

---

## BLUE OCEAN SICAV

---

### Constituent Documents

#### AIF (Alternative Investment Fund)

under Liechtenstein law

in the legal form of  
public limited company with variable capital (SICAV)  
as an umbrella fund

for the following investors:

for professional investors in Liechtenstein  
for professional investors and investors treated as such in the EEA  
for other eligible investors

**Status: September 12<sup>th</sup>, 2024**

**AIFM:**



**ONE Funds AG**

Austrasse 14, FL-9495 Triesen, Fürstentum Liechtenstein

Tel +423 / 388 10 00

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

## Table of contents

<b>BLUE OCEAN SICAV .....</b>	<b>1</b>
<b>Investment Terms and Conditions – Bulker Opportunities Fund I.....</b>	<b>9</b>
Art. 1 Key Features .....	11
Art. 2 Costs borne by investors .....	13
Art. 3 Costs charged to Fund assets.....	14
Art. 4 Fair treatment of investors.....	15
Art. 5 AIFM .....	15
Art. 6 Depositary Bank .....	16
Art. 7 Auditor .....	16
Art. 8 Portfolio management .....	17
Art. 9 Risk management.....	17
Art. 10 Other service providers .....	17
<i>Art. 10.1 Specialist consultants.....</i>	<i>17</i>
<i>Art. 10.2 Prime broker.....</i>	<i>17</i>
<i>Art. 10.3 Distributor.....</i>	<i>17</i>
Art. 11 Sales information.....	17
Art. 12 Definition professional investors / Private investors in the EEA.....	18
<i>Art. 12.1 Professional investors in terms of the Directive 2014/65/EU (MiFID II).....</i>	<i>18</i>
<i>Art. 12.2 Categories of clients considered as professional clients .....</i>	<i>18</i>
<i>Art. 12.3 Clients who can be treated as professional clients upon request.....</i>	<i>19</i>
<i>Art. 12.4 Private investors in terms of the Directive 2014/65/EU (MiFID II) .....</i>	<i>19</i>
Art. 13 Country-specific sales information .....	20
<i>Art. 13.1 Liechtenstein .....</i>	<i>20</i>
<i>Art. 13.2 Switzerland.....</i>	<i>20</i>
<i>Art. 13.3 Other Member States of the EEA.....</i>	<i>20</i>
<i>Art. 13.4 USA .....</i>	<i>20</i>
<i>Art. 13.5 Hong Kong .....</i>	<i>21</i>
Art. 14 Unit classes .....	21
Art. 15 Subfunds .....	22
Art. 16 Side Pockets.....	22
Art. 17 General remarks.....	22
<i>Art. 17.1 Profile of the typical investor .....</i>	<i>22</i>
<i>Art. 17.2 Accounting currency.....</i>	<i>22</i>
<i>Art. 17.3 Reference currency.....</i>	<i>22</i>
<i>Art. 17.4 Joint management with other funds .....</i>	<i>22</i>
Art. 18 Investment Policy .....	23
<i>Art. 18.1 Investment objective.....</i>	<i>23</i>
<i>Art. 18.2 Investment strategy.....</i>	<i>23</i>
<i>Art. 18.3 Sustainability factors (ESG) .....</i>	<i>24</i>
Art. 19 Eligible assets.....	25
<i>Art. 19.1 Listed securities.....</i>	<i>25</i>
<i>Art. 19.2 Unlisted securities .....</i>	<i>25</i>
<i>Art. 19.3 Newly issued securities .....</i>	<i>25</i>
<i>Art. 19.4 Asset positions from collateralization .....</i>	<i>26</i>
<i>Art. 19.5 Demand deposits .....</i>	<i>26</i>

Art. 19.6	<i>Currencies</i> .....	26
Art. 19.7	<i>Units of other funds</i> .....	26
Art. 19.8	<i>Derivative financial instruments</i> .....	26
Art. 19.9	<i>Lending</i> .....	26
Art. 20	<i>Non-eligible assets</i> .....	27
Art. 20.1	<i>Lending</i> .....	27
Art. 20.2	<i>Guarantees</i> .....	27
Art. 20.3	<i>Real estate investments</i> .....	27
Art. 20.4	<i>Raw materials</i> .....	27
Art. 20.5	<i>Securities lending</i> .....	27
Art. 20.6	<i>Securities borrowing</i> .....	27
Art. 20.7	<i>Repurchase agreements</i> .....	27
Art. 20.8	<i>Short sales</i> .....	27
Art. 21	<i>Borrowing</i> .....	27
Art. 22	<i>Investment limits</i> .....	28
Art. 22.1	<i>Exceeding the investment limits</i> .....	28
Art. 22.2	<i>Look-through principle</i> .....	28
Art. 22.3	<i>Liquidity</i> .....	28
Art. 22.4	<i>Leverage</i> .....	28
Art. 23	<i>Procedure and requirements for changing the investment strategy</i> .....	30
Art. 24	<i>Use of net income</i> .....	30
Art. 24.1	<i>Accumulating</i> .....	30
Art. 24.2	<i>Distributing</i> .....	30
Art. 25	<i>Risk management method</i> .....	30
Art. 25.1	<i>Risk management method</i> .....	30
Art. 25.2	<i>Dealing with liquidity risks</i> .....	30
Art. 26	<i>Risk information</i> .....	31
Art. 27	<i>AIF-specific risks</i> .....	31
Art. 27.1	<i>Risks associated with investments in vessels</i> .....	31
Art. 27.2	<i>Risks in connection with the construction of a ship</i> .....	32
Art. 27.3	<i>Risks in connection with the ongoing operation of a ship</i> .....	33
Art. 27.4	<i>Special risks of charter hire rates</i> .....	34
Art. 27.5	<i>Risks in connection with the valuation and transparency of the investment assets</i> .....	35
Art. 27.6	<i>Risks with respect to due diligence processes</i> .....	36
Art. 27.7	<i>Risk of technological innovation</i> .....	37
Art. 27.8	<i>Risk of an over-supply of vessel carrier capacity</i> .....	37
Art. 27.9	<i>Risk of seasonal fluctuations</i> .....	37
Art. 27.10	<i>Risk of fuel prices</i> .....	38
Art. 27.11	<i>Risk of maritime liens</i> .....	38
Art. 27.12	<i>Risk of crew costs</i> .....	38
Art. 27.13	<i>Risk of increases in Insurance Premiums</i> .....	38
Art. 27.14	<i>Risk of hull and machinery classification, vessel maintenance and modifications</i> .....	39
Art. 27.15	<i>Risk of (non-)compliance with the legal and regulatory requirements of the shipping industry and changes to such codes and regulations</i> .....	40
Art. 27.16	<i>Risks associated with illiquidity of shares and Fund units</i> .....	40
Art. 27.17	<i>Risks arising from a concentrated portfolio</i> .....	41
Art. 27.18	<i>Risks associated with key persons in target companies</i> .....	41

Art. 27.19	Risks associated with in-depth company data and monitoring .....	41
Art. 27.20	Risks in connection with non-credit investments .....	41
Art. 27.21	Risks relating to the AIF .....	42
Art. 27.22	Legal and regulatory risks .....	43
Art. 27.23	Risks in connection with collateral .....	43
Art. 28	General risks .....	44
Art. 28.1	General market risks .....	44
Art. 28.2	Settlement risk.....	44
Art. 28.3	Change in the investment spectrum and investment policy.....	44
Art. 28.4	Amendment of the Constituent Documents .....	44
Art. 28.5	Credit and default risk of the Depositary Bank.....	45
Art. 28.6	Derivative financial instruments .....	45
Art. 28.7	Collateral management .....	46
Art. 28.8	Issuer risk (credit risk) .....	46
Art. 28.9	Monetary value risk .....	46
Art. 28.10	Economic risk .....	46
Art. 28.11	Concentration risk .....	46
Art. 28.12	Country risk .....	46
Art. 28.13	Countries or transfer risk.....	47
Art. 28.14	Liquidity risk.....	47
Art. 28.15	Sector risk .....	47
Art. 28.16	Market risk (price change risk) .....	47
Art. 28.17	Psychological market risk.....	47
Art. 28.18	Legal and political risks .....	47
Art. 28.19	Risks from increased redemptions and subscriptions.....	47
Art. 28.20	Risks from trading and clearing mechanisms (settlement risk) .....	48
Art. 28.21	Risks from criminal acts, grievances or natural disasters .....	48
Art. 28.22	Settlement risk.....	48
Art. 28.23	Tax risks .....	48
Art. 28.24	U.S. Foreign Account Tax Compliance Act ("FATCA") .....	50
Art. 28.25	OECD Common Reporting Standard ("CRS") .....	50
Art. 28.26	Entrepreneurial risk .....	50
Art. 28.27	Custody risk.....	50
Art. 28.28	Currency risk .....	51
Art. 28.29	Counterparty risk including credit and receivables risk.....	51
Art. 28.30	Counterparty default risk / counterparty risks (except central counterparties).....	51
Art. 28.31	Risk from central counterparties .....	51
Art. 28.32	Risk of suspension of redemption .....	51
Art. 28.33	Valuation risk.....	52
Art. 28.34	Key person risk.....	52
Art. 28.35	Interest rate risk.....	52
Art. 28.36	Adjustment of Fund units and distributions .....	52
Art. 28.37	Further risks for investors.....	52
Art. 28.38	Limited or no regulatory supervision .....	53
Art. 28.39	Potential conflicts between investors .....	53
Art. 28.40	General risks relating to loans and debt instruments.....	53

Art. 28.41	Risks in connection with distressed investments .....	55
Art. 28.42	Risks in connection with real estate .....	57
Art. 28.43	Risks associated with raising capital to finance growth .....	58
Art. 28.44	Sustainability risks (ESG).....	59
Art. 29	Valuation.....	59
Art. 30	Issue of Fund units .....	60
Art. 30.1	Application to purchase Fund units ("Subscription") .....	60
Art. 30.2	Acceptance deadline Subscriptions .....	60
Art. 30.3	Issue date.....	61
Art. 30.4	Issue of certificates.....	61
Art. 30.5	Delivery .....	61
Art. 30.6	Forward Pricing .....	61
Art. 30.7	Contribution in kind.....	62
Art. 30.8	Special remarks.....	62
Art. 30.9	Other.....	62
Art. 31	Redemption of Fund units .....	62
Art. 31.1	Application for redemption of Fund units.....	62
Art. 31.2	Acceptance deadline Redemptions.....	63
Art. 31.3	Redemption date .....	63
Art. 31.4	Delivery .....	63
Art. 31.5	Forward Pricing .....	63
Art. 31.6	Redemption in kind.....	63
Art. 31.7	Special remarks.....	64
Art. 31.8	Other.....	64
Art. 31.9	Delayed settlement of redemptions.....	64
Art. 32	Conversion of Fund units .....	65
Art. 32.1	Application for the conversion of Fund units .....	65
Art. 32.2	Formula for the conversion of Fund units.....	65
Art. 32.3	Forward pricing.....	65
Art. 32.4	Special remarks.....	66
Art. 32.5	Other.....	66
Art. 33	Suspension of NAV calculation or unit trading .....	66
Art. 33.1	General remarks.....	66
Art. 33.2	Issue of Fund units.....	66
Art. 33.3	Redemption of Fund units .....	66
Art. 33.4	Special remarks.....	67
Art. 34	Late Trading and Market Timing .....	67
Art. 34.1	Late Trading .....	67
Art. 34.2	Market Timing.....	67
Art. 35	Prevention of money laundering and terrorist financing .....	67
Art. 36	Ongoing asset-based costs and fees (variable).....	68
Art. 36.1	Fund administration (including risk management and general management) .....	68
Art. 36.2	Portfolio management .....	68
Art. 36.3	Depositary Bank .....	68
Art. 36.4	Specialist consultants.....	68
Art. 37	Fees independent of assets (fixed) .....	69
Art. 37.1	Ordinary expenses .....	69

Art. 37.2	Transaction costs .....	71
Art. 37.3	Any costs for currency hedging for unit classes.....	71
Art. 37.4	Set-up costs .....	71
Art. 37.5	Liquidation fees .....	71
Art. 37.6	Extraordinary expenses .....	72
Art. 38	Fee dependent on investment performance (performance fee).....	72
Art. 39	Total Expense Ratio (TER) .....	74
Art. 40	Issue fee .....	74
Art. 41	Redemption fee .....	74
Art. 42	Conversion fee .....	74
Art. 43	Permitted structural measures .....	74
Art. 44	Applicable provisions.....	75
Art. 45	Approval of the FMA.....	75
Art. 45.1	Conditions .....	75
Art. 45.2	Documents to be submitted .....	75
Art. 45.3	Decision deadline.....	76
Art. 46	General rules .....	76
Art. 46.1	Effective date of the merger.....	76
Art. 46.2	Redemption or conversion of Fund units .....	76
Art. 46.3	Completion of the merger.....	76
Art. 46.4	Investor notices and obtaining investor approval.....	76
Art. 46.5	Costs of the merger.....	76
Art. 47	Private investors .....	76
Art. 47.1	Investor Notice .....	77
Art. 47.2	Costs of the merger.....	77
Art. 48	General remarks.....	77
Art. 49	Reasons for dissolution .....	77
Art. 49.1	Decision of the AIFM.....	77
Art. 49.2	General Assembly.....	77
Art. 49.3	Investor.....	77
Art. 50	Dissolution and bankruptcy of other subfunds or the founder assets .....	78
Art. 51	Dissolution and bankruptcy of the AIFM.....	78
Art. 52	Dissolution and bankruptcy of the Depositary Bank.....	78
Art. 53	Termination of Appointment Agreement or Depositary Agreement .....	78
Art. 54	Liquidation proceedings.....	78
Art. 54.1	Applicable provisions.....	78
Art. 54.2	Information to investors .....	78
Art. 54.3	Liquidator.....	79
Art. 54.4	Unit trading.....	79
Art. 54.5	Liquidation of the Fund assets .....	79
Art. 54.6	Payouts in kind.....	79
Art. 54.7	Dissolution of a unit class.....	79
Art. 54.8	Liquidation costs.....	79
Art. 55	Binding documents .....	80
Art. 55.1	Constituent Documents, Annual Report and KID.....	80
Art. 55.2	Significant changes to the Constituent Documents .....	80
Art. 56	Binding language.....	80

Art. 57	Publication medium .....	80
Art. 58	Conflicts of interest .....	81
Art. 59	Payments by the AIFM to third parties or from third parties .....	81
Art. 60	Tax regulations .....	81
Art. 60.1	<i>Income Tax</i> .....	81
Art. 60.2	<i>Emissions and Turnover Taxes</i> .....	82
Art. 60.3	<i>Withholding Taxes</i> .....	82
Art. 60.4	<i>AEOI (OECD CRS)</i> .....	82
Art. 60.5	<i>FATCA</i> .....	82
Art. 60.6	<i>Natural persons with tax domicile in Liechtenstein</i> .....	82
Art. 60.7	<i>Persons with tax domicile outside Liechtenstein</i> .....	82
Art. 60.8	<i>Disclaimer</i> .....	82
Art. 61	Fiscal year, accounting and annual report .....	83
Art. 62	Liability and Statute of Limitation .....	83
Art. 62.1	<i>AIFM, Liquidator, Administrator</i> .....	83
Art. 62.2	<i>Depository Bank</i> .....	83
Art. 62.3	<i>Auditor</i> .....	83
Art. 62.4	<i>Distributor</i> .....	83
Art. 62.5	<i>Investor</i> .....	83
Art. 63	Applicable law .....	84
Art. 64	Complaint procedure and place of jurisdiction .....	84
Art. 65	Enforceability of court judgments in the country of domicile of the AIF .....	84
Art. 66	Entry into force .....	85
<b>Articles of Association / Satzung</b> .....	<b>86</b>	
Art. 1	Company name of the SICAV .....	86
Art. 2	Registered office of the SICAV .....	86
Art. 3	Purpose of the SICAV .....	87
Art. 4	Duration of the SICAV .....	87
Art. 5	Umbrella Fund .....	87
Art. 6	Founder shares .....	88
Art. 7	Investor Shares .....	88
Art. 8	Governing bodies .....	90
Art. 9	General Meeting .....	90
Art. 9.1	<i>Rights of the General Meeting</i> .....	90
Art. 9.2	<i>Ordinary General Meeting</i> .....	91
Art. 9.3	<i>Extraordinary General Meetings</i> .....	92
Art. 9.4	<i>Convocation</i> .....	92
Art. 9.5	<i>Organization</i> .....	92
Art. 9.6	<i>Adoption of resolutions and voting rights</i> .....	93
Art. 10	Board of Directors .....	93
Art. 10.1	<i>Organization</i> .....	93
Art. 10.2	<i>Self-constitution</i> .....	94
Art. 10.3	<i>Tasks</i> .....	94
Art. 10.4	<i>Appointment of the Management</i> .....	94
Art. 10.5	<i>Meetings and Resolutions</i> .....	95
Art. 10.6	<i>Signatory rights</i> .....	95
Art. 11	Auditor .....	96

Art. 12	Amendment of the Articles of Association.....	96
Art. 13	Liquidation .....	97
Art. 14	Liquidation costs.....	97
Art. 15	Notifications to the founder shareholders and to third parties.....	98
Art. 16	Fiscal year and accounting.....	98
Art. 17	Binding language.....	98
Art. 18	Applicable law.....	99
Art. 19	Jurisdiction.....	99
Art. 20	Formation costs.....	99
Art. 21	Entry into force .....	99
Art. 1	Firma der SICAV .....	86
Art. 2	Sitz der SICAV.....	86
Art. 3	Zweck der SICAV .....	87
Art. 4	Dauer der SICAV.....	87
Art. 5	Umbrella-Fonds .....	87
Art. 6	Gründeraktien.....	88
Art. 7	Anlegeraktien.....	88
Art. 8	Organe.....	90
Art. 9	Generalversammlung .....	90
Art. 9.1	<i>Rechte der Generalversammlung .....</i>	90
Art. 9.2	<i>Ordentliche Generalversammlung .....</i>	91
Art. 9.3	<i>Ausserordentliche Generalversammlungen .....</i>	92
Art. 9.4	<i>Einberufung.....</i>	92
Art. 9.5	<i>Organisation.....</i>	92
Art. 9.6	<i>Beschlussfassung und Stimmrecht .....</i>	93
Art. 10	Verwaltungsrat.....	93
Art. 10.1	<i>Zusammensetzung.....</i>	93
Art. 10.2	<i>Selbstkonstitution .....</i>	94
Art. 10.3	<i>Aufgaben .....</i>	94
Art. 10.4	<i>Bestimmung der Geschäftsführung.....</i>	94
Art. 10.5	<i>Versammlung und Beschlussfassung.....</i>	95
Art. 10.6	<i>Zeichnungsberechtigung.....</i>	95
Art. 11	Wirtschaftsprüfer .....	96
Art. 12	Satzungsänderung .....	96
Art. 13	Auflösung.....	97
Art. 14	Kosten der Auflösung .....	97
Art. 15	Mitteilungen an die Gründeraktionäre und Dritte .....	98
Art. 16	Geschäftsjahr und Rechnungslegung .....	98
Art. 17	Massgebende Sprache.....	98
Art. 18	Anwendbares Recht .....	99
Art. 19	Gerichtsstand .....	99
Art. 20	Gründungskosten .....	99
Art. 21	Inkrafttreten .....	99



## Investment Terms and Conditions – Bulker Opportunities Fund I

### 1 Preamble

The umbrella fund "**BLUE OCEAN SICAV**" was established as an investment company in the legal form of a public limited company with variable capital (SICAV) under Liechtenstein law regarding the Managers of Alternative Investment Funds (AIFMG). The registered office is Austrasse 14, FL-9495 Triesen, Principality of Liechtenstein.

**These Investment Terms and Conditions apply exclusively to the subfund "Bulker Opportunities Fund I" (referred to as "AIF" or "Fund").**

The sole purpose of the AIF is the investment and management of assets for the account and benefit of the investors in compliance with the stipulated investment strategy.

The AIF may, subject to the limitations set forth in the AIFMG as well as in these Constituent Documents, take any other measures and perform any acts it deems appropriate to achieve its corporate purpose.

The Investment Terms and Conditions are not part of the Articles of Association. The Investment Terms and Conditions generally relate to the assets managed for the purpose of collective investment for the account of the investors ("**fund assets**"). The Articles of Association of the SICAV generally refer to the "**founder assets**".

### 2 Investor Information pursuant to Art. 105 AIFMG

**The Investment Terms and Conditions, including the investor information pursuant to Art. 105 AIFMG, the Articles of Association, any Key Information Document (KID) and the latest annual report shall be made available to investors in good time and in their entirety in the respective current version in the Fund's publication medium prior to their acquisition of Fund units.**

**These Investment Terms and Conditions contain the entire investor information pursuant to Art. 105 AIFMG (= Art. 23 (1) AIFM-Directive) – in particular – in the places listed below.**

Investor Information pursuant to Art. 105 AIFMG = Art. 23 (1) AIFM-Directive	Investment Terms and Conditions of the AIF
<b>lit. a)</b> = Art. 23 (1) lit. a AIFM-Directive (Investment strategy and objectives of the AIF)	Art. 18
<b>lit. b)</b> = Art. 23 (1) lit. a AIFM-Directive (Domicile of any master AIF)	n.a.
<b>lit. c)</b> = Art. 23 (1) lit. a AIFM-Directive (Domicile of the target funds)	n.a.
<b>lit. d) Z1.</b> = Art. 23 (1) lit. a AIFM-Directive (Eligible assets)	Art. 19 and Art. 20

lit. <b>d) Z2.</b> = Art. 23 (1) lit. a AIFM-Directive (Techniques for efficient portfolio management and types of leverage)	Art. 22.4 and Art. 21
lit. <b>d) Z3.</b> = Art. 23 (1) lit. b AIFM-Directive (Procedure and the conditions for changing the investment strategy).	Art. 23 and Art. 55.2
lit. <b>e)</b> = Art. 23 (1) lit. c AIFM-Directive (Legal)	Art. 55 to Art. 66
lit. <b>e) Z1.</b> = Art. 23 (1) lit. c AIFM-Directive (Jurisdiction)	Art. 64
lit. <b>e) Z2.</b> = Art. 23 (1) lit. c AIFM-Directive (Applicable law)	Art. 63
lit. <b>e) Z3.</b> = Art. 23 (1) lit. c AIFM-Directive (Enforceability of judgments in the country where the AIF is domiciled)	Art. 65
lit. <b>f)</b> = Art. 23 (1) lit. d AIFM-Directive (Service providers of the AIF)	Art. 5 to Art. 10
lit. <b>g)</b> = Art. 23 (1) lit. e AIFM-Directive (Covering potential liability of the AIFM).	Art. 5
lit. <b>h)</b> = Art. 23 (1) lit. f AIFM-Directive (Delegation of tasks)	n.a.
lit. <b>i)</b> = Art. 23 (1) lit. g AIFM-Directive (Valuation of the AIF)	Art. 29
lit. <b>k)</b> = Art. 23 (1) lit. h AIFM-Directive (Liquidity risks)	Art. 25.2 and Art. 31.9
lit. <b>l)</b> = Art. 23 (1) lit. i AIFM-Directive (Costs)	Art. 2 and Art. 3
lit. <b>m)</b> = Art. 23 (1) lit. j AIFM-Directive (Fair treatment of the investors)	Art. 4 and Art. 14
lit. <b>n)</b> = Art. 23 (1) lit. k AIFM-Directive (Last annual report)	Art. 61
lit. <b>o)</b> = Art. 23 (1) lit. l AIFM-Directive (Fund unit issue)	Art. 30
lit. <b>p)</b> = Art. 23 (1) lit. m AIFM-Directive (Last NAV)	Art. 57

lit. <b>q</b> ) = Art. 23 (1) lit. n AIFM-Directive (Performance to date)	Art. 57
lit. <b>r</b> ) = Art. 23 (1) lit. o AIFM-Directive (Primebroker)	n.a.
lit. <b>s</b> ) = Art. 23 (1) lit. p AIFM-Directive (Information according to Art. 106 (1) lit. b and (2) AIFMG)	Art. 57
Sustainability factors (ESG)	Art. 18.3
Sustainability risks (ESG)	Art. 28.40

### 3 Overview

The AIF has the following product features. Supplementary descriptions of these are regulated in the following articles.

