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# Abbey Road Funds

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## UCITS V

### Prospectus

and

### Unit Trust Agreement

Including Annexes relating to Sub-Funds

UCITS (Undertaking for Collective Investment in Transferable Securities) under Liechtenstein law  
in the legal form of a unit trust (collective trusteeship)  
(hereinafter the “UCITS”)

(Umbrella structure, which may comprise one or more sub-funds)

**Version as of: 07 December 2022**

### Management Company

**ONE Funds AG**

Schaaner Strasse 27, FL-9487 Gamprin-Bendern, Liechtenstein

Tel. +423 388 10 00

[info@onefunds.li](mailto:info@onefunds.li) / [www.onefunds.li](http://www.onefunds.li)

## Overview of the Organisational Structure of the UCITS

<b>Management Company:</b>	ONE Funds AG Schaaner Strasse 27, FL-9487 Gamprin-Bendern, Liechtenstein
<b>Management Company Board of Directors:</b>	Carmen Kresser-Wolf, Ruggell (FL) Tania Wyss, Schaan (FL) Alexander Yudovich, LL.M, Triesen (FL)
<b>Management Company Executive Board:</b>	Franz Glatzl, Diepoldsau (CH) Dr. Walfried Kraher, Feldkirch (A)
<b>Portfolio Manager:</b>	BAO CAPITAL PARTNERS LTD Office 406, Kermia House, Diagorou 4, 1097 Nicosia, Cyprus
<b>Depository:</b>	NEUE BANK AG Marktgass 20, FL-9490 Vaduz, Liechtenstein
<b>Distributor:</b>	ONE Funds AG Schaaner Strasse 27, FL-9487 Gamprin-Bendern, Liechtenstein
<b>Auditor of the UCITS:</b>	BDO (Liechtenstein) AG Wuhrstrasse 14, FL-9490 Vaduz, Liechtenstein

<b>Name of the UCITS:</b>	Abbey Road Funds
<b>Legal Structure:</b>	UCITS in the legal form of a unit trust (collective trusteeship) under the laws of Liechtenstein in accordance with the Law of 28 June 2011 on Certain Specific Undertakings for Collective Investment in Transferable Securities, as amended (the "UCITS Act" or "UCITSG") and the Ordinance of 5 July 2011 on Certain Undertakings for Collective Investment in Transferable Securities, as amended (the "UCITS Ordinance" or "UCITSV").
<b>Umbrella Structure:</b>	Umbrella structure with 1 sub-fund
<b>Jurisdiction/ Incorporation:</b>	Principality of Liechtenstein
<b>Entry into Commercial Register:</b>	17.04.2020
<b>Date of Approval by the FMA:</b>	08.04.2020
<b>Financial Year:</b>	The financial year of the UCITS commences on 1 January and ends on 31 December of each year.
<b>Accounting Currency:</b>	The accounting currency of the respective sub-fund is indicated in Appendix A.
<b>Competent Supervisory Authority:</b>	Financial Market Authority of Liechtenstein (FMA); Landstrasse 109, FL-9490 Vaduz, Liechtenstein; <a href="http://www.fma-li.li">www.fma-li.li</a>
<b>Publication medium</b>	<a href="http://www.lafv.li">www.lafv.li</a>

## Note to Investors / Selling Restrictions

### Conditions for participation

The purchase of units of the UCITS is based on the Prospectus, the Unit Trust Agreement and the Key Investor Information Document (KIID) as well as the last annual report and the subsequent semi-annual report, if already published. Only the information contained in the Prospectus and in particular in the Unit Trust Agreement including Annex A shall be valid. Upon acquisition of the units, the aforementioned documents are deemed to have been approved by the investor.

### Purchase caveat

This Prospectus and the Unit Trust Agreement do not constitute an offer or invitation to subscribe units of the UCITS by any person in any jurisdiction in which such offer or invitation is unlawful or in which the person making such offer or invitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or invitation. Investors should read and consider the risk description in section 8 "Risk Information" of the Prospectus before subscribing units of the UCITS.

### Information caveat

Information not contained in this Prospectus and/or Unit Trust Agreement or in documents available to the public is deemed to be unauthorised and unreliable.

### Tax caveat

Prospective investors should inform themselves about possible tax implications, the legal requirements and possible exchange restrictions or exchange control regulations that apply in the countries of their nationality, residence or domicile and that may be relevant to the subscription, holding, conversion, redemption or sale of units. Further tax considerations are explained in section 11 "Tax Provisions" of the Prospectus.

### Distribution caveat

Annex B "Specific Information for Individual Distribution Countries" – where available – contains information regarding distribution of the UCITS in different countries. The units of the UCITS are not authorised for distribution in every country. When units are issued, held, converted or redeemed abroad, the provisions applicable in that country shall apply. In general, units of the UCITS may not be offered in jurisdictions or to persons in or vis-à-vis which this is not permitted.

The Management Company may redeem units against the will of the investor against payment of the redemption price immediately upon receipt of a redemption notice by the investor if this appears necessary in the interest or for the protection of the investors, in particular if the investor has not fulfilled the conditions for the acquisition of the units or if the units have been acquired by a natural or legal person or indirectly by beneficial owners for whom the acquisition of the units was not permitted or if the units have been marketed in a country in which the UCITS is not authorised for marketing.

### Sales restrictions – United States of America (USA)

The units of the UCITS have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act 1933"), under the United States Investment Company Act of 1940, as amended, or under any other US federal law or the securities laws of any state or local authority of the United States of America or its territories, possessions or other areas under its jurisdiction, including the Commonwealth of Puerto Rico (collectively referred to as the "United States", "USA" or "US").

The units of the UCITS have not been approved by the US Securities and Exchange Commission (SEC) or any other regulatory authority in the United States, nor has such approval been denied; furthermore, neither the SEC nor any other regulatory authority in the United States has ruled on the accuracy or adequacy of this Prospectus, the constituent documents or the Key Investor Information Document (KIID).

Accordingly, the units of the UCITS may not be offered, sold or otherwise transferred in the United States or to or for the account or benefit of US persons (as defined in the Securities Act 1933), except in connection with a transaction that does not violate US law. Subsequent transfers of units of the UCITS in the United States or to US

persons are not permitted, except in connection with a transaction that does not violate US law. The units are offered and sold on the basis of an exemption from the registration requirements under Regulation S of the Securities Act 1933.

This Prospectus and the Unit Trust Agreement may not be circulated in the United States, except in connection with a transaction that does not violate US law. The distribution of this Prospectus and the Unit Trust Agreement and the offering of the units may also be restricted in other jurisdictions.

US persons are in particular:

- US citizens, including dual citizens;
- persons with residence or registered office in the USA;
- persons born in the USA or one of its territories;
- naturalised citizens and persons who are resident in the USA (Green Card holders) and/or whose primary residence is in the USA; companies, trusts, assets, etc. domiciled in the USA;
- companies that qualify as transparent for US tax purposes and have investors referred to in this section, as well as companies whose income is attributed to an investor referred to in this section as part of a consolidated view for US tax purposes;
- investment companies or partnerships established under the Act of Congress;
- financial institutions that do not comply with the provisions of the Foreign Account Tax Compliance Act (in particular, sections 1471 - 1474 of the US Internal Revenue Code and a susceptible agreement with the United States of America on cooperation to facilitate the implementation of FATCA, where applicable) and do not register with the US Internal Revenue Service as a FATCA participant to the extent required; or
- persons who qualify as US persons under Regulation S of the US Securities Act 1933 and/or the US Commodity Exchange Act, as amended.

## Complaints

Investor satisfaction is of paramount importance to us. The Management Company and its agents therefore take all your suggestions, feedback and complaints regarding the managed funds very seriously.

Investors wishing to make a complaint can contact the Management Company of the UCITS:

### **ONE Funds AG,**

Schaaner Strasse 27, FL-9487 Gamprin-Bendern, Liechtenstein

E-mail: [info@onefunds.li](mailto:info@onefunds.li)

Tel: +423 388 10 00

[www.onefunds.li](http://www.onefunds.li)

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## Part I: Prospectus

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The issue and redemption of units of the UCITS is carried out on the basis of the currently valid Unit Trust Agreement and Annex A "Overview of Sub-Funds". This Unit Trust Agreement is supplemented by the latest annual report. If the reference date of the annual report is more than eight months in the past, the semi-annual report must also be offered to the subscriber. The Key Investor Information Document (**KIID**) shall be made available to investors free of charge in good time before the subscription of units.

It is not permitted to provide information or statements that deviate from the Prospectus, the Unit Trust Agreement, Annex A "Overview of Sub-Funds" or the KIID. The Management Company shall not be liable if and to the extent that information or declarations are made that deviate from the current Prospectus, the Unit Trust Agreement or the KIID.

The Prospectus and the Unit Trust Agreement, including Annex A "Overview of Sub-Funds", are presented in one document. The essential constituent document of the UCITS is the Unit Trust Agreement, including Annex A "Overview of Sub-Funds". Please note, however, that only the Unit Trust Agreement, including the special provisions on investment policy in Annex A "Overview of Sub-Funds", is subject to substantive legal review by the Financial Market Authority (FMA) Liechtenstein.

### 1 Sales Documentation

The Prospectus, the KIID, the Unit Trust Agreement and Annex A "Overview of Sub-Funds" as well as the latest annual and semi-annual reports, if these have already been published, are available free of charge in electronic form or on a durable medium (letter, e-mail or similar) from the Management Company, the Depositary and all distribution agents in Liechtenstein and abroad, as well as on the website of the official publication medium, the Liechtenstein Investment Fund Association (LAFV) at [www.lafv.li](http://www.lafv.li). At the request of the investor, the aforementioned documents shall also be made available in paper form free of charge.

Further information on the UCITS is available on the internet at [www.onefunds.li](http://www.onefunds.li) and from **ONE Funds AG**, Schaaner Strasse 27, FL-9487 Gamprin-Bendern, Liechtenstein, during regular business hours.

### 2 Unit Trust Agreement

The Unit Trust Agreement comprises a general section and Annex A "Overview of Sub-Funds". The Unit Trust Agreement and Annex A "Overview of Sub-Funds" are reproduced in full, and may be amended or supplemented in whole or in part at any time by the Management Company. Changes to the Unit Trust Agreement and to Annex A "Overview of Sub-Funds" require the prior approval of the FMA Liechtenstein.

Any amendment to the Unit Trust Agreement and to Annex A "Overview of Sub-Funds" shall be published in the official publication medium of the UCITS and thereafter shall be legally binding on all investors.

### 3 General Information about the UCITS

The UCITS was established in accordance with the Law of 28 June 2011 on Certain Undertakings for Collective Investment in Transferable Securities (hereinafter "**UCITSG**") and has been registered as such in the Liechtenstein Commercial Register. The UCITS is an umbrella structure which may comprise one or more sub-funds. The respective sub-funds are separated in terms of assets and liabilities. The UCITS is an investment fund of the open-ended type.

The Unit Trust Agreement and Annex A "Overview of Sub-Funds" of the UCITS have been approved by the Financial Market Authority (FMA) Liechtenstein.

The UCITS has the legal form of a collective trusteeship. A collective trusteeship is the entering into a trust with identical content with an unspecified number of investors for the purpose of investment and administration for the account of the investors, whereby the individual investors participate in this trusteeship in proportion to their share and are personally liable only up to the amount invested. Unless otherwise stipulated in the UCITSG, the legal

relationships between the owners of the units of the UCITS ("investors" or "unit holders"), the Management Company and the Depository shall be governed by the Unit Trust Agreement and, unless otherwise stipulated therein, by the provisions of the Liechtenstein Persons and Companies Act (PGR) on trusteeship.

The management of the UCITS consists principally in investing the capital raised from the public on a collective basis, in accordance with the principle of risk diversification. The UCITS or each of its sub-funds constitutes a fund for the benefit of its investors. In the event of the liquidation and bankruptcy of the Management Company, the fund shall not form part of the bankruptcy estate of the Management Company.

The assets in which the Management Company may invest the funds and the provisions which it must observe in doing so are set out in the UCITSG, the Unit Trust Agreement and Annex A "Overview of Sub-Funds".

#### **4 Further Information about the UCITS, Sub-Funds and Share Classes**

Investors participate in the assets of the UCITS sub-fund in proportion to the number of units they acquire.

By subscribing or acquiring units, investors acknowledge the Unit Trust Agreement and Annex A "Overview of Sub-Funds", this Prospectus, the KIID and any duly executed amendments to these documents that may be made in the future. The investor accepts the risks (in particular, cf. section 8 "Risk Information" of the Prospectus) which an investment or investment in the UCITS entails.

The units are not securitised and are only kept in book-entry form. Units are not issued or redeemed in fractions. No physical certificates are issued. A meeting of the investors and a right of approval are not provided for. Investors, heirs or other beneficiaries may not request the division or liquidation of the UCITS or of individual sub-funds. The details of each sub-fund are set out in Annex A "Overview of Sub-Funds".

With respect to third parties, the assets of each sub-fund of the UCITS are only liable for liabilities incurred by the sub-fund concerned.

Each sub-fund is considered to be an independent asset in the relationship between the investors. The rights and obligations of investors in one sub-fund are separate from those of investors in the other sub-funds.

##### **4.1 Duration of the UCITS**

The duration of the UCITS is defined in Annex A of the Unit Trust Agreement.

##### **4.2 Share Classes of the Sub-Funds**

All units of the UCITS embody the same right, unless the Management Company decides to issue different share classes in accordance with Art.23 of the Unit Trust Agreement ("Share Classes and Creation of Sub-Funds" within a sub-fund of the UCITS).

Share classes may differ from existing share classes in terms of the appropriation of income, the front-end load, the reference currency and the use of currency hedging transactions, the management fee, the minimum investment amount or a combination of these features. However, the rights of investors who have acquired units from existing share classes remain unaffected.

Share classes issued in relation to the relevant sub-fund of the UCITS, and the fees and remunerations incurred in relation to the units of the relevant sub-fund, are set out in Annex A "Overview of Sub-Funds". For further information on share classes, please refer to section 9.2 "General Information on the Units" of this Prospectus.

##### **4.3 Past Performance of Sub-Funds**

The past performance of the individual sub-funds or share classes is shown on the website of the LAFV ([www.lafv.li](http://www.lafv.li)) or in the KIID or in the corresponding document for the distribution countries of the Management Company for the relevant sub-fund. The performance shown does not take into account the commissions and fees payable on the issue and redemption of fund units.

The most recent annual report of the UCITS and the most recent net asset value (NAV) are also published on the website of the LAFV ([www.lafv.li](http://www.lafv.li)).

**The past performance of a unit is no guarantee of current or future performance. The value of a unit may rise or fall at any time and there is no guarantee that the invested capital will be returned.**

## 5 Organisation of the UCITS

### 5.1 Country of Domicile / Competent Supervisory Authority

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

### 5.2 Legal Relationships

The legal relationships between the investors and the UCITS or the respective sub-funds are governed by the constituent documents, the Law of 28 June 2011 on Certain Undertakings for Collective Investment in Transferable Securities (UCITSG) and the Ordinance of 5 July 2011 on Certain Undertakings for Collective Investment in Transferable Securities (UCITSV) and, in the absence of provisions therein, by the provisions of the Liechtenstein Persons and Companies Act (PGR) on trusteeship.

### 5.3 Management Company

**ONE Funds AG** (hereinafter the "**Management Company**"), Schaaner Strasse 27, FL-9487 Gamprin-Bendern, Principality of Liechtenstein, commercial register number FL-0002.299.012-3.

The Management Company was founded on 28 August 2008 for an unlimited period in the form of a public limited company with its registered office and head office in Gamprin-Bendern, Principality of Liechtenstein, and was entered in the Commercial Register on 3 September 2008. In accordance with the relevant provisions of the UCITSG, the Management Company was approved by the FMA Liechtenstein on 20 March 2013 and entered on the official list of Liechtenstein management companies.

The fully paid-in share capital amounts to CHF 1,500,000. Any potential liability of the Management Company is covered by this capitalisation. There is a professional liability insurance in place, providing coverage up to a maximum of CHF 2 million, depending on the nature of the claim. The Management Company is liable pursuant to Art. 24 UCITSG.

The object of the Management Company is, inter alia, the management and distribution of undertakings for collective investment under Liechtenstein law.

The Management Company shall manage the UCITS and its sub-funds for the account and in the sole interest of the investors in accordance with the principle of risk diversification and in accordance with the provisions of the Unit Trust Agreement and Annex A "Overview of Sub-Funds".

The Management Company is equipped with the most extensive rights to carry out all administrative and managerial actions in its own name for the account of the investors. In particular, it is authorised to buy, sell, subscribe and exchange securities and other assets and to exercise all rights directly or indirectly related to the assets of the UCITS or the sub-funds.

The remuneration principles and practices are described in Annex C of the Unit Trust Agreement.

An overview of all UCITS managed by the Management Company is published on the website of the LAFV as the official publication medium at [www.lafv.li](http://www.lafv.li).

#### 5.3.1 Board of Directors of the Management Company

President: Carmen Kresser-Wolf, Ruggell (FL)  
Members: Tania Wyss, Schaan (FL)  
Alexander Yudovich, LL.M, Triesen (FL)

#### 5.3.2 Executive Board of the Management Company

Chairman: Franz Glatzl, Diepoldsau (CH)



Members: Dr. Walfried Kraher, Feldkirch (A)

#### 5.4 Portfolio Manager

The portfolio management for the following sub-funds is delegated to BAO CAPITAL PARTNERS LTD, Office 406, Kermia House, Diagorou 4, 1097 Nicosia, Cyprus (hereinafter the "Portfolio Manager"):

- Abbey Road Funds – Global Equity Fund

The Portfolio Manager is entrusted with the management of the assets under the supervision and responsibility of the Management Company carries out all transactions in this regard in compliance with the specified investment restrictions, and is liable to the Management Company for the performance of the activities arising from this delegation. The precise execution of the mandate is governed by a contract concluded between the Management Company and the Portfolio Manager.

#### 5.5 Authorised Distributors

The UCITS units are distributed by ONE Funds AG, Schaaner Strasse 27, FL-9487 Gamprin-Bendern, Liechtenstein.

#### 5.6 Depositary

The Depositary for the UCITS is NEUE BANK AG, Marktgass 20, FL-9490 Vaduz, Liechtenstein.

NEUE BANK AG has been in existence since 1992 and its main activity is international private banking. Further information on the Depositary (e.g. annual reports, brochures, etc.) can be obtained directly from its headquarters or at [www.neuebankag.li](http://www.neuebankag.li).

The Depositary shall hold the assets in safe custody on behalf of the UCITS. It may, with the consent of the Management Company, entrust them in whole or in part for safekeeping to other banks, financial institutions and recognised clearing houses that meet the applicable legal requirements. The Depositary's duties also include the execution of applications or orders for subscription, redemption, conversion and transfer of units as well as keeping the register of units.

The activities of the Depositary and its liability are governed by the UCITSG and the UCITSV, both as amended, the Depositary Agreement and the UCITS' constituent documents. The Depositary acts independently of the Management Company and exclusively in the interest of the investors.

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

The investment of assets in bank deposits at another credit institution as well as the disposal of such bank deposits are only permitted with the consent of the Depositary. The Depositary also keeps the UCITS' unit register on behalf of the Management Company. The Depositary shall ensure that:

- the sale, issue, redemption, payment and cancellation of units of the UCITS are carried out in accordance with the provisions of the UCITSG and the UCITS' constituent documents;
- the units of the UCITS are valued in accordance with the provisions of the UCITSG and the UCITS' constituent documents;
- in the case of transactions involving assets of the UCITS, the equivalent value is transferred to the UCITS within the usual time limits;
- the income of the UCITS is used in accordance with the provisions of the UCITSG and the UCITS' constituent documents;

- the cash flows of the UCITS are duly supervised, ensuring in particular that all payments made upon subscription to units of a UCITS have been received from or on behalf of investors and that all capital of the UCITS has been accounted for in accordance with the provisions of the UCITSG and the UCITS' constituent documents.

The depositary is liable pursuant to Art. 35 UCITSG.

### 5.6.1 Sub-Custody

The Depositary may, subject to the restrictions laid down by law, delegate its custody activities to other undertakings (sub-custodians). The liability of the Depositary remains unaffected.

A list of the sub-custodians appointed for the custody of assets held in the name and on behalf of the UCITS may be requested from the Depositary.

No conflicts of interest arise from this transfer.

### 5.6.2 Information on the Depositary

Investors of the UCITS may at any time request from the Depositary, free of charge, up-to-date information on the Depositary's duties and responsibilities, on the possible conflicts of interest related to the delegation of duties through the sub-custody arrangement, and on the UCITS, using the contact details given in section 5.6 above.

The Depositary is subject to the provisions of the Liechtenstein FATCA Agreement and the corresponding implementing provisions of the Liechtenstein FATCA Act.

## 5.7 Auditors of the UCITS and the Management Company

### Auditors of the UCITS:

BDO (Liechtenstein) AG, Wuhrstrasse 14, FL-9490 Vaduz, Liechtenstein

### Auditors of the Management Company:

BDO AG, Schiffbaustrasse 2, CH-8005 Zurich, Switzerland

The business activities of the UCITS and the Management Company are audited annually by independent auditors recognised by the FMA Liechtenstein.

## 6 General Investment Principles and Restrictions

The relevant sub-fund is invested in compliance with the principle of risk diversification within the meaning of the rules of the UCITSG and in accordance with the investment policy principles as described in Art. 27 "Investment Policy" of the Unit Trust Agreement and in accordance with the investment policy principles and investment restrictions described in Annex A "Overview of Sub-Funds".

### 6.1 Aim of the Investment Policy

The objective of the UCITS' investment policy is described in Annex A "Overview of Sub-Funds".

### 6.2 Investment Policy of the UCITS

#### 6.2.1 Investment Policy

The investment policy specific to each sub-fund is described in Annex A "Overview of Sub-Funds".

The general investment principles and investment restrictions set out in Art. 28 of the Unit Trust Agreement ("General Investment Principles and Restrictions") apply to all sub-funds, unless exceptions or supplementary arrangements are contained in Annex A "Overview of Sub-Funds" for the respective sub-funds.

### 6.2.2 Transaction Costs

The charging of transaction costs can have a significant impact on the investment result when implementing the investment policy.

### 6.2.3 Sustainability Factors (ESG)

#### A. At the level of the UCITS

Disclosure information regarding sustainability factors (ESG) specific to each sub-fund is described in Annex A "Overview of Sub-Funds".

#### B. At the level of the Management Company

The Management Company is committed to sustainability and tries in its actions to pay attention to environmental standards, social standards and standards regarding corporate governance. In accordance with Regulation (EU) 2019/2088 ("SFDR"), the following notices are provided.

##### 1. Notice on Art. 4 (1) (a) of Regulation (EU) 2019/2088 ("SFDR")

It should be noted that at the level of the Management Company, the so-called "principle adverse indicators" of investment decisions on sustainability factors are not taken into account.

##### 2. Disclaimer pursuant to Art. 4 (1) (b) of Regulation (EU) 2019/2088 ("SFDR")

It should be noted that at the level of the Management Company aggregated for all funds managed by it, adverse effects of investment decisions on sustainability factors are not taken into account for the following reasons, among others:

- The Management Company is primarily active in the private label fund business and thus establishes and manages funds predominantly on behalf of third parties. The Management Company therefore has little to no influence on the design of the funds.
- Often the portfolio management of the funds is delegated to third parties and therefore the investment decisions are not made by the Management Company.
- Some fund types are not suitable for consideration of adverse impacts on sustainability factors per se, such as funds for structuring complex corporate situations, for inheritance and succession planning, or for protection against hostile takeovers.
- Many of these types of funds are also not open for subscription by external investors.

Aggregating the negative sustainability impacts across these very different fund types does not add value for investors and is not feasible.

Notwithstanding this, the Management Company tries to have an influence on third party business partners that sustainability factors, where relevant, are taken into account as much as possible.

### 6.3 Accounting Currency of the UCITS and Reference Currency of the Sub-Funds / Share Classes

The accounting currency of the UCITS or the reference currency of the sub-funds and of each share class is specified in Annex A "Overview of Sub-Funds".

