.3 Investment restrictions**

The AIFM may specify investment restrictions at any time.

### **2.4 Non-eligible investments**

The following investments are not permitted:

- a) direct investments in physical goods (such as commodities or the like), with the exception of physical precious metals;
- b) physical short selling;
- c) direct investments in real estate.

The AIFM may specify additional investment restrictions at any time.

## **2.5 Taking out and granting of loans**

The sub-fund is subject to the following restrictions:

- a) The sub-fund may neither grant loans to, nor act as guarantor for, third parties. Securities lending shall not be considered granting a loan.
- b) Borrowing by the sub-fund is limited to 100% of the sub-fund's net assets.
- c) The property and rights belonging to the assets of the sub-fund may not be pledged except for the purposes of permitted borrowings and for transactions involving financial derivative instruments.

## **2.6 Limits for the use of derivatives, techniques and instruments**

The leverage calculated in accordance with the commitment method (cf. art. 8 Commission Delegated Regulation (EU) No 231/2013), shall not exceed 300% of the sub-fund's net assets.

## **2.7 Securities lending**

The AIFM does not engage in securities lending transactions for the sub-fund.

## **2.8 Securities borrowing**

The AIFM does not engage in securities borrowing transactions for the sub-fund.

## **2.9 Repurchase transactions**

The AIFM does not engage in repurchase transactions for the sub-fund.

## **E. Currency of account / reference currency of the sub-fund**

The sub-fund's currency of account, and the reference currency for each unit class, are set out in lit. A of this Annex B "Overview of sub-funds".

The currency of account is the currency used in the accounting of the sub-fund. The reference currency is the currency in which the performance and the net asset value of the unit classes are calculated. Funds are invested in currencies which are best suited for the relevant sub-fund's performance.

## **F. Profile of a typical Investor**

The sub-fund is suitable for speculative Investors with a medium-term investment horizon who want to invest in a portfolio of investments which have a high risk profile and take advantage of equity movements. *In particular, Investors need to be prepared and be in a position to accept any - potentially even substantial - losses. A total loss of the invested capital cannot be ruled out.*

*The attention of the Investors of the sub-fund is expressly drawn to the general and sub-fund-specific risks described in detail in lit. H; this list is, however, not an exhaustive list of all potential risk factors.*

## **G. Valuation**

The valuation is carried out by the AIFM in accordance with the principles set out in constituting documents.

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

### **1. Sub-fund-specific risks**

**The performance of the Units depends on the investment policy as well as on market trends of individual investments of the sub-fund and cannot be determined in advance. In this context, it should be noted that the value of the Units may rise above or fall below the issue price at any time. There can be no guarantee that the Investor will recover the full amount he initially invested.**

Since most assets of the sub-fund are invested in the equity asset class, the sub-fund is subject to market risk, issuer risk and interest rate risk, which may have negative effects on net assets. Other additional risks may also materialise, such as, for example currency risk. Due to its regional focus, the sub-fund is subject to increased risks associated with the Asian region and may suffer from reduced benefits of regional diversification.

The use of derivative financial instruments for purposes other than hedging may give rise to increased risk. The sub-fund may invest in derivatives as part of its investment strategy and may create leverage up to a multiple of the sub-fund's net assets. The use of leverage can, in certain circumstances, substantially increase the adverse impact to which the sub-fund's investment portfolio may be subject.

Further, the sub-fund is entitled to take out loans and invest the assets according to its investment guidelines. By taking out loans the sub-fund is subject to leverage. This may lead to over proportional high losses as compared to a portfolio without leverage, when credit financed investments develop adversely.

Risk management method: Commitment method

### **2. General risks**

In addition to sub-fund-specific risks, the relevant sub-fund's investments may be subject to general risks as described in the AIF's Prospectus in clause 8 "Risk warning notices".

### **I. Costs refunded by the sub-fund**

An overview of the costs refunded by the sub-fund is given in the table "Master data and information on the sub-fund and its unit classes" in lit. A of this Annex "Overview of sub-funds".

### **J. Performance Fee**

In addition, the portfolio manager receives a performance fee (hereinafter referred to as "Performance Fee"). The Performance Fee is calculated on the difference between the NAV per unit of the sub-fund at the end of the sub-fund's relevant business year and the higher of the high watermark and the NAV per unit (before deducting any Performance Fee) of the sub-fund at the end of the previous business year adjusted by the hurdle rate. The NAV relevant for the calculation of the Performance Fee shall be the NAV per unit after deducting all costs and fixed charges and before deducting any Performance Fee accrued by the time of calculation but not yet payable. Performance Fees deemed payable due to redemptions of Units shall be treated as fixed charges.

The Performance Fee shall accrue as at every NAV day. Returns are not calculated on days which are no NAV days.

The crystallisation period for calculating the Performance Fee shall be one business year in each case. Crystallisation is the point in time from which the accrued Performance Fee is due and payable to the portfolio manager. Any accrued Performance Fee shall also become due and payable where Units are redeemed before the end of the business year. If, as a result of redemptions of Units, Performance Fee becomes due and payable, it shall be calculated pro-rata to the redeemed Units.

The exact amount of fees paid shall be published in the annual report.