#### Art. 1 Key Features

<b>Name</b>	<b>BLUE OCEAN SICAV – Bulker Opportunities Fund I</b>
<b>Legal structure</b>	AIF in the legal form of a public limited company with variable capital (SICAV)
<b>Type</b>	Umbrella fund; open-ended subfund
<b>Predominant AIF type<sup>1</sup></b>	Private Equity Strategies (→ Multi-Strategy-Private-Equity)
<b>Domicile</b>	Austrasse 14, 9495 Triesen, Liechtenstein
<b>Competent supervisory authority</b>	Financial Market Authority (FMA) Liechtenstein (www.fma-li.li)
<b>FMA approval date</b>	September 5 <sup>th</sup> , 2024
<b>Commercial register number</b>	FL-0002.729.983-9
<b>Commercial register registration date</b>	September 10 <sup>th</sup> , 2024
<b>Board of Directors of the SICAV</b>	AIFM
<b>Management of the SICAV</b>	n.a.
<b>Domicile of the master AIF</b>	n.a.
<b>Domicile of target funds</b>	n.a.

<sup>1</sup> According to Commission Delegated Regulation (EU) No. 231/2013

Valor number	136472855
ISIN number	LI1364728553
Appropriation of earnings	reinvesting
Duration of the unit classes	unlimited
Listing	no
Accounting currency <sup>2</sup> of the AIF	USD
Reference currency <sup>3</sup> of the unit class	USD
Minimum investment <sup>4</sup> at initial subscription	min. 1 unit
Minimum investment for subsequent subscriptions	min. 1 unit
Initial issue price per unit	USD 1'000.-
Rounding of the unit price	to 2 decimal places (commercial rounding off)
Initial subscription date	September 10 <sup>th</sup> , 2024
Subscription period	as of initial subscription date <sup>5</sup>
First capitalization date <sup>6</sup>	?? .mm .yyyy
Valuation interval	Quarterly and variable <sup>7</sup>
Valuation date(s)	March 31 <sup>st</sup> , June 30 <sup>th</sup> , September 30 <sup>th</sup> , December 31 <sup>st</sup> and any additional date for which a valuation is performed by the AIFM
Issue date	each valuation date
Redemption date	each valuation date
Acceptance deadline <sup>8</sup> Subscriptions	1 Liechtenstein banking day prior to the valuation date by no later than 5:00 p.m. (Liechtenstein time)
Acceptance deadline <sup>9</sup> Redemptions <sup>10</sup> and lock-up periods <sup>11</sup>	Redemptions are excluded for the <b>first three years</b> after the first capitalization date (lock-up period). The AIFM may, at its own discretion, extend this lock-up period by <b>an additional year</b> prior to

<sup>2</sup> The accounting currency is the currency in which the AIF's accounts are kept.

<sup>3</sup> The reference currency is the currency in which the performance and NAV of the unit classes are calculated.

<sup>4</sup> The AIFM may, with the approval of the Depositary Bank, also allow subscriptions below the minimum investment amount of the respective unit class at its own discretion.

<sup>5</sup> The AIFM may close the subscription period at any time.

<sup>6</sup> The first issue of units is always subject to a decision by the AIFM

<sup>7</sup> The AIFM may perform interim valuations at any time.

<sup>8</sup> If the acceptance deadline falls on a national holiday in Liechtenstein, the acceptance deadline for the unit transaction is the last Liechtenstein bank working day before the acceptance deadline.

<sup>9</sup> If the acceptance deadline falls on a national holiday in Liechtenstein, the acceptance deadline for the unit transaction is the last Liechtenstein bank working day before the acceptance deadline.

<sup>10</sup> See also Art. 31

<sup>11</sup> The lock-up period commences for all unit classes at the (same) date at which any of the unit classes is capitalized at first unless stated otherwise

	its expiry by means of an investor notification. After expiry of the (extended) lock-up period: 6 months prior to a redemption day by 5:00 p.m. (Liechtenstein time) at the latest.
<b>Settlement date<sup>12</sup> for unit trading</b>	3 banking days after the calculation date <sup>13</sup> In the prepayment procedure, the investor's payment must be made no later than 1 bank working day before the valuation date.
<b>Denomination</b>	2 Decimal places <sup>14</sup> (commercial rounding off)
<b>Securitization</b>	in book-entry form / no issuance of certificates
<b>Financial year</b>	January 1 <sup>st</sup> – December 31 <sup>st</sup>
<b>End of the first financial year</b>	December 31 <sup>st</sup> , 2025

## Art. 2 Costs borne by investors

The following costs are charged directly to the respective investor concerned.

<b>Issue fee</b>	up to 3% (details cf. Art. 40)
<b>Redemption fee</b>	After expiry of the (extended) lock-up period: up to 3% with a degressive reduction of 0.5% every 6 months thereafter <sup>15</sup> (details cf. Art. 41)
<b>Conversion fee</b>	A conversion from one unit class into a different unit class (if several different classes are present) is technically possible. A conversion request can only be settled with prior approval by the AIFM. A one-time fee is levied to the benefit of the unit class previously held at the expense of the converting investor. The fee relates to the potential difference in fees and duration of the respective unit classes involved. Any investor willing to convert in between different unit classes may request the AIFM to provide a quote for such conversion. (details cf. Art. 42)

<sup>12</sup> If, according to the SIX Settlement Calendar, the settlement date falls on one or more public holidays (default period) of the unit class currency, the settlement date shall be postponed exclusively in this unit class currency by the duration of the default period. In the prepayment procedure, the money must be received on the basis of the subscription one bank working day before the valuation date. In the prepayment procedure, the investor funds are immediately credited to the AIF. The investor receives the fund units subsequently (after the valuation on the valuation date) in the amount of his subscription amount. See Art. 30.5.

<sup>13</sup> The calculation date is the date on which the NAV is determined as of the valuation date. Its occurrence depends on the availability of the valuation bases.

<sup>14</sup> Whether and how many decimal places are effectively settled depends on the respective settlement system through which the investor's fund units are settled.

<sup>15</sup> A redemption settlement immediately per end of the expiry of the (extended) lock-up period would consequently result in a redemption fee of up to 3% whereas a redemption per NAV date 6 months later would result in a redemption fee of up to 2.5% and a redemption per NAV date 12 months later would result in a redemption fee of up to 2.0% etc.

### Art. 3 Costs charged to Fund assets<sup>16</sup>

The following costs are charged to the Fund assets.

<b>AIFM-fee</b> (including fund administration, risk management, regulatory compliance and general management)	Degressive scale applied on the assets in excess in each case <sup>17</sup> : Up to USD 100 million: max. 0.30% p.a. Above USD 100 million: 0.24% p.a. Minimum: CHF 45'000.- p.a.  The annual minimum fee is increased by CHF 2'000.- for each additional unit class For the calculation basis and further explanations: cf. Art. 36.1
<b>Risk management</b>	no separate fee but included in the AIFM-Fee For the calculation basis and further explanations: cf. Art. 36.1
<b>Portfolio management</b>	0.22% p.a. no minimum For the calculation basis and further explanations: cf. Art. 36.2
<b>Depository Bank</b>	Degressive scale applied on the assets in excess in each case: Up to USD 50 million: max. 0.125% p.a. Up to USD 100 million: max. 0.10% p.a. Above USD 100 million: 0.09% p.a.  minimum: CHF 20'000.- p.a. For the calculation basis and further explanations: cf. Art. 36.3
<b>Specialist consultants</b>	The fees for specialist consultants (if any) are adhering to market standards. For the calculation basis and further explanations: cf. Art. 36.4
<b>AIFM Management of the SICAV<sup>18</sup></b>	CHF 8'000.- p.a. for the management of the SICAV plus CHF 2'000.- p.a. for each additional subfund
<b>Fees independent of assets</b>	cf. Art. 37
<b>Performance fee</b>	5%
	Hurdle rate: 5% p.a. High-on-High-Mark: yes Calculation period: financial year For the calculation basis and further explanations: cf. Art. 38

<sup>16</sup> The costs actually charged are shown in the annual report.

<sup>17</sup> Example: assets of USD 110 million are therefore charged with max. 0.30%\*100m + max. 0.24%\*10m; the same calculation method is applicable for other degressive scales

<sup>18</sup> The fee for the management of the SICAV is charged to all paid-up subfunds and all paid up unit classes in each subfund on a pro rata basis.

## Art. 4 Fair treatment of investors

The AIFM ensures the fair treatment of all investors.


There is no preferential treatment of individual investors. Each investor is treated equally, in particular:

- Information is always published simultaneously;
- The conditions for subscriptions and redemption of Fund units is the same for each investor (per unit class);
- No investor is informed individually or receives any benefits other than any other investor under the same circumstances;
- An effective and transparent complaints procedure is in place.

## 4 Service providers of the AIF

The following companies act on behalf of the AIF and perform the relevant functions in accordance with the law and the Constituent Documents.

### Art. 5 AIFM

<p><b>ONE Funds AG</b></p> <p>Austrasse 14, 9495 Triesen, Liechtenstein Liechtenstein Reg. No. FL-0002.299.012-3</p> <p>☎ +423 388 10 00 ✉ info@onefunds.li 🌐 www.onefunds.li</p> <p>Auditor: BDO AG, 8005 Zurich, Switzerland</p>	
--	---

ONE FUNDS AG was founded on 3 September 2008 in the form of a public limited company with registered office in Triesen, Liechtenstein, for an unlimited duration and entered in the Commercial Register. The members of the Board of Directors and the Executive Board are listed in the Commercial Register. It is licensed by the Financial Market Authority Liechtenstein (FMA) in accordance with the AIFMG and is entered on the list of licensed AIFM in Liechtenstein that is officially published by the FMA. It also holds the license as a management company pursuant to the UCITSG.

The fully paid-up share capital amounts to CHF 1'500'000.-. A potential liability of the AIFM is covered by this capitalization. A professional liability insurance policy is in place which provides coverage depending on the type of claim. The AIFM is liable pursuant to Art. 47 AIFMG.

The AIFM manages the AIF for the account and in the exclusive interest of the investors in accordance with the provisions in the Constituent Documents.

In accordance with the AIFMG, the AIFM may, with the appropriate approval of the FMA, delegate parts of its tasks to third parties for the purpose of a more efficient management.

The AIFM's remuneration regulations and data protection information can be found on its website ([www.onefunds.li](http://www.onefunds.li)).

## Art. 6 Depositary Bank

<p><b>Kaiser Partner Privatbank AG</b></p> <p>Herrengasse 23 FL-9490 Vaduz, Liechtenstein Liechtenstein Reg. No. FL-0001.018.213-7</p> <p>☎ +423 / 237 84 07 Fax: +423 / 237 80 06 ✉ wertschriften@kaiserpartner.com 🌐 <a href="https://kaiserpartner.bank">https://kaiserpartner.bank</a></p> <p>Auditors: Ernst &amp; Young AG, CH-8005 Zürich</p>	
--	--

The AIFMG provides for a separation of the management and custody of the Fund assets. Kaiser Partner Privatbank AG (“KAISER Bank”) is entrusted with the custody of the Fund assets and the maintenance of the Fund unit register as Depositary Bank. KAISER Bank is a bank licensed in the Principality of Liechtenstein.


The Fund unit register contains the following information: Subscriptions and redemptions of Fund units with date, number of Fund units and respective counterparty of the transaction.

The duties of the Depositary Bank include, but are not limited to, the following:

- Holding custody of all bankable Fund assets on separated accounts held for the AIF;
- Verification and registration of the AIF’s legal title of all non-bankable assets;
- Safeguarding the settlement of all payments relating to the AIF;
- Safeguarding the lawfulness of the valuation.

The Depositary Bank may outsource its custody tasks to one or more sub-depositaries. The Depositary Bank is liable pursuant to Art. 61 AIFMG.

## Art. 7 Auditor

<p><b>Grant Thornton AG</b></p> <p>Bahnhofstrasse 15, 9494 Schaan, Liechtenstein Liechtenstein Reg.-Nr. FL-0001.105.991-2</p> <p>☎ +423 / 237 42 42 ✉ <a href="mailto:info@li.gt.com">info@li.gt.com</a> 🌐 <a href="http://www.grantthornton.ch">www.grantthornton.ch</a></p>	
---	--

The Auditor audits, among other things, the ongoing fulfillment of the licensing requirements, compliance with the provisions of the AIFMG and the Constituent Documents in the conduct of the AIF’s business, and the AIF’s annual reports.

The Auditor also fulfills certain reporting obligations towards the Financial Market Authority Liechtenstein (FMA). The Auditor is liable in accordance with the provisions of the PGR on auditors.



## **Art. 8 Portfolio management**

The Portfolio management has been not been delegated.

## **Art. 9 Risk management**

The Risk management has not been delegated.

## **Art. 10 Other service providers**

### **Art. 10.1 Specialist consultants**

Specialist consultants may be hired on a single or recurring basis by the AIFM to the benefit of the AIF and/or the AIFM in order to support management operations and decisions relating to the portfolio management and/or other tasks of the AIFM.

The respective rights and obligations of specialist consultants stemming from recurring and longer-term assignments (e.g. the identification and assessment of potential investment targets in accordance with the investment principles of the AIF) shall be defined in a written agreements with the AIFM.

### **Art. 10.2 Prime broker**

No prime broker is used.

### **Art. 10.3 Distributor**

The distribution has not been delegated.

## **5 Distribution**

### **Art. 11 Sales information**

The AIF is intended exclusively for the eligible investors described herein. The AIF is not authorized for distribution in all countries of the world. In general, Fund units may not be offered in jurisdictions and to persons in which or to whom this form of offering is not permitted.

When Fund units are distributed abroad, the distribution regulations applicable in that country shall apply.

**The AIFM may redeem Fund units against the will of the investor against payment of the redemption price, without undue delay after receipt of a redemption notice by the investor, to the extent that this appears necessary in the interest or for the protection of the investors, in particular if the investor has not fulfilled the conditions for an acquisition of the Fund units or the Fund units have been acquired by a natural or legal person or an entity or indirectly by beneficial owners for whom the acquisition of the units was not permitted or have been marketed in a country in which the AIF is not permitted for marketing. The investors are obliged to cooperate in this redemption.**

## Art. 12 Definition professional investors / Private investors in the EEA

### Art. 12.1 Professional investors in terms of the Directive 2014/65/EU (MiFID II)

Professional client is a client who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs. In order to be considered to be professional client, the client must comply with the following criteria:

### Art. 12.2 Categories of clients considered as professional clients

The following shall all be regarded as professionals in all investment services and activities and financial instruments for the purposes of the Directive:

- 1) Entities which are required to be authorised or regulated to operate in the financial markets. The list below shall be understood as including all authorised entities carrying out the characteristic activities of the entities mentioned: entities authorised by a Member State under a Directive, entities authorised or regulated by a Member State without reference to a Directive, and entities authorised or regulated by a third country:
  - a) Credit institutions
  - b) Investment firms
  - c) Other authorised or regulated financial institutions
  - d) Insurance companies
  - e) Collective investment schemes and management companies of such schemes
  - f) Pension funds and management companies of such funds
  - g) Commodity and commodity derivatives dealers
  - h) Locals
  - i) Other institutional investors
- 2) Large companies meeting **two** of the following size requirements on a company basis:
  - Balance sheet total: EUR 20 million
  - Net turnover: EUR 40 million
  - Own funds: EUR 2 million
- 3) National and regional governments, including public bodies that manage public debt at national or regional level, Central Banks, international and supranational institutions such as the World Bank, the IMF, the ECB, the EIB and other similar international organisations.
- 4) Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.

### **Art. 12.3 Clients who can be treated as professional clients upon request**

Clients other than those listed in Art. 12.2, including public sector bodies, local public authorities, municipalities and private individual investors, may also be allowed to waive some of the protections afforded by the conduct of business rules.

Investment firms shall therefore be allowed to treat any of those clients as professionals provided the relevant criteria and procedure mentioned below are fulfilled. Those clients shall not, however, be presumed to possess market knowledge and experience comparable to that of the categories listed in Art. 12.2.

Any such waiver of the protection afforded by the standard conduct of business regime shall be considered to be valid only if an adequate assessment of the expertise, experience and knowledge of the client, undertaken by the investment firm, gives reasonable assurance, in light of the nature of the transactions or services envisaged, that the client is capable of making investment decisions and understanding the risks involved.

The fitness test applied to managers and directors of entities licensed under Directives in the financial field could be regarded as an example of the assessment of expertise and knowledge. In the case of small entities, the person subject to that assessment shall be the person authorised to carry out transactions on behalf of the entity.

In the course of that assessment, as a **minimum, two** of the following criteria shall be satisfied:

- The client has carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters.
- The size of the client's financial instrument portfolio, defined as including cash deposits and financial instruments exceeds EUR 500'000.
- The client works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged.

Those clients may waive the benefit of the detailed rules of conduct only where the **following procedure** is followed:

- 1) They must state in writing to the investment firm that they wish to be treated as a professional client, either generally or in respect of a particular investment service or transaction, or type of transaction or product.
- 2) The investment firm must give them a clear written warning of the protections and investor compensation rights they may lose.
- 3) They must state in writing, in a separate document from the contract, that they are aware of the consequences of losing such protections.

### **Art. 12.4 Private investors in terms of the Directive 2014/65/EU (MiFID II)**

Private investor is any investor who is not a professional investor / client in terms of the Directive 2014/65/EU (MiFID II).

## Art. 13 Country-specific sales information

### Art. 13.1 Liechtenstein

The AIF is authorized in Liechtenstein for distribution to **professional investors** (as defined by MiFID II).

### Art. 13.2 Switzerland

Subject to the successful appointment of a Swiss Representative and A Swiss Paying Agent, the AIF may be offered to qualified investors within the meaning of art. 10 CISA. Such appointment can take place any time and if so, the Constituent Documents of the AIF shall be amended accordingly.

### Art. 13.3 Other Member States of the EEA

Subject to lawful notification the AIF may be marketed to professional investors in other member states of the EEA. Such notification can take place any time and if so, the Constituent Documents of the AIF shall be amended accordingly

### Art. 13.4 USA

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

Neither the Fund units have been approved by the U.S. Securities and Exchange Commission (the "SEC") or any other regulatory authority in the United States, nor has such approval been denied. In addition, neither the SEC nor any other regulatory authority in the United States has ruled on the accuracy or adequacy of the Constituent Documents or the Key Information Document ("KID").

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

These Constituent Documents may not be circulated in the United States except in connection with a transaction that does not violate U.S. law.

"**U.S. persons**" specifically include:

- 1) US citizens, including dual citizens;
- 2) Persons residing or domiciled in the United States;
- 3) Persons born in the United States or any of its territories or possessions;
- 4) Naturalized citizens and persons who are U.S. residents (green card holders) and/or whose primary residence is in the U.S.; U.S.-based corporations, trusts, estates, etc.;

- 5) Companies that qualify as transparent for U.S. tax purposes and have investors named in this section, as well as companies whose income is attributed to an investor named in this section as part of a consolidated consideration for U.S. tax purposes;
- 6) Investment companies or partnerships formed under the Act of Congress;
- 7) Financial institutions that do not comply with the provisions relating to the Foreign Account Tax Compliance Act (including, without limitation, Sections 1471 - 1474 of the U.S. Internal Revenue Code and a vulnerable agreement with the United States of America on cooperation for facilitated implementation of FATCA, as applicable) and do not register, to the extent required, with the U.S. Internal Revenue Service as an institution participating in FATCA; or
- 8) Persons who qualify as U.S. persons under Regulation S under the U.S. Securities Act of 1933 and/or the U.S. Commodity Exchange Act, as amended.

### **Art. 13.5 Hong Kong**

No authorization has been obtained from the Securities and Futures Commission in Hong Kong and no registration has been made with the Registrar of Companies in Hong Kong. Consequently, shares of the Fund may not be offered or sold in Hong Kong, irrespective of the form of the documents used for this purpose, unless they are offered or sold to addressees who qualify as "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any regulations thereunder, or the distribution document used does not qualify as a "prospectus" within the meaning of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) or as a public offer pursuant to the Companies Ordinance. It is prohibited to publish or possess with any intention of publication any invitation, advertisement or any document in connection with the Fund units in or outside Hong Kong to the extent that the same is directed at the public in Hong Kong or would be likely to be accessed by the public in Hong Kong (except as permitted under the securities laws of Hong Kong) except in connection with Fund units intended exclusively for persons outside Hong Kong or for "professional investors".

## **6 Unit classes and subfunds**

### **Art. 14 Unit classes**

Unit classes differ from other unit classes, for example, with regard to the appropriation of income, any surcharges, the accounting currency, the management fee, the minimum investment amount or a combination of these features, or with regard to other features. In this respect, there may be preferential treatment of one unit class compared to another unit class, but within the individual unit classes, investors are treated equally. All unit classes are managed jointly and are subject to the same investment strategy.

The AIFM may create new unit classes at any time at its own discretion. However, the rights of investors who have acquired Fund units of existing unit classes shall remain unaffected.

It is possible to switch from one unit class to another subject to an according investor request and the approval of the AIFM.

If unit classes exist, the details are set out in Art. 1, Art. 2 and Art. 3.

## **Art. 15 Subfunds**

The AIF is an umbrella fund which may comprise one or more subfunds. The AIFM may decide to launch new subfunds at any time at its own discretion. Furthermore, the AIFM may dissolve or merge subfunds at any time.

The various subfunds are separate in terms of assets and liabilities. The rights and obligations of investors in one subfund are separate from those of investors in the other subfunds.

It is possible to switch from one subfund to another subfund subject to an according investor request and the approval of the AIFM.

## **Art. 16 Side Pockets**

With the approval of the FMA, the AIFM is entitled to spin off illiquid asset components and place them in separate subfunds / segments (side pockets). This is the case if a significant portion of the Fund assets (more than 10%) cannot be properly valued in the longer term or develops as unsaleable.