The accounting currency is the currency in which the UCITS keeps its accounts. The reference currency is the currency in which the performance and net asset value of the share classes are calculated, where there is a deviation from the accounting currency. Investment decisions are taken in the currencies that are best suited to the performance of the UCITS.

### 6.4 Profile of the Typical Investor

The profile of the typical investor of each sub-fund is described in Annex A "Overview of Sub-Funds".

## 6.5 Collective Administration

In order to reduce operating and management costs while allowing a wider diversification of investments, the Management Company may decide to manage some or all of the assets of the UCITS together with assets belonging to other collective investment undertakings.

## 7 Investment Regulations

### 7.1 Eligible Investments

Each sub-fund may invest its assets for the account of its investors exclusively in one or more of the following assets:

#### 7.1.1 Securities and Money Market Instruments:

- (a) which are listed or traded on a regulated market within the meaning of Article 4(1)(21) of Directive 2014/65/EU (MiFID II);
- (b) which are traded on another regulated market in an EEA member state which is recognised, open to the public and operates regularly;
- (c) which are officially listed on a stock exchange in a third country or traded on another market in a European, American, Asian, African or Oceanic country which is recognised, open to the public and operates regularly.

#### 7.1.2 Securities on New Issues, provided that:

- (a) the terms and conditions of issue include an undertaking that application has been made for admission to official listing or trading on a stock exchange or regulated market referred to in subsection 7.1.1 (a) to (c), and
- b) such authorisation is obtained no later than one year after the issue.

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

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

**7.1.5** Financial derivatives, where the underlying is an investment within the meaning of Art. 51 UCITSG or financial indices according to subsection 7.1.7 interest rates, exchange rates or currencies. In the case of transactions involving OTC derivatives, the counterparties must be supervised institutions of a category approved by the FMA Liechtenstein and the OTC derivatives must be subject to reliable and verifiable valuation on a daily basis and must be capable of being sold, liquidated or closed out by an offsetting transaction at any time at the initiative of the UCITS at their fair value.

**7.1.6** Money market instruments not traded on a regulated market, provided that the issue or issuer of such instruments is subject to regulations on the protection of deposits and investors, provided that they are:

- (a) issued or guaranteed by a central, regional or local authority or the central bank of an EEA member state, the European Central Bank, the Community or the European Investment Bank, a third country or, in the case of a federal state, by one of the members making up the federation, or by an international organisation of a public-law nature to which at least one EEA member state belongs;

- (b) issued by a company whose securities are traded on the regulated markets referred to in point (a);
- (c) issued or guaranteed by an institution subject to prudential supervision in accordance with the criteria laid down in EEA law, or by an institution whose prudential legislation is equivalent to EEA law and which complies with that law; or
- (d) issued by an issuer belonging to a category approved by the FMA Liechtenstein, provided that investments in these instruments are subject to equivalent investor protection rules to those laid down in (a) to (c) above and the issuer is either a company with equity capital of at least EUR 10 million and its annual financial statements comply with the provisions of Directive 78/660/EEC implemented in Liechtenstein by the PGR, or is a legal entity belonging to a group which is responsible for financing the group of companies with at least one listed company or is a legal entity which is to finance the securitisation of liabilities using a credit line granted by a bank.

**7.1.7** Financial indices which are equity or debt securities indices recognised by the FMA Liechtenstein or the competent authorities of other EEA member states, provided that:

- a) the composition of the index is sufficiently diversified;
- b) the index represents an adequate benchmark for the market to which it refers; and
- c) the index is published in an appropriate manner.

**7.1.8** Money market instruments and securities pursuant to subsection 7.1.1, in which derivatives are incorporated (so-called "structured products"), which have no leverage effect, for which physical delivery is precluded and whose performance is linked to the following financial instruments

- a) commodities,
- b) precious metals,
- c) commodity futures, and
- d) baskets of the above-mentioned underlying assets.

**7.1.9** Money market instruments and securities pursuant to subsection 7.1.1, in which derivatives are incorporated (so-called "structured products"), which have no leverage effect, for which physical delivery is precluded and whose performance is linked to the following financial instruments:

- a) single hedge funds,
- b) fund-of-hedge funds,
- c) private equity funds,
- d) real estate funds,
- e) financial indices according to subsection 7.1.7,
- f) stocks,
- g) interest-bearing and non-interest-bearing securities,
- h) interest rates,
- i) exchange rates,
- j) currencies,
- k) UCITS or comparable undertakings for collective investment, and
- l) baskets of the above-mentioned underlying assets.

**7.1.10** The sub-fund may also hold liquid assets in all freely convertible currencies.

## **7.2 Ineligible Investments**

The Management Company may not:

- a) invest more than 10% of the assets per sub-fund in securities and money market instruments other than those mentioned in section 7.1;

- b) acquire real estate;
- c) acquire physical precious metals;
- d) conduct uncovered short sales.

The Management Company may at any time, in the interests of the investors, designate other investments as unauthorised to the extent necessary to comply with the laws and regulations of the countries in which the units of the UCITS are offered and sold.

### 7.3 Investment Limits

#### A. The following investment limits must be adhered to for each sub-fund's assets:

**7.3.1** A sub-fund may invest no more than 5% of its assets in securities or money market instruments of the same issuer and no more than 20% of its assets in deposits of the same issuer.

**7.3.2** The risk of default arising from the sub-fund's transactions with OTC derivatives with a credit institution domiciled in an EEA member state or a third country whose supervisory law is equivalent to that of the EEA may not exceed 10% of the sub-fund's assets; for other counterparties, the maximum risk of default is 5% of the sub-fund's assets.

**7.3.3** If the total value of the securities and money market instruments of issuers in which the sub-fund invests more than 5% of its assets in each case does not exceed 40% of its assets, then the issuer limit of 5% mentioned in subsection 7.3.1 is raised to 10%. The 40% limit does not apply to deposits or OTC derivative transactions with supervised financial institutions. If the increase is taken up, the securities and money market instruments pursuant to subsection 7.3.5 and the bonds pursuant to subsection 7.3.6 are not taken into account.

**7.3.4** Irrespective of the individual upper limits under subsections 7.3.1 and 7.3.1, a sub-fund may not combine the following if this would result in an investment of more than 20% of its assets in one and the same institution:

- a) securities or money market instruments issued by this institution in accordance with subsection 7.3.1;
- b) deposits with this institution;
- c) OTC derivatives acquired by this institution.

**7.3.5** If the securities or money market instruments are issued or guaranteed by an EEA member state or its local authorities, by a third country or by an international organisation of a public-law nature of which at least one EEA member state is a member, the limit of 5% mentioned in subsection 7.3.1 is raised to a maximum of 35%.

**7.3.6** If bonds are issued by a credit institution with its registered office in an EEA member state which is subject to special public supervision by virtue of statutory provisions for the protection of the holders of such bonds and which, in particular, is required to invest the proceeds from the issue of such bonds in assets which, during the entire term of the bonds, sufficiently cover the liabilities arising therefrom and which, in the event of the default of the issuer, are primarily intended for the repayment of principal and interest due, the limit

of 5% mentioned in subsection 7.3.1 is raised to a maximum of 25% for such bonds. In this case, the total value of the investments may not exceed 80% of the sub-fund's assets.

**7.3.7** The limits set out in 7.3.1 to 7.3.6 may not be cumulated. The maximum issuer limit is 35% per sub-fund's assets.

**7.3.8** Notwithstanding subsection 7.3.3 and in accordance with Art. 56 UCITSG, the Management Company is authorised to invest up to 100% of the assets in securities and money market instruments of the same issuer in accordance with the principle of risk diversification, provided that these are issued or guaranteed by a state, a public-law corporation from the OECD or international organisations of a public-law nature. These securities or money market instruments must be divided into at least six different issues, whereby securities or money market instruments from one and the same issue may not exceed 30% of the total amount of the assets. The above-mentioned securities and money market instruments are not taken into consideration when applying the limit of 40% pursuant to subsection 7.3.3. These investments include in particular corporate and government bonds. Investments in such bonds are limited to bonds with a maximum maturity of 100 years per bond and an investment grade rating of at least BBB- according to Standard & Poor's or at least Baa3 according to Moody's or a comparable credit rating. The following issuers and guarantors are deemed to be public-law corporations and international organisations:

- all countries from the OECD,
- all public-law corporations from the OECD,
- African Development Bank,
- Asian Development Bank,
- Council of Europe Social Development Fund,
- Eurofima,
- European Atomic Energy Community,
- European Bank for Reconstruction & Development,
- European Economic Community,
- European Investment Bank,
- European Patent Organisation,
- IBRD (World Bank),
- Inter-American Development Bank,
- International Finance Corporation,
- Nordic Investment Bank.

The FMA Liechtenstein has granted an exceptional approval in respect to Art. 56 UCITSG for investments in securities of sovereign issuers.

**7.3.9** Companies belonging to the same group of companies shall be considered as a single issuer for the purpose of calculating the "Investment Limits" set out in section 7.3. For investments in securities and money market instruments of the same group of companies, the issuer limit is raised to a combined total of 20% of the sub-fund's assets.

**7.3.10** A sub-fund may invest no more than 10% of its assets in units of the same UCITS or of a comparable collective investment undertaking.

**7.3.11** Investments in units of a collective investment undertaking comparable to a UCITS may not exceed a total of 30% of the sub-fund's assets. These investments are not to be taken into account with regard to the upper limits set out in Art. 54 UCITSG.

**7.3.12** A sub-fund may invest no more than 20% of its assets in equities and/or debt securities of one and the same issuer if, in accordance with the investment policy of the sub-fund concerned, the objective of the sub-



fund is to replicate a specific equity or debt securities index recognised by the FMA. The prerequisite for this is that:

- the composition of the index is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it refers;
- the index is published in an appropriate manner.

This limit is 35% where justified by exceptional market conditions, in particular on regulated markets where certain transferable securities or money market instruments are highly dominant. An investment up to this upper limit is only possible with a single issuer.

**7.3.13** If the limits set out in sections 7.1 and 7.3 are exceeded inadvertently or as a result of the exercise of subscription rights, the Management Company's primary objective in its sales shall be to restore compliance with the limits, taking into account the interests of investors. The sub-fund may derogate from the provisions of the "General Investment Principles and Restrictions" within the first six months following its first issue of fund units. Clauses 7.1 and 7.2 remain unaffected by this exception and must be complied with at all times. The principle of risk diversification must continue to be observed.

**7.3.14** The sub-funds may subscribe, acquire and/or hold units which are to be or have been issued by one or more other UCITS, provided that:

- the target fund does not itself invest in the UCITS investing in that target fund; and
- the proportion of the assets which the target funds whose acquisition is contemplated may, according to their prospectus or articles of incorporation, invest in aggregate in units of other target funds of the same UCITS-like collective investment undertaking does not exceed 10%; and
- the voting rights, if any, attached to the securities concerned are suspended for as long as they are held by the UCITS concerned, notwithstanding an appropriate assessment in the financial statements and periodic reports; and
- in any event, the value of these securities shall be taken into account in the calculation of the net assets of the UCITS imposed by the UCITSG for the purpose of verifying the minimum net assets under the UCITSG as long as these securities are held by the UCITS; and
- there is no multiple calculation of the fees for the issue or redemption of units, firstly at the level of the sub-fund that has invested in the target fund and secondly at the level of the target fund.

**7.3.15** If the investments referred to in subsection 7.3.10 represent a significant portion of the sub-fund's assets, the sub-fund specific Annex must provide information on the maximum amount and the annual report must include details of the maximum proportion of management fees that are to be borne by the sub-fund itself and by the collective investment undertakings referred to in subsection 7.3.10 whose units are purchased.

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

**7.3.17** A management company does not acquire voting shares of the same issuer for any UCITS or sub-funds it manages, with which it can exercise a significant influence on the management of the issuer. Significant influence is presumed to exist if the issuer holds 10% or more of the voting rights. If a lower limit for the acquisition of voting shares of the same issuer applies in another EEA member state, this limit shall be decisive for the Management Company if it acquires shares of an issuer domiciled in this EEA member state for a UCITS or sub-fund.



**7.3.18** Each sub-fund's assets may not include financial instruments of the same issuer exceeding:

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

**7.3.19** Subsections 7.3.16 and 7.3.17 shall not apply:

- a) to securities and money market instruments issued or guaranteed by a government issuer;
- b) to shares held by a sub-fund in the capital of a company of a third country which invests its assets essentially in securities of issuers domiciled in that third country, if under the laws of that third country such a holding represents the only way for the sub-fund to invest in securities of issuers of that country. The requirements of the UCITSG must be observed;
- c) to shares held by management companies in the capital of their subsidiaries which, in the state of establishment, organise the repurchase of shares at the request of investors exclusively on behalf of the Management Company.

**7.3.20** Insofar as the investments of the sub-fund are index-based investments based on a stock or debt security index recognised in accordance with subsection 7.1.7, the index and its index components need not be included in the provisions of section 7.3; however, any issuer limits for investments in accordance with subsection 7.1.9 must be taken into account.

**7.3.21** The investment instruments in accordance with subsections 7.1.8 and 7.1.9 (so-called "structured products") may only be used if this contributes to achieving the investment objective and is consistent with the investment policy of the sub-fund. The investment instruments, with the exception of index-based investments pursuant to subsection 7.1.7, shall be included in the provisions pursuant to section 7.3.

**7.3.22** Each sub-fund may invest no more than 25% of its assets in investments pursuant to subsection 7.1.8.

**7.3.23** Each sub-fund may invest no more than 10% of its assets in investments pursuant to subsection 7.1.9 a) to d).

**7.3.24** Each sub-fund may invest no more than 90% of its assets in investments pursuant to subsection 7.1.9 e) to l).

**7.3.25** The risk associated with derivative financial instruments may not exceed 100% of the assets of each sub-fund.

Derivative financial instruments used to hedge the currency risks of any share classes are not included in this provision.

**7.3.26** The total risk may not exceed 200% of the assets of each sub-fund. If borrowing is permitted in accordance with 7.4.2, the total risk may not exceed 210% of the assets of each sub-fund.

In addition to the restrictions listed in subsections 7.3.1 to 7.3.26, any further restrictions in Annex A "Overview of Sub-Funds" must be observed.

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

- 7.3.27** The investment limits need not be observed when exercising subscription rights from securities or money market instruments that are part of the fund's assets.
- 7.3.28** In the event of the limits referred to in sections 7.1 and 7.3 being exceeded, the Management Company must restore compliance with the limits in its sales as a priority, taking into account the interests of the investors.
- 7.3.29** The sub-fund may derogate from the provisions of the “General Investment Principles and Restrictions” within the first six months following its first issue of fund units. Clauses 7.1 and 7.2 remain unaffected by this exception and must be complied with at all times.

**C. Active breaches of investment restrictions:**

- 7.3.30** Any loss incurred as a result of an active breach of the investment limits or regulations must be reimbursed to the respective sub-fund without delay in accordance with the applicable code of conduct (FMA Guideline 2015/2 – Code of Conduct for the Liechtenstein Fund Centre).

**7.4 Borrowing Restrictions, Prohibition of Lending and the Furnishing of Guarantees**

- 7.4.1** A sub-fund's assets may not be pledged or otherwise encumbered, transferred by way of security or assigned by way of security, except in the case of borrowing as defined in subsection 7.4.2 below or in the case of security deposits within the framework of transactions involving financial instruments.
- 7.4.2** Borrowing by a sub-fund is limited to temporary borrowings where the borrowing does not exceed 10% of the sub-fund's assets; the limit does not apply to the acquisition of foreign currencies through a back-to-back loan.
- 7.4.3** The UCITS or the individual sub-funds are not entitled to insist on the Depositary granting the maximum permissible credit limit. The sole decision as to whether, how and in what amount a loan is granted shall be made by the Depositary in accordance with its credit and risk policy. This policy may change during the life of the UCITS.
- 7.4.4** A sub-fund may neither grant loans nor act as guarantor for third parties. Agreements that violate these prohibitions bind neither the sub-fund nor the investors. Subsection 7.4.4 does not prevent the acquisition of financial instruments that have not yet been fully paid up.

**7.5 Use of Derivative Financial Instruments and Techniques****7.5.1 Derivative Financial Instruments**

Derivative financial instruments are instruments whose value is derived from an underlying in the form of another financial instrument or a reference rate (financial index, interest rate, exchange rate or currency, etc.) and which are contractually regulated futures or option transactions.

The Management Company may conduct derivative transactions for the sub-fund for the purpose of hedging, generating additional income and as part of the investment strategy. In accordance with subsection 7.3.20, this also applies if a security or money market instrument is embedded in a derivative financial instrument. Index-based derivative financial instruments are considered in accordance with the regulations set out in subsection 7.3.19. Both existing and future foreseeable risks (credit risk, interest rate risk, exchange rate risk, etc.) may be hedged. This may increase the risk of loss of the sub-fund, at least temporarily.

The risk associated with derivative financial instruments may not exceed 100% of the relevant sub-fund's assets. The total risk may not exceed 200% of the sub-fund's net assets. In the case of borrowing permitted under the UCITSG (subsection 7.4.2 above), the overall risk arising from such borrowing may be increased by a further 10% to a total of 210% of the sub-fund's net assets. Derivative financial instruments used to hedge the currency risks of any share classes are not included in this provision.

The Management Company may, under the conditions and within the parameters prescribed by law, use techniques and financial instruments involving transferable securities and money market instruments as a central element in achieving its investment policy. These transactions must be taken into account when determining the overall risk.

The Management Company uses a risk management procedure based on a basic model for calculating the risks arising from the investment instruments, in particular with regard to derivative financial instruments, and uses generally accepted calculation methods. The risk management procedure allows the Management Company to monitor and measure the risk associated with the investment positions and their respective component of the overall risk profile of the investment portfolio at all times. It must ensure that at no time does the risk arising from derivative financial instruments exceed the total value of the portfolio and, in particular, that no positions are entered into which represent an unlimited risk for the assets. When measuring the overall risk, the leverage achieved with derivative financial instruments and their default risk must be taken into account. Combinations of derivative financial instruments and securities must also comply with these regulations at all times.

The Management Company uses the commitment approach for risk measurement. The inclusion of derivatives in the calculation of position sizes is thus determined by the contract value, i.e. the volume indirectly moved with the derivative.

The sub-fund may not deviate from its investment objectives in these transactions.

The total risk may not exceed 200% of the sub-fund's assets. In the case of borrowings permitted under UCITSG in accordance with subsection 7.4.2, the total risk may not exceed 210% of the sub-fund's assets.

The Management Company may invest in derivatives as part of its investment strategy within the limits laid down in Art. 53 UCITSG, provided that the overall risk of the underlying assets does not exceed the investment limits laid down in Art. 54 UCITSG. In calculating this risk, the market value of the underlying assets, the default risk, future market fluctuations and the liquidation period of the positions are taken into account.

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

Within this framework, the Management Company may in particular use the following techniques and instruments:

### **Options**

The Management Company may, for the account of the sub-fund and within the framework of the investment principles and insofar as the sub-fund is permitted to invest in the underlying assets in accordance with its investment objectives as specified in the Unit Trust Agreement, buy and sell call and put options on securities and money market instruments as well as on financial indices within the meaning of Art. 9 (1) of Directive 2007/16/EC, interest rates, exchange rates or currencies, and trade in warrants. Option transactions involve granting a third party the right, in return for payment ("option premium"), to acquire corresponding option rights during a certain period or at the end of a certain period ("exercise date") at a pre-determined price ("exercise price") by delivery/sale ("put option"/"put") or by acceptance/purchase ("call option"/"call") of an asset ("underlying asset"). The options or warrants must provide for exercise during the entire term or at the end of the term. In addition, the option value at the exercise date must represent a fraction or multiple of the difference between the strike price and the market price of the underlying instrument and must be zero if the difference has the opposite sign.

### **Financial futures contracts**

The Management Company may conclude financial futures contracts for the account of the sub-fund within the framework of the investment principles on securities and money market instruments that can be acquired for the sub-fund as well as on financial indices as defined in Art. 9 (1) of Directive 2007/16/EC, interest rates, exchange

rates or currencies. Financial futures contracts are agreements that are unconditionally binding for both parties to buy or sell a certain quantity of a certain underlying asset at a certain time (the maturity date) or within a certain period of time at a pre-determined price.

#### **Forward exchange contracts**

The Management Company may conclude forward exchange contracts for the sub-fund. Forward exchange contracts are agreements that are unconditionally binding on both parties to buy or sell a certain amount of the underlying foreign currency at a certain time (the maturity date) at a pre-determined price.

#### **Exchange transactions ("swaps")**

The Management Company may enter into swap transactions for the account of the sub-fund within the framework of the investment principles.

A swap is a contract between two parties that may involve the exchange of cash flows, assets, income or risks. The swap transactions that may be entered into on behalf of the sub-fund include, but are not limited to, interest rate, currency, asset, equity and credit default swap transactions.

An **interest rate swap** is a transaction in which two parties exchange cash flows based on fixed or variable interest payments. The transaction can be compared to borrowing funds at a fixed interest rate and simultaneously lending funds at a variable interest rate, without the nominal amounts of the assets being exchanged.

**Currency swaps** usually involve the exchange of the nominal amounts of the assets. They can be equated with a borrowing in one currency and a simultaneous allocation of funds in another currency.

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

An **equity swap is characterised by** the exchange of cash flows, changes in value and/or income of an asset for cash flows, changes in value and/or income of another asset, at least one of the exchanged cash flows or incomes of an asset representing a share or a share index.

#### **Swaptions**

Only swaptions consisting of the options and swaps described above may be acquired for the account of the sub-fund. Swaptions are options on swaps. Otherwise, the principles described in connection with option transactions shall apply.

#### **Techniques for managing credit risk**

The Management Company may use credit-linked notes, which are considered securities, and credit default swaps for the sub-fund for the purpose of efficient management of the relevant sub-fund, provided that they are issued by first-class financial institutions and are consistent with the investment policy of the relevant sub-fund.

#### **Credit default swaps (CDS)**

Credit default swaps are credit derivatives that enable a potential credit default volume to be transferred to others. In return for assuming the credit default risk, the seller of the risk pays a premium to its counterparty.

Within the market for credit derivatives, CDS are the most widespread and quantitatively most important instrument. CDS allow the credit risk to be detached from the underlying credit relationship. This separate tradability of default risks extends the range of options for systematic risk and earnings management. With a CDS, a protection buyer can hedge against certain risks arising from a credit relationship against payment of a periodic premium calculated on the nominal amount for the assumption of the credit risk to a protection seller for a fixed period. This premium depends, among other things, on the quality of the underlying reference debtor(s) (= credit risk). The risks to be passed on are defined in advance as so-called credit events. As long as no credit event occurs, the CDS seller does not have to provide any service. When a credit event occurs, the seller pays the pre-defined amount, e.g. the nominal value or a compensation payment equal to the difference between the nominal value of the reference assets and their market value after the credit event occurs (cash settlement). The buyer then has the right to tender

an asset of the reference debtor as specified in the agreement, while the premium payments of the buyer are suspended from this point in time. The relevant sub-fund may act as protection buyer or protection seller.

The exposure of the obligations arising from the CDS must be both in the exclusive interest of the UCITS and in accordance with its investment policy. The investment limits set out in section 7.3 of the Prospectus must take into account the bonds underlying the CDS as well as the respective issuer.

The valuation of CDS is carried out regularly using clear and transparent methods. The plausibility and transparency of the valuation methods and their application are monitored. If discrepancies are identified during the monitoring process, the Management Company shall arrange for these to be rectified. CDS are traded over the counter (OTC market), which allows for more specific, non-standardised needs of both counterparties to be addressed - at the cost of reduced liquidity.

#### **Credit-Linked Note (CLN)**

A credit-linked note (CLN) is a bond issued by the secured party which is only repaid at the nominal amount at maturity if a previously specified credit event does not occur. In the event that the credit event occurs, the CLN is repaid within a certain period of time with the deduction of a compensation amount. CLNs thus provide for a risk premium, in addition to the bond amount and the interest payable thereon, which the issuer pays to the investor for the right to reduce the redemption amount of the bond if and when the credit event occurs.