**The AIFM:**

LGT Fund Management Company Ltd.  
Herrengasse 12, FL-9490 Vaduz

**The depositary:**

LGT Bank Ltd.  
Herrengasse 12, FL-9490 Vaduz

## **Annex C: Specific information for individual distribution countries**

The following Annex C (which is based on foreign law) to the Prospectus "Specific information for individual distribution countries" is not subject to review by the FMA.

### **Distribution in Switzerland**

Distribution in Switzerland is permitted to qualified investors only pursuant to paragraph 10 of the Collective Investment Schemes Act (CISA).

#### **1. Representative**

The representative in Switzerland is LLB Swiss Investment AG, Claridenstrasse 20, 8024 Zurich.

#### **2. Paying agent**

The paying agent in Switzerland is Frankfurter Bankgesellschaft (Schweiz) AG, Börsenstrasse 16, 8022 Zurich.

#### **3. Place where the relevant documents may be obtained**

The prospectus, the fiduciary contract as well as the annual reports may be obtained free of charge from the representative as well as from the paying agent.

#### **4. Payment of retrocessions and rebates**

The Fund Management Company and its agents do not pay any retrocessions to third parties as remuneration for distribution activity in respect of fund units in or from Switzerland. In respect of distribution in or from Switzerland, the Fund Management Company and its agents do not pay any rebates to reduce the fees or costs incurred by the investor and charged to the fund.

#### **5. Place of performance and jurisdiction**

In respect of the units distributed in and from Switzerland, the place of performance and jurisdiction is at the registered office of the representative.



## Annex D: Example for calculating the performance fee

The following example schematically shows the calculation of the Performance Fee.

The AIFM charges the performance fee to the fund which amount to 20% of the outperformance compared with the hurdle rate. The hurdle rate amounts to 10% p.a.

For calculation of any performance fee the following two conditions will be applied:

- Condition 1: The NAV after deducting all costs and before deducting any performance fee is higher than the NAV plus the hurdle rate by the end of the year (Value 1).
- Condition 2: The NAV after deducting all costs reaches a new high and exceeds all previous NAV by the end of the year. This NAV (before deducting any performance fee) constitutes the new NAV (Value 2).

A claim to a performance fee shall only exist, in case both conditions are fulfilled.

### Year 1

Hurdle rate p.a.		10.00%
NAV at the beginning of the year		USD 1'000.00
NAV by the end of the year (before Performance fee)		USD 1'200.00
Hurdle rate (Value 1)	USD 1'000.00 + 10% p.a.	USD 1'100.00
High watermark (Value 2)	USD 1'000.00	USD 1'000.00
Condition 1	USD 1'200.00 > USD 1'100.00	fulfilled
Condition 2	USD 1'200.00 > USD 1'000.00	fulfilled
Outperformance compared with value 1	USD 1'200.00 - USD 1'100.00	USD 100.00
Performance fee	USD 100.00 x 20%	USD 20.00
NAV by the end of the year (after Performance fee)		USD 1'180.00

### Year 2

Hurdle rate p.a.		10.00%
NAV at the beginning of the year		USD 1'180.00
NAV by the end of the year (before Performance fee)		USD 1'190.00
Hurdle rate (Value 1)	USD 1'200.00 + 10% p.a.	USD 1'320.00
High watermark (Value 2)	USD 1'200.00	USD 1'200.00
Condition 1	USD 1'190.00 > USD 1'320.00	not fulfilled
Condition 2	USD 1'190.00 > USD 1'200.00	not fulfilled
Outperformance compared with value 1	USD 1'190.00 - USD 1'320.00	USD 0.00
Performance fee	USD 0.00 x 20%	USD 0.00
NAV by the end of the year (after Performance fee)		USD 1'190.00

### Year 3

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Hurdle rate p.a.		10.00%
NAV at the beginning of the year		USD 1'190.00
NAV by the end of the year (before Performance fee)		USD 1'210.00
Hurdle Rate (Value 1)	USD 1'190.00 + 10% p.a.	USD 1'309.00
High Watermark (Value 2)	USD 1'200.00	USD 1'200.00
Condition 1	USD 1'210.00 > USD 1'309.00	not fulfilled
Condition 2	USD 1'210.00 > USD 1'200.00	fulfilled
Outperformance compared with value 1	USD 1'210.00 - USD 1'309.00	USD 0.00
Performance fee	USD 0.00 x 20%	USD 0.00
NAV by the end of the year (after Performance fee)		USD 1'210.00

### Year 4

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Hurdle rate p.a.		10.00%
NAV at the beginning of the year		USD 1'210.00
NAV by the end of the year (before Performance fee)		USD 1'340.00
Hurdle rate (Value 1)	USD 1'210.00 + 10% p.a.	USD 1'331.00
High watermark (Value 2)	USD 1'200.00	USD 1'200.00
Condition 1	USD 1'340.00 > USD 1'331.00	fulfilled
Condition 2	USD 1'340.00 > USD 1'200.00	fulfilled
Outperformance compared with value 1	USD 1'340.00 - USD 1'331.00	USD 9.00
Performance fee	USD 9.00 x 20%	USD 1.80
NAV by the end of the year (after Performance fee)		USD 1'338.20