The Fund unit holders will receive Fund units in the side pocket in proportion to their Fund units in the original AIF. For the period of the formation of the side pockets, unit trading shall be suspended. After the formation of the side pocket, this segment is put into liquidation and distributes the liquidation proceeds to the unitholders as soon as the securities in it can be valued or sold again. Until the liquidation is completed, no Fund units will be issued or redeemed in the side pockets formed.

# **7 Investment strategy of the AIF**

## **Art. 17 General remarks**

### **Art. 17.1 Profile of the typical investor**

The AIF is suitable for investors with a mid- to long-term investment horizon who, as part of their personal asset diversification, are seeking investments in the investment strategy outlined and, in particular, are prepared to bear concentrated high investment risks. The AIF is suitable for speculative investors who accept very high risks up to a substantial or even complete capital loss. Due to the investment strategy, the investor should be able to accept possible limited liquidity of the AIF.

### **Art. 17.2 Accounting currency**

The accounting currency is the currency in which the accounting of the AIF is conducted.

### **Art. 17.3 Reference currency**

The reference currency is the currency in which the performance and the net asset value ("NAV") of the unit classes are calculated if this is different from the accounting currency.

### **Art. 17.4 Joint management with other funds**

It is not permitted that part or all of the Fund assets are managed together with assets belonging to other undertakings for collective investment (UCI).

## Art. 18 Investment Policy

### Art. 18.1 Investment objective

The investment objective of the AIF is to provide a positive return and opportunistic capital growth for the investors with a mid- to long-term investment horizon. In order to achieve this investment objective, the AIF pursues the following investment strategy:

### Art. 18.2 Investment strategy

The focus of the AIF is to undertake investments linked to the global naval shipping business. Such investments particularly relate to

- Transportation vessels focusing e.g. on the bulk sector (e.g. grain, fertilizers, steel, coal, scrap etc)
- Shipping infrastructure investments (participations in ports, participations in ventures related to (land-based) transportation of goods to and from ports)

whereas the investments in vessels shall account for the majority or all investments undertaken by the AIFM.

Types of vessels to be invested in by the AIF:

Vessel types		"Buy & Hold 5Y"	"Trade" (if yes, not as main focus)
<b>Container Ships</b>	Panamax	NO	NO
	Suezmax	NO	NO
	Post-Panamax	NO	NO
	Post-Suezmax	NO	NO
	Post-Malaccamax	NO	NO
<b>Bulk Carrier Ships</b>	Conventional bulkers	YES	YES
	Combined bulker	YES	YES
	Gearless bulker	YES	YES
	Geared / Self-discharging bulker	YES	YES
	Lakers	NO	NO
	BIBO ("Bulk-In, Bags Out")	YES	YES
<b>Tanker Ships</b>	Oil Tankers	NO	NO
	Liquefied Gas Carriers	NO	NO
	Chemical and Product Carriers	NO	NO
<b>Roll-on Roll-Off Ships</b>	Pure Car and Pure Car & Truck Carriers	NO	NO
	Container Vessel + Ro-Ro (ConRo) Ships	NO	NO
	General Cargo + Ro-Ro Ship (GenRo) Ships	NO	NO
	RoPax	NO	NO
	Complete RoRo Ships	NO	NO
<b>Passenger Ships</b>	Cruise Ships	NO	NO
	Ferries	NO	NO
<b>Other Ships</b>	Offshore Vessels	NO	NO
	Fishing Vessels	NO	NO

It is the AIF's declared target to achieve above-average returns by investing the majority or all of its assets in transportation vessels for a period of approximately 5 years. Once vessels have successfully been acquired the vessels can generate income by charter operations but also be sold under opportunistic circumstances at a profit.

Vessels are always acquired and held via Special Purpose Vehicles ("SPVs") which are directly or indirectly the registered holders/ownership entities of the respective vessels. The domicile of the SPVs and registration of the vessels is not necessarily identical. The vessels' ownership SPVs are entering into shipmanagement contracts with reputable counterparties for the provision of crewing, technical and commercial management services, accordingly and similar to real estate investments, the commercial optimization of the vessels is not undertaken by the AIF's management itself but by contractually appointed qualified ship management companies. Vessels may or may not be indirectly owned 100% by the AIF as vessels can also be co-owned by the contracted ship management companies or other third parties.

The AIF shall benefit from this attractive investment niche characterized by growing global demand for transportation in general while particularly also potentially benefitting from trade deviation due to geopolitical reasons and an overall expected shortage of certain vessel types over time.

The AIF intends to invest opportunistic with exits from investments made usually within 1 to 5 years after the purchase, highly depending on the individual circumstances of the transaction and the expectations associated with it.

Opportunistically, the AIF may not only purchase existing vessels but also finance the construction of newbuilt vessels. While this may not be the core activity it shall not be ruled out as potential investment field.

Geographically there are no limits, neither with respect to the domiciliation of any target investments nor with respect to the geographical scope of their activities, products and services.

With respect to diversification of the overall investment exposure the AIF strives to undertake several investments which shall directly or indirectly provide a certain degree of risk diversification. While all the assets will be exposed to certain common risks attributable to the e.g. shipping industry in general, the assets of the AIF may still be spread among several vessels/investments and thereby reduce the standalone risk of an e.g. particular single vessel.

### **Art. 18.3 Sustainability factors (ESG)**

#### **Art. 18.3.1 At the level of the AIF**

##### **1. Regulation (EU) 2019/2088 ("SFDR")**

This AIF is not a financial product within the meaning of Art. 8 or Art. 9 of Regulation (EU) 2019/2088 ("SFDR").

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

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

##### **3. Disclaimer pursuant to Article 7 (2) of Regulation (EU) 2019/2088 ("SFDR")**

Any adverse impact of investment decisions on sustainability ("ESG") factors are not taken into account at the level of the AIF, as the improvement of these factors is not the main objective of the Fund.



### **Art. 18.3.2 At the level of the AIFM**

The AIFM is committed to sustainability and strives always to respect environment, social and governance standards in its business dealings.

In accordance with Regulation (EU) 2019/2088 ("SFDR"), the following information is provided.

#### **1. Remark regarding Art. 4 (1) (a) of Regulation (EU) 2019/2088 ("SFDR").**

Investors are advised that the "principal adverse impacts" of investment decisions on sustainability factors are not considered at the level of the AIFM.

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

Investors are advised that in aggregate, for all its managed funds, the AIFM does not consider adverse impacts of investment decisions on sustainability factors, among others for the following reasons:

- The AIFM's main business is in private label funds; it therefore mainly sets up and manages funds on behalf of third parties. The AIFM therefore has little to no influence over the structure of the funds.
- Portfolio management for the funds is often delegated to third parties and the AIFM therefore does not take the investment decisions.
- Some fund types are fundamentally unsuited to the consideration of adverse impacts on sustainability factors, such as funds for structuring complex corporate situations, for succession and inheritance planning or for protection against hostile takeovers.
- Many of these types of funds are also not available for subscription by external investors.

Aggregating adverse sustainability impacts across these very different fund types would have no added value for investors and is also not practicable.

Despite this, the AIFM endeavours to encourage its business partners to consider sustainability factors as far as possible, when they are relevant.

## **Art. 19 Eligible assets**

The AIF is limited to the following eligible investments:

### **Art. 19.1 Listed securities**

All securities, book-entry securities / non-securitised rights and money market instruments traded on a stock exchange or another regulated market open to the public.

### **Art. 19.2 Unlisted securities**

Other securities, book-entry securities / non-securitised rights and money market instruments that are not traded on a stock exchange or another regulated market open to the public. These may include alternative investment instruments such as hedge funds, private equity funds, etc., which may be held directly or indirectly (e.g. via certificates or participations).

### **Art. 19.3 Newly issued securities**

Securities from new issues are permitted.

#### **Art. 19.4 Asset positions from collateralization**

As collateral for the loans or any other financing granted by the AIF, the AIF may accept and, to the extent that the collateral should be assigned to the AIF, hold any type of asset.

#### **Art. 19.5 Demand deposits**

The AIF is authorized to invest its uncommitted assets in demand deposits or callable deposits with a term of no more than 12 months at credit institutions domiciled in a member state of the EEA or in another state if they are subject there to supervision equivalent to Liechtenstein supervision.

#### **Art. 19.6 Currencies**

All freely convertible currencies as spot or forward transactions are permitted.

#### **Art. 19.7 Units of other funds**

The AIF may invest its assets in other domestic and foreign undertakings for collective investment (investment assets such as UCITS, AIFs, ETFs, etc.) in compliance with the investment policy (cf. Art. 18). In this context, the acquisition of units of other undertakings for collective investment that are directly or indirectly managed by the same AIFM or by another company with which the AIFM is linked by common management or control or by a substantial (more than 10% of the capital or votes) direct or indirect holding is also permitted, whereby such investments must be made in compliance with and in the best interests of the investors of the AIF.

Investors' attention is drawn to the fact that costs and fees are also incurred at the level of indirect investments, and that remunerations and fees may be charged.

#### **Art. 19.8 Derivative financial instruments**

Standardized derivative financial instruments are permitted both for investment/speculative purposes and also for hedging within the defined limits (see Art. 22.4), provided that the overall risk of the underlying assets does not exceed the investment limits. When calculating this risk, the market value of the underlying assets, the default risk, future market fluctuations and the liquidation period of the positions are taken into account.

The following derivative financial instruments are permitted:

- derivative financial instruments traded on a stock exchange or another regulated market open to the public and all derivative financial instruments,
- derivative financial instruments which are not traded on a regulated market (OTC derivatives), if the counterparty is subject to supervision equivalent to Liechtenstein's and they can be valued, sold, liquidated or offset by an offsetting transaction in a comprehensible manner at any time;
- derivative financial instruments which are embedded in a security or money market instrument (structured financial instruments).

#### **Art. 19.9 Lending**

The AIF or the companies held directly or indirectly by the AIF may grant loans in Liechtenstein and abroad. This includes all loans to companies, either through initial extension or also purchase of existing outstanding loans, in particular also non-performing loans.

Excluded, however, are those loans that are legally reserved for banks.

## **Art. 20 Non-eligible assets**

### **Art. 20.1 Lending**

The AIF may not grant loans that are legally reserved for banks.

### **Art. 20.2 Guarantees**

The AIF may not commit itself as a guarantor except in transactions related to investments of the AIF where such guarantee (e.g. as shareholder of a particular company) may be beneficial or required to successfully pursue a certain transaction. However, it is always permissible for a third party to commit itself as guarantor in favor of the AIF.

### **Art. 20.3 Real estate investments**

Direct real estate investments are not permitted.

### **Art. 20.4 Raw materials**

Direct investments in commodities are not permitted.

### **Art. 20.5 Securities lending**

Securities lending is not permitted.

### **Art. 20.6 Securities borrowing**

Securities borrowing is not permitted.

### **Art. 20.7 Repurchase agreements**

Repurchase agreements are not permitted.

### **Art. 20.8 Short sales**

Short sales and constructions which are equivalent to a short sale are not permitted.

## **Art. 21 Borrowing**

Cash inflows from a prepayment subscription (if allowed) are not considered as borrowing by the AIF.

The AIF may borrow for investment purposes, but also to service repayment obligations arising from redemption requests. (see Art. 22.4).

The limit must be complied with at the time the loan is taken out and may subsequently increase during the term depending on fluctuations in the value of the Fund assets. If, in the course of determining the value of the NAV, the maximum credit limit is exceeded due to fluctuations in the value of the Fund assets, appropriate measures must be defined to reduce it.

The conclusion of loan agreements on behalf of the AIF is the responsibility of the AIFM. The final decision for or against taking out loans is made taking into account the purpose of the borrowing, the planned collateralization of the loan and the form of repayment of the loan at its maturity.

The property and rights belonging to the Fund assets may not be pledged, except to secure permitted borrowing, for transactions with derivative financial instruments and for investments that make a contractual pledge in favor of the contractual partner or in favor of a third party indispensable.

The AIF has no legal right against the Depositary Bank for the granting of the maximum permissible credit line. The sole decision as to whether, in which manner and in what amount a loan is granted by the Depositary Bank to the AIF is incumbent on the Depositary Bank in accordance with its credit and risk policy. This policy may change under certain circumstances during the lifetime of the AIF.

## Art. 22 Investment limits

### Art. 22.1 Exceeding the investment limits

Pursuant to Art. 10 (4) AIFMV, the AIF may deviate from the investment limits within the investment policy in the first six months of the first capitalization date.

The AIF is not required to comply with the investment limits when exercising subscription rights from securities or money market instruments that are included in its assets, but must correct them within a reasonable period of time.

If the investment limits are exceeded, the AIFM must, in its measures, strive as a priority objective to normalize this situation, taking into account the interests of the investors. Any loss incurred as a result of an active breach of the investment limits/investment rules must be reimbursed to the Fund assets without delay.

### Art. 22.2 Look-through principle

The look-through principle does not apply to the investment limits (Art. 10 (3) AIFMV).

### Art. 22.3 Liquidity

The AIF must always hold or obtain in good time the liquidity needed to cover all its costs at the time they are expected to become due.

### Art. 22.4 Leverage

The risk (commitment) of the AIF calculated according to the commitment method may not exceed a total of 299% of the NAV.

The following maximum limits apply to the calculated risk (exposure) of the AIF for the individual types of leveraged financing:

<b>Borrowing</b>	<b>299%</b>  (Note: Loans may therefore be taken out at a maximum of 199% of the NAV).
<b>Derivative financial instruments</b>	<b>100%</b>
<b>Securities lending</b>	<b>0%</b>
<b>Repurchase agreements</b>	<b>0%</b>

### Fictitious examples of leveraged financing given the set restrictions of this AIF

#### Example 1: Maximum leverage financing by means of borrowing

Commitment of the AIF	Type	Assessment basis	
		<i>in reference currency</i>	<i>in %</i>
NAV	Equity	10'000	100%
Borrowing	Leverage	19'900	199%
Derivative financial instruments	Leverage	-	0%
Securities lending	Leverage	-	0%
Repurchase agreements	Leverage	-	0%
<b>Sum</b>		<b>29'900</b>	<b>299%</b>

#### Example 2: Mixed leverage financing not fully utilized

Commitment of the AIF	Type	Assessment basis	
		<i>in reference currency</i>	<i>in %</i>
NAV	Equity	10'000	100%
Borrowing	Leverage	4'000	40%
Derivative financial instruments	Leverage	2'000	20%
Securities lending	Leverage	-	0%
Repurchase agreements	Leverage	-	0%
<b>Sum</b>		<b>16'000</b>	<b>160%</b>

#### Example 3: Maximum, mixed leverage financing

Commitment of the AIF	Type	Assessment basis	
		<i>in reference currency</i>	<i>in %</i>
NAV	Equity	10'000	100%
Borrowing	Leverage	10'000	100%
Derivative financial instruments	Leverage	9'900	99%
Securities lending	Leverage	-	0%
Repurchase agreements	Leverage	-	0%
<b>Sum</b>		<b>29'900</b>	<b>299%</b>

## **Art. 23 Procedure and requirements for changing the investment strategy**

The AIF may change its investment strategy at any time. The regulations regarding significant changes to the Constituent Documents apply.

## **Art. 24 Use of net income**

### **Art. 24.1 Accumulating**

If in Art. 1 the AIF or the respective unit class are defined as "accumulating", the net income of the AIF or the unit classes shall be reinvested on an ongoing basis in accordance with the investment strategy of the AIF.

### **Art. 24.2 Distributing**

If in Art. 1 the AIF or the respective unit class are defined as "distributing", the AIFM may distribute the net income generated in the AIF or in a unit class to the investors in the AIF or in this unit class by means of a corresponding resolution.

The AIFM decides on the use of the available liquid assets in the interest of all investors. Distributions are determined at the discretion of the AIFM on the basis of the annual report as of the end of the previous financial year, with the resulting payment to the AIF investors being made as promptly as possible, generally within four months of the preparation of the annual report.

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

In the case of a distribution, the Depositary Bank and the AIFM may charge a fixed fee per payment in their favor.

If the income of the AIF is not distributed or not distributed in full, the income reinvested shall be invested in accordance with the investment strategy of the AIF.

## **8 Risks of the AIF**

### **Art. 25 Risk management method**

The AIFM shall ensure the implementation of an appropriate risk management system as well as an appropriate liquidity management system.

#### **Art. 25.1 Risk management method**

Risk management method is the gross method as well as the commitment method.

#### **Art. 25.2 Dealing with liquidity risks**

Liquidity risk is the risk of a liquidity shortage caused by an unexpected shortfall in cash inflows or an unexpected increase in cash outflows (call and forward risk).

The AIFM shall monitor liquidity risk in accordance with the AIF's investment policy. The AIFM will regularly perform stress tests under normal and under exceptional conditions. The cycle is based on risk-adequate principles and may be adjusted by the AIFM.

The AIF shall maintain liquid investments at all times to the extent necessary to cover all costs incurred at the time such costs are estimated to be incurred.

In addition, the AIFM is entitled, while safeguarding the interests of investors, to temporarily suspend redemptions after corresponding Fund assets can be sold without delay while safeguarding the interests of investors (see the regulations on delayed settlements of redemptions, Art. 31.9).

## **Art. 26 Risk information**

**The performance of the Fund units depends on the investment policy as well as on the market development of the individual investments of the AIF and cannot be determined in advance. In this context, it should be noted that the value of the Fund units may rise or fall at any time compared to the issue price and past performance is no indication of future performance. It cannot be guaranteed that the investor will get back his invested capital (total loss).**

All investments in the AIF involve risks. The risks may include, or be associated with, equity and bond market risks, exchange rate risks, interest rate risks, credit risks, volatility risks and political risks. Any of these risks may also occur in conjunction with other risks. Some of these risks are discussed in this section. However, it should be noted that it is not possible to provide an exhaustive list of all risks.

Potential investors should be aware of the risks associated with an investment in the AIF and should not make an investment decision until they have obtained comprehensive advice from their legal, tax and financial advisor, auditor or any other expert on the suitability of an investment in Fund units, taking into account their personal financial and tax situation and other personal circumstances, the information contained in these Constituent Documents and the investment policy of the AIF.

## **Art. 27 AIF-specific risks**

In connection with the investment strategy of the AIF, a number of specific risks arise which are listed below, but not exhaustively.

### **Art. 27.1 Risks associated with investments in vessels**

The AIF plans to acquire invests indirectly in vessels (newly built or existing) according to its outlined strategy in Art. 18.2. The ownership entities of the vessels will usually enter into charter agreements that allow for worldwide operation of the vessels. The vessels will call at ports in and the charterers can be located in various countries around the world, including emerging markets and the AIF is therefore (indirectly) subject to political, economic and social conditions and circumstances of the countries where these ports and charterers are located.

For this reason the AIF may be exposed to risks of political unrest, war and economic and other forms of instability, such as natural disasters, epidemics, widespread transmission of communicable or infectious diseases, natural disasters, terrorist attacks, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries in which the AIF operates and other events beyond its control which may adversely affect local economies, infrastructures and livelihoods. Many of these risks are outlined separately in these Constituent Documents. These events could result in disruption to charterers' business and seizure of, or damage to, customers' assets, or could give rise to difficulties to the AIF in protecting its assets, including by enforcing its rights, in these jurisdictions. These events could also cause the partial or complete closure of particular ports and sea passages, such as

the Suez or Panama canals, potentially resulting in higher costs, vessel delays and cancellations on some lines. Furthermore, these events could lead to reductions in the growth rate of world trade, which could reduce demand for vessels and/or services. The political, economic or social conditions in any of these countries may have an effect on charterers' business and financial conditions which may affect the creditworthiness of such charterers, and increase the risk of default by the charterer, which could adversely impact lease income under the Charter agreements for the vessels and, consequently, affect the stability of income flow.

#### **Art. 27.2 Risks in connection with the construction of a ship**

In case that the AIF will finance the construction of a newly built ship special risks might arise.

**Risk that the shipyard becomes insolvent after the (partial) advance payment of the purchase price** – There is a risk that the Fund may lose a significant portion of its assets if the ship's construction is not successfully completed as planned by its ownership companies. To finance the construction of the ship the AIF – along with other financiers like e.g. banks – would possibly undertake certain advance payments to the ownership companies of the ship, which in turn pay the shipyard appointed to build the vessel. No matter the e.g. available state guarantees or the like, the shipyard may still become insolvent as a result of external factors and/or circumstances beyond the control of the ownership companies of the ship, and may not be able to continue or complete the construction of the ship. This would mean that the planned ship could not be completed or not built in the way originally planned, or may have to be transferred at great expense to another shipyard. This could result in considerable costs, up to the total loss of the capital invested by the AIF or the ownership companies of the ship, which would have a correspondingly adverse impact on the value of the Fund units.

**Risk of late delivery of the ship** – The construction of ships can be considerably delayed due to unforeseeable external factors, which results in the late delivery of the vessel. The ensuing additional costs could reduce the value of the Fund units. In addition, there would be unquantifiable opportunity costs, because the commercial use of the ship could only start a later date than originally planned.

**Risk of high construction costs for ships** – Shipbuilding is an expensive and technically demanding task. The construction costs may increase significantly and unpredictably, which theoretically could mean that the capital raised and planned for the construction is not sufficient to complete the vessel as planned or to install the originally planned infrastructure and fittings. The risk of rising construction costs is generally passed on as much as possible to the shipyard, but there can be no guarantee that this will be completely, or even partially successful. Labour costs, increases in material costs, persistently bad weather, longer construction times, strikes, regulatory requirements, delays due to the issue of the necessary permits by public authorities, construction modifications to reflect new environmental standards and fluctuations in technical expenses may all individually or collectively jeopardise and have an adverse effect on the construction process. The ensuing additional costs could reduce the value of the Fund units.

**Risk of completion problems or construction defects** – Unforeseeable external factors may cause the construction of a ship to be considerably delayed and construction defects may considerably reduce the quality of the ship. Additional costs to rectify the defects, unless they are covered by insurance or the contract with the shipyard, could reduce the value of the Fund units.

**Environmental and sustainability risks** – Environmental liability may result in additional costs. Under applicable environmental legislation an owner or operator of a ship may be liable for the costs of removing (or otherwise mitigating) hazardous or toxic substances caused by the ship. Environmental



legislation may also include restrictions on the way the vessels may be used or on the type of business operations and related activities. Generally speaking, responsibility for demonstrably caused or even purported environmental damage can result in very high costs for those responsible. Breaches of applicable environmental legislation may be subject to penalties that are enforced by government agencies but may under certain circumstances be initiated by private parties. The Fund may be indirectly exposed to such risks, resulting from unexpected costs for defending itself against environmental claims or ensuring compliance with environmental requirements, including a proposed new obligation to pay into a government environmental fund or to take remediation measures. It is also possible that future environmental legislation could prohibit or significantly restrict the use of particular fuels or propulsion methods, make these fuels more expensive or otherwise have an adverse impact on the ship's operation. For this reason it cannot be ruled out that environmental risks result in significantly higher expenses, e.g. for the ship's operating costs, which in turn could lead to a significant increase in the ongoing costs for the ownership companies or their contractual charterers.