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

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

#### **Counterparties in OTC and exchange-traded derivatives**

The Management Company may carry out transactions in derivatives that are admitted for trading on an exchange or included in another organised market as well as derivatives that are traded over the counter (OTC transactions).

#### **OTC transactions**

The Management Company may only enter into transactions that are not carried out via an exchange or another organised market (OTC transactions) with suitable credit institutions as counterparties and on the basis of standardised master agreements. In the case of derivatives traded over the counter, the default risk is limited per issuer in accordance with the provisions of subsections 7.3.3 and 7.3.4.

#### **Exchange-traded derivatives**

Derivatives that are concluded with a central clearing house of an exchange or another organised market as counterparty are not counted towards the default risks if the derivatives are subject to daily valuation at market prices with daily margin calls.

However, claims of the sub-fund against the Depositary arising from the daily margin call shall be counted against the corresponding limits of the Depositary, even if the derivative is traded on an exchange or another organised market.

#### **Other techniques / remarks**

The aforementioned techniques and instruments may, if necessary, be extended by the Management Company if other instruments appropriate to the investment objective are offered on the market which the sub-fund is permitted to use.

### **7.5.2 Securities Lending and Borrowing**

The Management Company does not lend or borrow securities on behalf of the sub-fund.

### 7.5.3 Repurchase Agreements

The Management Company does not conduct repurchase agreements on behalf of the sub-fund.

### 7.5.4 Collateral Policy and Investment of Collateral

#### General information

In connection with transactions in OTC financial derivatives and efficient portfolio management techniques, the Management Company may accept collateral in the name and on behalf of the sub-fund in order to reduce its counterparty risk. This section describes the collateral policy applied by the Management Company in these cases. All assets received by the Management Company in the name and on behalf of the sub-fund through efficient portfolio management techniques (securities lending, borrowing, repurchase and reverse repurchase agreements) shall be treated as collateral for the purposes of this section.

#### Eligible collateral

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

All collateral other than cash should be of good quality and high liquidity and should be traded on a regulated market or a multilateral trading facility with transparent pricing so that it can be sold quickly at a price that approximates its pre-sale valuation.

It should be valued at least on a daily basis, and assets with high price volatility should only be accepted as collateral if they have been marked to market with appropriately conservative haircuts.

It should have been issued by an entity that is independent of the counterparty and which is not expected to exhibit a strong correlation with the counterparty's performance.

It should be sufficiently broadly diversified across countries, markets and issuers, with a maximum aggregate exposure of 20% of the net asset value (NAV) of the sub-fund to any single issuer, taking into account all collateral received. A sub-fund may deviate from this rule in accordance with the provisions set out in subsections 7.3.5 to 7.3.8.

It should be realisable by the Management Company at any time without recourse to or approval by the counterparty.

#### Level of collateral

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

#### Rules for haircuts

Collateral is valued daily on the basis of available market prices, taking into account the appropriate conservative haircuts determined by the Management Company for each asset class on the basis of its haircut rules. Depending on the type of collateral received, these rules take into account various factors such as the creditworthiness of the issuer, the maturity, the currency, the price volatility of the assets and, where applicable, the result of liquidity stress tests carried out by the Management Company under normal and exceptional liquidity conditions.

The table below shows the haircuts that the Management Company considers appropriate as of the date of this Prospectus. These values may change.



Hedging instrument	Haircuts (valuation multiplier) (in %)
Account balances (in the UCITS' reference currency)	95
Account balances (not in the UCITS' reference currency)	85
Government bonds (bonds issued or expressly guaranteed by the following countries, e.g. not including implicitly guaranteed liabilities: Austria, Belgium, Denmark, France, Germany, the Netherlands, Sweden, the United Kingdom and the USA, provided that these countries each have a minimum rating of AA-/Aa3 and that such bonds can be marked to market daily)	
Term ≤ 1 year	
Term > 1 year and remaining term ≤ 5 years	
Term > 5 years and remaining term ≤ 10 years	
Corporate securities (debt securities issued or expressly guaranteed by an entity, other than a financial institution, which (i) have a minimum rating of AA-/Aa3, (ii) have a maximum residual maturity of 10 years, and (iii) are denominated in an OECD currency)	
Term ≤ 1 year	90
Term > 1 year and remaining term ≤ 5 years	85
Term > 5 years and remaining term ≤ 10 years	80

#### Investment of collateral

If the Management Company accepts collateral in any form other than cash, it may not sell, invest or encumber such collateral.

If the Management Company accepts collateral in the form of cash, this may be:

- a) invested as deposits with credit institutions that have their registered office in a member state or, if their registered office is located in a third country, are subject to prudent supervisory rules considered by the FMA to be equivalent to the supervisory rules of Community law;
- b) invested in government bonds of first-class quality;
- c) used for reverse repurchase agreements, provided that the transactions are carried out with credit institutions subject to prudent supervision and that the Management Company is at all times in a position to demand the return of the full amount of cash, including any amounts accrued thereon; and/or
- d) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

The cash collateral should be invested in accordance with the diversification requirements applicable to non-cash collateral as described above.

The UCITS may incur losses when investing the cash collateral received by it. Such losses may result from a fall in value of the investment made with the cash collateral received. If the value of the cash collateral invested decreases, this reduces the amount of collateral available to the UCITS for return to the counterparty at the time the transaction is concluded. The UCITS would have to cover the difference in value between the collateral initially received and the amount available to return to the counterparty, resulting in a loss to the UCITS.

### 7.5.5 Investment in Units of Other UCITS or Other Collective Investment Undertakings Comparable to UCITS

A UCITS and its sub-funds may, in accordance with its specific investment policy, invest its assets in other UCITS or other comparable collective investment undertakings. A UCITS or other comparable collective investment undertakings may, are only eligible target investments if

- they invest no more than 10% of their assets in units of another UCITS or other comparable collective investment undertaking according to their prospectus or constituent documents.

The attention of investors is drawn to the fact that additional indirect costs and fees are incurred at the level of indirect investments and that fees and remunerations are charged, but are directly debited to the individual indirect investments.

Where units are managed directly or indirectly by the UCITS Management Company or by a company with which the UCITS Management Company is linked by common management, control or qualifying holding, neither the UCITS Management Company nor the other company may charge fees for the issue or redemption of units in or by the UCITS.

### 7.5.6 Currency Hedging of Share Classes

Where share classes exist which are not denominated in the UCITS' accounting currency, partial or total hedging against currency risks may be carried out. It is at the Portfolio Manager's discretion to determine whether and to what extent any hedging is carried out. Forward exchange transactions to hedge currency risks of the share classes are not included in the limit for derivative financial instruments.

## 8 Risk Information

### 8.1 Sub-Fund Specific Risks

**The performance of the units depends on the investment policy and the market development of the individual investments of the respective sub-fund and cannot be determined in advance. In this context, it should be noted that the value of the units may rise or fall at any time compared to the issue price. It cannot be guaranteed that the investor will receive back his/her invested capital (total loss).**

The fund-specific risks of the individual sub-funds are set out in Annex A "Overview of Sub-Funds".

### 8.2 General Risks

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

All investments in the sub-fund are subject to risks. The risks may include or be associated with, inter alia, equity and bond market risks, exchange rate, interest rate, credit and volatility risks, and political risks. Each of these risks can also occur in conjunction with other risks. Some of these risks are discussed in this section. However, it should be noted that the risks mentioned are not an exhaustive list of all possible risks.

**Prospective investors should be aware of the risks associated with an investment in the units and should not make an investment decision until they have received comprehensive advice from their legal, tax and financial advisor, auditor or other expert regarding the suitability of an investment in units of a sub-fund of this UCITS, taking into account their personal financial and tax situation and other personal circumstances, the information contained in this Prospectus and the investment policy of the sub-fund.**

#### 8.2.1 Macroeconomic Risks

##### Monetary value risk

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



**Economic risk**

This refers to the risk of price losses arising from the fact that economic developments are not or not correctly taken into account when making investment decisions, resulting in securities being invested at the wrong time or held during an unfavourable economic phase.

**Country or transfer risk**

Country risk is defined as the risk that a foreign debtor, despite being able to pay, is unable or unwilling to make payments on time or at all due to a lack of transfer capacity or willingness on the part of its home country (e.g. due to currency restrictions, transfer risks, moratoria or embargoes). For example, payments to which the sub-fund is entitled may not be made or may be made in a currency that is no longer convertible due to currency restrictions.

**8.2.2 Market-Specific Risks****Market risk (price risk)**

This is a general risk inherent in all investments, which is the risk that the value of a particular investment may change in a way that is detrimental to the interests of the UCITS or the sub-fund.

**Interest rate risk**

To the extent that the sub-fund invests in interest-bearing securities, it is exposed to interest rate risk. If the market interest rate rises, the market value of the interest-bearing securities belonging to the assets can fall sharply. This applies to a greater extent if the assets also contain interest-bearing securities with longer residual terms and lower nominal interest rates.

**Psychological market risk**

Market sentiment, opinions and rumours can cause a significant fall in share prices, even if the earnings situation and future prospects of the companies in which investments are made have not changed significantly. This psychological market risk has a particular impact on equities.

**Issuer risk (credit risk)**

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

**Counterparty risk**

The risk is that the fulfilment of transactions concluded for the account of the assets is jeopardised by liquidity problems or bankruptcy of the corresponding counterparty.

**Company risk**

Investments in shares represent a direct participation in the economic success or failure of a company. In extreme cases - in the event of bankruptcy - this can mean that the corresponding investments lose their entire value.

**Currency risk**

If the sub-fund holds assets denominated in one or more foreign currencies, it is exposed to direct currency risk (to the extent that foreign currency positions are not hedged). Falling exchange rates lead to a reduction in the value of foreign currency investments. Conversely, the currency market also offers opportunities for profits. In addition to the direct currency risks, there are also indirect currency risks. Internationally active companies are more or less dependent on exchange rate developments, which can also indirectly affect the performance of investments.

**Hedging of currency risks for share classes**

Where share classes exist which are not denominated in the sub-fund's accounting currency, partial or complete hedging against currency risks may be carried out. It is at the discretion of the Management Company to determine whether and to what extent any hedging is carried out. There is no guarantee that any hedging will fully cover all currency risks or that such hedging will be advantageous at all.

**8.2.3 Investment and Settlement-Specific Risks****Possible investment spectrum**

In compliance with the investment principles and investment limits laid down by the UCITSG and the Unit Trust Agreement, which provide a very broad scope for the UCITS or the sub-funds, the actual investment policy may also be geared towards acquiring assets with a focus on, for example, only a few sectors, markets or

regions/countries. This concentration on a few specific investment sectors can be associated with special opportunities, but on the flip side there are also certain risks (e.g. narrow markets, a high fluctuation margin within certain economic cycles). The annual report provides retrospective information on the content of the investment policy for the past financial year.

**Concentration risk**

Further risks may arise from the concentration of investments in certain assets or markets. The UCITS is then particularly dependent on the performance of these assets or markets.

**Liquidity risk**

The UCITS may also acquire assets which are not admitted to a stock exchange or included in another organised market. The acquisition of such assets carries the risk that problems may arise in particular when the assets are resold to third parties.

In the case of securities of smaller companies (second-line stocks), there is a risk that the market may not be liquid at times. This may mean that securities cannot be traded at the desired time, in the desired quantity and/or at the desired price.

**Risks associated with the use of derivative financial instruments (derivatives)**

The UCITS may use derivative financial instruments. These can be used not only for hedging purposes, but also as part of the investment strategy. The use of derivatives for hedging purposes can change the general risk profile by reducing the opportunities and risks accordingly. The use of derivatives for investment purposes can have an impact on the general risk profile through additional opportunities and risks.

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

However, due to the special features of derivatives, the aforementioned risks may be of a different kind and may in some cases be higher than the risks associated with investing in the underlying instruments. Therefore, the use of derivatives requires not only an understanding of the underlying instrument, but also in-depth knowledge of the derivatives themselves. Derivatives also entail the risk that the UCITS may incur a loss because another party to the derivative financial instrument (usually a "counterparty") fails to meet its obligations.

The credit risk for derivatives traded on an exchange is generally lower than the risk for derivatives traded over-the-counter because the clearing house, which acts as the issuer or counterparty of each derivative traded on the exchange, provides a settlement guarantee. To reduce the overall risk of default, this guarantee is supported by a daily payment system maintained by the clearing house, in which the assets required for cover are calculated. For OTC derivatives, there is no comparable guarantee from the clearing house and the UCITS must take into account the creditworthiness of each counterparty to an OTC derivative when assessing the potential credit risk.

There are also liquidity risks, as certain instruments can be difficult to buy or sell. If derivative transactions are particularly large, or if the corresponding market is illiquid (as may be the case with OTC derivatives), it may not always be possible to execute transactions in full or to liquidate a position except at increased cost.

Other risks associated with the use of derivatives are the incorrect pricing or valuation of such instruments. Furthermore, derivatives may not be fully correlated with the assets, interest rates and indices on which they are based. Many derivatives are complex and often subjectively valued. Inappropriate valuations may result in increased cash payment demands from counterparties or a loss of value for the UCITS. Derivatives are not always in direct or parallel proportion to the value of the assets, interest rates or indices from which they are derived. Therefore, the use of derivatives by the UCITS is not always an effective means of achieving the UCITS' investment objective, but may sometimes even have the opposite effect.

**Collateral management**

If the UCITS or the sub-fund carries out over-the-counter (OTC) transactions, it may be exposed to risks relating to the creditworthiness of OTC counterparties: When entering into futures, options and swap transactions or using

other derivative techniques, the UCITS or the sub-fund is exposed to the risk that an OTC counterparty may not (or may not be able to) meet its obligations under one or more contracts. Counterparty risk can be reduced by depositing collateral. If a guarantee is owed to the UCITS or to the sub-fund in accordance with applicable agreements, it shall be held in custody by or on behalf of the Depositary for the benefit of the sub-fund concerned. Bankruptcy, insolvency or other credit default events at the Depositary or within its sub-custodian/correspondent banking network may result in the rights of the UCITS in relation to the collateral being deferred or otherwise restricted. If the UCITS or the sub-fund owes a security to the OTC counterparty in accordance with applicable agreements, such security is to be transferred to the OTC counterparty as agreed between the UCITS and the OTC counterparty. Bankruptcy, insolvency or other credit default events at the OTC counterparty, the Depositary or within its sub-custodian/correspondent banking network may result in the UCITS' rights or recognition in relation to the collateral being delayed, limited or even precluded, which would oblige the UCITS to fulfil its obligations under the OTC transaction, regardless of any collateral provided in advance to cover such obligation.

**Settlement risk**

In particular in the case of investments in unlisted securities, there is a risk that settlement by a transfer system will not be carried out as expected due to delayed payment or delivery, or delivery not in accordance with the agreement.

**Settlement risk**

This is the sub-fund's risk that a transaction will not be fulfilled as expected if a counterparty does not pay or deliver, or that losses due to operational errors may occur in the course of the settlement of a transaction.

**8.2.4 Organisational Risks****Legal and tax risk**

The purchase, holding or sale of investments of the sub-fund may be subject to tax regulations (e.g. withholding tax) outside the country of domicile of the UCITS or the sub-fund. Furthermore, the legal and tax treatment of UCITS may change in an unforeseeable and uncontrollable manner. In the event of a correction that is detrimental to the investor for tax purposes, a change in an incorrectly determined tax basis for the UCITS or the sub-fund for previous financial years (e.g. due to external tax audits) may result in the investor having to bear the tax burden arising from the correction for previous financial years, even though he/she may not have been invested in the sub-fund at that time. Conversely, the investor may find that he/she no longer benefits from a tax advantageous correction for the current and previous financial years in which he held an interest in the UCITS or the sub-fund as a result of redeeming or selling the units before the implementation of the corresponding correction. In addition, a correction of tax data may result in taxable income or tax benefits actually being assessed for tax in a different assessment period than the one that actually applies and this may have a negative impact on the individual investor.

**Change in investment policy**

A change in the investment policy within the legally and contractually permitted investment range may result in a material change in the risk associated with the sub-fund. The Management Company may make substantial changes to the sub-fund's investment policy at any time within the scope of the applicable Unit Trust Agreement by amending the Prospectus and the Unit Trust Agreement and its Annexes.

**Amendment of the Unit Trust Agreement**

Within the Unit Trust Agreement, the Management Company reserves the right to amend the terms and conditions of said Agreement. Furthermore, in accordance with the Unit Trust Agreement, it may dissolve the UCITS entirely or merge it with another sub-fund. For the investor, there is therefore a risk that he/she will not be able to realise the planned holding period.

**Risk of suspension of redemption**

In principle, investors may request the Management Company to redeem their units in accordance with the valuation interval of the sub-fund. The Management Company may, however, temporarily suspend the redemption of units in exceptional circumstances and only redeem them at a later date at the price applicable at that time (see in detail

section 9.7 "Suspension of the Calculation of the Net Asset Value and of the Issue, Redemption and Conversion of Units" of the Unit Trust Agreement. This price may be lower than the price prior to the suspension of redemption.

### **Key person risk**

Funds whose investment performance is very positive over a certain period of time also owe this success to the expertise of those involved and thus to the correct decisions under their management. However, the composition of the fund management team may change and new decision-makers may be less successful.

### **Risk of litigation**

The Management Company is obliged to safeguard the interests of the UCITS and/or the sub-funds. If the situation so requires, e.g. in the event of fraud, bankruptcy or insolvency of investment instruments, the Management Company shall - after careful consideration of the facts - endeavour to represent and, if possible, enforce the interests of the UCITS or the sub-funds and their investors. Seeking legal assistance and advice, or taking legal action, may lead to additional costs without securing a positive judgment or ensuring that it can be enforced. The costs incurred in this connection shall be borne by the sub-fund and may further increase the loss for the sub-fund and thus for the investors.

### **Cost risk**

The sub-fund may incur additional risks from the charging of costs, especially if its assets have yet to exceed a critical level. In addition to the running costs pursuant to section 12.2, transaction costs pursuant to section 12.2 (B) in particular may be of major significance in line with the sub-fund's trading activities and may be a burden on its assets.

### **Performance fee**

A sub-fund may be charged a performance fee in accordance with section 12.2 (A). In addition to the actual cost burden itself, such a fee may provide an incentive for increased transaction activity and, above all, overestimate the risk capacity of the sub-fund or its investors.

### **Risk of conflicts of interest**

Due to the wide-ranging activities of the Management Company, the Depositary, their agents and their related companies, conflicts of interest may arise. The Management Company and the Depositary shall take precautions to avoid the risk of conflicts of interest. However, it is possible that in individual cases the impairment of client interests cannot be completely avoided.

## **8.2.5 Sustainability risk factors (ESG)**

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

Their evaluation does not show any relevant impact on the return, because due to the broad diversification and the performance achieved in the past, a relevant impact on the overall portfolio is not to be assumed, although of course the performance in the past has no predictive value for the future.

## **9 Investing in the UCITS**

### **9.1 Sales Restrictions**

The sub-fund's units are not approved for distribution in every country. When units are issued, converted and redeemed abroad, the provisions in force there shall apply. In general, units of a sub-fund may not be offered in jurisdictions or to persons in or vis-à-vis which this is not permitted. The relevant sub-fund is aimed at the investors listed in Annex B "Specific Information for Individual Distribution Countries".

**The Management Company may redeem units against the will of the investor against payment of the redemption price immediately upon receipt of the redemption notice by the investor if this appears**

**necessary in the interest or for the protection of the investors, in particular if the investor has not fulfilled the conditions for the acquisition of the units or if the units have been acquired by a natural or legal person or an undertaking or indirectly by beneficial owners for whom the acquisition of the units was not permitted or if the units were distributed in a country in which the sub-fund is not authorised for distribution.**

#### **United States of America (USA)**

The units of the UCITS have not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act 1933), under the United States Investment Company Act of 1940, as amended, or under any other US federal law or the securities laws of any state or local authority of the United States of America or its territories, possessions or other areas under its jurisdiction, including the Commonwealth of Puerto Rico (collectively referred to as the "**United States**", "**USA**" or "**US**").

The units of the UCITS have not been approved by the US Securities and Exchange Commission (**SEC**) or any other regulatory authority in the United States, nor has such approval been denied; furthermore, neither the SEC nor any other regulatory authority in the United States has ruled on the accuracy or adequacy of this Prospectus, the constituent documents or the KIID.

Accordingly, the units of the UCITS may not be offered, sold or otherwise transferred in the United States or to or for the account or benefit of US persons (as defined in the Securities Act 1933), except in connection with a transaction that does not violate US law. Subsequent transfers of units of the UCITS in the United States or to US persons are not permitted, except in connection with a transaction that does not violate US law. The units are offered and sold on the basis of an exemption from the registration requirements under Regulation S of the Securities Act 1933.

This Prospectus and the constituent documents may not be circulated in the United States, except in connection with a transaction that does not violate US law. The distribution of this Prospectus and constituent documents and the offering of the units may also be subject to restrictions in other jurisdictions.

US persons are in particular:

- US citizens, including dual citizens;
- persons with residence or registered office in the USA;
- persons born in the USA or one of its territories or territories;
- naturalised citizens and persons who are resident in the USA (Green Card holders) and/or whose main residence is in the USA; companies, trusts, assets, etc. domiciled in the USA;
- companies that qualify as transparent for US tax purposes and have investors referred to in this section, as well as companies whose income is attributed to an investor referred to in this section as part of a consolidated view for US tax purposes;
- investment companies or partnerships established under the Act of Congress;
- financial institutions that do not comply with the provisions of the Foreign Account Tax Compliance Act (in particular, sections 1471 - 1474 of the US Internal Revenue Code and a susceptible agreement with the United States of America on cooperation to facilitate the implementation of FATCA, where applicable) and do not register with the US Internal Revenue Service as a FATCA participant to the extent required; or
- persons who qualify as US persons under Regulation S of the US Securities Act 1933 and/or the US Commodity Exchange Act, as amended.

## Singapore

The offer or quotation of units of this fund, which is the subject of this Prospectus, does not refer to a collective investment scheme permitted under Art. 286 of the Securities and Futures Act (SFA) section 289 Singapore or recognised under section 287 SFA. The fund is not authorised or recognised by the Monetary Authority of Singapore (MAS) and the units may not be offered. This Prospectus and any other documents or materials issued in connection with this offer or sale do not constitute prospectuses as defined by the SFA. Accordingly, the statutory liability provisions under the SFA do not apply with regard to the content of the Prospectus. You should carefully verify whether the investment is permissible for you.

This Prospectus has not been registered as a prospectus with MAS. Accordingly, the Prospectus and all other documents or materials relating to the offer or sale or recommendation to subscribe for or purchase units may not be distributed or sold.

Units may not be offered or sold or be the subject of a direct or indirect recommendation to subscribe or purchase for persons in Singapore, except for:

- (i) institutional investors pursuant to section 304 SFA;
- (ii) affected persons under section 305 (1) or all persons under section 305 (2) and in accordance with the conditions of section 305 SFA; or
- (iii) otherwise pursuant to and in accordance with the terms of all other applicable provisions of the SFA.

In the event that units are subscribed or purchased pursuant to section 305 SFA by a person concerned who:

- a) is a company (which is not an accredited investor (as defined in section 4A SFA)) whose sole business is to hold investments and to hold all of the share capital owned by one or more persons, each of whom is an accredited investor; or
- b) is a trust company (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is a person who is in turn an accredited investor, no securities (as defined in section 239(1) SFA) of this company or the rights and interests of the beneficiaries (in whatever form or designation) in connection with this trust may be transferred within six months after this company or trust has transferred the units as a result of an offer made in consideration of section 305 SFA, except:
  - i. to an institutional investor or to a person concerned as defined in section 305(5) SFA, or to a person resulting from an offer referred to in section 275(1A) or section 305A(3)(i)(B) SFA
  - ii. where a carryover is or must be disregarded;
  - iii. where a transfer is made by law;
  - iv. as specified in section 305A(5) SFA; or
  - v. as defined in Rule 36 of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005, Singapore.

## Hong Kong

No approval has been granted by the Securities and Futures Commission in Hong Kong, nor has it been registered with the Hong Kong Register of Companies. Accordingly, fund units may not be offered or sold in Hong Kong, regardless of the form of the documents used for this purpose, unless they are offered or sold to recipients who are deemed to be professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) and any regulations falling under it, or the sales document used is not deemed to be a prospectus within the meaning of the Companies Ordinance (Cap. 32 of the laws of Hong Kong) or a public offering pursuant to the Companies Ordinance.

It is prohibited to publish invitations, advertisements or any documents in connection with the units of the fund inside or outside Hong Kong or to possess any documents with a publication intent if they are addressed to the public in



Hong Kong or if access to the contents by the public in Hong Kong (except as permitted under the Hong Kong securities laws) would be likely, except in connection with units of the fund that are exclusively intended for persons outside Hong Kong or for professional investors.

## 9.2 General Information on the Units

The units are only kept in book-entry form, i.e. no certificates are issued.

The Management Company is authorised to create share classes within the sub-funds, which may be denominated in a currency other than the reference currency of the UCITS. These share classes may differ in their fee and/or distribution structure (distributed/retained). The various classes of shares shall be given an affix as soon as more than one class of shares per sub-fund is launched. The Management Company may liquidate or merge share classes within the same sub-fund.

The share classes of a sub-fund may be issued in different currencies, and the currency risk may be hedged. The share classes with different currencies are subject to a different development of their net asset value. For sub-funds with share classes denominated in different currencies, currency hedging transactions for one share class may have a negative impact on the net asset value of the other share class.

The share classes launched in connection with each sub-fund and the applicable fees and remunerations in connection with the unit of the sub-fund are set out in Annex A "Overview of Sub-Funds".

In addition, certain other fees, remunerations and expenses are paid out of the assets of the sub-fund. See sections 11 and 12 "Tax Provisions" and "Costs and Fees" of this Prospectus.

The Management Company reserves the right in certain cases to accept subscriptions from investors who do not meet the requirements for a share class.

## 9.3 Calculation of the Net Asset Value per Unit

The **net asset value (NAV)** per unit of the sub-fund/share class is determined by the Management Company on a regular basis as at the valuation date (NAV date) in accordance with the valuation interval. The valuation is based on the principles set out below.

Information on the valuation date and the valuation interval is set out in Annex A "Overview of Sub-Funds".

The NAV of a unit in a share class of a sub-fund is expressed in the accounting currency of the sub-fund or, if different, in the reference currency of the corresponding share class. The NAV is calculated as the proportion of the assets of this sub-fund attributable to the relevant share class, less any debt obligations of the same sub-fund allocated to the relevant share class, divided by the number of outstanding units of the relevant share class. It is rounded as follows on the issue and redemption of units:

- To CHF 0.01 if the currency is the Swiss franc;
- to EUR 0.01 if the currency is the euro;
- to GBP 0.01 in the case of the pound sterling;
- to CAD 0.01 if the currency is the Canadian dollar;
- to USD 0.01 if the currency is the US dollar; and
- to JPY 1.00 in the case of the Japanese yen.

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

1. Securities that are officially listed on a stock exchange are valued at the last available price. If a security is officially listed on several stock exchanges, the last available price on the stock exchange that is the main market for this security shall be decisive.
2. Securities which are not officially listed on a stock exchange but which are traded on a market open to the public are valued at the last available price.
3. Securities or money market instruments could be valued according to the depreciation method under the conditions described in the Unit Trust Agreement.

4. Investments whose price is not in line with the market and those assets that do not fall under clauses 1, 2 or 3 above are valued at the price that would probably be obtained if they were sold with due care at the time of valuation and which is determined in good faith by the Executive Board of the Management Company or by its duly directed or supervised agents.
5. OTC derivatives are valued on a daily basis at a valuation to be determined and verified by the Management Company, as determined by the Management Company in good faith and in accordance with generally accepted valuation models verifiable by auditors, based on the probable sale value.
6. UCITS or other collective investment undertakings are valued at the last established and available redemption price. If the redemption of units is suspended or no redemption prices are fixed, these units shall be valued, like all other assets, at their current market value as determined in good faith by the Management Company using generally accepted valuation models that are verifiable by auditors.
7. If no tradable price is available for the respective assets, these assets, as well as the other legally permissible assets, are valued at the relevant market value as determined by the Management Company in good faith and according to generally accepted valuation models verifiable by auditors based on the probable sale value.
8. Cash and cash equivalents are valued at their nominal value plus accrued interest.
9. The market value of securities and other investments denominated in a currency other than the relevant sub-fund currency is converted into the relevant sub-fund currency at the last average exchange rate.

The valuation is carried out by the Management Company or by a duly authorised representative.

The Management Company or a duly authorised representative may temporarily apply other adequate valuation principles for the sub-fund if the above-mentioned valuation criteria appear unfeasible or inappropriate due to extraordinary events. In the event of massive redemption applications, the Management Company or a duly authorised representative may value the units of the relevant sub-fund on the basis of the prices at which the necessary sales of securities are likely to be made. In this case, the same calculation method shall be applied to subscription and redemption applications submitted simultaneously.

The other principles are described in detail, comprehensively and transparently in the Unit Trust Agreement, ensuring effective verification by the Depositary, the Management Company and the Auditor.

#### **9.4 Issue of Units**

Units of the sub-fund are issued on each valuation day at the net asset value per unit of the relevant share class of the sub-fund, plus any applicable front-end load and plus any taxes and duties.

The units are not securitised as physical securities.

Subscription applications must be received by the Depositary before the cut-off. If a subscription application is received after this time, it shall be scheduled for the following valuation day. Information on the issue date, the valuation interval, the cut-off date and the amount of any maximum front-end load is set out in Annex A "Overview of Sub-Funds".

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

All taxes and duties arising from the issue of units are also charged to the investor. If units are acquired through banks that are not entrusted with the distribution of the units, it is possible that such banks may charge additional transaction costs.



If the payment is made in a currency other than the reference currency, the equivalent amount resulting from the conversion of the payment currency into the reference currency, less any fees, shall be applied for the purchase of units.

The minimum investment to be held by an investor in a given share class is set out in Annex A "Overview of Sub-Funds". The minimum investment may be waived at the discretion of the Management Company.

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

Upon application by an investor and with the consent of the Management Company, units may also be subscribed against transfer of investments at the relevant daily price (contribution in kind or payment in specie). The Management Company is not obliged to action such applications.

Contributions in kind must be checked and evaluated by the Management Company on the basis of objective criteria. The transferred investments must be in accordance with the investment policy of the sub-fund and the Management Company must consider that there is a current investment interest in the securities. The recoverability of the contribution in kind must be checked by the Auditor. All costs incurred in this connection (including auditor's fees, other expenses and any taxes and duties) are borne by the relevant investor and may not be charged to the sub-fund.

The Depository, the Management Company and/or the authorised distributors may, at their own discretion and without further explanation, at any time decline a subscription application or temporarily restrict, suspend or definitively cease issuing units if this appears necessary in the interest of investors, in the public interest, for the protection of the Management Company or of the sub-fund or the investors. In this case, the Depository shall reimburse without delay, without interest, any payments received in respect of subscription requests which have not already been executed, where appropriate through the intermediary of the paying agents.

The issue of units shall be temporarily suspended in particular if the calculation of the net asset value per unit is discontinued. If the issue of units is suspended, investors shall be informed immediately by notice in the official publication medium and in the media specified in the Prospectus and the Unit Trust Agreement or on durable data medium (letter, e-mail or similar) of the reason for and timing of the suspension.

The issue of fund units may be suspended in the circumstances described in section 9.7.

## 9.5 Redemption of Units

Units of a sub-fund shall be redeemed on each valuation day at the net asset value per share of the relevant share class of the sub-fund determined on the valuation day, less any redemption charges, taxes and duties.

Redemption applications must be received by the Depository before the cut-off. Redemption applications received after this time will be scheduled for the following valuation day.

Information on the valuation date, the valuation interval, the cut-off time and the amount of the maximum redemption fee, if any, can be found in Annex A "Overview of Sub-Funds".

Redemption occurs within the specified period (value date) after the relevant valuation date. The Management Company may extend this period if the regular value date proves to be too short. For information on the value date, please refer to Annex A "Overview of Sub-Funds". The fixed time limit (value date) shall not apply in the event that the transfer of the redemption amount proves impossible in accordance with legal provisions (such as foreign exchange and transfer restrictions) or due to other circumstances beyond the control of the Depository.

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

The corresponding unit shall expire upon payment of the redemption price.

The Management Company and/or the Depositary may unilaterally redeem units against payment of the redemption price where this appears necessary in the interest or for the protection of investors, the Management Company or the sub-fund, in particular if:

1. there is a suspicion that market timing, late trading or other market techniques are being used by the investor in question in connection with the acquisition of the units, which could prove detrimental to the investors as a whole;
2. the investor does not fulfil the conditions for the acquisition of the units; or
3. the units are distributed in a country in which the sub-fund is not authorised for distribution or have been acquired by a person who is not eligible to do so.

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

Units may also be redeemed at the request of an investor, with the consent of the Management Company, against transfer of investments at the relevant net asset value of the sub-fund (non-cash expenses or redemption in kind). The Management Company is not obliged to act on such a request and is entitled to charge additional fees in an appropriate amount for the additional work involved.

Expenditure in kind must be evaluated by the Management Company on the basis of objective criteria. In the case of material expenses, the investment policy of the sub-fund must continue to be observed and the investment regulations must be complied with. In addition, in the opinion of the Management Company, existing investors in the sub-fund must have an interest in the material presentation of the securities. The recoverability of material expenses must be verified by an auditor. All costs incurred in this connection (including auditor's fees, other expenses and any taxes and duties) shall be borne by the relevant investor and may not be charged to the sub-fund.

If the execution of a redemption application results in the relevant investor's holdings falling below the minimum investment for the relevant share class set out in Annex A "Overview of Sub-Funds", the Management Company may, without further notice to the investor, treat this as an application for redemption of all the units held by the relevant investor in this share class of units or as an application for conversion of the remaining units into another share class of units of the sub-fund with the same reference currency for which the investor meets the eligibility criteria.

The redemption of fund units may be suspended in the circumstances described in section 9.7.

## 9.6 Conversion of Units

In the case of UCITS with different sub-funds (segments) or share classes, there may be a switch within a particular sub-fund (segment) or share class. This "conversion" is generally carried out at the normal issue and redemption terms and conditions set out in Annex A "Overview of Sub-Funds". The provisions of sections 9.4 and 9.5 shall apply. The granting of special conditions on any issue or redemption commission is the responsibility of the Management Company and shall be decided on a case-by-case basis.

In some cases, taxes, duties and stamp duties may be incurred in particular countries when changing share classes.

The Management Company may decline a conversion application for a share class at any time if this appears to be in the interests of the UCITS or the sub-fund, the Management Company or the investors, in particular if:

1. there is a suspicion that market timing, late trading or other market techniques are being used by the investor in question in connection with the acquisition of the units, which could be detrimental to the investors as a whole;
2. the investor does not fulfil the conditions for the acquisition of the units; or
3. the units are distributed in a country in which the sub-fund or the respective share class is not authorised for distribution or have been acquired by a person who is not eligible to do so.

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

The conversion of fund units may be suspended in the circumstances set out in section 9.7 below.

### **9.7 Suspension of the Calculation of the Net Asset Value and of the Issue, Redemption and Conversion of Units**

The Management Company may temporarily suspend the calculation of the net asset value and/or the issue, redemption and conversion of units of a sub-fund where justified in the interests of investors, in particular:

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

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

The issue of units shall be temporarily suspended in particular if the calculation of the net asset value per unit is discontinued. If the issue of units is suspended, investors shall be informed immediately of the reason for and timing of the suspension by means of a notice in the official publication medium and in the media specified in the Prospectus and Unit Trust Agreement or on a durable data medium (letter, e-mail or similar) and, if applicable, on the website [www.onefunds.li](http://www.onefunds.li).

In addition, the Management Company is entitled, while safeguarding the interests of investors, to make substantial redemptions only, i.e. to suspend redemption temporarily, after corresponding assets of the sub-fund can be sold without delay while safeguarding the interests of the investors. The Management Company may insist on the settlement of redemption applications for which corresponding transactions have already been carried out in the sub-fund.

As long as the redemption of units is suspended, no new units of the sub-fund shall be issued. Units whose redemption is temporarily restricted may not be exchanged.

The Management Company shall ensure that sufficient liquid assets are available to the assets of the sub-fund so that, under normal circumstances, redemption or conversion of units can be carried out immediately at the request of investors.

The Management Company shall suspend redemption applications if their execution would result in the sub-fund's assets falling below the minimum legal requirement. If, for a period not exceeding three months, the redemption applications submitted cannot be compensated for by applications to issue units of the sub-fund and if the redemption applications submitted are not fully or partially withdrawn, the sub-fund shall be liquidated.

The Management Company shall immediately notify the FMA Liechtenstein and the investors in an appropriate manner of the suspension of unit redemption and payment. Subscription, redemption or conversion requests shall be settled after resumption of the calculation of the net asset value. The investor may revoke his/her subscription, redemption or conversion application until the resumption of unit trading.

The investor has a right of revocation with regard to his/her deferred application until the resumption of unit trading, which may, however, be restricted by the Management Company. The Management Company may insist on the validity or settlement of subscription and redemption requests for which transactions have already been initiated.

### **9.8 Subscription Offices**

Units of a sub-fund may be purchased through any bank domiciled in Liechtenstein or abroad that is subject to the EU Money Laundering Directive, as amended, or equivalent regulations and appropriate supervision.

## 9.9 Subscription Form

No subscription form is required for the UCITS.

## 9.10 Information on Unit Transactions and Valuation

The provisions relating to the calculation of the net asset value per unit, the issue, redemption and conversion of units of the sub-fund and the suspension of the calculation of the net asset value and the issue, redemption and conversion of units are set out in the Unit Trust Agreement under section 1 "General Provisions" (Art.6-9 and Art.12).

## 10 Appropriation of Income

The performance of a sub-fund is composed of net income and realised capital gains. The Management Company may distribute the income generated in a sub-fund or share class to the investors of the sub-fund or these share classes or reinvest (accumulate) this income in the sub-fund or the relevant share class.

### Reinvesting/Accumulating

The income generated by the sub-fund or share class that has an "accumulating" type of income allocation in accordance with Appendix A "Overview of Sub-Funds" is reinvested on an ongoing basis

### Distributing

The income generated by the sub-fund or share class that has a "distributing" type of income allocation in accordance with Appendix A "Overview of Sub-Funds" is distributed annually. If distributions are made, they are made within four months of the end of the financial year.

Up to 10% of the sub-fund's net income may be carried forward to the new account.

Realised capital gains from the sale of property and rights are retained by the Management Company for reinvestment. Distributions are paid out on the units issued on the distribution date. No interest is paid on declared distributions from the date on which they become due.

## 11 Tax Provisions

### Fund assets

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

### Issue and turnover taxes<sup>1</sup>

The creation (issuance) of units in such a sub-fund is not subject to issue and transaction tax. The transfer of ownership of investor units against payment is then subject to transaction tax if one of the parties or an intermediary is a domestic securities trader. The redemption of investor units is exempt from transaction tax. The contractual investment fund or collective trusteeship is treated as an investor exempt from transaction tax.

### Withholding or paying agent taxes

Both income and capital gains, whether distributed or reinvested, may be subject in part or in full to a so-called paying agent tax (e.g. withholding tax according to FATCA), depending on the person who directly or indirectly holds the units of the sub-fund.

The sub-fund in the legal form of a contractual investment fund or collective trusteeship is otherwise not subject to any withholding tax liability in the Principality of Liechtenstein, in particular no coupon or withholding tax liability. Foreign income and capital gains earned by the sub-fund in the legal form of a contractual investment fund or collective trusteeship may be subject to the relevant withholding tax deductions of the investor country. Any double taxation agreements remain reserved.

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<sup>1</sup> In accordance with the customs affiliation agreement between Switzerland and Liechtenstein, Swiss stamp tax law shall also apply in Liechtenstein. For the purposes of Swiss stamp tax legislation, the Principality of Liechtenstein is therefore regarded as a domestic territory.

### Automatic exchange of information (AEOI)

With regard to the UCITS or the sub-funds, a Liechtenstein paying agent may be obliged to report the unitholders to the local tax authorities or to carry out the corresponding statutory reporting in compliance with AEOI agreements.

### FATCA

The UCITS is subject to the provisions of the Liechtenstein FATCA Agreement and the corresponding implementing provisions in the Liechtenstein FATCA Act.

#### 11.1 Natural Persons with Tax Domicile in Liechtenstein

Private investors domiciled in the Principality of Liechtenstein must declare their units as assets and these are subject to wealth tax. Any income distributions or retained earnings of the sub-fund in the legal form of a contractual investment fund or collective trusteeship are not subject to income tax.

The capital gains realised on the sale of the units are not subject to income tax.

Capital losses cannot be deducted from taxable income.

#### 11.2 Persons with Tax Domicile Outside Liechtenstein

For investors whose country of domicile is outside the Principality of Liechtenstein, taxation and any other tax implications of holding, buying or selling investor units are governed by the tax laws of the relevant country of domicile and, in particular with regard to withholding tax, by the country of domicile of the paying agent.

### Disclaimer

**The tax information is based on the prevailing legal situation and practices in Liechtenstein. The right to make changes to the legislation, jurisdiction or decrees and practice of the tax authorities in Liechtenstein and under foreign tax law is expressly reserved.**

**Investors are advised to consult their own professional advisors regarding the relevant tax implications. Neither the UCITS, the Management Company, the Depository nor their agents can assume responsibility for the individual tax implications for the investor resulting from the purchase, sale or holding of investor units.**

## 12 Costs and Fees

Investors and/or the sub-fund shall bear various costs and fees incurred in connection with the purchase and holding of units and the management of the sub-fund.

### 12.1 Costs and Fees Charged to Investors

#### 12.1.1 Subscription Fee

In order to cover the costs incurred in the placement of units, the Management Company may charge a front-end load on the net asset value of the newly issued units for the benefit of the Management Company, the Depository and/or distribution agents in Liechtenstein or abroad in accordance with Annex A "Overview of Sub-Funds".

#### 12.1.2 Redemption Fee

For the payment of redeemed units, the Management Company shall charge a redemption fee on the net asset value of the redeemed units in accordance with Annex A "Overview of Sub-Funds".

#### 12.1.3 Conversion Fee

For the change from one share class of units to another share class of units at the request of the investor, where different share classes of units exist, the Management Company shall charge a fee on the net asset value of the original share class of units in accordance with Annex A "Overview of Sub-Funds".

## 12.2 Costs and Fees Charged to the Sub-Funds

### A. Fees dependent on assets

#### Management and depositary commission (operations fee)

The Management Company is entitled to an annual fee for the management and administration of the sub-funds in accordance with Annex A “Overview of Sub-Funds”. This is calculated on the basis of the average net assets of the sub-fund, accrued on each valuation date and charged pro rata at the end of each quarter. The applicable amount of the sub-fund/share unit class operation fee is stated in the annual report.

The Management Company shall pay the costs of the services provided by the Depositary as well as those of any third-party custodian.

#### Portfolio management fee

The Management Company is entitled to an annual fee for portfolio management and distribution, including third-party distribution, in accordance with Annex A “Overview of Sub-Funds”. This is calculated on the basis of the average net asset value of the respective sub-fund before such fees, accrued on each valuation date and charged pro rata at the end of each quarter. The applicable portfolio management fee for the sub-fund/share class is stated in the annual report.

### B. Fees independent of assets

#### Ordinary expenses

The Management Company and the Depositary shall also be entitled to reimbursement of the following expenses incurred in the performance of their activities:

- costs for the preparation, printing and mailing of the Prospectus and Unit Trust Agreement including fund-specific annexes, the KIID, the annual and semi-annual reports and other legally required publications, and related expenses of the Management Company and the Depositary;
- costs of legal advice and legal representation incurred by the Management Company or the Depositary when acting in the interest of investors;
- costs for the publication of sub-fund notices, including price publications, addressed to investors in the official publication medium (i.e. LAFV) and any additional newspapers or electronic media designated by the Management Company, and the related expenses of the Management Company and the Depositary;
- fees and costs for permits and supervision of a sub-fund in Liechtenstein and abroad;
- all taxes levied on the assets of a sub-fund and its income and expenses charged to that sub-fund; internal and external costs for the recovery of foreign withholding taxes, to the extent that such costs can be reclaimed for the account of the sub-fund. It should be noted that the Management Company is not obliged to recover these and that such recovery shall only be undertaken if justified on the basis of the criteria of materiality of the amounts and proportionality of the costs in relation to the possible amount to be recovered. Fees incurred in connection with a possible listing of the sub-fund and with distribution in Liechtenstein and abroad (e.g. consultancy, legal and translation costs), and related expenses of the Management Company and the Depositary;
- fees, costs and charges in connection with the determination and publication of tax factors for the EU/EEA countries and/or all countries where distribution approvals exist and/or private placements have been made, in accordance with the actual expenses at market rates;
- fees and costs arising from other legal or regulatory requirements to be met by the Management Company in the context of implementing the investment strategy (such as reporting and other costs incurred in the context of compliance with the European Market Infrastructure Regulation (EMIR, EU Regulation 648/2012));
- fees for paying agents, representatives and other representatives with comparable functions in Liechtenstein and abroad;



- an appropriate share of the costs of printed matter and advertising directly related to the offering and sale of units and related expenses incurred by the Management Company and the Depositary;
- professional fees of tax advisors, insofar as these expenses are incurred in the interest of the investors;
- remuneration to the Auditor;
- remuneration to the FMA Liechtenstein;
- transaction-related remuneration in favour of the Management Company in connection with administration or risk management;
- formation expenses;
- structural measures;
- extraordinary dispositions.

The actual costs incurred by the sub-fund/share class are stated in the annual report.

### **Transaction costs**

In addition, the sub-fund shall bear all ancillary costs arising from the management of the assets for the purchase and sale of the investments (customary brokerage fees, commissions and duties). The sub-fund shall also bear any external costs, i.e. third-party fees incurred in connection with the purchase and sale of the investments. These costs are offset directly against the cost or sales value of the assets concerned. Any currency hedging costs are also charged to the respective share classes.

Considerations which are included in a fixed flat fee may not be charged additionally as individual expenses. Any compensation for duly commissioned third parties is in any case included in the fees pursuant to Art.34 to Art.39 of the Unit Trust Agreement.

Transaction costs and currency hedging costs do not constitute expenses related to the management of the sub-fund's assets and are therefore not included in the sub-fund's total cost allocation.

If applicable, the Management Company shall be entitled to a transaction-related fee for expenses in relation to fund administration (e.g. handling fee) or risk management (e.g. risk management fee). Transaction-related remuneration for the investment decision or distribution is not permitted. Any transaction fee is shown as a fee independent of the assets of the UCITS and is included in the calculation of the total cost of the sub-fund pursuant to section 12.2.

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

Any currency hedging costs of share classes are allocated to the corresponding share class.

Fees actually charged to the sub-fund/share class are stated in the annual report.

### **Liquidation costs**

In the event of the liquidation of the sub-fund, the appointed liquidator may levy a liquidation fee in its favour and debit this directly from the assets of the sub-fund.

In addition, the sub-fund must bear all costs incurred by the authorities, the Auditor and the Depositary.

The liquidation costs are a component of the costs and fees that are independent of the assets of the sub-fund in accordance with section 12.2.

### **Extraordinary disposition costs**

In addition, the Management Company may charge costs for extraordinary dispositions to the sub-fund.

Extraordinary disposition costs are composed of expenses that serve exclusively to safeguard the interests of the sub-fund or the investors that arise in the course of regular business activities and that were not foreseeable when the sub-fund was established. Extraordinary disposition costs are, in particular, costs of legal action in the interest of the UCITS or the investors. In addition, this includes all costs of any extraordinary dispositions that may become necessary in accordance with UCITSG and UCITSV (e.g. changes to the fund documents).