**Leverage on the level of the ownership companies of the ship** – Investors are advised that the ownership companies of the ship will take out loans from third parties to a significant extent in addition to any capital raised and received from the Fund. In case of default of the ownership companies this may result in a partial or full loss of the capital invested by the Fund towards the ownership companies. The ownership companies are making its best efforts to mitigate these risks.

#### **Art. 27.3 Risks in connection with the ongoing operation of a ship**

**Risk of factors that hinder ongoing operations** – Global pandemics, environmental disasters, changes in government regulations and tax policies, force majeure, terrorist threats and terrorist attacks, and other external, unforeseeable events may force a ship to cease operations temporarily or mean that it cannot be operated as planned. Any such unforeseeable event can result in a significant loss of value for the Fund units. Furthermore, operating a ship is also subject to general business risks concerning income and expenses, whereby rising expenses and flat or declining income may pose a significant and sustained risk to the operation of the vessel.

**Entrepreneurial risk** – With their investment in this Fund the investor finances the purchase of vessels while the ownership companies of the vessels will engage ship management companies to handle the commercial activities. Hence, the success depends to a significant degree on the abilities of the ownership companies and ship management companies to achieve recurring profits from the entrepreneurial activities.

**Country and geographic risk** – A ship is a mobile asset and means of transport and so is exposed to various country and geographic risks. On the one hand there is a country risk during the (potential) construction phase of the ship, in terms of the location of the shipyard. On the other hand, when the ship later goes into regular service, it is subject to all risks related to registration under the flag of a particular state, which is chosen by the ownership companies of the ship. It is possible that the flag state selected may have detrimental laws affecting performance and quality due to environmental, labor, construction, operation, maintenance and other laws that permit the ownership companies to engage in cost-cutting while allowing the ship to deteriorate, fall into disrepair or hire poorly trained personnel. The investors have little influence and virtually no authority over the quality of the ships purchased or built. Finally there are risks relating to future choices of the ship's commercial routes, which may be exposed to special risks resulting from the geographic conditions and local circumstances. This concerns both physical damage and threats from international piracy, etc.

**Environmental and sustainability risks** – The same risks as those described in Art. 27.2 above continue to apply for as long as the ship is in operation.

#### **Art. 27.4 Special risks of charter hire rates**

**Charter hire rates for vessels may remain at low levels or decrease in the future, which may adversely affect the ownership companies' earnings.**

The shipping industry is cyclical with attendant volatility in charter hire rates and profitability. The degree of charter hire rate volatility among different types of vessels has varied widely, and charter hire rates have declined significantly from historically high levels. Fluctuations in charter rates result from changes in the supply of and demand for vessel capacity and changes in the supply of and demand for the major commodities carried by water internationally. Because the factors affecting the supply of and demand for vessels are outside of the ownership companies' control and are unpredictable, the nature, timing, direction and degree of changes in industry conditions are also unpredictable.

Factors that influence demand for vessel capacity include:

- supply of and demand for energy resources, commodities, semi-finished and finished consumer and industrial products;
- changes in the exploration or production of energy resources, commodities, semi-finished and finished consumer and industrial products;
- the location of regional and global exploration, production and manufacturing facilities;
- the location of consuming regions for energy resources, commodities, semi-finished and finished consumer and industrial products;
- the globalization of production and manufacturing
- global and regional economic and political conditions, including armed conflicts and terrorist activities; embargoes and strikes;
- natural disasters and other disruptions in international trade;
- developments in international trade;
- changes in seaborne and other transportation patterns, including the distance cargo is transported by sea;
- environmental and other regulatory developments;
- currency exchange rates; and
- weather.

Factors that affect the supply of vessel capacity include:

- the number of newbuilding orders and deliveries, including slippage in deliveries;
- the number of shipyards and ability of shipyards to deliver vessels;
- port and canal congestion;
- the scrapping rate of older vessels;
- vessel casualties; and
- the number of vessels that are out of service, namely those that are laid-up, drydocked, awaiting repairs or otherwise not available for hire

In addition to the prevailing and anticipated freight rates, factors that affect the rate of newbuilding, scrapping and laying-up include newbuilding prices, second-hand vessel values in relation to scrap prices, costs of bunkers and other operating costs, costs associated with classification society surveys, normal maintenance and insurance coverage, the efficiency and age profile of the existing fleet in the

market and government and industry regulation of maritime transportation practices, particularly environmental protection laws and regulations.

**There can be no guarantee that Charter counterparties will not default on their obligations under any charter agreements.** The Fund mainly intends to invest in vessels that will enter into medium to long term Charters. While the ship management company undertakes due diligence in relation to Charter counterparties' creditworthiness and related factors, there can be no guarantee that such Charter counterparties will honour their contractual obligations. Defaults by such Charter counterparties may substantially adversely affect the ownership companies' business, financial condition, results of operations, ability to meet expected cash flows and NAV development.

**Events which may occur during the operation of the vessels in which the Fund will seek to invest may result in damage to the vessels or other loss or liability which may adversely affect returns to the Fund.** The vessels in which the Fund will invest may be subject to unfortunate and/or force majeure events. Such events could include marine disasters (such as collisions, allisions, capsizing or groundings) incidents of piracy, environmental accidents, cargo and property losses or damage, mechanical failures, earthquakes, adverse weather conditions, assertion of eminent domain, embargoes and strikes, wars, riots, terrorist acts and similar events. These events could result in the partial or total loss of a vessel or significant downtime, death or injury to persons, loss of revenue or property, environmental damage, higher insurance rates or delay or rerouting, among other potentially detrimental effects and in some circumstances Charter hire agreements may be terminated if the event is so catastrophic that it cannot be remedied within a reasonable time period. Such events may therefore adversely affect the Fund's business, financial condition, results of operations, ability to meet expected cash flows and NAV development.

#### **Art. 27.5 Risks in connection with the valuation and transparency of the investment assets**

The Fund may invest its capital in non-listed investments. A price is not always available for such investments from the usual providers of market data. Information about these investments may therefore suffer from a transparency deficit and require a valuation process.

The valuation of the investments may be subject to uncertainty, because the information available about them is not comparable with that of securities listed on an exchange or otherwise traded on a regulated market, and may result in a transparency and information deficit concerning the investments. Changes in the valuation principles for the investments or the accounting standards in particular countries (to the extent that they are relevant for the valuation process), may result in unexpected and very wide fluctuations in the NAV of the Fund.

**Subjectivity and uncertainty** – The valuation of certain investments, including ships, and in this context the valuation of all securities whose value ultimately (also) depends on these investments, is naturally subjective; partly due to the individual characteristics of each vessel. As a result, the valuation of ships is subject to a degree of uncertainty and is based on assumptions, which may turn out to be incorrect, especially at time of higher volatility or lower deal flow on the markets. In addition, all the valuations on which the Fund relies only reflect the position at a certain valuation date; market volatility since the date of the last valuation may result in considerable fluctuations in the value measured for an asset and possibly also to significant losses in value at the next valuation date.

**Lack of demand and other factors** – Regardless of the supposed value of any ships held, a lack of demand for any goods usually transported by such ships and other factors may considerably reduce its effective realisable value.

**Valuation of vessels in which the Fund will invest may fluctuate** – The market price and value of the vessels in which the Fund will invest may fluctuate due to a number of factors beyond the Fund's control, including actual or anticipated fluctuations in the results of, and market perceptions concerning, the shipping industry, general economic, social or political developments, changes in industry conditions (including, for example, fluctuations in the supply of, and demand for, such vessels), changes in government or other regulation and other material events such as natural disasters, terrorism, piracy, storms or strikes. The residual value of a vessel may also be adversely affected by factors such as poor maintenance (including by the Charter counterparties, when under a Bareboat Charter agreement, such maintenance is within their control) or as a result of poor performance of the vessel relative to its intended function. Further, the depreciation rate of the vessels may vary over time and there can be no guarantee that the depreciation rate will not increase above that which has historically been the case. The realisable value of the vessels may also be miscalculated. It may be relatively difficult for the ownership company and/or the ship management company to obtain reliable pricing information for the valuation of the underlying vessels. The ship management company may conclude that certain quotations for vessels are not indicative of fair value by reason of a number of factors. A lack of reliable information, errors in assumptions or forecasts and/ or an inability to successfully implement the investment policy in a particular case could, among other factors, result in the vessel having a lower realisable value than had been anticipated. If the Fund (through an SPV) is not able to realise an investment at the anticipated level of profitability, investment returns could be adversely affected.

As a result, the value ascribed by the Fund to each vessel may be higher or lower than forecast and capital returns to investors may, accordingly, be higher or lower than otherwise expected. If the value of a vessel is lower than expected, it may mean that the Fund (through an SPV) may be unable to dispose of it on satisfactory terms. These factors may have a material adverse effect on the Fund's business, financial condition, results of operations, ability to meet expected cash flows and NAV development.

#### **Art. 27.6 Risks with respect to due diligence processes**

The due diligence process undertaken in evaluating specific investment opportunities for the Fund may not reveal all facts that may be relevant in connection with such investment opportunities.

The objective of the due diligence process to be undertaken in relation to specific investment opportunities will be to identify issues which might affect an investment decision. When conducting due diligence and making an assessment regarding an investment opportunity, the purchaser will be required to rely on the resources available, including internal sources of information, the information provided by the target Charter counterparties which the Fund is engaging with, and independent sources. The due diligence process may at times be required to rely on limited or incomplete information.

Investments will be selected in part on the basis of third- party information and data, which may or may not include information filed with regulatory bodies. Although all such information and data shall be evaluated and independent corroboration employed where considered appropriate and reasonable, the Fund may not be in a position to confirm the completeness, genuineness or accuracy of such information. In particular, the Fund may be dependent in part upon the integrity of the management of the entities filing such information with government regulators and such reporting processes in general.

Further investment analysis and decisions may be undertaken on an expedited basis in order to make it possible for the Fund to take advantage of short-lived investment opportunities. In such cases, the available information at the time of an investment decision may be limited, inaccurate and/or incomplete.

Furthermore, the Fund may not have sufficient time to evaluate fully such information even if it is available.

The value of the investments made by the Fund may be affected by fraud, misrepresentation or omission. Such fraud, misrepresentation or omission may increase the likelihood of a default in payment by Charter counterparties, or may adversely affect the ability of the Fund or an SPV to enforce its contractual rights in respect of a vessel, or may have an adverse effect on the residual value of a vessel.

Accordingly, due to a number of factors, the Fund cannot guarantee that the due diligence investigation carried out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Any failure by the Fund to identify relevant facts through the due diligence process may result in inappropriate investments considered or made, which may have a material adverse effect on the Fund's business, financial condition, results of operations, ability to meet expected cash flows and NAV development.

#### **Art. 27.7 Risk of technological innovation**

Technological innovation may lead to a reduction in the Charter rates and residual value of the vessels acquired by the Fund. The Charter hire and the value and operational life of a vessel are determined by a number of factors including the vessel's size, type, efficiency, operational flexibility and physical life. Factors which determine a vessel's efficiency include its speed, fuel economy and the ability to be loaded and unloaded quickly. Flexibility is determined by features such as the ability to enter ports, utilise related port facilities and safely navigate through canals and straits. Physical life is related to the original design and construction, maintenance and the impact of the stress of operations and structural damage. If new vessels are built that are more efficient or flexible or have longer physical lives than the Fund's vessels, competition from these more technologically advanced vessels could adversely affect the value of Charter hire payments which can be obtained in respect of, and the resale value of, the Fund's vessels and may consequently adversely affect the Fund's business, financial condition, results of operations, ability to meet expected cash flows and NAV development.

#### **Art. 27.8 Risk of an over-supply of vessel carrier capacity**

This may prolong or further depress the current low charter rates and, in turn, adversely affect the overall profitability.

The market supply for various segments has increased materially since 2009 due to a high level of new deliveries in the last few years. Although newbuilding deliveries have tapered off since 2014, newbuildings continued to be delivered in significant numbers through the end of 2017. While vessel supply will continue to be affected by the delivery of new vessels and the removal of vessels from the global fleet, either through scrapping or accidental losses, an over-supply of vessel capacity could prolong the period during which low charter rates prevail.

#### **Art. 27.9 Risk of seasonal fluctuations**

The vessels which are the subject of investment in the present Fund operate in markets that have historically exhibited seasonal variations in demand and, as a result, in charter hire rates. This seasonality may result in quarter-to-quarter volatility in operating results. In addition, unpredictable weather patterns in these months tend to disrupt vessel scheduling and supplies of certain commodities. As a result, revenues may be weaker during the fiscal quarters ended June 30 and September 30, and, conversely, revenues may be stronger in fiscal quarters ended December 31 and March 31. While this

seasonality will not directly affect the operating results, it could materially affect the operating results to the extent the vessels are employed in the spot market in the future.

#### **Art. 27.10 Risk of fuel prices**

While the ownership companies generally will not bear the cost of fuel, or bunkers, for vessels operating on time charters, fuel is a significant factor in negotiating charter rates. As a result, an increase in the price of fuel beyond the expectations may adversely affect the profitability at the time of charter negotiation. Fuel is also a significant, if not the largest, expense in the shipping operations when vessels are under a voyage charter. The price and supply of fuel are unpredictable and fluctuates based on events outside the ownership companies' control, including geopolitical developments, the supply of and demand for oil and gas, actions by the Organization of Petroleum Exporting Countries and other oil and gas producers, war and unrest in oil-producing countries and regions, regional production patterns and environmental concerns and regulations. Fuel may become much more expensive in the future, including as a result of the imposition of sulfur oxide emissions limits in 2020 under new regulations adopted by the International Maritime Organization, or the IMO, which may reduce the profitability and competitiveness of the Fund's business versus other forms of transportation, such as truck or rail.

#### **Art. 27.11 Risk of maritime liens**

Crew members, suppliers of goods and services to a vessel, shippers of cargo, lenders, and other parties may be entitled to a maritime lien against a vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lienholder may enforce its lien by arresting or attaching a vessel through foreclosure proceedings. The arrest or attachment of one or more of the vessels held could interrupt the cash flows and a requirement to pay large sums of money to have the arrest or attachment lifted.

#### **Art. 27.12 Risk of crew costs**

Due to an increase in the size of the global shipping fleet, the limited supply of and increased demand for crew has created upward pressure on crew costs. Continued higher crew costs or further increases in crew costs could adversely affect the results of any operations in this industry.

#### **Art. 27.13 Risk of increases in Insurance Premiums**

Vessels are adequately insured and therefore, a significant increase in vessels insurance premiums will have a negative impact on the Fund's financial results. Circumstances beyond the control of the Fund may lead to increases in the cost of insurance. Likewise, the insurance obtained may not cover all relevant risks. The ownership companies may also be subject to calls or premiums in amounts based not only on the ownership companies' own claim records but also the claim records of all other members of the protection and indemnity associations through which the ownership companies receives indemnity insurance coverage for third party liability. The ownership companies' insurance policies also will contain deductibles, limitations and exclusions which, although they may be standard in the shipping industry, may nevertheless increase the costs. It is also possible that the insurance procured by the ownership companies only covers business interruptions after a certain number of days off-hire up to a certain limit of off-hire days.

If an uninsured loss were to occur, the Fund could lose its capital invested in the affected vessel in addition to revenue lost as a result of downtime and the anticipated future revenue from such a vessel. The Fund, respectively the ownership companies would also continue to be obligated to repay any indebtedness or other obligations related to the vessel. If an uninsured liability to a third party were to

occur, the ownership companies might incur the cost of defence and settlement with, or court ordered damages to, that third party. These factors may reduce the returns to the Fund, which may have a corresponding adverse effect.

In compliance with the requirements of the law, the ownership companies will insure all vessels according to the usual reasonable practices. However, there are risks for which no insurance coverage is offered, or at least not at reasonable financial terms (e.g. insurance against terrorist acts). If there are any damages from an insurance event beyond the insurance amount, the ownership companies would suffer a loss up to the extent of the capital invested in the respective asset and the ownership companies will continue to have an obligation to service any loans, obtained for the acquisition and operation of the vessel.

**Art. 27.14 Risk of hull and machinery classification, vessel maintenance and modifications.**

The hull, machinery and equipment of every commercial vessel must be classed by an independent classification society. The Fund will strive to engage classification societies who are members of the International Association of Classification Societies (“IACS”). The classification society certifies that a vessel is safe and seaworthy in accordance with its rules and regulations as well as those of the flag state of the vessel. In addition, each vessel must comply with, inter alia, the requirements of the International Maritime Organisation’s (“IMO”) (a specialised United Nations agency) Safety of Life at Sea Convention (“SOLAS”). Each of the Fund’s vessels will therefore be required to undergo a combination of annual, intermediate and special surveys. Each vessel will also be required to be drydocked at every five-year special survey and, unless the class notation allows otherwise, at each intermediate survey (about 30 months after each special survey) for the inspection of the underwater parts of the vessel. Whilst the cost of planned maintenance is taken into account in the cost budgets for any vessel there is no guarantee that the actual expenditure will be carried out within budget. Also, if any vessel does not maintain its class or fails any annual, intermediate, or special survey, that vessel may be unable to trade between ports and would therefore be unemployable, which may adversely affect the Fund’s business, financial condition, the result of operations, ability to meet dividend payments and the NAV.

Vessels may suffer damage at any time and/or require rectification work that is identified during regular inspections at a drydocking facility. The costs associated with such unplanned maintenance are unpredictable and can be substantial. In addition, there may be a loss of earnings during the time the vessel is in transit to the dry dock, during repairs and ultimately repositioned. Each vessel will be insured against such accidental damages as well as the vessel’s earnings for the time off-hire during repair, however each insurance policy has excess provisions. Whilst adequate reserves will be maintained to cover such insurance excess, consequential losses as a result of such accidents can be substantial and these factors may have an adverse effect on the Fund’s business.

From time to time, the Fund may invest in vessels requiring modifications before commencing operations or, more likely, commencing long-term employment with a charterer requesting such modifications. To the extent the Fund invests in such vessels, it will be subject to the risks normally associated with such vessels, but also to losses due to cost overruns and/or delays. Any variation between actual vessel delivery dates and contracted delivery dates may affect operating results either due to postponed availability of cash flows, reduction in Charter rates or even full cancellation of Charter agreements. These factors may adversely affect the Fund’s business, financial condition and results of operations.

**Art. 27.15 Risk of (non-)compliance with the legal and regulatory requirements of the shipping industry and changes to such codes and regulations.**

The shipping industry is extensively regulated. The Fund's vessels will have to operate within the rules, international conventions and regulations adopted by the IMO, as well as other international, national, state and local laws, conventions and regulations in each of the jurisdictions in which the vessels owned by the Fund operate as well as those of the country or countries in which such vessels are registered. Additional costs or investments may be incurred to maintain compliance with regulations. The International Labour Organisation ("ILO") is also responsible for the development of labour standards applicable to seafarers worldwide.

The IMO has adopted a comprehensive framework of detailed technical regulations, in the form of international diplomatic conventions, which govern the safety of vessels and protection of the maritime environment and to which the Fund and the vessels owned by the Fund will be subject. For example, shipping companies and individual vessels are required to establish safety systems and have them certified by standardisation bodies. In complying with such IMO regulations and other regulations that may be adopted, additional costs may be incurred, for example, in meeting new maintenance, environmental and inspection requirements, in developing contingency arrangements for potential contamination by vessels and in obtaining insurance coverage. Because such conventions, laws and regulations are often revised, it is not possible to predict the long-term costs of compliance. Compliance with such laws and regulations may entail significant expenses, including capital expenditure expenses for vessel design modifications and changes in operating procedures and insurance coverage.

In addition, vessel owners and ship managers are required by various governmental bodies to obtain permits, operating certificates and licences required for the operation of vessels. These permits may become costly or impossible to obtain or renew. In particular, the operation of the vessels will also be affected by the requirements set forth in the International Safety Management Code (the "ISM Code"). The ISM Code requires vessel technical managers to develop and maintain an extensive "Safety Management System" that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe vessel operation and describing procedures for dealing with emergencies. The failure of a vessel technical manager to comply with the ISM Code may subject such party, and subsequently the vessel owner or Bareboat Charterer, to increased liability, may decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports. Changes in environmental laws, governmental regulations, safety or other equipment standards, as well as compliance with standards imposed by maritime self-regulatory organisations and customer requirements or competition, may require the Fund to make additional expenditures. As such conventions, laws, and regulations are often revised, it is not possible to predict with certainty the ultimate cost of complying with such conventions, laws and regulations or the impact thereof on the resale price or useful life of the vessels. These factors may reduce the returns to the Fund, which may have a corresponding adverse effect on the Fund's business, financial condition and results of operations.

**Art. 27.16 Risks associated with illiquidity of shares and Fund units**

Investments in private equity bear the risk of not being able to exit / sell the investment in time, at a fair price, in a proper way or exit them at all. Further to this, there is no possibility to redeem Fund units before the fixed duration of the Fund ends (if any is set) and/or the expiry of any lock-in periods and redemption acceptance deadlines.



#### **Art. 27.17 Risks arising from a concentrated portfolio**

To achieve its objectives the AIF may invest significant parts of its assets in single or only few investments. Even if the AIF manages to acquire several ships, the ships may be similar in nature and suffer from the same deficiencies and/or lack of demand at a later stage.

The extent of diversification in the AIF cannot be assured. The AIF may invest in a single company/asset. Concentrated exposure within the AIF may amplify other risks outlined in this document. Consequently, the overall return of the AIF could be significantly impacted by the poor performance of even a single investment.

#### **Art. 27.18 Risks associated with key persons in target companies**

The success of any companies – whether start-ups or seasoned – always depends on their key persons such as the founders or specialists in certain areas (engineers, scientists, IT-specialists, etc). The personnel composition of such a company may change and new decision-makers or specialists may then be less able to act successfully pursue the defined company goals.

#### **Art. 27.19 Risks associated with in-depth company data and monitoring**

**Source, completeness and reliability of company data** – The main source of information about the company is very often the company itself. The main reason for the limited number of sources for information or even a lack of reliable data at all is that these companies are normally private companies and only limited subject to the duty of publishing company data and financial statements, if at all. For this reason, investments in private companies bear high risk of information asymmetries between the AIF and the company known as the principal agent problem.

**Monitoring of target companies** – Due to the above mentioned asymmetry of information the management of the target companies can pursue potentially unprofessional or harmful activities, which cannot be prevented or corrected in due time.

#### **Art. 27.20 Risks in connection with non-credit investments**

**Equity Securities or Warrants Associated with Investments in Loans and Fixed Income Instruments** – The AIF may invest in or hold common stock, other equity securities or warrants when associated with the purchase or ownership of a loan or fixed income instrument or in connection with a reorganization or restructuring of a borrower or issuer. Investments in equity securities that are incidental to or related to investments in such loans or fixed income instruments involve certain risks in addition to investments in loans or fixed income instruments. The AIF may regularly have material non-public information about a borrower or issuer because it owns a loan or fixed income instrument of a borrower or issuer. Due to prohibitions on trading in securities that are in possession of material non-public information, the AIF may not be able to enter into a transaction in an instrument of the borrower or issuer when it would otherwise be advantageous to do so.