**Current fees (total expense ratio)**

The total of current fees and costs before any performance-related expenses (total expense ratio, TER) is calculated in accordance with the applicable code of conduct and includes all costs and fees, with the exception of transaction costs, which are charged to the sub-fund's assets on an ongoing basis. The TER is composed of:

- fees (excluding performance fees) dependent on the sub-fund's assets in accordance with 12.2 (A);
- fees that are independent of the sub-fund's assets in accordance with 12.2 (B);
- of indirect costs incurred when investing in other sub-funds.

whereas the following items are **not** included in the total cost (TER):

- fees dependent on the investment performance
- transaction costs pursuant to section 12.2 (B);
- extraordinary disposition costs pursuant to section 12.2 (B);
- liquidation costs pursuant to section 12.2 (B);
- all taxes levied on the assets of the sub-fund and its income and expenses charged to the sub-fund, e.g. withholding taxes on foreign income pursuant to section 11.

The TER of the UCITS and its sub-funds is stated on the website of the Management Company ([www.onefunds.li](http://www.onefunds.li)) and of the official publication medium ([www.lafv.li](http://www.lafv.li)) and in the respective semi-annual and annual reports, if already published.

The sub-fund specific investment policy of the UCITS set out in Annex A "Overview of Sub-Funds" provides information on the maximum amount of the total costs, and the annual report states the actual amount.

**Formation costs**

The UCITS or the sub-fund shall also bear all costs incurred in connection with the establishment of the UCITS or the sub-fund, such as the admission fee of the FMA Liechtenstein, the auditor's fee in connection with the audit of the Unit Trust Agreement, the Prospectus and the contracts, the costs of registration in the Commercial Register, the compensation to the Management Company for drawing up the Unit Trust Agreement, the Prospectus and contracts, any legal and tax consultancy costs, the drafting and printing of the Unit Trust Agreement and the Prospectus, as well as translation costs.

The costs of the formation and initial issue of units shall be charged to the sub-funds, capitalised and subsequently depreciated over a period of five years. The formation costs are a component of the costs and fees that are independent of the assets of the sub-funds.

**Inducements**

In connection with the acquisition and sale of property and rights for the sub-fund, the Management Company, the Depositary and any duly authorised representatives shall ensure that remuneration (e.g. retrocessions, portfolio fees, kick-backs) always benefits the sub-fund directly or indirectly. The Depositary shall be entitled to charge a reasonable fee for any services rendered in connection with the collection of such remuneration, but such fee shall not exceed 25% of the remuneration received.

**13 Information to Investors**

All notices to investors, including amendments to the Unit Trust Agreement and to Annex A "Overview of Sub-Funds", as well as the net asset value and the issue and redemption prices of the units of the sub-fund or of each share class of units for each valuation day, are published on the website of the UCITS' official publication medium ([www.lafv.li](http://www.lafv.li)) and in other media and data carriers mentioned in the constituent documents.

The duly audited annual report shall be made available free of charge to investors at the registered office of the Management Company and the Depositary.



## 14 Duration, Liquidation, Merger and Other Structural Measures

### 14.1 Duration

The duration of a particular sub-fund is determined in Annex A "Overview of Sub-Funds".

### 14.2 Liquidation

The UCITS or one of its sub-funds must be wound up in the circumstances prescribed by law. In addition, the Management Company is entitled to liquidate the UCITS or individual sub-funds at any time.

Investors, heirs or other beneficiaries may not request the splitting or liquidation of the UCITS or of individual sub-funds or share classes.

The decision to liquidate a sub-fund or share class shall be published on the website of the UCITS' official publication medium ([www.lafv.li](http://www.lafv.li)) as well as on other media and durable media (letter, e-mail or similar) mentioned in the Prospectus. From the date of the resolution on liquidation, no more units shall be issued, converted or redeemed.

In the event of liquidation of the UCITS or one of its sub-funds, the Management Company may immediately liquidate the assets of the UCITS or of a sub-fund in the best interests of investors. The Management Company is entitled to instruct the Depositary to distribute the net liquidation proceeds to the investors after deduction of the liquidation costs. The net assets may only be distributed after approval by the supervisory authority. In all other respects, the liquidation of the UCITS shall be carried out in accordance with the provisions of the Liechtenstein Persons and Companies Act (PGR).

If the Management Company liquidates a share class without winding up the UCITS or the sub-fund, all units of this share class shall be redeemed at their net asset value applicable at that time. This redemption shall be published by the Management Company and the redemption price paid by the Depositary for the benefit of the former investors.

The costs of liquidation shall be charged to the assets of the UCITS or the sub-fund in accordance with section 12.2 (B).

### 14.3 Merger and other Structural Measures

Pursuant to Art. 38 UCITSG, the UCITS or each sub-fund may decide at any time and at its own discretion, with the approval of the relevant supervisory authority, to merge with one or more other UCITS, regardless of the legal form of the other UCITS and whether or not the other UCITS is domiciled in Liechtenstein. Sub-funds and their share classes may be merged with one or more other UCITS or their sub-funds and share classes.

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

Investors shall be informed of the proposed merger. The investor information must enable investors to make a sound judgement on the impact of the merger on their investment and the exercise of their rights under Art. 44 and Art. 45 UCITSG.

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

#### **Costs of the merger**

Legal, consultancy or administrative costs associated with the preparation and implementation of the merger shall not be charged to any of the sub-fund's assets involved in the merger or to the investors.

The same applies to structural measures in accordance with Art. 49 lit. a to c UCITSG.

Where a sub-fund exists as a master UCITS, a merger shall only come into effect if the sub-fund concerned provides its investors and the competent authorities of the feeder UCITS' home member state with the information required by law at least 60 days before the proposed effective date. In this case, the sub-fund concerned shall also allow the feeder UCITS to redeem all units before the merger takes effect, unless the competent authority of the feeder UCITS' home member state authorises the investment in units of the master UCITS resulting from the merger.

## 15 Applicable Law, Jurisdiction and Authoritative Language

The UCITS is governed by Liechtenstein law.

The place of jurisdiction for legal actions against the Management Company or the Depository is Vaduz, Principality of Liechtenstein. The place of jurisdiction for legal actions against the investor is his/her place of residence or registered office or Vaduz, Principality of Liechtenstein.

English is the legally binding language for the Prospectus, the Unit Trust Agreement and Annex A "Overview of Sub-Funds". In case of any ambiguities the German version of the Prospectus, the Unit Trust Agreement and Annex A "Overview of Sub-Funds" shall serve as interpretation aid.

This Prospectus shall enter into force on 07.12.2022

## 16 Specific Information for Individual Distribution Countries

According to the applicable law in the Principality of Liechtenstein, the constituent documents are approved by the FMA. This approval only relates to information concerning the implementation of the provisions of the UCITSG or UCITSV. For this reason, the information provided in Annex B "Specific Information for Individual Distribution Countries" is not subject to review by the FMA and is precluded from approval.

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## Part II: Unit Trust Agreement

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### Preamble

The Unit Trust Agreement as well as Annex A "Overview of Sub-Funds" and the section "Overview of the Organisational Structure of the UCITS" with the designation of the participants form a single entity.

The legal relationship between the investors and the Management Company on behalf of the UCITS is governed by this Unit Trust Agreement and the Prospectus. To the extent that this Unit Trust Agreement and the Prospectus do not contain rules governing a particular subject matter, the legal relationship between the investors and the Management Company is governed by the UCITSG, UCITSV and to the extent that those statutes contain no applicable provisions, by the provisions of the Liechtenstein Persons and Companies Act (PGR) concerning trusteeships.

### 1 General Provisions

#### Art.1 The UCITS

The Abbey Road Funds (hereinafter "UCITS") was established in accordance with the Law of 28 June 2011 on Certain Undertakings for Collective Investment in Transferable Securities (UCITSG).

The Unit Trust Agreement and Annex A "Overview of Sub-Funds" have been approved by the Financial Market Authority (FMA) Liechtenstein and the UCITS has been entered in the Liechtenstein Commercial Register. The UCITS is an umbrella structure which may comprise one or more sub-funds. The various sub-funds are separated in terms of assets and liabilities. The duration of a given sub-fund is set out in Annex A "Overview of Sub-Funds".

Pursuant to Art. 4 para. 1 UCITSG, the UCITS has the legal form of a collective trusteeship. A collective trusteeship according to Art. 6 para. 1 UCITSG is the entering into a trust with identical content with an unspecified number of investors for the purpose of investment and management for the account of the investors, whereby the individual investors participate in this trust in proportion to their share and are only personally liable up to the amount invested.

The management of the UCITS or its sub-funds consists principally in investing the capital raised from the public on a collective basis, in accordance with the principle of risk diversification. The UCITS or each of its sub-funds constitutes a fund for the benefit of its investors. In the event of the liquidation or bankruptcy of the Management Company, the fund shall not form part of the bankruptcy estate of the Management Company.

The sub-funds may invest in securities and other assets in line with their investment policy. The investment policy of each sub-fund is determined within the framework of the investment objectives. The net assets of each sub-fund or share class of units and the net asset values of the units of these sub-funds or share classes of units are expressed in the relevant reference currency.

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

By acquiring units of one or more sub-funds, each investor acknowledges the Unit Trust Agreement which governs the contractual relationship between the investors, the Management Company and the Depositary, as well as the duly executed amendments to this document.

#### Art.2 Management Company

The UCITS shall be managed by the Management Company in accordance with this Unit Trust Agreement. The Management Company is authorised by the Financial Market Authority (FMA) Liechtenstein in accordance with the UCITSG and is registered on the list of management companies authorised in Liechtenstein officially published by the FMA Liechtenstein.

The Management Company shall manage the UCITS for the account and in the sole interest of the investors in accordance with the principle of risk diversification and the provisions of this Unit Trust Agreement and Annex A "Overview of Sub-Funds".

The Management Company is equipped with the most extensive rights to carry out all administrative and managerial actions in its own name for the account of the investors. In particular, it is authorised, in accordance with the law and the Unit Trust Agreement and Annex A "Overview of Sub-Funds", to buy, sell, subscribe and exchange securities and other assets and to exercise all rights directly or indirectly related to the assets of the UCITS.

### **Art.3 Delegation of Duties**

The Management Company may, in compliance with the provisions of the UCITSG and the UCITSV, delegate some of its activities to third parties for the purposes of efficient management. The precise execution of the mandate is governed in each case by a contract between the Management Company and the authorised representative.

### **Art.4 Depositary**

The Management Company has appointed a bank or investment firm under banking law with its registered office or branch in the Principality of Liechtenstein as Depositary for each sub-fund. A different depositary may be appointed for each sub-fund. The activities of the Depositary and its liability are governed by the UCITSG, the UCITSV, the Depositary Agreement and this Unit Trust Agreement including Annex A "Overview of Sub-Funds".

### **Art.5 Auditor**

The review of the UCITS' annual report must be entrusted to an auditor licensed in the Principality of Liechtenstein by the Financial Market Authority (FMA) Liechtenstein.

### **Art.6 Calculation of the Net Asset Value**

The net asset value (NAV) per unit of the sub-fund or the relevant share class is determined by the Management Company on a regular basis as of the valuation day (NAV date) in accordance with the valuation interval. The valuation is based on the principles set out below.

Information on the valuation date and the valuation interval is set out in Annex A "Overview of Sub-Funds".

The NAV of a unit in a share class of a sub-fund is expressed in the accounting currency of the sub-fund or, if different, in the reference currency of the corresponding share class. The NAV is calculated as the proportion of the assets of this sub-fund attributable to the relevant share class, less any debt obligations of the same sub-fund allocated to the relevant share class, divided by the number of outstanding units of the relevant share class.

It is rounded as follows on the issue and redemption of units:

- to CHF 0.01 if the currency is the Swiss franc;
- to EUR 0.01 if the currency is the euro;
- to GBP 0.01 in the case of the pound sterling;
- to CAD 0.01 if the currency is the Canadian dollar;
- to USD 0.01 if the currency is the US dollar; and
- to JPY 1.00 in the case of the Japanese yen.

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

1. Securities that are officially listed on a stock exchange are valued at the last available price. If a security is officially listed on several stock exchanges, the last available price on the stock exchange that is the main market for this security is decisive.
2. Securities which are not officially listed on a stock exchange but which are traded on a market open to the public are valued at the last available price.
3. Securities or money market instruments may be valued according to the depreciation method under the conditions described in the Unit Trust Agreement.

4. Investments whose price is not in line with the market and those assets that do not fall under clauses 1, 2 or 3 above are valued at the price that would probably be obtained if they were sold with due care at the time of valuation and which is determined in good faith by the Executive Board of the Management Company or by agents acting under its direction or supervision.
5. OTC derivatives are valued on a daily basis at a valuation to be determined and verified by the Management Company in good faith and in accordance with generally accepted valuation models verifiable by auditors, based on the probable sale value.
6. UCITS or other collective investment undertakings are valued at the last established and available redemption price. If the redemption of units is suspended or no redemption prices are fixed, these units shall be valued, like all other assets, at their current market value as determined in good faith by the Management Company using generally accepted valuation models verifiable by auditors.
7. If no tradable price is available for the assets in question, these assets, like other legally permissible assets, are valued at the relevant market rate as determined by the Management Company in good faith and according to generally accepted valuation models verifiable by auditors based on the probable sale value.
8. Cash and cash equivalents are valued at their nominal value plus accrued interest.
9. The market value of securities and other investments denominated in a currency other than the relevant sub-fund currency is converted into the relevant sub-fund currency at the last average exchange rate.

The valuation is carried out by the Management Company or by a duly authorised representative.

The Management Company or a duly authorised representative may temporarily apply other adequate valuation principles for the sub-fund if the above-mentioned valuation criteria appear unfeasible or inappropriate due to extraordinary events. In the event of massive redemption applications, the Management Company or a duly authorised representative may value the units of the relevant sub-fund on the basis of the prices at which the necessary sales of securities are likely to be made. In this case, the same calculation method shall be applied to subscription and redemption requests submitted simultaneously.

#### **Art.7 Issue of Units**

Units are issued on each valuation day at the net asset value per unit of the corresponding share class of the corresponding sub-fund, plus any applicable front-end load, taxes and duties.

The units are not securitised as securities and are only kept in book-entry form. Units are not issued or redeemed in fractions. No physical certificates are issued. Subscription requests must be received by the depositary before the cut-off. If a subscription application is received after this time, it shall be scheduled for the following valuation day.

Information on the issue date, the valuation interval, the cut-off and the amount of any maximum front-end load is set out in Annex A "Overview of Sub-Funds".

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

All taxes and duties arising from the issue of units are also charged to the investor. If units are acquired through banks that are not entrusted with the distribution of the units, such banks may charge additional transaction costs.

If the payment is made in a currency other than the reference currency, the equivalent amount resulting from the conversion of the payment currency into the reference currency, less any fees, shall be applied for the purchase of units.

The minimum investment to be held by an investor in a given share class is set out in Annex A "Overview of Sub-Funds". The minimum investment may be waived at the discretion of the Management Company.

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

Upon application by an investor and with the consent of the Management Company, units may also be subscribed against transfer of investments at the relevant daily price (contribution in kind or payment in specie). The Management Company is not obliged to action such applications.

Contributions in kind must be checked and evaluated by the Management Company on the basis of objective criteria. The transferred investments must be compatible with the investment policy of the sub-fund, and the Management Company must consider that there is a current investment interest in the securities. The recoverability of the contribution in kind must be checked by the Auditor. All costs incurred in this connection (including auditor's fees, other expenses and any taxes and duties) are borne by the relevant investor and may not be charged to the sub-fund.

The Depositary, the Management Company and/or the authorised distributors may, at their own discretion and without further explanation, at any time decline a subscription application or temporarily restrict, suspend or definitively cease issuing units if this appears necessary in the interest of investors, in the public interest, for the protection of the Management Company or of the sub-fund or the investors. In this case, the Depositary shall reimburse without delay, without interest, any payments received in respect of subscription orders which have not already been executed, where appropriate through the intermediary of the paying agents.

The issue of units shall be temporarily suspended in particular if the calculation of the net asset value per unit is discontinued. If the issue of units is suspended, investors shall be informed immediately by notice on the official publication medium and in the media specified in the Prospectus and Unit Trust Agreement or on a durable data medium (letter, e-mail or similar) of the reason and the timing of the suspension.

The issue of fund units may be suspended in the circumstances set out in Art.12.

## **Art.8 Redemption of Units**

Units of a sub-fund shall be redeemed on each valuation day at the net asset value per share of the relevant share class of the sub-fund determined on the valuation day, less any redemption charges, taxes and duties.

Redemption applications must be received by the Depositary before the cut-off. Any redemption applications received after this time shall be scheduled for the following valuation day.

Information on the valuation date, the valuation interval, the cut-off time and the amount of the maximum redemption fee, if any, can be found in Annex A "Overview of Sub-Funds".

Redemption occurs within the specified period (value date) after the relevant valuation date. The Management Company may extend this period if the regular value date proves to be too short. For information on the value date, please refer to Annex A "Overview of Sub-Funds". The fixed time limit (value date) does not apply in the event that the transfer of the redemption amount proves impossible in accordance with legal provisions (such as foreign exchange and transfer restrictions) or due to other circumstances beyond the control of the Depositary.

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

The corresponding unit expires upon payment of the redemption price.

The Management Company and/or the Depositary may unilaterally redeem units against payment of the redemption price where this appears necessary in the interest or for the protection of investors, the Management Company or the sub-fund, in particular if:

1. there is a suspicion that market timing, late trading or other market techniques are being used by the investor in question in connection with the acquisition of the units, which could prove detrimental to the investors as a whole;

2. the investor does not fulfil the conditions for the acquisition of the units; or
3. the units are distributed in a country in which the sub-fund is not authorised for distribution or have been acquired by a person who is not eligible to do so.

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

Units may also be redeemed at the request of an investor, with the consent of the Management Company, against transfer of investments at the relevant net asset value of the sub-fund (non-cash expenses or redemption in kind). The Management Company is not obliged action such applications and is entitled to charge additional fees in an appropriate amount for the additional work involved.

Expenditure in kind must be evaluated by the Management Company on the basis of objective criteria. In the case of material expenses, the investment policy of the sub-fund must continue to be observed and the investment regulations must be complied with. In addition, in the opinion of the Management Company, existing investors in the sub-fund must have an interest in the material presentation of the securities. The recoverability of material expenses must be verified by an auditor. All costs incurred in this connection (including auditor's fees, other expenses and any taxes and duties) are borne by the relevant investor and may not be charged to the sub-fund.

If the execution of a redemption application results in the relevant investor's holdings falling below the minimum investment for the relevant share class of units set out in Annex A "Overview of Sub-Funds", the Management Company may, without further notice to the investor, treat this as an application for redemption of all the units held by the relevant investor in this share class of units or as an application for conversion of the remaining units into another share class of units of the sub-fund with the same reference currency for which the investor meets the eligibility criteria.

The redemption of fund units may be suspended in the circumstances set out in Art.12.

#### **Art.9 Conversion of Units**

If different share classes are offered, units of one share class may be exchanged for units of another share class. No conversion fee is charged for conversions within a sub-fund. If it is not possible to switch units for share classes, this shall be indicated for the relevant share class in Annex A "Overview of Sub-Funds".

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

If it is not possible to switch units for certain share classes, this shall be indicated for the relevant share class in Annex A "Overview of Sub-Funds".

The number of units into which the investor wishes to convert his/her holding is calculated using the following formula:

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

- A** = number of units of the share class, if any, into which the conversion is to be made
- B** = number of units of the share class, if any, from which the conversion is to be made
- C** = net asset value or redemption price of the units submitted for conversion
- D** = exchange rate between possible share classes of units. If both share classes are valued in the same accounting currency, this coefficient is 1.
- E** = net asset value of the units of the share class, if any, to which the switch is to be made, plus taxes, fees or other charges

In some cases, duties, taxes and stamp duties may be incurred in particular countries when switching share classes.

The Management Company may decline a conversion application for a share class at any time if this appears to be in the interests of the sub-fund, the Management Company or the investors, in particular if:



1. there is a suspicion that market timing, late trading or other market techniques are being used by the investor in question in connection with the acquisition of the units, which could be detrimental to the investors as a whole;
2. the investor does not fulfil the conditions for the acquisition of the units/share class; or
3. the units are distributed in a country in which the sub-fund or the respective share class is not authorised for distribution or have been acquired by a person who is not eligible to do so.

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

The conversion of fund units may be suspended under the circumstances described in Art.12.

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

If there is reason to suspect that an applicant is engaged in late trading or market timing, the Management Company and/or the Depositary shall decline the subscription, conversion or redemption application until the applicant has allayed any doubts in this regard.

##### **Late trading**

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

##### **Market timing**

Market timing refers to the arbitrage procedure by which an investor systematically subscribes and redeems or converts units of the same sub-fund or share class in the short term by taking advantage of time differences and/or errors or weaknesses in the system for calculating the net asset value of the relevant sub-fund or share class.

#### **Art.11 Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)**

The Management Company shall ensure that domestic distributors comply with the provisions of the Due Diligence Act and the associated Due Diligence Ordinance applicable in the Principality of Liechtenstein as well as the guidelines of the FMA Liechtenstein, as amended.

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

In addition, distributors and their sales offices must also comply with all regulations for the prevention of money laundering and combating the financing of terrorism in force in the respective countries of distribution.

#### **Art.12 Suspension of the Calculation of Net Asset Value, the Issue, Redemption and Conversion of Units**

The Management Company may temporarily suspend the calculation of the net asset value and/or the issue, redemption and conversion of units of a sub-fund where justified in the interests of investors, in particular:

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

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

The issue of units shall be temporarily suspended in particular if the calculation of the net asset value per unit is discontinued. If the issue of units is suspended, investors shall be informed immediately of the reason for and the timing of the suspension by means of a notice in the official publication medium and in the media specified in the Prospectus and the Unit Trust Agreement or on a durable data medium (letter, e-mail or similar) and, if applicable, on the website [www.onefunds.li](http://www.onefunds.li)

In addition, the Management Company is entitled, while safeguarding the interests of investors, to make substantial redemptions only, i.e. to suspend redemption temporarily, after corresponding assets of the sub-fund can be sold without delay while safeguarding the interests of the investors. The Management Company may insist on the settlement of redemption requests for which corresponding transactions have already been carried out in the sub-fund.

As long as the redemption of units is suspended, no new units of the sub-fund shall be issued. Units whose redemption is temporarily restricted may not be converted.

The Management Company shall ensure that sufficient liquid assets are available to the assets of the sub-fund so that, under normal circumstances, redemption or conversion of units can be carried out immediately at the request of investors.

The Management Company shall suspend redemption applications if their execution would result in the sub-fund's assets falling below the minimum legal requirement. If, for a period not exceeding three months, the redemption applications submitted cannot be compensated for by applications to issue units of the sub-fund and if the redemption applications submitted are not fully or partially withdrawn, the sub-fund shall be liquidated.

The Management Company shall immediately notify the FMA Liechtenstein and the investors in an appropriate manner of the suspension of the redemption and payment of units. Subscription, redemption or conversion applications shall be settled after resumption of the calculation of the net asset value. The investor may revoke his/her subscription, redemption or conversion application until the resumption of unit trading. However, this right of revocation may be restricted by the Management Company. The Management Company may insist on the validity or settlement of subscription and redemption applications for which transactions have already been initiated.

### **Compulsory redemption**

The Management Company or the Depositary may unilaterally redeem units of the sub-fund against payment of the redemption price, thereby compelling an investor to sell them, if this appears necessary in the interest or for the protection of investors, the Management Company, the Depositary or the sub-fund, in particular if:

1. there is a suspicion that market timing, late trading or other market techniques are being used by the investor in question in connection with the acquisition of units already effected and which are detrimental to the investors as a whole;
2. an investor has acquired units of the sub-fund who - in particular pursuant to Art.13 of the Unit Trust Agreement - is not eligible to acquire such units under the legal provisions of his/her country of domicile;
3. there is reason to believe that an investor has gained an advantage over other investors through insider knowledge, e.g. regarding the valuation or liquidity of investments;
4. there is a suspicion that the provisions of the Due Diligence Act (SPG) and the corresponding Due Diligence Ordinance (SPV), as amended, applicable in the Principality of Liechtenstein are being violated; or
5. the code of conduct of the Liechtenstein fund centre as well as the regulations of the Liechtenstein fund centre or the Management Company are being violated in some other way.

### **Prohibition on purchase**

The Management Company or the Depositary may prohibit particular investors from acquiring units of the sub-fund where this appears necessary in the interest or for the protection of the investors, the Management Company, the Depositary or the sub-fund, in particular if:

1. there is a suspicion that market timing, late trading or other market techniques are being used by the investor in question in connection with the planned acquisition of the units, which could be detrimental to the investors as a whole;
2. an investor wishes to acquire units of the sub-fund who - in particular pursuant to Art.13 of the Unit Trust Agreement - is not entitled to do so under the legal provisions of his/her country of domicile;
3. there is reason to believe that an investor wishes to gain an advantage over other investors by means of insider knowledge, e.g. regarding the valuation or liquidity of investments;
4. there is a suspicion that the provisions of the Due Diligence Act (SPG) and the associated Due Diligence Ordinance (SPV), as amended, applicable in the Principality of Liechtenstein could be violated; or
5. the code of conduct of the Liechtenstein fund centre as well as the regulations of the Liechtenstein fund centre or the Management Company are being violated in some other way.

It is at the sole discretion of the Management Company or the Depositary to prohibit individual investors or groups of investors from acquiring units of the sub-fund by refusing to accept a subscription application, by cancelling a subscription application that has already been settled in accordance with this article (Art.12).

### **Art.13 Sales Restrictions**

The sub-fund's units are not approved for distribution in every country. When units are issued, redeemed or converted abroad, the provisions applicable in the country in question shall apply. For details, please refer to the Prospectus and Annex A "Overview of Sub-Funds".

## **2 Structural Measures**

### **Art.14 Merger**

Pursuant to Art. 38 UCITSG, the Management Company may at any time and at its own discretion, with the approval of the relevant supervisory authority, decide to merge the UCITS with one or more other UCITS, regardless of the legal form of the UCITS and whether or not the other UCITS is domiciled in Liechtenstein. Sub-funds and share classes may be merged with one or more other UCITS or their sub-funds and share classes.

The UCITS and share classes may also be split.

All assets of the UCITS or the sub-fund may be transferred at the end of the financial year (transfer date) to another existing UCITS or sub-fund or to a UCITS or sub-fund newly created by the merger.

The UCITS or sub-fund may also be merged with a UCITS or sub-fund established in another EU or EEA country which also complies with Directive 2009/65/EC. With the consent of the Financial Market Authority Liechtenstein (FMA), a different transfer date may be set. All the assets of another UCITS or of a foreign UCITS complying with the Directive may also be transferred to a UCITS at the end of the financial year or at another transfer date. Finally, it is also possible that only the assets of a foreign UCITS compliant with the Directive are transferred to the UCITS without its liabilities. Up until five working days before the planned transfer date, investors have the option of either redeeming their units without a redemption fee or exchanging their units for units of another UCITS also managed by the Management Company and with an investment policy similar to that of the UCITS to be merged. On the transfer date, the values of the receiving and the transferring investment fund or UCITS are calculated, the exchange ratio is determined and the entire transaction is checked by the Auditor. The exchange ratio is determined in accordance with the ratio of the net asset values of the acquired and the receiving investment fund at the time of acquisition.

The investor shall receive the number of units in the new investment fund corresponding to the value of his/her units in the transferring investment fund. It is also possible for investors in the transferring investment fund to 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 fund, its management company must prepare a report as at the transfer date which complies with the requirements for an annual report.

The Management Company shall announce in the UCITS' official publication medium, [www.lafv.li](http://www.lafv.li), when the UCITS has taken up another UCITS and the merger has come into effect. If the UCITS ceases to exist as a result of a merger, the Management Company shall take over the announcement governing the receiving or newly established UCITS. The transfer of all assets of this UCITS to another domestic UCITS or to another foreign UCITS shall be subject to the approval of the Financial Market Authority (FMA) Liechtenstein.

In addition, other structural measures pursuant to Art. 49 UCITSG are also permissible. Unless otherwise specified below, the legal provisions of Art. 36 et seq. UCITSG as well as the corresponding ordinance provisions of Art. 62 ff. UCITSV shall apply.

#### **Art.15 Investor Information, Consent and Investor Rights**

Investors shall be informed about the proposed merger. However, investors have no right of co-determination with regard to structural measures.

The investor information must enable investors to make a sound judgement as to the impact of the transaction on their investment and the exercise of their rights under Art. 44 and Art. 45 UCITSG.

Investors of the UCITS involved in the merger may request, at no additional cost other than those retained by the UCITS to cover the liquidation costs:

- a) the resale of their units;
- b) the redemption of their units; or
- c) the exchange of their units for those of another UCITS with a similar investment policy;
- d) the right to exchange units exists only if the UCITS with a similar investment policy is managed by the same Management Company or by a company closely linked to the Management Company.

This right arises with the communication of the investor information and expires five banking days before the date for the calculation of the exchange ratio.

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

No legal, advisory or administrative costs associated with the preparation and implementation of the merger shall be charged to either one of the UCITS or sub-funds involved in the merger or to the investors.

This shall apply mutatis mutandis to the other structural measures mentioned in Art. 2 of this Unit Trust Agreement.

The prohibition of cost allocation applies to all domestic and cross-border structural measures such as the splitting and merger of UCITS and their sub-funds and share classes or of alternative investment funds (AIF), their sub-funds and share classes to UCITS or their sub-funds and share classes.

#### **Structural measures for master-feeder UCITS**

Where a sub-fund exists as a master UCITS, a merger shall only come into effect if the UCITS concerned provides its investors and the competent authorities of the feeder UCITS' home member state with the information required by law at least 60 days before the proposed effective date. In this case, the UCITS concerned shall also allow the feeder UCITS to redeem all units before the merger takes effect, unless the competent authority of the feeder UCITS' home member state does not permit the investment in units of the master UCITS resulting from the merger.

### **3 Liquidation of the UCITS, its Sub-Funds and Share Classes**

#### **Art.17 In General**

The provisions relating to the liquidation of the UCITS shall also apply to its sub-funds and share classes.

Investors shall be informed of the Management Company's decision in the same way as in 2 "Structural Measures".

#### **Art.18 Resolution to Liquidate**

The UCITS or one of its sub-funds must be wound up in the circumstances prescribed by law. In addition, the Management Company is entitled at any time to dissolve the UCITS, individual sub-funds or a particular share class.

Investors, heirs or other beneficiaries may not request the splitting or liquidation of the UCITS or of a sub-fund or a particular share class.

The decision to liquidate the UCITS or a sub-fund or share class shall be published on the website of the UCITS' official publication medium (LAFV) and on other media and permanent data media (letter, e-mail or similar) mentioned in the Prospectus and the Unit Trust Agreement. From the date of the resolution on liquidation, no more units shall be issued, converted or redeemed.

In the event of liquidation of the UCITS or one of its sub-funds, the Management Company may immediately liquidate the assets of the UCITS or of a sub-fund in the best interests of investors. The Management Company is entitled to instruct the Depositary to distribute the net liquidation proceeds to the investors after deduction of the liquidation costs pursuant to Art.34. The net assets may only be distributed after approval by the supervisory authority. Otherwise, the liquidation of the UCITS or the sub-fund shall be carried out in accordance with the provisions of the Liechtenstein Persons and Companies Law (PGR).

If the Management Company liquidates a share class without liquidating the UCITS or the sub-fund, all units of this class shall be redeemed at their net asset value applicable at that time. This redemption is published by the Management Company and the redemption price is paid by the Depositary for the benefit of the former investors.

#### **Art.19 Reasons for the Liquidation**

The UCITS must be wound up in the circumstances prescribed by law.

If the net asset value of the UCITS has fallen below or has not reached a value necessary for economically efficient management, as well as in the event of a significant change in the political, economic or monetary environment or in the context of rationalisation, the Management Company may decide to redeem or cancel all units of the UCITS, a sub-fund or a share class at the net asset value (taking into account the actual realisation prices and realisation costs of the investments) on the valuation day on which the corresponding resolution takes effect.

#### **Art.20 Costs of Liquidation**

The costs of liquidation shall be charged to the sub-fund of the UCITS.

#### **Art.21 Liquidation and Bankruptcy of the Management Company or the Depositary**

##### **Liquidation and bankruptcy of the management company**

In the event of the liquidation or bankruptcy of the Management Company, the assets managed for the purpose of collective investment for the account of the investors shall not be included in the bankruptcy estate of the Management Company and shall not be liquidated together with its own assets. The UCITS or a sub-fund constitutes a special fund for the benefit of its investors. Each special fund must be transferred to another management company with the consent of the FMA Liechtenstein or liquidated by way of separate satisfaction in favour of the investors of the UCITS or a sub-fund.

##### **Liquidation and bankruptcy of the Depositary**

In the event of the bankruptcy of the Depositary, the managed assets of the UCITS or a sub-fund must be transferred to another depositary with the consent of the FMA Liechtenstein or liquidated by way of separate satisfaction in favour of the investors of the UCITS or a sub-fund.

#### **Art.22 Termination of the Depositary Agreement**

If the Depositary Agreement is terminated, the net fund assets of the UCITS must be transferred to another Depositary with the consent of the FMA Liechtenstein or liquidated by way of separate satisfaction in favour of the UCITS' investors.

## 4 Share Classes and Creation of Sub-Funds

### Art.23 Share Classes and Creation of Sub-Funds

The UCITS may consist of one or more sub-funds. The Management Company may at any time create additional sub-funds or share classes of units for the UCITS.

Share classes may be formed which differ from the existing share classes in terms of the appropriation of income, the front-end load, the reference currency and the use of currency hedging transactions, the management fee, the minimum investment amount or a combination of these features. However, the rights of investors who have acquired units from existing share classes remain unaffected.

The fees and remunerations incurred in connection with the units of the UCITS are set out in Annex A "Overview of Sub-Funds".

### Art.24 Duration of the Sub-Funds

The duration of a particular sub-fund is specified in Annex A "Overview of Sub-Funds".

### Art.25 Structural Measures of the Sub-Funds

The Management Company may implement all the structural measures prescribed in Art.14 et seq. of this Unit Trust Agreement for each sub-fund.

### Art.26 Share Classes

The Management Company may create several share classes for each sub-fund.

Share classes may be formed which differ from the existing share classes in terms of the appropriation of income, the front-end load, the reference currency and the use of currency hedging transactions, the management fee, the minimum investment amount or a combination of these features. However, the rights of investors who have acquired units from existing share classes remain unaffected.

The share classes launched in connection with each sub-fund and the fees and remunerations incurred in connection with the units of the sub-funds are set out in Annex A "Overview of Sub-Funds".

## 5 General Investment Principles and Restrictions

### Art.27 Investment Policy

The investment policy specific to each sub-fund is described in Annex A "Overview of Sub-Funds".

The following general investment principles and restrictions apply to all sub-funds, unless variations or supplementary arrangements are specified for the relevant sub-fund in Annex A "Overview of Sub-Funds".

### Art.28 General Investment Principles and Restrictions

The relevant sub-fund is invested in compliance with the principle of risk diversification within the meaning of the UCITSG rules and according to the investment policy principles described below and within the parameters of the investment restrictions.

### Art.29 Eligible Investments

Each sub-fund may invest its assets for the account of its investors exclusively in one or more of the following assets:

1. Securities and money market instruments:
  - a) which are listed or traded on a regulated market within the meaning of Art. 4 (1) para. 21 of Directive 2014/65/EU (MIFID II);
  - b) which are traded on another regulated market of an EEA member state that is recognised, open to the public and operates regularly;



- c) which are officially listed on a stock exchange of a third country or traded on another market of a European, American, Asian, African or Oceanic country which is recognised, open to the public and operates regularly.
2. Securities on new issues, provided that:
  - a) the terms of issue include the requirement that application has been made for admission to official listing or to trading on a stock exchange or regulated market referred to in Art.29 paras. 1.a) to 1.c) and
  - b) such authorisation is obtained no later than one year after the issue.
3. Units of a UCITS and other comparable undertakings for collective investment within the meaning of Art. (1) (17) UCITSG, provided that the UCITS may invest no more than 10% of their assets in units of another UCITS or comparable undertakings for collective investment according to their Prospectus or constituent documents.
4. Sight deposits or terminable deposits with a term of no more than 12 months with credit institutions that have their registered office in an EEA member state or a third country whose supervisory law is equivalent to EEA law.
5. Financial derivatives, where the underlying is an investment in the sense of Art. 51 UCITSG or financial indices in the sense of Art.29 para. 7, interest rates, exchange rates or currencies. In the case of transactions involving OTC derivatives, the counterparties must be supervised institutions of a category approved by the FMA Liechtenstein and the OTC derivatives must be subject to reliable and verifiable valuation on a daily basis and must be capable of being sold, liquidated or closed out by an offsetting transaction at any time at the initiative of the UCITS at their fair value.
6. Money market instruments not traded on a regulated market, provided that the issue or issuer of such instruments is subject to regulations on the protection of deposits and investors, provided that they are:
  - a) issued or guaranteed by a central, regional or local authority or the central bank of an EEA member state, the European Central Bank, the Community or the European Investment Bank, a third country or, in the case of a federal state, a member state of the federation or by an international institution of public law to which at least one EEA member state belongs;
  - b) issued by a company whose securities are traded on the regulated markets referred to in a) above;
  - c) issued or guaranteed by an institution subject to prudential supervision in accordance with the criteria laid down in EEA law, or issued or guaranteed by an institution whose supervisory regime is equivalent to EEA law and which complies with that law; or
  - d) issued by an issuer belonging to a category approved by the FMA Liechtenstein, provided that investments in these instruments are subject to equivalent investor protection provisions in a) to c) above and the issuer is either a company with equity capital of at least EUR 10 million and with annual financial statements drawn up and published in compliance with the provisions of Directive 78/660/EEC, implemented in Liechtenstein by the PGR, or is a legal entity belonging to a group and responsible for the financing of the group with at least one listed company or is a legal entity which is to finance the securitisation of liabilities using a credit line granted by a bank.
7. Financial indices which are equity or debt securities indices recognised by the FMA Liechtenstein or the competent authorities of other EEA member states, provided that:
  - a) the composition of the index is sufficiently diversified;



- b) the index represents an adequate benchmark for the market to which it refers; and
  - c) the index is published in an appropriate manner.
8. Money market instruments and securities pursuant to Art.29 para. 7 in which derivatives are included (so-called "structured products"), which have no leverage effect, for which physical delivery is precluded and whose performance is linked to the following financial instruments:
- a) commodities;
  - b) precious metals;
  - c) commodity futures; and
  - d) baskets of the above-mentioned underlying assets.
9. Money market instruments and securities pursuant to Art.29 para. 7, in which derivatives are included (so-called "structured products"), which have no leverage effect, for which physical delivery is precluded and whose performance is linked to the following financial instruments:
- a) single hedge funds;
  - b) fund-of-hedge funds;
  - c) private equity funds;
  - d) real estate funds;
  - e) financial indices pursuant to Art.29 para. 7;
  - f) stocks;
  - g) interest-bearing and non-interest-bearing securities;
  - h) interest rates;
  - i) exchange rates;
  - j) currencies;
  - k) UCITS or comparable undertakings for collective investment; and
  - l) baskets of the above-mentioned underlying assets.

Each sub-fund may also hold liquid assets in all freely convertible currencies.

### **Art.30 Ineligible Investments**

The UCITS may not:

- 1. invest more than 10% of the assets per sub-fund in securities and money market instruments other than those mentioned in Art.29 para. 3;
- 2. acquire real estate;
- 3. acquire physical precious metals;
- 4. conduct uncovered short sales.

In the interests of the investors, the Management Company may at any time classify other investments as unauthorised to the extent necessary to comply with the laws and regulations of those countries in which the units of the sub-fund are offered and sold.

### **Art.31 Use of Derivative Financial Instruments and Techniques**

The total risk associated with derivatives may not exceed the total net value of the relevant sub-fund. The Management Company may invest in derivatives as part of its investment strategy within the limits set out in Art. 53 UCITSG. In calculating the risk, the market value of the underlying assets, the default risk, future market fluctuations and the liquidation period of the positions shall be taken into account. The sub-fund may invest in derivatives as part of its investment policy and within the parameters of Art. 53 UCITSG, provided that the overall risk of the underlying assets does not exceed the investment limits of Art. 54 UCITSG.

Unless investor protection and the public interest are contradictory, investments of the UCITS or of the sub-funds in index-based derivatives are not to be taken into account with regard to the limits prescribed in Art. 54 UCITSG.

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

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

Borrowing is permitted within the limits prescribed in the UCITSG and the corresponding ordinance.

### **Art.32 Investment Limits**

#### **A. The following investment limits must be adhered to for each sub-fund's assets individually:**

1. The sub-fund may invest no more than 5% of its assets in securities or money market instruments of the same issuer and no more than 20% of its assets in deposits of the same issuer.
2. The risk of default arising from transactions of the sub-fund with OTC derivatives with a credit institution as counterparty that has its registered office in an EEA member state or a third country whose supervisory law is equivalent to that of the EEA may not exceed 10% of the sub-fund's assets; for other counterparties, the maximum risk of default is 5% of the assets.
3. If the total value of the securities and money market instruments of issuers in which the sub-fund invests more than 5% of its assets in each case does not exceed 40% of its assets, the issuer limit of 5% referred to in Art.32 para.1 is raised to 10%. The 40% limit does not apply to deposits or OTC derivative transactions with supervised financial institutions. If the increase is taken up, the securities and money market instruments pursuant to Art.32 para. 5 and the bonds pursuant to Art.32 para. 6 are not taken into account.
4. Irrespective of the individual upper limits set out in Art.32 para. 1 and 2, a sub-fund may not combine the following if this would result in an investment of more than 20% of its assets in one and the same institution:
  - a) transferable securities or money market instruments issued by this institution pursuant to Art. 32 para. 1;
  - b) deposits with this institution;
  - c) OTC derivatives acquired by this institution.
5. If the securities or money market instruments are issued or guaranteed by an EEA member state or its local authorities, by a third country or by a public international body of which at least one EEA member state is a member, the limit of 5% referred to in Art.32 para 1 is raised to a maximum of 35%.
6. If bonds are issued by a credit institution with its registered office in an EEA member state which is subject to special public supervision by virtue of statutory provisions for the protection of the holders of such bonds and which, in particular, is required to invest the proceeds from the issue of such bonds in assets which, during the entire term of the bonds, sufficiently cover the liabilities arising therefrom and which, in the event of the default of the issuer, are primarily intended for the repayment of principal and interest due, the limit of 5% referred to in Art.32 para. 1 is raised to a maximum of 25% for such bonds. In this case, the total value of the investments may not exceed 80% of the sub-fund's assets.
7. The limits mentioned in Art.32 para. 1 to 6 may not be cumulated. The maximum issuer limit is 35% per sub-fund.
8. Notwithstanding section 7.3.3 and in accordance with Art. 56 UCITSG, the Management Company is authorised to invest up to 100% of the assets of a sub-fund in securities and money market instruments of the same issuer in accordance with the principle of risk diversification, provided that these are issued or guaranteed by a state, a public-law corporation from the OECD or international organisations of a public-law

nature. These securities or money market instruments must be split into at least six different issues, and securities or money market instruments from one and the same issue may not exceed 30% of the total assets of a sub-fund. The above-mentioned securities and money market instruments are not taken into account when applying the 40% limit in accordance with Art.32 para. 3. These investments include in particular corporate and government bonds. Investments in such bonds are restricted to bonds with a maximum maturity of 100 years per bond and an investment grade rating of at least BBB- according to Standard & Poor's or at least Baa3 according to Moody's or a comparable credit rating. The following issuers and guarantors are deemed to be public law corporations and international organisations:

- all countries from the OECD,
- all public law corporations from the OECD,
- African Development Bank,
- Asian Development Bank,
- Council of Europe Social Development Fund,
- Eurofima,
- European Atomic Energy Community,
- European Bank for Reconstruction & Development,
- European Economic Community,
- European Investment Bank,
- European Patent Organisation,
- IBRD (World Bank),
- Inter-American Development Bank,
- International Finance Corporation,
- Nordic Investment Bank.

The FMA Liechtenstein has granted exceptional approval in the sense of Art. 56 UCITSG for investments in securities of sovereign issuers.

9. Companies of the same group of companies are considered as a single issuer for the purposes of calculating the investment limits set out in Art.32 "Investment Limits". For investments in securities and money market instruments of the same group of companies, the issuer limit is raised to a combined total of 20% of the sub-fund's assets.
10. A sub-fund may invest no more than 10% of its assets in units of the same UCITS or of a comparable undertaking for collective investment.
11. Investments in units of a collective investment undertaking comparable to a UCITS may not exceed a total of 30% of the sub-fund's assets. These investments are not to be taken into account with regard to the upper limits of Art. 54 UCITSG.
12. A sub-fund may invest no more than 20% of its assets in equities and/or debt securities of one and the same issuer if, in accordance with the investment policy of the sub-fund, the objective of the sub-fund is to replicate a specific equity or debt securities index recognised by the FMA. The prerequisite for this is that:
  - the composition of the index is sufficiently diversified;
  - the index represents an adequate benchmark for the market to which it refers; and
  - the index is published in an appropriate manner.

This limit is 35% where justified by exceptional market conditions, in particular on regulated markets where certain transferable securities or money market instruments are highly dominant. An investment up to this upper limit is only possible with a single issuer.

If the limits referred to in Art.32 are exceeded inadvertently or as a result of the exercise of subscription rights, the Management Company's priority in its sales shall be to seek to normalise this situation, taking into account the interests of investors. Sub-funds may derogate from the provisions of these "General Investment

Principles and Restrictions" within the first six months following their first issue of fund units. Art.29 and Art.30 remain unaffected by this exception and must be complied with at all times. The principle of risk diversification must continue to be observed.

13. The sub-funds may subscribe, acquire and/or hold units to be issued or already issued by one or more other sub-funds provided that:
  - the target fund does not itself invest in the sub-fund that invests in that target fund; and
  - the proportion of the assets which the target funds whose acquisition is contemplated may, according to their prospectus or articles of incorporation, invest in aggregate in units of other target funds of the same UCITS-like collective investment undertaking does not exceed 10%; and
  - the voting rights, if any, attached to the relevant securities are suspended for as long as they are held by the relevant sub-fund, notwithstanding an appropriate assessment in the financial statements and periodic reports; and
  - in any event, the value of such securities shall be taken into account in the calculation of the net assets of the sub-fund imposed by the UCITSG for the purposes of verifying the minimum net asset value under the UCITSG for as long as such securities are held by the relevant sub-fund; and
  - there is no multiple calculation of fees for the issue or redemption of units, firstly at the level of the sub-fund that has invested in the target fund and secondly at the level of the target fund.
  
14. If the investments referred to in Art.32 para. 10 represent a significant part of the assets of the sub-fund, the sub-fund specific Annex must provide information on the maximum amount and the annual report on the maximum proportion of management fees that may be charged by the sub-fund itself and by the collective investment undertakings referred to in Art.32 para. 10 whose units are acquired.
  
15. If units are managed directly or indirectly by the Management Company of the UCITS or by a company with which the Management Company of the UCITS is linked by common management, control or qualified participation, neither the Management Company nor the other company may charge fees for the issue or redemption of units in or from the sub-fund.
  
16. A Management Company does not acquire voting shares of the same issuer for any UCITS or sub-funds it manages, with which it can exert significant influence on the management of the issuer. Significant influence is presumed to exist if the issuer holds 10% or more of the voting rights. If a lower limit for the acquisition of voting shares of the same issuer applies in another EEA member state, this limit shall be decisive for the Management Company if it acquires shares of an issuer domiciled in this EEA member state for a UCITS.
  