**Unlisted Debt and Equity Instruments** – Unlike publicly traded common stocks, there is no centralized entity or exchange for private loans or fixed income instruments or equity securities issued by private (unlisted) companies. Widely traded loans and fixed-income instruments are typically traded in an "over-the-counter" market where buyers and sellers can agree on a price. Due to the lack of centralized information and trading, the valuation of such instruments may involve a higher degree of risk than the valuation of traded common stock. In the case of derivative instruments, the AIF's counterparty, typically an investment bank, will generally insist on the right to determine the value of the instrument in question.

In addition, other market participants may value instruments differently than the AIF. As a result, the AIF may be exposed to the risk that when such a loan or fixed income, private equity or derivative instrument is sold in the market, the amount received by the AIF will be less than the value of such instruments recorded on the AIF's books. Stocks and other equity securities generally fluctuate more than bonds and may decline in value over short or extended periods of time. The value of stocks and other equity securities is affected by changes in a company's financial condition and general market and economic conditions. The AIF's ability to respond to market movements may therefore be impaired, and the AIF may experience adverse price fluctuations as it liquidates its investments.

**Fixed income instruments** – Fixed income instruments are subject to the same risks that affect loans and may often be unsecured and/or structurally subordinated in the issuer's capital structure, exposing them to higher default risk and lower recoveries in the event of default. Sub-investment grade instruments may further increase this risk. In addition, fixed rate instruments are generally more susceptible to price fluctuations than floating rate loans, due to changes in prevailing interest rates. Prices of floating rate debt instruments tend to exhibit less fluctuation in response to changes in interest rates, but will exhibit some fluctuation, particularly if the next interest rate adjustment for that instrument is more distant in time or the adjustments over time are limited in amount.

#### **Art. 27.21 Risks relating to the AIF**

**Lack of operating history** – The AIF is newly organized and has no operating history. As a result, potential investors have no track record on which to base their investment decision.

**Past Performance** – The past performance of other strategies, mutual funds or managed accounts, is not representative of the possible future performance of this AIF. Such strategies, mutual funds or managed accounts did not necessarily have similar investment objectives to this AIF and should not be relied upon by prospective investors in making investment decisions.

**Dependence on certain individuals** – The AIF is dependent on the efforts, skills, experience, reputation and business contacts of its key individuals, the flow of information and business they form during the normal course of their activities, and the synergies between the various areas of expertise and knowledge of their professionals. The loss of any of the foregoing could have a material adverse effect on the AIF and could impair the ability to manage the AIF.

**Investment Opportunity Analysis Methods** – The AIFM seeks to conduct a reasonable review, based on the facts and circumstances applicable to each investment. This review can sometimes be subjective when dealing with newly organized entities for which limited information is available. Accordingly, the AIFM cannot be certain whether controls with respect to an investment opportunity for the AIF will uncover all relevant facts (including fraud) that may be necessary or helpful in evaluating such investment opportunity or whether the controls will result in a successful investment by the AIF. There can be no assurance that the projected results of an investment opportunity will be achieved. In addition, actual results may differ materially from those projected. General, unpredictable factors, may adversely affect the reliability of such forecasts. Assumptions or projections about the life of assets, stability, growth or predictability of costs, demand or revenues generated by an investment or other related factors may differ materially from actual results due to various risks and uncertainties (including those described herein).

**Availability of Investment Opportunities and Increasing Competition** – Identifying, completing and realizing the types of investment opportunities sought by the AIF is extremely competitive and involves a significant degree of uncertainty. The AIF competes for investment opportunities with other investment

companies and private investment vehicles, as well as with the public debt markets, private individuals and financial institutions, including investment banks, commercial banks and insurance companies, business development companies, strategic industry acquirers, hedge funds and other institutional investors investing directly or through affiliates. Such supply-side competition may adversely affect the terms on which the AIF may make investments.

**Specialist advice** – The rights of the AIF in any recovery claims against specialist advisers available to the AIF or the AIFM may be limited, and this limitation may result in the recovery against specialist advisers being significantly less than the loss suffered by the AIF. Limited recourse may also result in specialist advisers tending to recommend riskier and more speculative projects or assets, as their own economic risk may be severely limited.

#### **Art. 27.22 Legal and regulatory risks**

**Effects of Laws and Regulations** – If laws or governmental regulations impose additional requirements or restrictions on the lending ability of financial institutions, the AIF's ability to make loans or the availability of loans in the secondary market for AIF investments may be adversely affected. In addition, such requirements or restrictions on certain borrowers may reduce or eliminate sources of funding or refinancing. This would increase the risk of default.

If financial institutions need to increase their capital requirements due to legal or regulatory requirements, this may lead them to dispose of certain types of loans in order to optimize the use of their available own funds. Such sales could result in prices that the AIFM believes do not reflect fair value. If the AIF attempts to sell a loan at a time when a financial institution is conducting such a sale, the price that the AIF could receive for the loan may be adversely affected.

**Certain EU Member States and the Monetary Union** – Certain Member States are exposed to high levels of debt. Markets have questioned the ability of some of these member states to continue servicing their debt. Some global market participants believe it is possible that other member states will follow suit, although there is no certainty of this. If a member state defaults on its obligations, it could cause significant disruptions in financial markets and affect property values.

**Government Intervention in Financial Markets** – Instability in financial markets in recent years has led global governments to take a number of unprecedented measures to support certain financial institutions and financial market segments that have experienced extreme volatility and, in some cases, a lack of liquidity. Governments, their regulators or self-regulatory organizations may take additional measures that affect the regulation of the investments in which the AIF invests or the issuers of those investments in unpredictable ways. Borrowers held under secured loans of the AIF may seek protection under bankruptcy laws. Laws or regulations may also change the manner in which the AIF itself is regulated. Such laws or regulations could limit or preclude the AIF's ability to achieve its investment objective. The AIFM will monitor developments and attempt to manage the portfolio in a manner consistent with achieving the AIF's investment objective, but there can be no assurance that it will be successful in doing so.

#### **Art. 27.23 Risks in connection with collateral**

If the AIF receives collateral, this entails risks associated with these assets.

## Art. 28 General risks

In addition to the AIF-specific risks, the investments of the AIF may be subject to general risks, which are listed below, but not exhaustively. Furthermore, investors should note that some of the mentioned risks need to be read in light of the investment strategy of the AIF. Accordingly some risks might also be reduced or not fully applicable if the usual underlying cause of such risks is e.g. not an accessible investment for the AIF.

### Art. 28.1 General market risks

**Investment and Market Risk** – An investment in the AIF is subject to investment risk, including the possible loss of the entire principal invested, plus amounts committed to the AIF but not yet drawn down. An investment in the AIF represents a long-term and illiquid (indirect) investment in a variety of debt securities, bonds and private and public equity investments or derivatives related to real estate. The value of the securities and instruments and the real estate and the income therefrom may sometimes fluctuate rapidly and unpredictably. At any time, an investment in the AIF may have a value less than the amount originally invested. Income, if any, may not be earned regularly during the life of the AIF, and investors who require a steady source of income should not rely on the AIF to generate it.

**Diversification Risks** – The AIF, even if fully invested, may be a relatively concentrated investment vehicle. The AIF could ultimately be invested in relatively few investments or in only one investment at the outset.

**Financial Fraud** – Instances of fraud and other deceptive practices committed by companies in which the AIF may invest may affect its control efforts with respect to those companies and may adversely affect the valuation of the AIF's investments. The AIF may invest in small to mid-sized companies. These companies generally have little control infrastructure, which may increase the risk of fraud and other financial misconduct.

### Art. 28.2 Settlement risk

In particular, when investing in unlisted securities, there is a risk that settlement by a transfer system may not be executed as expected due to a delay or failure to make payment or delivery as agreed.

### Art. 28.3 Change in the investment spectrum and investment policy

In compliance with the investment principles and limits prescribed by the applicable law and the investment restrictions, which may provide for a very broad framework, the actual investment policy may also be geared towards acquiring assets with a focus on only a few sectors, markets or regions/countries, for example. This concentration on a few specific investment sectors may be associated with risks. The AIFM may, with the approval of the FMA, change the investment policy over time within the legal and contractual framework, which may involve a change in risk.

### Art. 28.4 Amendment of the Constituent Documents

The Constituent Documents may be amended. Furthermore, it is possible to dissolve the AIF entirely, or to merge it with another fund. For the investor, there is therefore a risk that he may not be able to realize his planned holding period.

#### **Art. 28.5 Credit and default risk of the Depositary Bank**

The Fund assets invested in securities with the Depositary Bank are subject to the right of segregation in the event of bankruptcy. These Fund assets therefore do not fall into the bankruptcy estate of the Depositary Bank in the event of bankruptcy of the Depositary Bank. However, this does not apply, for example, to on-balance sheet cash deposits with the Depositary Bank.

#### **Art. 28.6 Derivative financial instruments**

The use of derivative financial instruments for hedging purposes can change the general risk profile through correspondingly lower opportunities and risks. The use of derivative financial instruments for investment and speculative purposes can have an impact on the general risk profile through correspondingly moderate to very high additional opportunities and risks.

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

Due to the special features of the derivative financial instruments, however, the risks mentioned may be of a different nature and may in some cases be higher than the risks associated with an investment in the underlying instruments.

Therefore, the use of derivatives requires not only an understanding of the underlying instrument, but also a sound knowledge of the derivatives themselves.

Derivative financial instruments also carry the risk that the AIF will 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 clearinghouse, which acts as the issuer or counterparty of each derivative traded on the exchange, provides a settlement guarantee. To reduce overall default risk, this guarantee is supported by a daily payment system maintained by the clearinghouse into which the assets required to cover it are calculated. For over-the-counter derivatives, there is no comparable clearinghouse guarantee and the AIF must include the credit quality of each counterparty to an over-the-counter derivative in its assessment of potential credit risk.

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

Other risks associated with the use of derivatives include incorrect price determination or valuation of derivatives. In addition, there is a possibility that derivatives may not be fully correlated with their underlying assets, interest rates and indices. Many derivatives are complex and often subjectively valued. Inappropriate valuations may result in increased cash demands from counterparties or a loss of value to the AIF. Derivatives do not always bear a direct or parallel relationship to the value of the assets, interest rates or indices from which they are derived. Therefore, the use of derivatives by the AIF may not always be an effective means of achieving the AIF's investment objective, and may sometimes even have the opposite effect.

#### **Art. 28.7 Collateral management**

If the AIF conducts over-the-counter (OTC) transactions, it may thereby be exposed to risks related to the creditworthiness of the OTC counterparties: when entering into futures contracts, options and swap transactions or using other derivative techniques, the AIF is exposed to the risk that an OTC counterparty may not (or may not) perform its obligations under a particular contract or contracts.

The counterparty risk can be reduced by depositing collateral. If collateral is owed to the AIF under applicable agreements, it will be held by or on behalf of the Depositary Bank for the benefit of the AIF. Bankruptcy, insolvency or other credit default events at the Depositary Bank or within its sub-depositary/correspondent banking network may result in the AIF's rights in connection with the collateral being postponed or otherwise limited. If the AIF owes collateral to the OTC counterparty under applicable agreements, such collateral shall be transferred to the OTC counterparty as agreed between the AIF and the OTC counterparty. Bankruptcy, insolvency or other credit default events at the OTC Counterparty, the Depositary Bank or within its sub-depositary/correspondent banking network may result in the AIF's rights or recognition in respect of the collateral being delayed, limited or even excluded, which would require the AIF to perform its obligations under the OTC Transaction notwithstanding any collateral posted in advance to cover such obligation.

#### **Art. 28.8 Issuer risk (credit risk)**

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

#### **Art. 28.9 Monetary value risk**

Inflation involves a devaluation risk for all assets. This also applies to the assets held in the AIF. The purchasing power of the invested capital decreases if the inflation rate is higher than the return generated by the investments.

#### **Art. 28.10 Economic risk**

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

#### **Art. 28.11 Concentration risk**

Further risks may arise from the fact that investments are concentrated in certain assets or markets. The AIF is then particularly dependent on the development of these assets or markets.

#### **Art. 28.12 Country risk**

Investments in countries with politically unstable conditions are subject to special risks. These can very quickly lead to large price fluctuations. These include, for example, foreign exchange restrictions, transfer risks, moratoria or embargoes.

#### **Art. 28.13 Countries or transfer risk**

There is a risk that a foreign debtor, despite being solvent, may not be able to make payments on time, at all, or only in a different currency due to the inability or unwillingness of its country of domicile to transfer funds or for other reasons. For example, payments to which the AIF is entitled may not be made or may be made in a currency that is not (or no longer) convertible due to foreign exchange restrictions or in another currency. If the debtor pays in another currency, this position is subject to currency risk.

#### **Art. 28.14 Liquidity risk**

Assets may also be acquired for the AIF that are not listed on a stock exchange or included in another organized market. The acquisition of such assets is associated with the risk that problems may arise, in particular, when the assets are resold to third parties.

In the case of smaller companies (e.g. 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 and/or in the desired quantity and/or at the desired price.

#### **Art. 28.15 Sector risk**

Subject to the investment principles and limits set out in the Constituent Documents, the actual investment policy may 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 may be associated with particular opportunities, which are, however, also countered by corresponding risks (e.g. market narrowness, high volatility within certain economic cycles). Information on the content of the investment policy is provided retrospectively in the annual report for the past financial year.

#### **Art. 28.16 Market risk (price change risk)**

This is a general risk associated with all investments, which is that the value of a particular investment may change against the interests of the AIF.

#### **Art. 28.17 Psychological market risk**

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

#### **Art. 28.18 Legal and political risks**

Investments may be made for the AIF in jurisdictions where Liechtenstein law does not apply or, in the event of legal disputes, the place of jurisdiction is outside Liechtenstein. Resulting rights and obligations of the AIF or the AIFM for the account of the AIF may differ from those in Liechtenstein to the detriment of the AIF or the investor. Political or legal developments, including changes in the legal framework in these jurisdictions, may not be recognized by the AIFM, or may be recognized too late, or may lead to restrictions with respect to assets that can be acquired or have already been acquired.

#### **Art. 28.19 Risks from increased redemptions and subscriptions**

Liquidity flows into and out of the Fund assets as a result of purchase or sale orders. After netting, the inflows and outflows can lead to a net inflow or outflow of the AIF's liquid assets. This net inflow or outflow may cause the asset manager to buy or sell assets, resulting in transaction costs. This applies

in particular if the inflows or outflows cause the AIFM to exceed or fall below a quota of liquid assets provided for by the AIF. The resulting transaction costs are charged to the Fund assets and may adversely affect performance. In the event of very high inflows, increased AIF liquidity may have a negative impact on the performance of the AIF if the Company is unable to invest the funds on adequate terms. Larger redemptions, on the other hand, can lead to an outflow of funds that greatly reduces or even consumes the AIF's liquid assets.

**Art. 28.20 Risks from trading and clearing mechanisms (settlement risk)**

When securities transactions are settled via an electronic system, there is a risk that the settlement may not be executed as expected. This risk may be increased when investing in unlisted securities.

**Art. 28.21 Risks from criminal acts, grievances or natural disasters**

The AIF may fall victim to fraud or other criminal acts. It may suffer losses due to misunderstandings or errors by employees of the Company or external third parties or be damaged by external events such as natural disasters.

**Art. 28.22 Settlement risk**

This is the risk of loss to the AIF that a concluded transaction is not fulfilled as expected because a counterparty does not pay or deliver, or that losses occur due to operational errors in the course of settling a transaction.

**Art. 28.23 Tax risks**

The purchase, holding or sale of investments of the AIF may be subject to tax law regulations (e.g. withholding tax deduction) outside the country of domicile of the AIF. Furthermore, the legal and tax treatment of AIF may change in unforeseeable and uncontrollable ways. A change in incorrectly determined taxation bases of the AIF 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 in the event of a correction that is fundamentally disadvantageous for the investor from a tax perspective, even though the investor may not have been invested in the AIF at that time. Conversely, the investor may be faced with the situation that a correction for the current and for previous financial years in which he was invested in the AIF, which is in principle advantageous from a tax point of view, no longer benefits him due to the redemption or sale of the Fund units prior to 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 purposes in a different assessment period than is actually applicable, with a negative impact on the individual investor.

**Tax Reporting** – Investors should be aware that certain tax authorities may offer better tax treatment if the AIF discloses certain information to investors. However, the AIF assumes no obligation to provide tax reporting to investors and assumes no liability with respect to the failure to provide tax reporting. If the AIF has prepared tax reporting, the AIF assumes no liability that it will be accurate in all respects, that it will be made by the date an investor is required to report to its tax authorities or that it will be made by the statutory due date.

**Change in the AIF's Tax Status or Treatment** – Any change in the tax status of the AIF or an investment vehicle, or in tax law or practice in a relevant jurisdiction, or in the tax treatment of the AIF or an investment vehicle, may affect the value of investments held by the AIF or the AIF's ability to



successfully pursue its investment objective, or may change the after-tax return to investors. Statements in this memorandum regarding the taxation of investors are based on tax law and the published practice of the relevant jurisdiction, and any change in such law may affect the AIF's ability to successfully pursue its investment policy or achieve its investment objective and may adversely affect the taxation of investors. Prospective investors are urged to consult their tax advisors regarding their particular tax situation and the tax implications of investing in the AIF.

**Special Restrictions Relating to Investors** – Certain prospective investors may be subject to laws, rules and regulations that may govern their participation in or exposure to the AIF, directly or indirectly, through an investment in the AIF, in investment strategies of the type that the AIF may employ from time to time.

**Tax Considerations for Investors** – Investors should, when investing in the AIF, seek their own tax advice regarding the tax consequences that may affect them. In particular, investors could be subject to the possible application of anti-avoidance or other adverse tax rules that could result in adverse and unanticipated tax consequences. In addition, applicable tax laws, treaties, rules or regulations or their interpretation may change at any time, possibly with retroactive effect. Changes in the tax treatment of investments and special purpose entities, as well as unexpected withholding or other taxes, may affect the AIF's expected cash flows. However, while the AIF may seek to improve the tax efficiency of such investment structures in its jurisdiction, relevant tax laws may change or be subject to different interpretations. The AIF is not obligated to take any such steps. Accordingly, the tax consequences of a particular investment or structure may change after the investment is made or the structure is established, so that the AIF may be subject to taxation (including as a withholding tax) with respect to its investments and the income, gains and profits derived therefrom in a manner or to an extent not currently anticipated. Any such change may adversely affect the net asset value of the AIF. In addition, such changes may require retroactive payments, each of which will then financially burden the AIF's current investors to the extent the AIF is required to (re)make tax payments.

Investors should note that the AIF may be treated as transparent for tax purposes in their jurisdiction of residence. In such circumstances, income and gains accruing to the AIF may be treated as accruing directly to investors in relation to their investments and may be directly taxable to such investors. Because the net proceeds from the realization of investments, principal repayments and net income accruing to the AIF are generally reinvested during the investment period, there is a risk that investors may be subject to an unfunded tax liability because they will be required to pay taxes on these amounts without having received an actual distribution of the related income or gains from the AIF. Ultimately, this will depend on the tax treatment of the AIF and the investments in the AIF in each jurisdiction. Investors are advised to seek independent tax advice in this regard and should be able to fund such unfunded liabilities at any time during the life of the AIF.

**Withholding Tax Considerations** – Income and capital received by a AIF may be subject to withholding taxes depending on the country in which the investment is made. In these circumstances, the AIF may be able, but not required, to take advantage of a double tax treaty with the jurisdiction in which the investment is made or a local domestic exemption to mitigate such withholding tax. However, there can be no assurance that the AIF will actually receive this benefit, either in a timely manner or at all. Any such withholding may be uncollectible and may reduce the funds available for payment to the AIF.

**Taxation of the AIF and its Investment Vehicles** – It is intended that the affairs of the AIF and the Investment Vehicles will be managed so as to minimize, to the extent reasonably practicable, the taxation of the AIF and the Investment Vehicles. However, the AIFM and the AIF assume no liability for the tax

treatment of the AIF. There can be no assurance that the income of the AIF or any Investment Vehicle will not, as a result of unexpected activities of the AIF and/or any Investment Vehicle, changes in law, conflicting conclusions of the relevant tax authorities or otherwise, be subject to the imposition of net income or withholding taxes.

#### **Art. 28.24 U.S. Foreign Account Tax Compliance Act ("FATCA")**

The AIF is subject to the provisions of the Liechtenstein FATCA Agreement as well as the corresponding implementing provisions in the Liechtenstein FATCA Act. Pursuant to the intergovernmental agreement "IGA Model 1" between the United States and the Principality of Liechtenstein, the AIF is considered a "deemed compliant foreign financial intermediary". This classification may change as a result of future amendments to the agreement and may adversely affect the AIF. Similar intergovernmental arrangements may apply to investment vehicles domiciled in other jurisdictions. Investors in the AIF may be required to provide additional information to enable the AIF and any investment vehicles to comply with their obligations, if any, under intergovernmental agreements with the United States. Failure by the AIF or its investors to comply with their own FATCA obligations may result in the AIF having to bear negative consequences, e.g. in the form of withholding taxes.

#### **Art. 28.25 OECD Common Reporting Standard ("CRS")**

The OECD developed the Common Reporting Standard ("CRS") to address the problem of offshore tax evasion on a global basis. Aimed at maximizing efficiency and reducing costs for financial institutions, the CRS provides a common standard for auditing, reporting, and exchanging financial account information. Under CRS, participating jurisdictions receive financial information from reporting financial institutions on all reportable accounts identified by the financial institutions based on common audit requirements and reporting procedures. These are exchanged annually with the respective partners. The Principality of Liechtenstein has also committed to implementing the CRS. The AIF is classified as a "non-reporting financial institution" under the CRS, as reporting under CRS requirements takes place at the level of the investors of the Fund. This classification may change as a result of future amendments to the Agreement and may adversely affect the AIF. Investors in the AIF may be required to provide additional information to the AIF in order for the AIF and any investment vehicles to comply with any obligations they may have under the CRS. Failure by the AIF or its investors to comply with their own CRS obligations may result in the AIF suffering adverse consequences.

#### **Art. 28.26 Entrepreneurial risk**

Investments in shares represent a direct participation in the economic success or failure of a company. In extreme cases (e.g. bankruptcy), this can mean the complete loss of value of the corresponding investments.

#### **Art. 28.27 Custody risk**

The safekeeping of assets, in particular abroad, involves a risk of loss that may result from insolvency, breach of duty or abusive conduct on the part of the Depositary Bank or any sub-depositary.

#### **Art. 28.28 Currency risk**

If the AIF holds assets denominated in foreign currency(ies), it is exposed to direct currency risk (to the extent that these foreign currency positions are not hedged). Falling foreign exchange rates lead to a reduction in the value of the foreign currency assets. Conversely, the foreign exchange market also offers opportunities for gains. In addition to direct currency risks, there are also indirect ones. Internationally active companies are more or less dependent on exchange rate developments, which can also indirectly affect the price development of investments. The costs and possible losses incurred in currency hedging transactions reduce the result of the AIF.

#### **Art. 28.29 Counterparty risk including credit and receivables risk**

The risks that may arise for the AIF in the context of a contractual relationship with another party (so-called counterparty) are presented below. There is a risk that the counterparty may no longer be able to meet its obligations under the contract. These risks may impair the performance of the AIF and thus also have a negative impact on the unit value and the capital invested by the investor.

#### **Art. 28.30 Counterparty default risk / counterparty risks (except central counterparties)**

The default of an issuer (issuer) or a counterparty (counterparty) against which the AIF has claims may result in losses for the AIF. The issuer risk describes the impact of the particular developments of the respective issuer which, in addition to the general trends of the capital markets, affect the price of a security. Even with careful selection of securities, it cannot be ruled out that losses may occur due to asset default of issuers. The party to a contract concluded for the account of the AIF may default in part or in full (counterparty risk). This applies to all contracts concluded for the account of the AIF.

#### **Art. 28.31 Risk from central counterparties**

A central counterparty ("CCP") may enter into certain transactions for the AIF as an intermediary institution, in particular transactions involving derivative financial instruments. In this case, it acts as buyer vis-à-vis the seller and as seller vis-à-vis the buyer. A CCP hedges its counterparty default risks through a number of protective mechanisms that enable it to offset losses from the transactions entered into at any time, for example through so-called margin payments (e.g. collateralization). Despite these protective mechanisms, it cannot be ruled out that a CCP will default, which may also affect claims of the Company for the AIF. This may result in losses for the AIF that are not hedged.

#### **Art. 28.32 Risk of suspension of redemption**

In principle, investors may request the AIFM to redeem their Fund units in accordance with the valuation interval or redemption dates of the AIF. However, the AIFM may temporarily suspend the redemption of Fund units in the event of exceptional circumstances and only redeem the Fund units at a later date at the price valid at that time. This price may be lower than the price before the suspension of redemption. For the avoidance of doubt, in such a case the investor remains invested in the AIF and will participate in the economic development of the AIF.

A temporary suspension of the settlement of redemptions may become necessary in particular due to liquidity shortages. In the case of redemption requests that exceed the liquidity that is - presumably - available, the AIFM may decide not to settle these redemption requests until the later valuation date on which sufficient liquidity is available for a partial or complete settlement of the redemption requests that are due on this later valuation date. If such a measure is necessary, all redemption requests submitted

on time on this later valuation day will be settled at the same (later) NAV. In the event of liquidation of the AIF, redemptions already posted for redemption but not yet paid out shall not be entitled to a settlement amount other than the liquidation NAV.

#### **Art. 28.33 Valuation risk**

The AIFM is entitled to temporarily apply other adequate valuation principles to the Fund assets if exceptional events make this necessary. In the case of massive redemption requests, the AIFM may value the Fund units on the basis of the prices at which the necessary sales of securities are expected or actually made. In this case, the same calculation method shall be used for redemption requests submitted at the same time.

#### **Art. 28.34 Key person risk**

If the investment result of the AIF is very positive in a certain period, this success may also depend on the suitability of the acting persons and thus on the correct decisions of the management. However, the personnel composition of the AIF management may change. New decision-makers may then be less able to act successfully.

#### **Art. 28.35 Interest rate risk**

Investing in fixed income securities involves the possibility of changes in the level of market interest rates existing at the time a security is issued. If market interest rates rise relative to interest rates at the time of issuance, the prices of fixed-income securities generally fall. If, on the other hand, market interest rates fall, the price of fixed-income securities rises. This price movement causes the current yield on the fixed-income security to approximate the current market interest rate. However, these price fluctuations vary depending on the (remaining) term of the fixed-income securities. Fixed-income securities with shorter maturities have lower price risks than fixed-income securities with longer maturities. Fixed-income securities with shorter maturities, on the other hand, generally have lower yields than fixed-income securities with longer maturities. Money market instruments tend to have lower price risks due to their short maturity of 397 days or less. In addition, the interest rates of different interest-related financial instruments denominated in the same currency with comparable remaining maturities may develop differently.

#### **Art. 28.36 Adjustment of Fund units and distributions**

The AIFM may, at its discretion, adjust the value attributed to a Fund unit if an error has previously occurred in the valuation of the Fund assets. Similarly, if distribution or payout proceeds are paid in error, the investor is subject to an obligation to the AIF to ensure that such amounts are repaid.

#### **Art. 28.37 Further risks for investors**

The AIF is managed by the AIFM. Investors are not able to make investment or other decisions on behalf of the AIF or otherwise play a role in the AIF's transactions.

If an investor fails to honor a commitment, the AIFM may seek remedies as set forth in the underlying agreement.

#### **Art. 28.38 Limited or no regulatory supervision**

The AIF may invest directly and/or indirectly in investment vehicles domiciled in countries where such investment vehicles are not subject to a recognized regulatory authority, investments in such investment vehicles are subject to a corresponding risk. Although the risks associated with investments in investment vehicles (whether regulated or unregulated) should generally be limited to the loss of the initial investment made, investors must nevertheless be aware that investments in unregulated investment vehicles are riskier than investments in regulated investment vehicles. In addition, the legal infrastructure and accounting, auditing and reporting standards in certain jurisdictions where these unregulated investment vehicles are established may not provide the same level of investor protection as would be generally available in the mainstream securities markets. As a result, unregulated investment vehicles are generally considered to be higher risk investments.

#### **Art. 28.39 Potential conflicts between investors**

Conflicts of interest may arise in connection with investment decisions, including the selection of borrowers that may be more advantageous to one investor than to another, particularly in relation to the individual situation of investors. In selecting and structuring investments suitable for the AIF and in determining how distributions are made to investors in the case of distributing share classes, the investment and tax objectives of the AIF and all investors will be considered, not the investment, tax or other objectives of any individual investor, which may adversely affect the investment returns of individual investors.

#### **Art. 28.40 General risks relating to loans and debt instruments**

**Credit Risk** – Credit risk is the probability that a borrower or issuer will default on the payment of principal and/or interest on a loan or instrument. Financial strength, liquidity and solvency of a borrower or issuer are the main factors affecting credit risk. In addition, the absence or inadequacy of collateral or credit enhancements for a fixed rate instrument may affect credit risk. The credit risk of a loan or instrument may change over time, and securities rated by credit rating agencies are subject to frequent review and may be downgraded. While a senior position in a borrower or issuer has the potential to provide some protection with respect to the AIF's investment in senior loans, losses may still occur because the market value of senior loans is affected by the creditworthiness of borrowers or issuers or their guarantors, as well as general economic and industry conditions. Senior positions may involve the AIF taking security for certain assets of the borrower. These assets may not have the value assigned to them or it may not be possible to realize their value. A number of the AIF's other investments may be subordinated to other debt in the issuer's capital structure. To the extent the AIF invests in below investment grade instruments or credits with similar characteristics, it is exposed to higher credit risk than a fund investing in investment grade instruments. The prices of lower-rated instruments are more sensitive to adverse developments, such as a decline in the issuer's revenues or a general economic downturn, than are the prices of higher-rated instruments. Lower investment grade investments are predominantly speculative with respect to the issuer's sustained ability to pay interest and repay principal at maturity and therefore involve a higher risk of default. The principal amount of certain investments may remain outstanding and at risk until maturity, in which case the ability of the relevant borrower to repay principal may be dependent upon a liquidity event or the long-term performance of the borrower, which is uncertain. In addition, the AIF may enter into credit derivatives that may expose it to additional risk in the event that the instruments underlying the derivatives default.

**Enforcement of Mortgages** – It may be necessary or desirable to enforce mortgages held by the AIF. The enforcement process varies depending on the country in which the loan and/or the assets securing the mortgage loan are located and can be lengthy and expensive. Borrowers may defend against mortgage foreclosure actions by asserting numerous claims, counterclaims and defenses against the AIF, even if they have no basis in fact, solely to prolong foreclosure actions and force lenders to modify loans or assume borrowers' positions favorably. In certain jurisdictions, a borrower's filing for bankruptcy proceedings may cause enforcement actions to remain stayed and further delay enforcement proceedings. In the event of the bankruptcy of a mortgage borrower, the mortgage loan to such borrower and the collateral will thus be subject to the creditor indemnification provisions of the law applicable in the relevant jurisdiction. Other restrictions arising from the borrower's bankruptcy may affect the collateral, e.g., in certain jurisdictions, collateral is limited to the value of the secured property at the time of bankruptcy. Foreclosure proceedings create a negative public image of the mortgaged property and may result in disruption to the ongoing leasing, management and operation of the property. In addition, the AIF bears the risk of loss of principal to the extent that there is a deficiency between the value of the collateral and the principal and accrued interest on the mortgage loan.

**Small Borrowers** – If the AIF is likely to make loans to small businesses. Investments in such small businesses involve a number of risks generally associated with other types of loans described herein. Other risks associated with such small businesses include, but are not limited to, the following:

- These companies may have limited financial resources and a limited ability to meet their obligations;
- They typically have shorter operating periods, smaller market shares than larger companies, and may be less geographically diversified, making them more vulnerable to competitors' actions and market conditions, as well as downturns in the real estate market;
- There is usually little public information about these companies. These companies and their financial information are typically not subject to the rules that apply to public companies, and it may not be possible to locate all material information about these companies, which may prevent the AIF from making a fully informed investment decision and may cause the AIF to lose money on its investments;
- They may have difficulty accessing capital markets to meet future capital needs; and
- Loans to these companies are typically made through privately negotiated contracts that are not based on a specific industry standard (e.g., Loan Market Association or Loan Syndicate Trading Association).

**Risks associated with prepayments (if allowed)** – In times of falling interest rates, borrowers or issuers might exercise their option to repay the principal earlier than planned, especially in the case of fixed-income instruments. This is referred to as prepayment risk. Such risks in commercial real estate loans can sometimes be offset by the imposition of prepayment penalties, but such prepayment penalties may not fully offset the potential loss of income from such prepayment.

**Private debt securities** – A private debt security may have a contractual return that is not fully paid in cash but is paid in whole or in part in kind or as an increasing repayment preference, thereby extending the time until cash is received and increasing the AIF's exposure to the borrower. The intent is to achieve the AIF's targeted returns on a particular investment, including private debt securities. In doing so, other factors, such as general economic conditions, the competitive environment and the availability of potential purchasers of the securities, may shorten or lengthen the AIF's holding period, and some

investments may take additional years to reach realization. In some cases where the AIF invests in mezzanine loans, payment of interest in kind is more common because the senior lender often requires repayment in full before allowing the borrower to disburse cash to the mezzanine lender.

**Lending** – Lending and brokering of loans may amount to a regulated activity in certain jurisdictions. Typically, in jurisdictions where such regulations apply, the AIF would be required to obtain regulatory approval in order to engage in such activities. The AIF intends to structure its affairs so that neither it nor the AIFM is required to obtain such regulatory approvals. This situation has a number of practical consequences for investors. The inability to lend in such a jurisdiction may limit the range of investments available to the AIF due to the lack of appropriate approvals. This may require the AIF to enter into arrangements with intermediaries that have such approvals, particularly banking institutions, to assist in lending or brokering loans. To the extent the AIF decides to pursue such a strategy, it is likely to increase costs and reduce returns to investors and expose the AIF to the credit risk of such an intermediary. In addition, the application of such laws and regulations is often complex to determine and very specific to the individual circumstances of the AIF and the proposed borrower. This means that the AIF may incur significant legal, tax and other advisory costs in its efforts to ensure compliance with such laws and regulations. Such decisions will often ultimately depend on the professional judgment of the AIF's legal, tax and other advisors, and therefore it is possible that a regulator may challenge such decisions with potentially adverse consequences to the AIF.

There have been comments from regulators and intergovernmental institutions, including the Financial Stability Board and the International Monetary Fund, on the subject of "shadow banking" (a term commonly used to refer to credit intermediation between entities and activities outside the regulated banking system). The AIF is an entity outside the regulated banking system, and certain activities of the AIF may be considered to fall within this definition and therefore may be subject to regulatory developments. The AIF and the AIFM may be subject to increased supervision and regulation during the life of the AIF. This could increase costs and limit operations. Although it is not expected in light of recent developments in Europe, it is possible in an extreme case that such regulations could make the continued operation of the AIF unprofitable and result in its early termination or restructuring.

**Lender Liability Risk** – In certain jurisdictions, there is a risk that the AIF will be held liable to the borrower based on legal theories collectively referred to as "lender liability." Generally, lender liability is based on the presumption that a lender has breached a duty of good faith (implied or contractual), commercial reasonableness and fair dealing, or a similar duty to the borrower, or has assumed an excessive degree of control over the borrower, resulting in the creation of a fiduciary duty to the borrower or its other creditors or shareholders. Because of the nature of its investments, the AIF may be subject to allegations of liability as a lender.

#### **Art. 28.41 Risks in connection with distressed investments**

**Distressed Instruments** – The AIF may acquire an instrument or make a loan to a company that is potentially facing liquidity or solvency problems, subsequently files for bankruptcy or otherwise undergoes an insolvency-type reorganization. Some of these companies may be in transition or turnaround, may be financially indebted, in difficulty or potentially in financial difficulty, or may be or have been recently affected by major strategic actions such as restructuring, bankruptcy, reorganization or liquidation. As a result, the leverage or equity of these companies may be particularly risky, although they may also offer the potential for high returns. The instruments of these companies may be considered speculative, and the ability of the companies to make timely payments on their debt could be adversely affected by adverse developments affecting their real estate or properties generally, by fluctuations in

interest rates, by changes in the general economic climate, by economic factors affecting a particular industry, or by specific developments within the companies or their properties.

**Involvement in Legal and Bankruptcy Proceedings** – The AIF may be invested, from inception or as a result of deterioration in its financial condition, in debt and other obligations of real estate companies or companies owning real estate that have experienced significant financial or business difficulties. Investments in distressed instruments involve a substantial risk of involving the AIF in foreclosure actions or similar litigation. Such litigation may be time-consuming and expensive and may result in unpredictable delays or losses. Litigation costs, including payments under settlements or judgments, are generally borne by the AIF.

The AIF may make investments in companies involved in bankruptcy or equivalent insolvency proceedings. There are a number of significant risks associated with investing in companies involved in bankruptcy or equivalent insolvency proceedings, and many events in bankruptcy proceedings are the result of disputes and bankruptcy proceedings that are beyond the control of creditors. Bankruptcy or its equivalent can have adverse and lasting effects on a company. If the proceedings result in liquidation, the liquidation value of the Company may not equal the liquidation value that was presumed to exist at the time of investment. In addition, the duration of bankruptcy proceedings is difficult to predict. A creditor's return on investment may be adversely affected by delays in negotiating the plan of reorganization, which is approved by creditors and confirmed by the court, until it becomes finally effective. Certain claims, such as tax and wage claims, may have priority under the law over the claims of certain creditors, and the administrative costs associated with such proceedings are often high and are paid out of the debtor's assets prior to payment to creditors.

Certain investments in which the AIF invests may be subject to bankruptcy or avoidance laws if such investments were issued with the intent to hinder, delay or defraud creditors, or if the debtor receives less than fair value or adequate consideration for the issuance of such instruments under certain circumstances. If a court finds that the issuance of the instruments was made with intent to defraud or conceal, the court may set aside the payment obligations under the instruments, further subordinate the instruments to other existing and future indebtedness of the issuer, or require the AIF to repay amounts received with respect to the instruments. If the AIF is found to have interfered in the affairs of a company in which the AIF holds a debt security to the detriment of other creditors or shareholders of that company, the AIF may be liable for damages to injured parties or to a bankruptcy court. In addition, such debt securities may be inadmissible or subordinated to the claims of other creditors or treated as equity. If the AIF has representatives on the boards of a portfolio company, such participation may also prevent the AIF from freely disposing of its investments and subject the AIF to additional liability or cause its debt investments to be considered equity.

**Losses due to bankruptcy or clawback laws and/or fraudulent transfers** – Various creditor and stakeholder protection laws may apply to certain investments that are debt obligations, although the existence and applicability of such laws vary from country to country. For example, if a court determines that a borrower has not received adequate consideration or reasonably equivalent value for incurring indebtedness evidenced by an investment and the grant of security interests or other liens securing such investment, and the borrower (i) was insolvent before such indebtedness became effective, (ii) was engaged in an enterprise for which the assets remaining in such borrower represented an unreasonably small amount of capital, or (iii) was to incur, or appear to incur, that it would incur indebtedness in excess of its ability to pay maturing indebtedness, this Court may declare such indebtedness and any such security interest or other lien to be void as a fraudulent conveyance, subordinate such indebtedness to existing or future creditors of the Borrower, or collect amounts previously paid by the Borrower (including



the AIF) in payment of such indebtedness or proceeds of any such security interest or other lien previously applied in payment of such indebtedness. In addition, if a borrower or issuer in which the AIF has invested debt becomes insolvent, any payment made on such investment may be subject to avoidance, rescission and/or clawback if made within a specified period prior to insolvency.

Generally, if payments on an investment are cancelable, such payments may be reclaimed either from the original recipient or from subsequent transferees of such payments. To the extent that such payments are reclaimed by the AIF, the resulting losses will ultimately be borne by the investors in the AIF.

#### **Art. 28.42 Risks in connection with real estate**

**Commercial Real Estate** – Commercial real estate values and net operating income are subject to volatility that may result in net operating income being insufficient to cover the debt on the related mortgage loan. In addition, net operating income from and the value of commercial real estate are subject to various risks, including changes in general or local economic conditions and/or certain industry segments, the solvency of the relevant tenants, declines in property values, declines in rental or occupancy rates, increases in interest rates, property tax rates and other operating expenses, changes in government regulations and tax policies, acts of God, terrorist threats and acts of terrorism, and social unrest.

**Fluctuations in Real Estate and Rental Income** – The level of rents and the market values of real estate in the Target Markets, are generally affected by general economic conditions, political factors, as well as one-time events, such as the condition of financial markets, the availability of financing to businesses and consumers, the effectiveness of fiscal and monetary policies to stabilize economic conditions, changes in government legislation, political developments, including changes in regulatory or tax systems, increases in unemployment and related decreases in consumer spending, an oversupply or reduction in demand for retail space or consumer goods, infrastructure quality, financial performance and productivity of industries located in these countries, relocation or insolvency of tenant companies, and armed conflict or terrorist attacks. Certain types of these risks (e.g., the risk of armed conflict or terrorist acts, certain natural disasters or weather catastrophes such as floods, and certain acts of God) may become economically uninsurable in the future.

**Subjectivity and Uncertainty of Real Estate Valuations** – The valuation of real estate, and therefore the valuation of the underlying securities related to the AIF's investments, is inherently subjective due to, among other things, the individual nature of each property, a limited number of potential buyers, its location and the expected future rental income from that property. As a result, valuations of the real estate assets underlying the AIF's investments are subject to a degree of uncertainty and are based on assumptions that may not prove accurate, particularly during periods of market volatility or low transaction flows.

In addition, any valuations relied upon by the AIF reflect the position only as of the date of valuation, and market volatility since the date of such valuations may cause the value of the property to fluctuate significantly, possibly downward.

**Declining real estate values** – The collateral for mortgage loans consists of real estate. The value of the mortgage may be affected by, among other things, a decline in real estate values. There can be no assurance that the values of the real estate have remained or will remain at the levels at which they were at the time the related loans were made.

If the residential or commercial real estate market in the target markets experiences an overall decline in property values, such a decline could, in certain circumstances, result in a significant reduction in the value of the AIF's mortgage loans and ultimately result in losses to the AIF if enforcement of such loan is required.

**Development and Construction Risks** – The AIF may make loans when the underlying assets are under development or construction. The development and construction of real estate assets are subject to timing, budgetary and other risks that may adversely affect the AIF's operating results. Any renovation, redevelopment, development and related construction activities could affect a borrower's ability to repay loans (due to, among other things, construction delays or cost overruns that may increase project costs, obtaining zoning and other required regulatory approvals and authorizations, development costs for projects that are not pursued to completion, acts of God such as earthquakes, floods or fires that could adversely affect a project, the ability to raise capital, and governmental restrictions on the nature or scope of a project). Development and construction activities involve a high degree of risk, both in terms of cost and completion. These factors include, but are not limited to, increases in labor costs, increases in material costs, continued exposure to weather, extended construction periods, impacts of archaeological discoveries within the site, labor disputes, soil conditions, governmental regulations, delays in obtaining relevant permits from governmental agencies, design changes to accommodate changing environmental conditions, and fluctuations in engineering costs. These risks may result in significant as well as unexpected delays and costs, and may also prevent the completion of development and construction activities in certain circumstances, which could adversely affect the AIF's return.

**Environmental Risks** – Borrowers may incur additional costs if environmental liability arises. Under applicable environmental laws, a current or former owner or operator of a property may be held liable for the cost of removal (or other remedial action) of hazardous or toxic substances. These laws may also require owners and/or operators to conduct an environmental assessment of the property and generally consider them responsible and liable for the presence of such hazardous or toxic substances. Environmental laws may also impose restrictions on the manner in which property may be used or on the nature of business and related activities.

An owner that violates applicable environmental laws may be subject to penalties enforced by governmental entities, but may be initiated by private parties in certain circumstances. The AIF may be indirectly exposed to such risks arising from unexpected costs to borrowers in defending environmental claims or ensuring compliance with environmental law requirements, including a proposed new requirement to contribute to a state environmental fund or from taking remedial action on contaminated properties.

#### **Art. 28.43 Risks associated with raising capital to finance growth**

Growing and expanding companies need regular (new) capital inflows to finance their growth and expansion. Capitalization of companies is often done in several rounds with new investors and not in a lump sum. Sometimes capital commitments for additional capital contributions may be given by existing or potential new investors of the company, but by far not in all cases or for the whole capital amount needed over years. Raising additional capital depends on various factors, such as the past and proven success and progress of the company, its reputation, the marketing capability of the management or those who are responsible to raise new capital, the general economic situation, etc.

Any shortfalls, slow progress or even failure to raise additional funds can lead to massive operational and financial turbulences and even illiquidity and bankruptcy of the company.

#### **Art. 28.44 Sustainability risks (ESG)**

The term "sustainability risks" is understood to mean the risk of an actual or potential loss in value of an investment due to the occurrence of environmental, social or corporate governance (ESG) events. The AIFM incorporates sustainability risks into its investment decisions in accordance with its corporate strategy.

Their valuation does not show any relevant impact on the return, because due to the specific investment policy and its restrictions and the performance achieved in the past, no relevant impact on the overall portfolio can be assumed, although of course past performance is not indicative for the future.

## **9 Valuation and unit trading**

### **Art. 29 Valuation**

The "**NAV**" ("**Net Asset Value**") per Fund unit of the respective unit class is calculated by the AIFM as of the end of the financial year and for the respective valuation date on the basis of the last known prices, taking into account the valuation interval.