17. Financial instruments of the same issuer may not exceed a maximum amount per sub-fund's assets of:
  - a) 10% of the issuer's share capital, insofar as non-voting shares are concerned;
  - b) 10% of the total nominal amount of the issuer's outstanding bonds or money market instruments, insofar as bonds or money market instruments are concerned. This limit need not be observed if the total nominal amount cannot be determined at the time of acquisition;
  - c) 25% of the units of the same undertaking as far as units of other UCITS or of a UCITS-like collective investment undertaking are concerned. This specific limit need not be observed if the net amount cannot be determined at the time of acquisition.

18. Art.32 para.16 and 17 are not applicable:
  - a) to securities and money market instruments issued or guaranteed by a government issuer;
  - b) to shares held by a sub-fund in the capital of a company of a third country which invests its assets essentially in securities of issuers domiciled in that third country, if under the laws of that third country such a holding represents the only way for the sub-fund to invest in securities of issuers of that country. The requirements of the UCITSG must be observed;
  - c) to shares held by management companies in the capital of their subsidiaries which, in the state of establishment, arrange the repurchase of shares at the request of investors exclusively on behalf of the Management Company.
  
19. If the investments of the sub-fund are index-based investments based on a stock or debt securities index recognised in accordance with Art.29 para. 7, the index and its index components need not be included in the provisions of Art.32, however, any issuer limits for investments in accordance with Art.29 para. 9 must be taken into account.
  
20. The investment instruments pursuant to Art.29 para. 8 and 9 (so-called "structured products") may only be used if this contributes to achieving the investment objective and is compatible with the investment policy of the sub-fund. The investment instruments, with the exception of index-based investments pursuant to Art. 29 para. 7 shall be included in the provisions pursuant to Art.32.
  
21. A sub-fund may invest no more than 25% of its assets in investments pursuant to Art.29 para. 8.
  
22. A sub-fund may invest no more than 10% of its assets in investments pursuant to Art.29 para. 9 a) to d).
  
23. A sub-fund may invest no more than 90% of its assets in investments pursuant to Art.29 para. 9 e) to l).
  
24. The risk associated with derivative financial instruments may not exceed 100% of the sub-fund's assets. Derivative financial instruments used to hedge the currency risks of any share classes are not included in this provision.
  
25. The total risk may not exceed 200% of the sub-fund's assets. If borrowing is permitted in accordance with subsection 7.4.2 of the Prospectus, the total risk may not exceed 210% of the sub-fund's assets. In addition to the restrictions listed in Art.32 para. 1 to 24, any further restrictions in Annex A "Overview of Sub-Funds" must be observed.

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

1. The investment limits need not be adhered to when exercising subscription rights from securities or money market instruments that are part of the sub-fund's assets.
  
2. In the event that the limits referred to in sections 7.1 and 7.3 are exceeded, the Management Company must restore compliance with these limits in its sales as a matter of priority, taking into account the interests of the investors.
  
3. The sub-fund may derogate from the provisions of the "General Investment Principles and Restrictions" within the first six months following its first issue of fund units. Art.29 and Art.30 remain unaffected by this exception and must be complied with at all times.

### C. Active breaches of investment limits

Any losses incurred as a result of an active breach of the investment limits or regulations must be reimbursed to the sub-fund without delay in accordance with the applicable code of conduct (FMA Guideline 2015/2 – Code of Conduct for the Liechtenstein Fund Centre).

### D. Special techniques and instruments relating to transferable securities and money market instruments

As stipulated in Art.31 of the Unit Trust Agreement, the Management Company may use special techniques and financial instruments whose underlying assets are securities, money market instruments and other financial instruments.

The Management Company must employ a risk management process which enables it to monitor and measure at any time the risk associated with the investment positions and their respective share in the overall risk profile of the investment portfolio. It must also employ a process which allows for a precise and independent assessment of the value of the OTC derivatives. At least once a year, the Management Company must submit reports to the FMA Liechtenstein containing information that provides a true and fair view of the derivatives used for the UCITS, the underlying risks, the investment limits and the methods used to estimate the risks associated with the derivative transactions.

Moreover, the Management Company is not permitted to make use of techniques and instruments involving transferable securities and money market instruments under the conditions and within the parameters set by the FMA, insofar as the use of these techniques and instruments is for the purposes of efficient portfolio management. If these transactions involve the use of derivatives, the conditions and limits must be in line with the provisions of the UCITSG.

A sub-fund may not deviate from its investment objectives in these transactions.

The Management Company shall ensure that the total risk associated with derivatives does not exceed the total net value of the UCITS or of a sub-fund. The calculation of this risk takes into account the market value of the underlying assets, the default risk, future market fluctuations and the liquidation period of the positions.

The Management Company may invest in derivatives as part of its investment strategy in accordance with Art.31 para. 5, provided that the overall risk of the underlying assets does not exceed the investment limits set out in Art.32 "Investment Limits". Investments of a sub-fund in index-based derivatives need not be taken into account for the purposes of Art.32 "Investment Limits".

If a derivative is embedded in a security or money market instrument, it must be taken into account for the purposes of Art.32 "Investment Limits".

The Management Company may use parts of the securities portfolio of the relevant sub-fund for the purposes of securities lending and borrowing with third parties.

The Management Company may not enter into repurchase agreements or reverse repurchase agreements on behalf of the sub-fund which consist of purchases and sales of securities where the agreements give the seller the right or the obligation to repurchase the sold securities from the purchaser at a price and within a period agreed by the two parties when the agreement is concluded.

### Art.33 Collective Administration

In order to reduce operating and management costs while allowing for a broader diversification of investments, the Management Company may decide to manage some or all of the assets of the sub-funds together with assets attributable to other sub-funds or belonging to other collective investment undertakings. In the following sections, the term "jointly managed entities" refers to the sub-fund and all entities with or between which a joint management agreement would be in place, if any; the term "jointly managed assets" refers to all assets of such jointly managed entities that are managed under a joint management agreement of this kind.



Under the joint management agreement, the relevant Portfolio Manager is entitled to make decisions on a consolidated basis for the relevant jointly managed entities regarding investments and asset disposals that have an impact on the composition of the sub-fund's portfolio. Each jointly managed entity holds a share of the jointly managed assets based on the proportion of its net assets to the total value of the jointly managed assets. This pro rata shareholding (referred to for this purpose as "participation") shall apply to all categories of assets held or acquired in the context of joint management. Decisions to invest and/or dispose of investments do not affect this investment ratio, and further investments are allocated to the jointly managed units in the same proportion. When assets are sold, they are deducted pro rata from the jointly managed assets held by each jointly managed entity.

In the event of new subscriptions to any of the jointly managed entities, subscription proceeds shall be allocated to the jointly managed entities in proportion to the change in ownership resulting from the increase in the net assets of the jointly managed entity which received the subscriptions, and the amount of the investments shall be modified by the transfer of assets from one jointly managed entity to the other, and thus adjusted to reflect the change in ownership. Similarly, in the event of redemptions in any of the jointly managed entities, the cash required shall be withdrawn from the cash of the jointly managed entities in accordance with the changed ownership interest resulting from the reduction in the net assets of the jointly managed entity in which the redemptions have been made, in which case the respective amounts of all investments shall be adjusted to reflect the changed ownership interest.

Investors' attention is drawn to the fact that the agreement on joint management may result in the composition of the sub-fund's assets being affected by events affecting other jointly managed entities, such as subscriptions and redemptions, unless the Directors or one of the bodies appointed by the Management Company take special measures. Therefore, if all other aspects remain unchanged, subscriptions received by an entity managed jointly with the sub-fund will result in an increase in the sub-fund's cash reserves. Conversely, in the case of an entity managed jointly with the sub-fund, redemptions will result in a reduction in the sub-fund's cash reserves. Subscriptions and redemptions may, however, be held in the special account opened for each jointly managed entity outside the joint management agreement and through which subscriptions and redemptions must pass. Given the possibility of recording substantial subscriptions and redemptions in these special accounts and the possibility that the Board of Directors or its delegated agents may decide at any time to terminate the sub-fund's participation in the joint management agreement, the sub-fund may avoid switching its portfolio if such switching could be detrimental to the interests of the sub-fund and its investors.

If a change in the composition of the sub-fund's portfolio as a result of redemptions or payments of fees and expenses attributable to another jointly managed entity (i.e. not attributable to the sub-fund) could result in a breach of the investment restrictions applicable to the sub-fund, the relevant assets shall be excluded from the joint management agreement prior to the implementation of the change so that they are not affected by the resulting adjustments.

Jointly managed assets of the sub-fund shall only be managed together with assets that are to be invested according to the same investment objectives as those applicable to the jointly managed assets, in order to ensure that investment decisions are fully consistent with the sub-fund's investment policy. Assets under common management may only be jointly managed with assets in respect of which the same manager is authorised to take decisions on investments or disposals and in respect of which the custodian bank also acts as Depositary to ensure that the custodian bank is fully capable of performing its functions and responsibilities vis-à-vis the sub-fund as required by law. The custodian bank must always keep the assets of the sub-fund separate from the assets of the other jointly managed entities; this enables it to identify the assets of the sub-fund at any time. As the investment policy of the jointly managed entities need not be exactly the same as that of the sub-fund, it is possible that, as a result, the joint investment policy may be more restrictive than that of the sub-fund.

The Management Company may at any time and without prior notice decide to terminate the joint management agreement.

Investors may inquire at any time at the registered office of the Management Company as to the percentage of jointly managed assets and the units which make up such a joint management agreement at the time of their inquiry.



The annual report shall state the composition and percentages of the jointly managed assets.

Agreements on joint management with non-Liechtenstein entities are permissible, provided that:

- 1) the agreement on joint management in which the non-Liechtenstein entity participates is subject to Liechtenstein law and jurisdiction; or
- 2) each jointly administered entity is endowed with such rights that no creditor and no insolvency or bankruptcy administrator of the non-Liechtenstein entity has access to the assets or is authorised to freeze them.

## 6 Costs and Fees

### Art.34 Ongoing Fees

#### A. Fees dependent on assets

##### Management and depositary commission (operations fee)

The Management Company is entitled to an annual fee for the management and administration of the sub-fund in accordance with Annex A "Overview of Sub-Funds". This is calculated on the basis of the average net assets of the UCITS, accrued on each valuation date and charged pro rata at the end of each quarter. The applicable amount of the sub-fund/share unit class operations fee is stated in the annual report.

The Management Company shall pay the costs of the services provided by the Depositary as well as those of any third-party custodian.

##### Portfolio management fee

The Management Company shall be entitled to an annual fee for portfolio management and distribution, including third-party distribution, in accordance with Annex A "Overview of Sub-Funds". This is calculated on the basis of the average net asset value of the respective sub-fund before such fees, accrued on each valuation date and charged pro rata at the end of each quarter. The applicable management fee for the sub-fund/share class is stated in the annual report.

#### B. Fees independent of assets

##### Ordinary expense

The Management Company and the Depositary shall also be entitled to reimbursement of the following expenses incurred in the performance of their duties:

- costs for the preparation, printing and mailing of the Prospectus and Unit Trust Agreement including the fund-specific Annex, the KIID, the annual and semi-annual reports and other legally required publications, and related expenses of the Management Company and the Depositary;
- costs of legal advice and representation incurred by the Management Company or the Depositary when acting in the interest of investors;
- costs for the publication of the sub-fund notices, including price publications, addressed to investors in the official publication medium (i.e. LAFV) and any additional newspapers or electronic media designated by the Management Company, and the associated costs of the Management Company and the Depositary;
- fees and costs for permits and supervision of a sub-fund in Liechtenstein and abroad;
- all taxes levied on the assets of a sub-fund and its income and expenses charged to that sub-fund;
- internal and external costs for the recovery of foreign withholding taxes, to the extent that such costs can be reclaimed for the account of the sub-fund. It should be noted that the Management Company is not obliged to recover these and that such recovery shall only be undertaken if justified on the basis of the criteria of materiality of the amounts and proportionality of the costs in relation to the possible amount to be recovered;
- fees incurred in connection with a possible listing of the sub-fund and with distribution in Liechtenstein and abroad (e.g. consulting, legal and translation costs) and related expenses of the Management Company and the Depositary;
- fees, costs and charges in connection with the determination and publication of tax factors for EU/EEA countries and/or all countries where distribution approvals exist and/or private placements have been made, in accordance with the actual expenses at market rates;

- fees and costs arising from other legal or regulatory requirements to be met by the Management Company in the context of implementing the investment strategy (such as reporting and other costs incurred in the context of compliance with the European Market Infrastructure Regulation (EMIR, EU Regulation 648/2012));
- fees for paying agents and other representatives with comparable functions in Liechtenstein and abroad;
- an appropriate share of the costs of printed matter and advertising directly related to the offering and sale of units and related expenses incurred by the Management Company and the Depositary;
- professional fees of tax advisors, insofar as these expenses are incurred in the interest of the investors;
- remuneration to the Auditor;
- remuneration to the FMA Liechtenstein;
- transaction-related remuneration in favour of the Management Company in connection with administration or risk management;
- formation expenses;
- structural measures;
- extraordinary dispositions.

The actual costs incurred by the sub-fund/share class are stated in the annual report.

#### **Transaction costs**

In addition, the sub-fund shall bear all ancillary costs arising from the management of the assets for the purchase and sale of the investments (customary brokerage fees, commissions and duties). The sub-fund shall also bear any external costs, i.e. third-party fees incurred in connection with the purchase and sale of the investments. These costs are offset directly against the cost or sales value of the assets concerned. Any currency hedging costs are also charged to the respective share classes.

Considerations which are included in a fixed flat fee may not be charged additionally as individual expenses. Any compensation for duly commissioned third parties is in any case included in the fees pursuant to Art.34 of this Unit Trust Agreement.

Transaction costs and currency hedging costs do not constitute expenses in connection with the management of the sub-fund's assets and are therefore not included in the total cost allocation of the sub-fund pursuant to Art. 34.

If applicable, the Management Company is entitled to a transaction-related fee for expenses in relation to fund administration (e.g. handling fee) or risk management (e.g. risk management fee). Transaction-related remuneration for the investment decision or distribution is not permitted. Any transaction-related fee is reported under Art.34 as a fee independent of the assets of the sub-fund and is included in the total cost calculation of the sub-fund pursuant to Art.34.

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

Any currency hedging costs of share classes are allocated to the corresponding share class. The fees actually charged to the sub-fund/share class are stated in the annual report.

#### **Liquidation costs**

In the event of the liquidation of the UCITS or individual sub-funds or share classes, the appointed liquidator may levy a liquidation fee in its favour and debit this directly from the assets of the sub-fund. In addition, the sub-fund shall bear all costs incurred by the authorities, the Auditor and the Depositary.

The liquidation costs are a component of the costs and fees that are independent of the assets of the sub-fund in accordance with Art.34.

#### **Extraordinary disposition costs**

In addition, the Management Company may charge costs for extraordinary dispositions to the sub-fund.

Extraordinary disposition costs are composed of expenses that serve exclusively to safeguard the interests of the sub-fund or the investors, that arise in the course of regular business activities and that were not foreseeable when

the sub-fund was established. Extraordinary disposition costs are, in particular, costs of legal action in the interest of the sub-fund or the investors. In addition, this includes all costs of any extraordinary dispositions that may become necessary in accordance with UCITSG and UCITSV (e.g. changes to the fund documents).

### **Current fees (total expense ratio)**

The total of current fees and costs before any performance-related expenses (total expense ratio, TER) is reported in accordance with the applicable code of conduct and includes all costs and fees, with the exception of transaction costs, which are charged to the sub-fund's assets on an ongoing basis. The TER is composed of:

- fees (excluding performance fees) that are dependent on the assets of the sub-fund pursuant to Art.34 (A);
- fees that are independent of the assets of the sub-fund pursuant to Art.34 (B);
- indirect costs incurred when investing in other sub-funds;

whereas the following items are **not** included in the total cost (TER):

- fees dependent on investment performance;
- transaction costs pursuant to Art.34 (B);
- extraordinary disposition costs pursuant to Art.34;
- liquidation costs pursuant to Art.34;
- all taxes levied on the assets of the sub-fund and its income and expenses charged to the sub-fund, e.g. withholding taxes on foreign income.

The TER of the sub-fund is shown on the website of the Management Company ([www.onefunds.li](http://www.onefunds.li)) and of LAFV ([www.lafv.li](http://www.lafv.li)) and in the respective semi-annual and annual reports, if these have already been published.

The sub-fund's specific investment policy set out in Annex A "Overview of Sub-Funds" provides information on the maximum amount of total costs and the annual report shows the actual amount.

### **Art.35 Costs Borne by the Investor**

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

### **Art.36 Fees Dependent on Investment Performance (Performance Fees)**

In addition, the Management Company may charge a performance fee. If a performance fee is payable this is described in detail in Annex A "Overview of Sub-Funds".

### **Art.37 Formation Costs**

The sub-fund shall also bear all costs incurred in connection with the formation of the sub-fund, such as the admission fee of the FMA Liechtenstein, the Auditor's fee in connection with the audit of the Unit Trust Agreement, the Prospectus and the contracts, the costs of registration in the Commercial Register, the compensation to the Management Company for drawing up the Unit Trust Agreement, the Prospectus and contracts, any legal and tax consultancy costs, the drafting and printing of the Unit Trust Agreement and the Prospectus, and translation costs.

The costs of the formation and initial issue of units are charged to the sub-fund, capitalised and subsequently depreciated over a period of five years. The formation expenses are a component of the costs and fees that are independent of the assets of the sub-fund pursuant to Art.34.

## **7 Final Provisions**

### **Art.38 Appropriation of Income**

The performance of a sub-fund is composed of net income and realised capital gains. The Management Company may distribute the income generated in a sub-fund or share class to the investors of the sub-fund or these share classes or reinvest (accumulate) this income in the sub-fund or the relevant share class.

**Reinvesting/Accumulating:**

The income generated by a sub-fund or share class that has an "accumulating" type of income allocation as per Annex A "Overview of Sub-Funds" is reinvested on an ongoing basis, i.e. accumulated.

**Distributing**

The income generated by a sub-fund or share class that has a "distributing" type of income appropriation as per Annex A "Overview of Sub-Funds" is distributed annually. If distributions are made, they are made within four months of the end of the financial year.

Up to 10% of the sub-fund's net income may be carried forward to the new account.

Realised capital gains from the sale of property and rights are retained by the Management Company for reinvestment. Distributions are paid out on the units issued on the distribution date. No interest is paid on declared distributions from the date on which they become due.

**Art.39 Other Compensations**

In connection with the acquisition and sale of property and rights for the sub-fund, the Management Company, the Depositary and any authorised representatives shall ensure that remuneration (e.g. retrocessions, portfolio fees, kick-backs) always benefits the sub-fund directly or indirectly. The Depositary shall be entitled to charge a reasonable fee for any services rendered in connection with the collection of such remuneration, but such fee shall not exceed 25% of the remuneration received.

**Art.40 Inducements**

The Management Company reserves the right to grant benefits to third parties for the acquisition of investors and/or the provision of services. As a rule, the basis of assessment for such contributions is the commissions, fees, etc. charged to investors and/or assets/asset components placed with the Management Company. Their amount corresponds to a percentage of the respective assessment basis. Upon request, the Management Company shall provide further details of the agreements concluded with third parties at any time. The investor hereby expressly waives any further claim to information from the Management Company; in particular, the Management Company has no detailed settlement obligation with regard to actual benefits paid.

The investor acknowledges and accepts that the Management Company may receive benefits from third parties (including Group companies) in connection with the allocation of investors, the acquisition/distribution of collective investment schemes, certificates, notes, etc. (hereinafter referred to as "products"; these also include those managed and/or issued by a Group company), generally awarded in the form of stock payments. The amount of such benefits will vary depending on the product and product provider. Portfolio payments are generally based on the volume of a product or product group held by the Management Company.

Their amount usually corresponds to a percentage of the management fees charged for the relevant product, which are remunerated periodically during the holding period. In addition, sales commissions may also be paid by securities issuers in the form of discounts on the issue price (percentage discount) or in the form of one-off payments corresponding to a percentage of the issue price. Subject to any other applicable arrangements, the investor may at any time before or after the provision of the service (purchase of the product) request further details from the Management Company regarding the agreements concluded with third parties in respect of such benefits.

However, the right to receive further details regarding transactions already carried out is limited to the 12 months preceding the request. The investor expressly waives any further claim to information. If the investor does not request any further details prior to the provision of the service or if he/she obtains the service after obtaining further details, he/she waives any claim to the release of information within the meaning of § 1009 ABGB (Allgemeines Bürgerliches Gesetzbuch; Civil Code).

**Art.41 Information for Investors**

All notices to investors, including changes to the Unit Trust Agreement and to Annex A "Overview of Sub-Funds", as well as the net asset value and the issue and redemption prices of the units of the sub-fund or of each share

class, are published on the website of the sub-fund's official publication medium ([www.lafv.li](http://www.lafv.li)) and in other media and on durable data media (letter, e-mail or similar) specified in the Prospectus and the Unit Trust Agreement.

The duly audited annual report and the half-yearly report, which need not be audited, shall be made available free of charge to investors at the registered office of the Management Company and the Depositary.

#### **Art.42 Financial Reports**

The Management Company shall prepare an audited annual report and a semi-annual report for each sub-fund as prescribed by the Principality of Liechtenstein.

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

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

Audited and unaudited interim reports may also be prepared.

#### **Art.43 Financial Year**

The financial year of the sub-fund begins on January 1 of each year and ends on December 31 of the same year.

#### **Art.44 Amendments to this Unit Trust Agreement**

This Unit Trust Agreement and Annex A "Overview of Sub-Funds" may be amended or supplemented in whole or in part at any time by the Management Company.

Amendments to the Unit Trust Agreement and to Annex A "Overview of Sub-Funds" require the prior approval of the FMA Liechtenstein.

#### **Art.45 Limitation Period**

Investors' claims against the Management Company, the liquidator, Administrators or the Depositary are subject to a limitation period of five years after the loss has occurred, but no later than one year after the redemption of the unit or after the loss has become known.

#### **Art.46 Applicable Law, Jurisdiction and Authoritative Language**

The sub-fund is governed by Liechtenstein law.

The place of jurisdiction for legal actions against the Management Company or the Depositary is Vaduz, Principality of Liechtenstein. The place of jurisdiction for legal actions against the investor is his/her place of residence or registered office or Vaduz, Principality of Liechtenstein.

English is the legally binding language for the Prospectus, the Unit Trust Agreement and Annex A "Overview of Sub-Funds". In case of any ambiguities the German version of the Prospectus, the Unit Trust Agreement and Annex A "Overview of Sub-Funds" shall serve as interpretation aid.

#### **Art.47 Other Decrees to be considered**

For the rest, reference is made to the provisions of the UCITSG, the UCITSV, the provisions of the Persons and Companies Act (PGR) on collective trusteeship as well as the general provisions of the PGR and the directly applicable ordinances and directives of the competent authorities (EU, ESMA, etc.), as amended.

**Art.48 Entry into Force**

This Unit Trust Agreement shall enter into force on 07.12.2022

**The Management Company:**

ONE Funds AG,  
Gamprin-Bendern

**The Depositary:**

NEUE BANK AG,  
Vaduz

## Annex A: Overview of Sub-Funds

The Unit Trust Agreement and this Annex A “Overview of Sub-Funds” form a legal entity (constituent documents) and therefore complement each other.

### I. Global Equity Fund

#### 1 Key Data and Basic Information on the Sub-Fund and its Share Classes

Share class	USD
Security number	52616169
ISIN	LI0526161695
Suitable as UCITS target fund	Yes
Duration of the sub-fund	Indefinite duration
Exchange listing	No
Accounting currency of the sub-fund	USD
Reference currency of the share class	USD
Minimum investment	1 unit
Initial issue price	USD 100.00
First day of subscription	29.05.2020
First value date	03.06.2020
Valuation date <sup>2</sup> (T)	Daily
Valuation interval	Daily
Issue and redemption date <sup>3</sup>	Each valuation day
Value date of issue and redemption (T+2)	<u>Subscription</u> : two bank working days after the valuation date <u>Redemption</u> : two bank working days after the valuation date
Closing date of unit transactions (T-1)	The day before the valuation date at 16:00h CET at the latest
Denomination	No decimal places
Securitisation	Book entry/ No issue of certificates
End of financial year	At 31 December of each year
End of the first financial year	31 December 2020
Appropriation of income	Reinvesting/accumulating

#### Costs charged to the investors

Share class	USD
Max. subscription fee <sup>4</sup>	None
Max. redemption fee	None
Conversion fee when switching from one share class to another	Max. 1%

<sup>2</sup> If the valuation date falls on a bank holiday in Liechtenstein, the valuation date shall be postponed to the following bank working day in Liechtenstein.