The NAV of a Fund unit in a unit class of the AIF is expressed in the accounting currency of the AIF or, if different, in the reference currency of the respective unit class and is calculated by dividing the proportion of the Fund assets attributable to the respective unit class, less any debt obligations of the AIF allocated to the respective unit class, by the number of Fund units of the respective unit class. It shall be rounded off in accordance with standard commercial practice when Fund units are issued and redeemed.

The Fund assets are valued according to the following principles:

- 1) Investments listed on a stock exchange or traded on another regulated market are generally valued at the closing price on the valuation date. If an investment is traded on several stock exchanges or markets, subject to clause 2) the price of the main market for this investment shall be decisive.
- 2) In the case of investments in securities or money market instruments with a residual term of less than 397 days, the difference between the cost price (purchase price) and the repayment price (price at final maturity) can be written down or written up on a straight-line basis and a valuation at the current market price can be omitted if the repayment price is known and fixed. Any changes in creditworthiness are also taken into account.
- 3) Financing (e.g. granting of loans; interest-bearing securities, etc.) is generally valued on the basis of a nominal valuation plus accrued interest. The value of the position is usually checked for plausibility on the basis of e.g. annual financial statements of the recipients of the capital, provided that the counterparties are not listed. Interest rate sensitivities are not taken into account in the valuation if they do not have a significant impact from the AIFM's perspective. If there are doubts about the recoverability, a higher level of valuation certainty can be achieved by means of third parties (attestations, confirmations) on the one hand, and on the other hand safety discounts can also be applied to the position.
- 4) Investments in a company not traded on a stock exchange or regulated market are generally valued on the basis of audited financial statements prepared in accordance with acknowledged accounting standards and audited by a qualified third party. If it cannot carry out the valuation

itself, the AIFM uses a qualified independent third party. The audited financial statements of the company to be valued should not date back more than six months (with regard to the valuation date of the AIF). If audited or current financial statements are not available, an alternative approach must be taken. The valuation is based on standard valuation principles such as NAV (e.g. audited equity), last financing round or capital increase or comparable transactions, multiple analyses or by means of discounted cash flow (DCF). The AIFM thus establishes valuation methods that determine what it believes to be the probable sales value at the time of the valuation. In order to promote consistency in the valuation, once a methodology has been selected, it may only be deviated from to a significant extent after consultation with the Auditor.

- 5) OTC derivatives shall be valued on a daily basis at a verifiable valuation to be determined by the AIFM in good faith and in accordance with generally accepted valuation models verifiable by auditors, based on the probable realizable value.
- 6) Funds are valued at the last established and available redemption price. If redemption for Fund units is suspended or, in the case of closed-ended AIFs, there is no right to redemption or no redemption prices are set, these Fund units, like all other assets, are valued at the respective fair value as determined by the AIFM in good faith and in accordance with generally accepted valuation models that can be verified by auditors.
- 7) Cash and cash equivalents are valued at their nominal value plus accrued interest.
- 8) Assets as defined in clause 1) for which no tradable price or market price is available, and assets that do not fall under clauses 2) - 7) shall be valued by the AIFM or, under its direction or supervision, by qualified agents, at the price that would probably be obtained by diligent sale at the time of valuation.
- 9) For the AIF, the investments that are not denominated in the accounting currency of the AIF or reference currency of the unit classes are converted into the accounting currency/reference currency at the mean rate of exchange.

The AIFM is entitled to temporarily apply other adequate valuation principles to the Fund assets if the above-mentioned criteria for valuation appear impossible or inappropriate due to extraordinary events.

## **Art. 30 Issue of Fund units**

### **Art. 30.1 Application to purchase Fund units ("Subscription")**

Fund units may be purchased through any bank domiciled in Liechtenstein or abroad that is subject to equivalent supervision and to the EU Money Laundering Directive as amended or an equivalent regulation.

The relevant subscription form must be used to subscribe for the Fund units. The AIFM or the Depositary Bank may reject a subscription application at any time without giving reasons.

### **Art. 30.2 Acceptance deadline Subscriptions**

Subscription applications must be received by the Depositary Bank no later than the acceptance deadline (cf. Art. 1 "Acceptance deadline Subscriptions"). If a subscription application is received after the acceptance deadline, it will be earmarked for the following issue date. The AIFM may accept

subscriptions after the acceptance deadline with the consent of the investor concerned if other investors are not disadvantaged in the process.

For applications placed with distributors in Liechtenstein and abroad, earlier closing times for the submission of applications may apply in order to ensure timely forwarding to the Depositary Bank in Liechtenstein. These can be obtained from the respective distributors.

### **Art. 30.3 Issue date**

Fund units are issued on each issue date at the NAV per unit of the corresponding unit class of the AIF determined as of the valuation date, plus any issue fee and plus any taxes and duties.

In the event that an interim valuation takes place, the AIFM has the right to settle subscriptions that have not yet been settled already at the interim NAV, rather than at the later regular issue date.

### **Art. 30.4 Issue of certificates**

No physical certificates shall be issued. Fund units shall only be kept in book-entry form and possibly issued or redeemed in fractions (cf. Art. 1 "Denomination").

The Fund units are issued exclusively in the form of uncertificated rights within the meaning of the Swiss Code of Obligations. On that basis the Depositary Bank creates intermediated securities (computerized entries in an electronical register) within the meaning of the Swiss Federal Intermediated Securities Act. For the purpose of the free transferability of the Fund units, Fund units are held in an collective custody.

### **Art. 30.5 Delivery**

#### **Art. 30.5.1 DVP**

The Fund units are delivered as "**delivery versus payment transactions**" ("**DVP**") in the reference currency of the respective unit class via the respective settlement system through which the investor's subscription is settled.

#### **Art. 30.5.2 Prepayment procedure**

The units are delivered in fulfillment of a prepayment subscription (also known as **free of payment**, "**FOP**") already received in the reference currency of the respective unit class via the respective settlement system through which the investor is settled.

In the prepayment procedure, the funds must be received on the basis of the subscription one bank working day before the valuation date. The investor receives the Fund units in the amount of his subscription subsequently (after the valuation on the valuation date). The investor only becomes an investor in the AIF when the Fund units are issued on the valuation date and therefore only participates economically in the Fund from this point in time. Until then, the investor makes the capital available to the Fund free of interest and the AIF can also invest the capital before the valuation date. If, on the basis of the desired subscription amount, a residual amount remains when calculating the Fund units to be issued that cannot be settled, this residual amount will be refunded to the investor.

### **Art. 30.6 Forward Pricing**

The AIFM shall ensure that the issue of fund units is settled on the basis of an NAV per unit unknown to the investor at the time of application (forward pricing).

### **Art. 30.7 Contribution in kind**

The AIFM is entitled, with the consent of the Depositary Bank, to accept a contribution in kind. Whether and how a contribution in kind (in any form) can be made in the course of the issue of Fund units instead of payment of the issue price is at the sole discretion of the AIFM. The investor interested in a contribution in kind may contact the AIFM in this regard. The possibility of a contribution in kind is not guaranteed. If the AIFM or the Depositary Bank deny a specific investor request for a contribution in kind of, the investor has the option of a regular subscription application.

### **Art. 30.8 Special remarks**

In addition, the AIFM and the Depositary Bank may at any time temporarily restrict, suspend or permanently discontinue the issue of Fund units if this is necessary in the interests of investors, in the public interest, for the protection of the AIFM, the AIF or the investors, in particular if

- there is a suspicion that the respective investor is engaging in "market timing", "late trading" or other market techniques with the acquisition of the Fund units, which could be detrimental to the investors as a whole;
- the investors do not meet the conditions for acquiring the Fund units; or
- the Fund units are marketed in a country in which the AIF is not authorized for marketing.

The issue of Fund units may also be suspended in cases of Art. 33 (suspension of unit trading).

### **Art. 30.9 Other**

Information on the minimum investment that must be made by an investor in a unit class, the issue date, the acceptance deadline, and the amount of the maximum issue fee, if any, can be found in Art. 1 and Art. 2.

All taxes and duties incurred through the issue of Fund units will also be charged to the investor. If Fund units are acquired via banks that are not entrusted with the distribution of the Fund units, it cannot be ruled out that such banks will charge further transaction costs.

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

## **Art. 31 Redemption of Fund units**

### **Art. 31.1 Application for redemption of Fund units**

Fund units may be redeemed through any bank domiciled in Liechtenstein or abroad that is subject to equivalent supervision and the EU Money Laundering Directive as amended or an equivalent regulation.

If the execution of a redemption request results in the investor's holding falling below the minimum investment specified in Art. 1, the AIFM may, without further notice to the investor, treat such redemption request as a request for redemption of all Fund units held by the respective investor (in that unit class) or as a request for conversion of the remaining Fund units into another unit class of the AIF with the same accounting currency for which the investor meets the participation requirements.

### **Art. 31.2 Acceptance deadline Redemptions**

Redemption requests must be received by the Depositary Bank no later than the acceptance deadline (cf. Art. 1 "Acceptance deadline Redemptions"). If a redemption request is received after the acceptance deadline, it shall be earmarked for the following redemption day.

For applications placed with distributors in Liechtenstein and abroad, earlier closing times for the submission of applications may apply in order to ensure timely forwarding to the Depositary Bank in Liechtenstein. These can be obtained from the respective distributors.

### **Art. 31.3 Redemption date**

Fund units shall be redeemed on each redemption date at the NAV per Fund unit or per Fund unit of the corresponding unit class of the AIF determined as of the valuation date, less any redemption fees and any taxes and duties.

### **Art. 31.4 Delivery**

The Fund units are delivered as "**delivery versus payment transactions**" ("**DVP**") in the reference currency of the respective unit class via the respective settlement system through which the investor is settled.

### **Art. 31.5 Forward Pricing**

The AIFM shall ensure that the redemption of Fund units is settled on the basis of a NAV per Fund unit unknown to the investor at the time of submission of the application (forward pricing).

### **Art. 31.6 Redemption in kind**

Alternatively, redemption in kind is possible instead of payment of the redemption price. With the consent of the Depositary Bank the AIFM is entitled to carry out a redemption in kind. The investor may ask for a redemption in kind. The decision on this request is at the sole discretion of the AIFM with the consent of the Depositary Bank. Redemptions in kind instead of payment of the redemption price are also permitted if the AIF is in liquidation (cf. Art. 54.6).

Redemptions in kind shall be effected by direct issue of assets less corresponding redemption discounts, if any, and additional payment of the difference between the value of the delivery in kind and the value of the redeemed Fund units less corresponding redemption fees, if any. However, the redeeming investor is not entitled to the transfer of specific asset positions. In this case, the redeeming investor will receive a tender of Fund assets corresponding to the value of the submitted redemption request. The delivery of assets takes place by means of custody transfer, physical transfer or another transfer, depending on the type of Fund assets. By means of a custody account transfer, the payout in kind shall only be made to a bank domiciled in Liechtenstein or abroad that is subject to equivalent supervision and the EU Money Laundering Directive as amended or an equivalent regulation. The Depositary Bank reserves the right to refuse delivery in kind if this requirement is not met. The costs associated with a delivery in kind (transport, insurance, etc.) and any associated taxes and duties will be charged to the investor in addition to the redemption fee or offset against the investor's claims.

### **Art. 31.7 Special remarks**

The AIFM and the Depositary Bank may redeem Fund units at any time against the will of the investor against payment of the redemption price, without undue delay after receipt by the investor of a redemption notice, if this appears necessary in the interest of the investors, in the public interest, for the protection of the AIFM, the AIF or the investors, in particular if

- there is a suspicion that the respective investor is engaging in market timing, late trading or other market techniques in connection with the acquisition of the Fund units, which may be detrimental to the investors as a whole;
- the investors do not meet the conditions for acquiring the Fund units; or
- the Fund units are marketed in a country in which the AIF is not authorized for marketing.

Investors are obliged to cooperate in this redemption.

The redemption of Fund units may be suspended in cases of application of Art. 33 (suspension of unit trading).

### **Art. 31.8 Other**

Information on the redemption date, the valuation interval, the acceptance deadline and the amount of the maximum redemption fee, if any, as well as on any specific restrictions on redemptions can be found in Art. 1 and Art. 2.

As it is necessary to provide for an adequate share of liquid assets in the Fund assets, the payment of Fund units will be made within a fixed period (settlement date). This does not apply in the event that, in accordance with legal regulations, such as foreign exchange and transfer restrictions, or due to other circumstances beyond the control of the Depositary Bank, it proves impossible to transfer the redemption amount. The settlement date is specified in Art. 1.

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

### **Upon payment of the redemption price, the corresponding Fund unit expires.**

In the event of liquidation of the AIF, redemptions requested but not yet paid out shall not be entitled to a settlement amount other than the liquidation NAV. In the event of liquidation, redemptions in kind instead of payouts to investors are possible.

### **Art. 31.9 Delayed settlement of redemptions**

The possibility to redeem Fund units depends on the liquidity available to the AIF. The investment horizon of the Fund assets is longer than the notice period. It may therefore not be possible to liquidate an investment made in accordance with the specified investment policy (Art. 18) in due time. It is also not ensured that there will be sufficient subscriptions at all times to compensate for any liquidity shortages and to enable redemption settlements. **Investors note that there is no guarantee that redemptions can be settled on the redemption date as requested by the investor.**

### **Investors who do not agree with this condition should not make an investment in the AIF.**

If a situation arises where the equivalent value of redemptions to be settled exceeds the liquid Fund assets required to settle these redemptions and taking into account subscriptions to be settled at the



same time, the AIFM may decide that the redemptions will be settled only partially or not at all (e.g. decision by the AIFM to redeem a certain percentage of the redemptions pending settlement), taking into account in particular the liquidity planning of the AIF.

If, as a result of this regulation, Fund units earmarked for redemption are not settled, these Fund units will remain earmarked for redemption and will be settled on the next following valuation date ("**delayed settlement**"). All affected investors will experience the same aliquot reduction of their settlement. **Until the effective settlement of the Fund units, the Fund units of the affected redemption consequently continue to participate in both the positive and negative economic development of the AIF and fully bear the resulting opportunities and risks.** The valuation of the AIF on the scheduled valuation dates (calculation of the NAV per Fund unit) will also be carried out if settlements of redemptions should only be delayed due to liquidity bottlenecks.

Fund units that are not settled until a later valuation date are prioritized in the settlement process over Fund units that are entitled to payment for the first time on this redemption date. This ensures that – even in the event of delayed settlements – those investors who first claimed a payment are paid out in full first.

## Art. 32 Conversion of Fund units

### Art. 32.1 Application for the conversion of Fund units

If different unit classes are offered, Fund units of one unit class may be exchanged for Fund units of another unit class, provided that this is permitted in accordance with Art. 14. Conversion requests must be addressed to the AIFM. An exchange of Fund units for another unit class is possible if the investor meets the conditions for the direct acquisition of Fund units of the other unit class.

Any conversion fee or the exclusion of a conversion for certain unit classes are defined in Art. 1.

### Art. 32.2 Formula for the conversion of Fund units

The number of Fund units into which the investor wishes to convert is calculated according to the following formula:

$$A = (B \times C) / (D \times E)$$

A = Number of Fund units of the unit class into which the Fund units are to be converted

B = Number of Fund units of the unit class from where the exchange is to be executed

C = NAV or redemption price of the Fund units presented for conversion

D = Foreign exchange rate applicable to the unit classes concerned, represented as the ratio of the reference currency of C to the reference currency of D. If both unit classes are valued in the same reference currency, this coefficient is 1.

E = NAV of the Fund units of the unit class, if any, into which the switch is to be made, plus taxes, fees or other charges

### Art. 32.3 Forward pricing

The AIFM shall ensure that the conversion of Fund units is settled on the basis of a NAV per Fund unit unknown to the investor at the time of submission of the application (forward pricing).

#### **Art. 32.4 Special remarks**

The AIFM and the Depositary Bank may reject conversion requests at any time if this appears necessary in the interest of the investors, in the public interest, for the protection of the AIFM, the AIF or the investors, in particular if

- there is a suspicion that the respective investor is engaging in "market timing", "late trading" or other market techniques with the acquisition of the Fund units, which could be detrimental to the investors as a whole;
- the investors do not meet the conditions for acquiring the Fund units; or
- the Fund units are marketed in a country in which the AIF is not authorized for marketing.

The conversion of Fund units may also be suspended in cases of Art. 33 (suspension of unit trading).

#### **Art. 32.5 Other**

If applicable, taxes, duties and (stamp) fees or similar may be incurred in individual countries in the event of a unit class change, which must be borne by the investor.

### **Art. 33 Suspension of NAV calculation or unit trading**

#### **Art. 33.1 General remarks**

The AIFM may temporarily suspend the calculation of the NAV or the unit trading (issue and conversion of Fund units) if this is justified in the interest of the investors, in particular

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

#### **Art. 33.2 Issue of Fund units**

The AIFM may also take the decision to fully or temporarily suspend the issuance of Fund units if new investments could impair the achievement of the investment objective.

The issue of Fund units is temporarily suspended in particular if the calculation of the NAV per unit is suspended. A conversion of Fund units whose redemption is temporarily restricted due to the suspension of the calculation of the NAV is not possible.

#### **Art. 33.3 Redemption of Fund units**

The AIFM shall ensure that sufficient liquid assets are available to the Fund assets so that redemption of Fund units at the request of investors can be effected without undue delay under normal circumstances.

The redemption of Fund units is temporarily suspended in particular when the calculation of the NAV per unit is discontinued.

To the extent that the calculation of the NAV per unit is possible, but the payment of redemptions is not due to a lack of liquid assets, the AIFM is entitled, while safeguarding the interests of the investors, to

temporarily suspend redemptions until corresponding Fund assets can be sold without delay while safeguarding the interests of the investors. In such a case, the settlement of subscriptions is still possible, especially since the NAV of a unit can be calculated. **In such a case, the Fund units that have not yet been paid out but have already been earmarked for redemption continue to participate in the economic development of the AIF until the effective settlement of the redemption. In this respect, the investor continues to participate in both the positive and negative performance of the AIF until the effective settlement of the redemption concerned and bears the resulting opportunities and risks in full.** The AIFM decides on the use of the available liquid assets in the interest of all investors.

#### **Art. 33.4 Special remarks**

Subscription or conversion applications shall be settled after the calculation of the NAV has resumed. The investor may revoke his subscription or conversion application until the resumption of unit trading.

The AIFM shall immediately notify the FMA and via the AIF's publication medium the affected investors of the suspension of the valuation of the NAV or the unit trading.

### **Art. 34 Late Trading and Market Timing**

If there is any suspicion that an applicant is engaging in late trading or market timing, the AIFM or the Depositary Bank will refuse to accept the subscription or exchange application until the applicant has clarified any doubts regarding the application.

#### **Art. 34.1 Late Trading**

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

#### **Art. 34.2 Market Timing**

**"Market Timing"** means the arbitrage process by which an investor systematically subscribes and resells or exchanges Fund units of the same AIF or unit class on a short-term basis by taking advantage of timing differences, errors or weaknesses in the system to calculate the NAV of the AIF or unit class.

### **Art. 35 Prevention of money laundering and terrorist financing**

The AIFM shall ensure that domestic distributors give the AIFM a commitment to comply with the provisions of the Due Diligence Act and Due Diligence Ordinance applicable in Liechtenstein as well as the guidelines of the FMA as amended from time to time.

Insofar as domestic distributors accept funds from investors themselves, they are obliged in their capacity as subjects to due diligence to identify the investor in accordance with the Due Diligence Act and the Due Diligence Ordinance, to identify the ultimate beneficial owner, to draw up a profile of the

business relationship and to comply with all local regulations applicable to them for the prevention of money laundering.

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

## 10 Costs and fees charged to the AIF

### Art. 36 Ongoing asset-based costs and fees (variable)

#### Art. 36.1 Fund administration (including risk management and general management)

For the fund administration (including regulatory compliance and general management) of the AIF, the AIFM shall charge an annual fee in accordance with Art. 3. This fee is calculated on the basis of the gross fund assets less any debt obligations (net fund assets before fees). The variable costs are accrued on a pro rata basis at each NAV valuation date and charged to the Fund assets on a quarterly basis. For longer than quarterly NAV valuation intervals, only the aliquot minimum fee (if any) is charged on a quarterly basis in the interim. In this case the applicable variable fee rate shall be charged at the time of the next published NAV before fees. The amount of this fee of the AIF/unit class is disclosed in the annual report.

The same is applicable to the risk management fees in accordance with Art. 3.

#### Art. 36.2 Portfolio management

For the portfolio management of the AIF, the AIFM shall charge an annual fee in accordance with Art. 3. This fee is calculated on the basis of the gross Fund assets less any debt obligations (net Fund assets before fees). The variable costs are accrued on a pro rata basis at each NAV valuation date and charged to the Fund assets on a quarterly basis. For longer than quarterly NAV valuation intervals, only the aliquot minimum fee (if any) is charged on a quarterly basis in the interim. In this case the applicable variable fee rate shall be charged at the time of the next published NAV before fees. The amount of this fee of the AIF/unit class is disclosed in the annual report.

#### Art. 36.3 Depositary Bank

For the performance of its duties under the depositary agreement, the Depositary Bank shall charge an annual fee in accordance with Art. 3. This fee is calculated on the basis of the gross Fund assets less any debt obligations (net Fund assets before fees). The variable costs are accrued on a pro rata basis at each NAV valuation date and charged to the Fund assets on a quarterly basis. For longer than quarterly NAV valuation intervals, only the aliquot minimum fee (if any) is charged on a quarterly basis in the interim. In this case the applicable variable fee rate shall be charged at the time of the next published NAV before fees. The amount of this fee of the AIF/unit class is disclosed in the annual report.

#### Art. 36.4 Specialist consultants

For single or recurring ongoing expert advice from specialist consultants fees are charged according to prevailing market standards for such services in accordance with Art. 3. If fees are calculated on the basis of the gross Fund assets less any debt obligations (net Fund assets before fees), then the variable costs are accrued on a pro rata basis at each NAV valuation date and charged to the Fund assets on a

quarterly basis. For longer than quarterly NAV valuation intervals, only the aliquot minimum fee (if any) is charged on a quarterly basis in the interim. In this case the applicable variable fee rate shall be charged at the time of the next published NAV before fees. The amount of this fee of the AIF/unit class is disclosed in the annual report.