<sup>3</sup> The issue and redemption dates are not applicable on 31 December. This valuation date is decisive for the fund's annual report.

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



## Costs charged to the sub-fund<sup>5,6,7</sup>

Share class	USD
Max. portfolio management fee <sup>8</sup>	0.60% p.a.
Max. operations fee	0.28% p.a., minimum CHF 35,000 p.a.
Max. depositary fee	0.10% p.a., minimum CHF 15,000 p.a.
Performance fee	5%
Performance benchmark	MSCI World Index in USD (Bloomberg ticker MXWO Index)
Performance fee model	High-on-High model
Other costs	Cf. the fees independent of the assets

## 2 Portfolio Management

Investment decisions are delegated to BAO CAPITAL PARTNERS LTD, Office 406, Kermia House, Diagorou 4, 1097 Nicosia, Cyprus.

## 3 Distributor

Distribution of the sub-fund's units is handled by ONE Funds AG, Schaaner Strasse 27, FL-9487 Gamprin-Bendern, Liechtenstein.

## 4 Administration

The administration is not delegated.

## 5 Depositary

NEUE BANK AG, Marktgass 20, FL-9490 Vaduz, Liechtenstein has been appointed as depositary.

## 6 Auditor

BDO (Liechtenstein) AG, Wuhrstrasse 14, FL-9490 Vaduz, Liechtenstein, has been appointed as Auditor.

## 7 Investment Objective and Strategy of the Sub-Fund

The aim of the investment policy is long-term asset growth and the achievement of long-term total returns. The achievement of high growth in value is achieved at the expense of high fluctuations in value.

The sub-fund is actively managed by the Portfolio Manager. The Portfolio Manager seeks to achieve this objective by investing primarily in equities of companies worldwide that have strong cash flow, earnings growth, manageable debt levels and a sustainable business model.

The investment universe is global and the sub-fund may invest in companies of any size. The portfolio will generally invest relatively concentrated in relation to the performance benchmark.

Each investment must also be very liquid, allowing positions to be entered and exited within a short period of time. The investment strategy is suitable for a buy-and-hold philosophy for companies that have been identified and whose turnover is low. Nevertheless, the Portfolio Manager will continuously monitor the portfolio and the financial markets in order to protect the overall quality of the sub-fund.

The sub-fund may invest its assets directly or indirectly in listed equity securities. In particular, shares, profit participation and participation certificates are considered equity securities. Indirect investments are made in particular through funds and ETFs. The investment universe is global. In particular, equities are selected from

<sup>5</sup> Plus taxes and other charges: transaction costs and expenses incurred by the Management Company and the Depositary in the performance of their duties. Details are set out in the Prospectus in Art.11 "Tax Provisions" and Art. 12.2 "Costs and Fees Charged to the Sub-Funds".

<sup>6</sup> In the event of the liquidation of the sub-fund, the appointed liquidator may charge a liquidation fee in its favour.

<sup>7</sup> Commissions and fees are accrued on each valuation date and charged on a pro rata basis at the end of each quarter.

<sup>8</sup> The management fee/portfolio management fee is calculated on the basis of the average net asset value before such fees in accordance with Art.34 of the Unit Trust Agreement.

companies whose earnings are expected to rise in the opinion of the Portfolio Manager and which are already leaders in their industry or have the potential to become leaders.

Derivatives for the purpose of hedging, achieving efficient portfolio management or generating additional income are not permitted. The sub-fund is not permitted to undertake borrowing.

The Portfolio Manager may raise cash and reduce equity holdings during periods of market stress. The reduction of equity holdings results in a reduction of the fees for the Portfolio Manager (cf. section 13 of this Annex A).

In addition, the sub-fund is authorised to invest in other permitted investments within the investment limits set out in section 5 "General Investment Principles and Restrictions" of the Unit Trust Agreement.

The selection of the individual investments is at the discretion of the Portfolio Manager.

**No assurance can be given that the investment objective will be achieved. Accordingly, the value of the units and their income may increase or decrease. The performance of the units depends on the investment policy and the market development of the 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 or fall at any time compared to the issue price. It cannot be guaranteed that the investor will get back his/her invested capital (total loss).**

## 7.1 Investment Guidelines of the Sub-Fund

- The maximum cumulative position size of the 10 largest issuers within the sub-fund is 50% of its assets.
- There are no restrictions on the size of the target investments by country or sector.
- The maximum cumulative position size in other UCITS or other comparable collective investment undertakings is 10% of its assets.
- The sub-fund may not invest in any derivative financial instruments.
- The sub-fund is not permitted to undertake borrowing.

## 7.2 Sustainability factors (ESG)

### 7.2.1 Disclaimer pursuant to Art. 7 of Regulation (EU) 2020/852 ("Taxonomy")

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

### 7.2.2 Disclaimer pursuant to Art. 7 (2) of Regulation (EU) 2019/2088 ("SFDR")

Any adverse impact of investment decisions on sustainability (ESG) factors will not be taken into account, as the improvement of these factors is not the main objective of the fund.

## 8 Accounting and Reference Currency of the Sub-Fund

The accounting currency of the sub-fund and the reference currency are specified in section 1 of this Annex A "Overview of Sub-Funds".

The accounting currency is the currency in which the sub-funds' accounts are kept. The reference currency is the currency in which the performance and net asset value of any share classes of units are calculated. Investments are made in the currencies that are best suited to the performance of the sub-fund.

## 9 Valuation

The valuation is carried out by the Management Company or by a duly authorised representative. The valuation is carried out in accordance with Art.6 of the Unit Trust Agreement.

## 10 Risks and Risk Profile of the Sub-Fund

### a) Fund-specific risks

The performance of the units depends on the investment policy and the market development of the 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 or fall at any time compared to the issue price. It cannot be guaranteed that the investor will get back his/her invested capital (total loss).

In particular, the risks listed below may adversely affect the performance of the sub-fund or the assets held in the sub-fund and thus also have a negative impact on the unit value. If the investor sells units in the sub-fund at a time when the prices of the assets held in the sub-fund have fallen compared with the time at which he/she acquired the units, he/she will not receive back the money invested in the sub-fund or will not receive it back in full. The investor could lose some or all of the capital invested in the sub-fund.

### **Market risk / risk of changes in value**

The assets in which investments are made for the account of the sub-fund entail risks. For example, losses in value may occur as the market value of the assets falls in relation to the cost price or as spot and forward prices develop differently. However, the investor's risk is limited to the amount invested. There is no obligation to make additional contributions over and above the money invested by the investor.

### **Capital market risk**

The price or market value development of financial products depends in particular on the development of the capital markets, which in turn is influenced by the general situation in the global economy and the economic and political conditions in the respective countries. Irrational factors such as market sentiment, opinions and rumours can also have an effect on the general price development, especially on a stock exchange. Fluctuations in price and market values may also be due to changes in interest rates, exchange rates or the creditworthiness of an issuer. This can also lead to negative returns on bonds and money market instruments.

### **Currency risk**

Where assets of a sub-fund are invested in currencies other than the relevant accounting currency of the sub-fund, the sub-fund shall receive income, repayments and proceeds from such investments in the relevant currency. If the value of this currency falls in relation to the accounting currency, the value of the sub-fund is reduced.

### **Risks in the acquisition of units**

The purchase of stocks for the sub-fund may involve special market risks and corporate risks. Experience shows that stocks are subject to significant price fluctuations and thus also the risk of price declines. These price fluctuations are influenced in particular by the development of the issuing company's profits as well as developments in the sector and overall economic trends.

Moreover, the value of stocks does not always reflect the actual asset value of the underlying company. As a result, these values may fluctuate widely and rapidly if market conditions or the assessments of market participants regarding the value of these investments change.

### **Risks associated with investing in units of sub-funds**

The risks of the fund units acquired for the sub-fund are closely related to the risks of the assets contained in this sub-fund or the investment strategies pursued by these assets. However, the aforementioned risks may be lessened by the diversification of investments within the sub-funds whose units are acquired and by diversification within this sub-fund.

Investment funds in which the sub-fund acquires units may also temporarily suspend the redemption of units. In that case, the Management Company is prevented from selling the units in the target fund by returning this payment of the redemption price to the Management Company or the Depositary of the target fund.

### **Risks associated with the acquisition of fixed-interest securities (interest rate risk)**

Investing in fixed-interest securities is associated with the possibility that the market interest rate at the time a security is issued may change. If market interest rates rise compared with the interest rates at the time of issue, the prices of fixed-interest securities will generally fall. On the other hand, if the market interest rate falls, the price of fixed-interest securities rises. However, these price fluctuations vary depending on the term of the fixed-interest securities. Fixed-interest securities with shorter maturities have lower price risks than those with longer maturities. Money market instruments tend to have lower price risks due to their short maturity of a maximum of 397 days.

Depending on market conditions, the interest rate risk may also affect demand deposits and callable deposits in the form of negative credit interest or other unfavourable terms and conditions, whereby the latter may be subject to more frequent change in both a positive and negative sense.

#### **Inducement to invest**

The responsible Portfolio Manager is not being paid an ongoing portfolio management fee on pure cash positions, see section 13 of this Annex A. This is on the one hand of course benefitting the investors due to a reduction in fees, on the other hand this increases the inducement for the Portfolio Manager to keep such fee-free positions rather small at all times.

#### **b) General risks**

In addition to the risks specific to the fund, the sub-fund's investments may be subject to general risks. A non-exhaustive list is given in section 8.2 of the Prospectus, by way of example.

#### **c) Risk management method**

Commitment approach

#### **d) Profile of the typical investor**

The sub-fund is suitable for investors with a long-term investment horizon who can accept fluctuations and a prolonged decline in the net asset value.

## **11 Costs Reimbursed by the Sub-Fund**

An overview of the costs reimbursed by the sub-fund is set out in the table "Key Data and Basic Information on the Sub-Fund and its Share Classes" in section 1 of this Annex A.

## **12 Calculation and Calculation Example of the Performance Fee**

There is an entitlement to an additional performance fee, which is retained in favour of the Portfolio Manager.

The Management Company charges the sub-fund a performance fee of 5% of the outperformance (excess performance) compared to the MSCI World Index as performance benchmark<sup>9</sup> within a fixed performance period. The performance period is ranging from 01 January (performance start date) to 31 December (performance end date), therefore amounting to a full calendar year<sup>10</sup>.

The following conditions apply to the calculation of any entitlement to a performance fee:

- **Condition 1:** The net asset value after deduction of all costs calculated from the performance start date is positive.
- **Condition 2:** The net asset value development after deduction of all costs calculated from the performance start date exceeds the according development of the performance benchmark calculated from the performance start date, whereas the development of the performance benchmark is assumed with a lower floor of zero percent. For example if the sub-fund's performance is +7% and the benchmark's performance is -3% then the actual outperformance is recorded as 7% (and not 10%).

There is only a claim to a performance fee if both conditions are met. The performance fee is calculated on each valuation day and if the conditions are met according provisions are made and/or existing provisions are adjusted. Performance fees (if any) are paid annually and only in case the conditions are met for the defined performance period.

<sup>9</sup> The performance benchmark is a market index against which to assess the excess performance of the fund, in regards to the calculation of the performance fee calculation.

<sup>10</sup> If any of the two dates are bank holidays in Liechtenstein then the performance period is adjusted to the first subsequent or last precedent business day as required in order to stay within one calendar year.

The outperformance consideration starts with each new performance period.

In accordance with the guidelines on performance-based remuneration in UCITS and certain types of AIF (ESMA34-39-992), a concrete example of how the performance-based remuneration is calculated is provided below.

**Calculation example for the performance fee:**

<b>Performance Fee:</b> <sup>11</sup>	5%
<b>Performance fee model:</b>	High-on-High model <sup>12</sup>
<b>Performance benchmark:</b> <sup>13</sup>	MSCI World Index in USD (Bloomberg ticker MXWO Index)
<b>Marginal Rate:</b>	The basis for calculating the marginal rate is the valid High-on-High mark plus the performance benchmark
<b>Calculation of the Performance Fee:</b>	With each NAV
<b>Calculation status:</b>	Preliminary, performance fee only considered accrued
<b>Pay-out Performance Fee:</b>	At the end of each performance period (01.01 – 31.12.)

While the performance benchmark is a traded index, for the calculation example the assumption is being made, that the performance benchmark, will yield 7% each year.

	Valuation date	NAV before performance fee	Year-to-date performance	High-on-High Mark	Realised gain per unit	Absolute hurdle rate	Threshold price	Performance fee	NAV after performance fee
<b>Year 1</b>	Month 1	100.00	0.00%	100.00	0.00	0.58%	100.58	0.00	100.00
	Month 2	100.75	0.75%	100.00	0.00	0.58%	101.17	0.00	100.75
	Month 3	101.50	1.50%	100.00	0.00	0.58%	101.75	0.00	101.50
	Month 4	102.25	2.25%	100.00	0.00	0.58%	102.33	0.00	102.25
	Month 12	113.00	13.00%	100.00	6.00	0.58%	107.00	0.30	112.70
<b>In the first year 0.3 of performance fee will be levied.</b>									
<b>Year 2</b>	Month 1	110.00	-2.65%	113.00	0.00	0.58%	113.66	0.00	110.00
	Month 2	111.00	-1.77%	113.00	0.00	0.58%	114.32	0.00	111.00
	Month 3	110.50	-2.21%	113.00	0.00	0.58%	114.98	0.00	110.50
	Month 4	110.75	-1.99%	113.00	0.00	0.58%	115.64	0.00	110.75
	Month 12	111.50	-1.33%	113.00	0.00	0.58%	120.91	0.00	111.50
<b>No performance fee in the second year.</b>									
<b>Year 3</b>	Month 1	111.00	-0.45%	113.00	0.00	0.58%	112.15	0.00	111.00
	Month 2	111.50	0.00%	113.00	0.00	0.58%	112.80	0.00	111.50
	Month 3	112.00	0.45%	113.00	0.00	0.58%	113.45	0.00	112.00
	Month 4	112.50	0.90%	113.00	0.00	0.58%	114.10	0.00	112.50
	Month 12	120.00	7.62%	113.00	0.69	0.58%	119.31	0.03	119.97
<b>In the third year 0.03 of performance fee will be levied.</b>									
<b>Year 4</b>	Month 1	121.00	0.83%	120.00	0.30	0.58%	120.70	0.01	120.99
	Month 2	122.00	1.67%	120.00	0.60	0.58%	121.40	0.03	121.97
	Month 3	123.00	2.50%	120.00	0.90	0.58%	122.10	0.05	122.95
	Month 4	124.00	3.33%	120.00	1.20	0.58%	122.80	0.06	123.94
	Month 12	132.50	10.42%	120.00	4.10	0.58%	128.40	0.21	132.29
<b>In the fourth year 0.21 of performance fee will be levied.</b>									

In **year 1**, a performance fee was levied because the fund exceeded the High-on-High Mark and exceeded the performance benchmark at the end of the performance period. The High-on-High Mark in year 1 is the initial issue price (100.00). The Performance Fee 0.3 is calculated as follows: [NAV before performance fee less threshold price] x performance AG fee = (113-107) x 5% = 0.30.

No performance fee was levied in **year 2** because the fund neither exceeded the High-on-High Mark nor the performance benchmark at the end of the performance period. The High-on-High Mark is the NAV before performance fee from year 1 (113.00).

In **Year 3**, a Performance Fee was levied as the Fund exceeded the High-on-High Mark and the performance benchmark at the end of the Performance Period. The High-on-High Mark is still the NAV before Performance Fee

<sup>11</sup> The performance fee is calculated and accrued on each valuation date on a pro rata basis for the current performance period. The amount of the performance fee is based on the difference between the barrier price and the NAV before the performance fee. A payment is made at the end of the financial year if the corresponding NAV before performance fee is above the High-on-High Mark. If this is not the case, the provisions recognized to date will be reversed.

<sup>12</sup> The High-on-High model, is a performance fee model whereby the performance fee may only be charged if the NAV exceeds the NAV at which the performance fee was last crystallised.

<sup>13</sup> The performance benchmark is the reference value MSCI World Index in USD.

from Year 1 (113.00) as no Performance Fee was levied in Year 2. The performance fee 0.07 is calculated as follows:  $[\text{NAV before performance fee less threshold price}] \times \text{performance fee} = (120 - 119.31) \times 5\% = 0.03$ .

**In year 4**, a performance fee was levied because the fund exceeded the High-on-High Mark and the performance benchmark at the end of the performance period. The High-on-High Mark is the NAV before Performance Fee from Year 3 (120.00). The performance fee 0.41 is calculated as follows:  $[\text{NAV before performance fee less threshold price}] \times \text{performance fee} = (132.50 - 128.40) \times 5\% = 0.21$ .

### 13 Portfolio Management Fee “Investor Bonus”

The portfolio management fee of 0.60% p.a. is only levied on assets excluding cash positions and potential term deposits. Therefore, the Portfolio Manager is induced to actively invest the assets of the sub-fund into eligible securities. In case the Portfolio Manager decides to hold such cash positions they are excluded from portfolio management fee calculations which at the same time benefits the investors.

Gamprin-Bendern, 07.12.2022

**The Management Company:**

ONE Funds AG, Gamprin-Bendern

**The Depositary:**

NEUE BANK AG, Vaduz



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## Annex B: Specific Information for Individual Distribution Countries

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According to the applicable law in the Principality of Liechtenstein, the constituent documents are approved by the FMA Liechtenstein. This authorisation only relates to information concerning the implementation of the provisions of the UCITSG. For this reason, the following Annex B "Specific Information for Individual Distribution Countries", which is based on foreign law, is not subject to review by the FMA Liechtenstein and is precluded from approval.

### I. Information on Liechtenstein

The sub-fund is authorised for distribution in the Principality of Liechtenstein.

### II. Member States of the EU or EEA

The sub-fund may be distributed to all investors in the member states of the European Union (EU) or the European Economic Area (EEA), subject to lawful notification.

### III. United Kingdom

On **22.12.2020 the UCITS was notified** to the respective supervisory authority in the United Kingdom (FCA – Financial Conduct Authority).

The following **Facilities Agent** has been appointed:

Bank Frick & Co. AG, UK BRANCH

25 Bedford Square, London WC1B 3HH, United Kingdom

(the "UK Facilities Agent").

The following documents and/or information are available for inspection respectively copies can be obtained free of charge at the office of the UK Facilities Agent or shall be sent at no cost to the unitholders of the UCITS under Directive 2009/65/EC on the Coordination of Laws, Regulations and Administrative Provisions relating to Undertakings for Collective Investments in Transferable Securities:

- a. The latest available prospectus and key investor information documents
- b. The latest available annual and semi-annual financial reports of the Company
- c. The issue and redemption prices.

Furthermore, UK investors can obtain information in English about the prices of units and may arrange for redemption of units and payment of the redemption proceeds at the office of the UK Facilities Agent.

In addition, the latest Prospectus, Key Investor Information Documents and annual and semi-annual reports are available in electronic format on the Internet at [www.lafv.li](http://www.lafv.li). Prices are published daily at [www.lafv.li](http://www.lafv.li).

Any person who has a complaint to make about the operation of the UCITS can submit his or her complaint in writing to the UK Facilities Agent for transmission to the Management Company.

UK resident investors should seek their own professional advice as to tax matters and other relevant considerations.

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## Annex C: Supervisory Disclosure

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### Conflicts of interest

The following conflicts of interest may arise for UCITS:

The interests of the investor may clash with the following interests:

- interests of the Management Company and the companies and persons closely associated with it,
- interests of the Management Company and its clients,
- interests of the Management Company and its investors,
- interests of the various investors in the Management Company,
- interests of an investor and a fund,
- interests of two funds,
- interests of the employees of the Management Company.

Circumstances or relationships that may give rise to conflicts of interest include, in particular:

- incentive systems for employees,
- employee transactions,
- reallocations in UCITS,
- positive presentation of the fund performance,
- transactions between the Management Company and the funds or individual portfolios it manages,
- transactions between funds and/or individual portfolios managed by the Management Company,
- combining several orders (so-called "block trades"),
- engagement of closely associated companies and persons,
- individual substantial investments,
- high turnover rate of assets (so-called "frequent trading"),
- determination of the cut-off time,
- suspension of unit redemption,
- IPO allotment.

In order to manage conflicts of interest, the Management Company employs the following organisational and administrative measures to avoid and, if necessary, resolve, investigate, prevent, document, monitor and disclose any such conflicts of interest:

- existence of a Compliance department that monitors compliance with laws and regulations and to which conflicts of interest must be reported,
- disclosure obligations,
- organisational measures such as:
  - assignment of responsibility to prevent undue influence,
  - codes of conduct for employees with regard to employee transactions,
  - codes of conduct regarding the acceptance and granting of gifts, invitations, other benefits and inducements,
  - ban on insider trading,
  - prohibition of front and parallel running.
- establishment of a remuneration policy and practices,
- principles for the consideration of client interests,
- principles for monitoring the agreed investment guidelines,
- principles for the execution of trading decisions (Best Execution Policy),
- principles for splitting partial executions,
- order acceptance arrangements (cut-off times).

### Remuneration principles and practices

ONE Funds AG (ONEF) is subject to the regulatory requirements applicable to Management Companies under the Law on Certain Undertakings for Collective Investment in Transferable Securities (UCITSG) and the regulatory requirements applicable to AIFM under the Law on Alternative Investment Fund Managers (AIFMG) with regard to the structure of its remuneration principles and/or practices.

ONEF has laid down the detailed structure in an internal directive on remuneration policy and/or practices, the aim of which is to ensure a sustainable remuneration system while avoiding false incentives to take excessive risks. The remuneration principles and practices of ONEF are reviewed at least annually by the members of the Board of Directors to ensure that they are appropriate and correctly implemented. They comprise fixed and variable (performance-related) remuneration elements.

ONEF has defined a remuneration policy that is compatible with its business and risk policy. In particular, no incentives are created to take excessive risks. When calculating performance-related remuneration, either the overall result of ONEF and/or the personal performance of the employee concerned and his/her department are included. The focus is always on sustainable business development and the protection of the company against excessive risks. The variable remuneration elements are not linked to the performance of the funds managed by ONEF. Voluntary benefits in kind or advantages in kind are permitted.

All employment contracts concluded by ONEF with staff members comply with the principle of proportionality. Due to the low influence of variable remuneration on the total remuneration of employees and the independence of this remuneration from the performance of the funds managed by ONEF, ONEF refrains from special payment arrangements (such as variable remuneration in the form of instruments, blocking periods, deferrals, ex post consideration of the risk of variable remuneration, etc.). The variable remuneration, including the reserved portion, is only paid or earned if it is acceptable in view of the financial situation of the Management Company as a whole and justified by the performance of the department or person concerned.

Total remuneration comprises fixed and variable salary components as well as any non-monetary benefits and voluntary contributions to the employee pension scheme. Without exception, employees receive fixed salary components, which are paid out irrespective of the business performance of ONEF and the funds managed by it, and irrespective of the performance of the individual employee. ONEF may make part of the total remuneration of the individual employee variable, whereby no such variable salary components are guaranteed in the employment contract.

By setting ranges for variable remuneration, this ensures that there is no significant dependency on variable remuneration and an appropriate ratio of variable to fixed remuneration. Even a total loss of the variable remuneration is bearable, because the amount of the fixed salary component is such that an employee can earn a living with the fixed salary component alone if he/she is 100% employed (taking into account wages in line with the market). ONEF's Board of Directors has the final decision on the allocation of variable remuneration. The Board of Directors is responsible for reviewing the remuneration principles and practices at least annually.

The latest version of the current principles is available to investors free of charge from the Management Company on request.