## **Art. 37 Fees independent of assets (fixed)**

### **Art. 37.1 Ordinary expenses**

All costs, fees and expenses incurred in connection with the AIF are invoiced to the AIF at cost and shall be charged to the Fund assets, in particular:

- 1) Costs for the preparation, production, printing and mailing of the annual reports and other publications required by law, as well as their translations into other languages.
- 2) Costs for the publication of notices addressed to investors in the AIF's publication medium and any additional newspapers or electronic media designated by the AIFM, including price publications.
- 3) Costs for professional translations of relevant sales and marketing documents.
- 4) Fees and costs for permits, marketing licenses, etc. and the supervision of the AIF in Liechtenstein and abroad.
- 5) All taxes that are charged to the AIF on the basis of its assets, its income and its expenses.
- 6) Any taxes incurred in connection with the costs of the administration and the custody.
- 7) Fees associated with tax reporting (e.g. tax representative) and any reporting obligations.
- 8) Fees of the Depositary Bank or the AIFM in connection with the preparation and execution of distributions of earnings (to the extent that the Fund or unit classes provide for distributions).
- 9) Fees incurred in connection with any listing of the AIF and with its distribution in Liechtenstein and abroad (e.g. consulting, legal, translation costs).
- 10) Fees, costs and charges in connection with the determination and publication of tax factors for the countries of the EU/EEA and/or all countries where distribution licenses exist and/or private placements are available, according to the effective expenses at market rates.
- 11) Costs incurred in connection with the fulfillment of the prerequisites and follow-up obligations of a distribution of the Fund units in Liechtenstein and abroad (e.g. fees for paying agents, representatives and other agents with a comparable function, fees at fund platforms such as listing fees, setup fees, etc. as well as consulting, legal, translation costs).
- 12) Costs for preparation or amendment, translation, filing, printing and mailing of the Constituent Documents (Investment Terms and Conditions, KID, calculation SRRI, etc.) in the countries where the Fund units are distributed.
- 13) Costs for printed materials and advertising incurred directly in connection with the offering and sale of Fund units.
- 14) Administrative fees and reimbursement of costs of public authorities.

- 15) Fees of auditors and tax advisors, insofar as these expenses are incurred in the interest of the investors or on behalf of or at the instigation of the FMA.
- 16) Costs of any extraordinary dispositions that may become necessary in accordance with fund legislation (in particular AIFMG / AIFMV), e.g. for amendments to the Constituent Documents.
- 17) Costs of extraordinary dispositions in the investor's interest, e.g. for amendments to the Constituent Documents or the KID.
- 18) The costs of preparation and the publication of the tax bases and the certification that the tax information was determined in accordance with the rules of the respective foreign tax law.
- 19) Internal and external costs for recovering foreign withholding taxes, insofar as this is possible for the account of the AIF. Concerning the recovery of foreign withholding taxes, investors are advised that the AIFM is not obliged to recover them and will only do so if the amounts involved are significant and the costs of the procedure are proportionate to the amount that may be recovered. The AIFM will not recover withholding tax for investments that are the object of securities lending.
- 20) The costs of tax, legal, accounting, financial or market reviews and analysis (due diligence) by third parties (e.g. expert opinions), particularly for the purpose of conducting an in-depth assessment of whether a private equity/debt investment is suitable for the AIF. These costs may also be charged to the AIF if no investment is made as a result.
- 21) Costs in the context of the valuation of special investments (e.g. expert opinions).
- 22) Costs and fees for the inspection of external custody and storage facilities (e.g. for an inventory).
- 23) Costs and fees of external custody and storage facilities.
- 24) Expenses related to the exercise of voting rights or creditors' rights by the AIF, including fees for external advisors.
- 25) Costs for the credit rating of the Fund assets or its target investments by nationally or internationally recognized rating agencies;
- 26) Costs related to the legal requirements for the AIF (e.g. reporting to authorities, key investor information, etc.).
- 27) Costs and fees incurred for other legal or supervisory requirements that the AIFM must meet in the course of implementing the investment strategy (such as reporting and other costs of compliance with the European Market Infrastructure Regulation "EMIR", EU Regulation 648/2012) or for applying the statutory anti-money-laundering provisions (particularly the SPG) and all related obligations and reports.
- 28) Remuneration of the AIFM for the management of the SICAV.
- 29) Statutory taxes relating to the assets of the founder shareholders up to the amount of the statutory minimum tax, provided that the founding assets do not generate a taxable profit.

- 30) All expenses incurred by any mandated specialist consultants in connection with their consulting activities (such as travel expenses, representation expenses, expert opinions on projects, etc.). The cash expenses must be proven in detail by the specialist consultants and must comply with the principles of appropriateness and efficiency. These costs may be charged to the AIF even if an investment is subsequently not made. The cash expenses will be charged in addition to potential fees of such specialist consultants (Art. 36.4).
- 31) The AIFM and the Depositary Bank are also entitled to the reimbursement of their own expenditures (e.g. reimbursement of expenses) and their own time (e.g. for their own work) spent in the exercise of their functions in connection with the points listed in this article.
- 32) If the AIF takes out a loan (cf. Art. 21), the AIFM shall be allowed to charge an annual fee of 0.03% of the amount of the loan for the handling and supervision of such applied leverage. This remuneration shall be charged at the times at which the interest on the loan falls due.

The respective amount of the expenses of the AIF or the unit classes shall be stated in the annual report.

#### **Art. 37.2 Transaction costs**

In addition, the AIF bears all additional costs arising from the management of the assets and for the purchase and sale of the investments (market-standard brokerage fees, commissions, levies, success fees and finder's fees) in direct connection with realized or planned investments.

The AIF shall also bear any external costs, i.e. third-party fees, incurred in the purchase and sale of the investments, as well as any taxes levied as part of the realization of a transaction. Where possible, these costs are offset directly against the cost or sale value of the investments concerned.

#### **Art. 37.3 Any costs for currency hedging for unit classes**

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

#### **Art. 37.4 Set-up costs**

The costs of setting up the AIF (e.g. concession fees, preparation and printing of investor information and Constituent Documents in all necessary languages, remuneration to the Depositary Bank for setting up the depositary function) and the initial issue of Fund units, unless they are settled by the AIFM itself or a third party, are capitalized and amortized against the Fund assets on a straight-line basis over five years. The effective timing of the charging and simultaneous capitalization and subsequent accounting amortization of the set-up costs is in the sole discretion of the AIFM.

#### **Art. 37.5 Liquidation fees**

If the AIF is liquidated and the AIFM is the liquidator, the AIFM may charge liquidation fees up to a maximum of CHF 15'000,-<sup>19</sup> to the Fund assets.

In addition, all costs of the Depositary, the Auditor and third parties, such as authorities, are charged to the Fund assets as liquidation fees.

---

<sup>19</sup> Such absolute limit shall only apply if applicable laws and/or the Fund regulator's guidelines are requiring an upper limit.

### Art. 37.6 Extraordinary expenses

In addition, the AIFM and the Depositary Bank may charge costs for extraordinary expenses to the Fund assets.

Extraordinary expenses are expenses that serve exclusively for the purpose of safeguarding the investor's interest, arise in the course of regular business activities and were not foreseeable at the time the AIF was established. Extraordinary expenses are, in particular, legal and court costs in the interest of the AIF or the investors as well as the related expenses of the AIFM, the Depositary Bank, etc. In addition, all costs of any extraordinary dispositions that may become necessary (e.g. amendments to the Constituent Documents or the KID) are to be understood hereunder.

### Art. 38 Fee dependent on investment performance (performance fee)

There is an entitlement to a performance-related additional remuneration ("**performance fee**"), which is retained for the benefit of the AIFM and/or the founder assets and may also be used to pay any services by specialist consultants. The amount of the performance fee per unit class is set out in Art. 3. If the increase in the NAV at the end of the financial year before deduction of any performance fee exceeds the threshold price (= NAV at the end of the previous financial year before deduction of any performance fee plus the fixed pro rata hurdle rate pursuant to Art. 3), the performance fee is owed on the increase in value exceeding the threshold price. The respective performance fee is only applied to the increase in value that exceeds the corresponding hurdle rate.

The principle of the High-on-High-Mark is applied when calculating the performance fee. The currently valid High-on-High-Mark is the last NAV before performance fee of the valuation day for which a performance fee was last paid. The value of the High-on-High-Mark is applied across all financial years. This ensures that a new performance fee is only owed when the NAV reaches a new high, taking into account the annual hurdle rate.

A concrete example of how the performance-based remuneration is calculated is provided below.

Calculation example for the performance fee (please note that the example – apart from the calculation mechanics - must not mirror the performance fees and hurdle rates applicable to all different unit classes, if any):

Performance Fee: <sup>20</sup>	5%
Performance fee model:	High-on-High model <sup>21</sup>
Hurdle rate:	5%
Marginal Rate:	The basis for calculating the marginal rate is the valid High-on-High mark plus the aliquot hurdle rate
Calculation of the Performance Fee:	With each NAV
Calculation status:	Preliminary, performance fee only considered accrued
Pay-out Performance Fee:	Based upon the annual financial reports for each financial year of the AIF

<sup>20</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 threshold 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>21</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.



	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	0,42%	100,42	0,00	100,00
	Month 2	100,75	0,75%	100,00	0,00	0,42%	100,83	0,00	100,75
	Month 3	101,50	1,50%	100,00	0,25	0,42%	101,25	0,01	101,49
	Month 4	102,25	2,25%	100,00	0,58	0,42%	101,67	0,03	102,22
	Month 12	113,00	13,00%	100,00	8,00	0,42%	105,00	0,40	112,60
<b>In the first year 0.4 of performance fee will be levied.</b>									
<b>Year 2</b>	Month 1	110,00	-2,65%	113,00	0,00	0,42%	113,47	0,00	110,00
	Month 2	111,00	-1,77%	113,00	0,00	0,42%	113,94	0,00	111,00
	Month 3	110,50	-2,21%	113,00	0,00	0,42%	114,41	0,00	110,50
	Month 4	110,75	-1,99%	113,00	0,00	0,42%	114,88	0,00	110,75
	Month 12	111,50	-1,33%	113,00	0,00	0,42%	118,65	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	0,42%	111,96	0,00	111,00
	Month 2	111,50	0,00%	113,00	0,00	0,42%	112,43	0,00	111,50
	Month 3	112,00	0,45%	113,00	0,00	0,42%	112,89	0,00	112,00
	Month 4	112,50	0,90%	113,00	0,00	0,42%	113,36	0,00	112,50
	Month 12	125,00	12,11%	113,00	7,93	0,42%	117,08	0,40	124,60
<b>In the third year 0.4 of performance fee will be levied.</b>									
<b>Year 4</b>	Month 1	121,00	-3,20%	125,00	0,00	0,42%	125,52	0,00	121,00
	Month 2	122,00	-2,40%	125,00	0,00	0,42%	126,04	0,00	122,00
	Month 3	123,00	-1,60%	125,00	0,00	0,42%	126,56	0,00	123,00
	Month 4	124,00	-0,80%	125,00	0,00	0,42%	127,08	0,00	124,00
	Month 12	128,00	2,40%	125,00	0,00	0,42%	131,25	0,00	128,00
<b>No performance fee in the fourth year.</b>									
<b>Year 5</b>	Month 1	130,00	1,56%	125,00	1,47	0,42%	128,53	0,07	129,93
	Month 2	135,00	5,47%	125,00	5,93	0,42%	129,07	0,30	134,70
	Month 3	135,50	5,86%	125,00	5,90	0,42%	129,60	0,30	135,20
	Month 4	136,00	6,25%	125,00	5,87	0,42%	130,13	0,29	135,71
	Month 12	145,00	13,28%	125,00	10,60	0,42%	134,40	0,53	144,47
<b>In the fifth year 0,53 of performance fee will be levied.</b>									

In **year 1**, a performance fee was levied because the AIF exceeded the High-on-High Mark and exceeded the threshold price (105) at the end of the performance period. The High-on-High Mark in year 1 is the initial issue price (100). The performance fee 0.4 is calculated as follows: [NAV before performance fee less threshold price] x performance fee = (113-105) x 5% = 0.4.

No performance fee was levied in **year 2** because the AIF neither exceeded the High-on-High Mark nor the threshold price (118.65) at the end of the performance period. The High-on-High Mark is the NAV before performance fee from year 1 (113).

In **year 3**, a performance fee was levied as the AIF exceeded the High-on-High Mark and the threshold price at the end of the performance period. The High-on-High Mark is still the NAV before performance fee from year 1 (113) as no performance fee was levied in year 2. The performance fee 0.4 is calculated as follows: [NAV before performance fee less threshold price] x performance fee = (125-117.08) x 5% = 0.4.

No performance fee was levied in **year 4** because the AIF did not exceed the threshold price (131.25) at the end of the performance period although it exceeded the High-on-High Mark. The High-on-High Mark is the NAV before performance fee from year 3 (125.00).

In **year 5**, a performance fee was levied as the AIF exceeded the High-on-High Mark and the threshold price (134.40) at the end of the performance period. The High-on-High Mark is still the NAV before performance fee from year 3 (125) as no performance fee was levied in year 4. The performance fee 0.53 is calculated as follows: [NAV before performance fee less threshold price] x performance fee = (145-134.40) x 5% = 0.63.

### **Art. 39 Total Expense Ratio (TER)**

The total ongoing fees before any performance-related fee (Total Expense Ratio before performance fee; "**TER**") is calculated in accordance with general principles laid down in the FMA Rules of Conduct and includes, with the exception of transaction costs, all costs and fees charged directly to the respective Fund assets on an ongoing basis.

The TER of the respective subfund or unit class shall be disclosed in the AIF's publication medium and in the respective annual report of the AIF.

## **11 Costs borne by investors**

### **Art. 40 Issue fee**

If Art. 2 provides for an issue fee, such fee shall be charged by the AIFM on the NAV of the newly issued Fund units for the benefit of the AIF, the AIFM, the Depositary Bank and/or distributors in Liechtenstein or abroad in order to cover the costs incurred in the placement of the Fund units.

### **Art. 41 Redemption fee**

If Art. 41 provides for a redemption fee, such fee shall be charged by the AIFM on the NAV of the redeemed Fund units for the benefit of the AIF, the AIFM, the Depositary Bank and/or distributors in Liechtenstein or abroad.

### **Art. 42 Conversion fee**

If Art. 2 provides for a conversion fee, such fee shall be charged by the AIFM on the NAV of the original AIF or the original unit class for the benefit of the AIF, the AIFM, the Depositary Bank and/or distributors in Liechtenstein or abroad for the conversion from one AIF to another or from one unit class to another unit class as requested by the investor.

In this context, special consideration is given to the ongoing management fees, the redemption conditions (in particular with regard to lock-up periods, notification deadlines and costs) of the two AIFs or unit classes involved, as in particular the deliberate exploitation of potential differences to the detriment of one AIF or one unit class must be avoided.

## **12 Structural measures**

### **Art. 43 Permitted structural measures**

All types of structural measures are permitted for this AIF.

Structural measures are:

- 1) the merger of the AIF or any of its subfunds with other AIFs, UCITS or their subfunds, in any form;
- 2) the demerger of the AIF or any of its subfunds, in any form.

## **Art. 44 Applicable provisions**

Artt. 78 and 79 AIFMG and Artt. 42 and 43 AIFMV apply to mergers.

The provisions on mergers contained herein apply mutatis mutandis to demergers (Art. 80 AIFMG and Art. 44 AIFMV).

For conversions of the AIF into another permitted legal form pursuant to Art. 6 et seq. AIFMG, only the provisions regarding the amendment to the Constituent Documents apply (cf. Art. 55.2 Investment Terms and Conditions and Art. 12 Articles of Association).

The provisions of the UCITSG apply to structural measures between UCITS and AIF.

## **Art. 45 Approval of the FMA**

### **Art. 45.1 Conditions**

The merger of AIFs requires the prior approval of the FMA.

The FMA shall grant approval provided that:

- 1) the written consent of the depositaries involved has been obtained;
- 2) the Constituent Documents of the AIFs involved in the merger provide for the possibility of the merger;
- 3) the authorization of the AIFM of the acquiring AIF allows the management of the investment strategies of the AIF to be acquired;
- 4) the assets of the AIFs involved in the merger are valued, the exchange ratio is calculated and the assets and liabilities are taken over on the same day.

Any approval of investors to the merger is not required.

### **Art. 45.2 Documents to be submitted**

The AIFM must submit the following documents to the FMA:

- a) a merger plan with details of:
  1. the AIFs involved;
  2. the expected impact of the planned merger on the investors of the involved AIFs;
  3. the criteria determined for the valuation of the assets and, if applicable, for the liabilities at the time of the calculation of the exchange ratio; and
  4. the planned merger date;

- b) the Constituent Documents of the acquiring AIF;
- c) an investor notice containing information on the merger and the redemption right of the investors.

### **Art. 45.3 Decision deadline**

The FMA shall decide on the approval of the merger within one month after receipt of the complete documents. In justified cases, the deadline may be extended to six months.

## **Art. 46 General rules**

### **Art. 46.1 Effective date of the merger**

The merger shall take effect on the merger date. The transferring AIF ceases to exist when the merger takes effect.

### **Art. 46.2 Redemption or conversion of Fund units**

Until five working days before the planned merger date the investors have the option to either redeem their Fund units without a redemption fee (if such exists) or to exchange their Fund units for Fund units in another AIF that is also managed by the AIFM and has a similar investment policy as the AIF to be merged. The respective redemption or conversion request must be received by the Depositary Bank of the AIF no later than within the aforementioned period.

The exchange ratio is calculated according to the ratio between the NAV of the funds involved as of the merger date. The investor receives the correspondingly calculated number of fund units in the new fund. It is also possible that investors receive up to 10% of the value of their Fund units in cash.

### **Art. 46.3 Completion of the merger**

The AIFM of the transferring AIF shall notify the FMA of the conclusion of the merger and submit the confirmation of the responsible auditor on the proper execution of the merger and on the exchange ratio at the merger date. The investors shall be informed accordingly about the completion of the merger.

### **Art. 46.4 Investor notices and obtaining investor approval**

All investor notices in the course of the merger will be published in the AIF's publication medium.

Any investor approvals are generally obtained through the issuer central securities depository via the investor central securities depository.

### **Art. 46.5 Costs of the merger**

For AIFs distributed exclusively to professional investors, legal, advisory or administrative costs associated with the preparation and implementation of the merger may be charged to the Fund assets. In this case, the anticipated costs must be stated in the investor notice.

## **Art. 47 Private investors**

If an AIF involved in the merger is also distributed to private investors, the following additional requirements must be met:

#### **Art. 47.1 Investor Notice**

The private investors shall be informed at least 30 days prior to the planned merger date by means of an investor notice containing information on the merger and the redemption right. The investor notice shall be brief and written in generally understandable language so that investors can form an informed opinion about the effects of the planned merger on their investment and exercise their rights.

There is no obligation to publish the merger plan. The AIFM shall transmit the merger plan free of charge upon request of an investor; such a transmission cannot be requested if the merger plan has been published in the AIF's publication medium.

#### **Art. 47.2 Costs of the merger**

Costs of the merger may not be charged to the AIF or the private investors unless the private investors in the AIF approve the costs by a qualified majority.

### **13 Dissolution (liquidation) of the AIF and its unit classes**

#### **Art. 48 General remarks**

The provisions on the "**dissolution**" ("**liquidation**") of the AIF also apply to the dissolution of unit classes of the AIF.

The dissolution may relate exclusively to the Fund assets or may be carried out together with the dissolution of the founder assets of the SICAV. If the dissolution relates only to the Fund assets, the SICAV must be converted into another corporate form by means of an amendment to the Articles of Association. The dissolution of the Fund assets shall be governed by the provisions contained in the Investment Terms and Conditions. The provisions contained in the Articles of Association shall apply to the dissolution of the SICAV.

#### **Art. 49 Reasons for dissolution**

In particular, the following cases may result in the dissolution of the AIF.

##### **Art. 49.1 Decision of the AIFM**

The AIFM is entitled to dissolve the assets under management of the AIF or an individual unit class at any time, in particular compulsorily in the cases provided for by law.

To the extent that the NAV of the AIF falls below the legal minimum or below a value required for economically efficient management, as well as in the event of a significant change in the political, economic or monetary environment or as part of a rationalization, the AIFM may decide to dissolve the AIF or an individual unit class.

##### **Art. 49.2 General Assembly**

The AIF cannot be liquidated by resolution of the general meeting of the SICAV. The SICAV may only be liquidated when all Fund assets have been liquidated.

##### **Art. 49.3 Investor**

Investors or their heirs cannot demand the dissolution.

## **Art. 50 Dissolution and bankruptcy of other subfunds or the founder assets**

The assets managed for the purpose of collective investment for the account of the investors (Fund assets) shall not be included in the bankruptcy estate of other subfunds or the founder assets in the event of their dissolution and bankruptcy and shall not be dissolved together with other subfunds or the founder assets (founder shares). The Fund assets shall constitute segregated assets for the benefit of its investors.

## **Art. 51 Dissolution and bankruptcy of the AIFM**

In the event of the dissolution and bankruptcy of the AIFM, the Fund assets shall constitute segregated assets for the benefit of the investors and shall therefore not be included in the bankruptcy estate of the AIFM. With the consent of the FMA, the Fund assets shall be transferred to another AIFM or shall be dissolved by way of separate satisfaction for the benefit of the investors of the AIF.

The same applies if the management of the AIF by the AIFM is terminated.

## **Art. 52 Dissolution and bankruptcy of the Depositary Bank**

In the event of the dissolution and bankruptcy of the Depositary Bank, the Fund assets shall constitute segregated assets, with the exception of the cash deposits. With the approval of the FMA, the Fund assets shall be transferred to another depositary or shall be dissolved by way of separate satisfaction for the benefit of the investors of the AIF.

## **Art. 53 Termination of Appointment Agreement or Depositary Agreement**

In the event of termination of the Appointment Agreement between the AIF and the AIFM, the Fund assets shall be transferred to another AIFM with the consent of the FMA or shall be dissolved by way of separate satisfaction for the benefit of the investors of the AIF.

In the event of termination of the Depositary Agreement between the AIF and the Depositary Bank, the Fund assets shall be transferred to another depositary with the approval of the FMA or shall be dissolved by way of separate satisfaction for the benefit of the investors of the AIF.

## **Art. 54 Liquidation proceedings**

### **Art. 54.1 Applicable provisions**

The liquidation of the AIF shall be carried out in accordance with the provisions of the PGR (Persons and Companies Act) as amended, taking into account relevant FMA guidelines.

### **Art. 54.2 Information to investors**

The resolution on the dissolution of the AIF or a unit class shall be published in the AIF's publication medium at least 30 days before the dissolution takes effect. All other investor notices shall be published in the AIF's publication medium as well. The FMA shall be informed of the dissolution without undue delay after notification to the investors and shall be provided with a copy of the investor notice.

### **Art. 54.3 Liquidator**

In the liquidation resolution, one or more natural persons or legal entities are appointed as liquidators, who are responsible for the liquidation procedure and the liquidation.

If not the AIFM but a third party is appointed as liquidator of the AIF, the function and the responsibility of the AIFM shall end with the registration of the third party as liquidator in the commercial register.

### **Art. 54.4 Unit trading**

Unless the AIFM decides otherwise, the AIF will no longer issue or exchange Fund units of the AIF as of the date of the beginning of the liquidation.

### **Art. 54.5 Liquidation of the Fund assets**

The liquidator shall liquidate the Fund assets in the best interests of the investors and instruct the Depository Bank to distribute the net liquidation proceeds of the AIF or the unit class after deduction of liquidation costs to the investors on a pro rata basis.

### **Art. 54.6 Payouts in kind**

In the liquidation proceedings, a payout in kind is permissible instead of a cash payment. In such a case, it is at the discretion of the appointed liquidator whether and to what extent payouts in kind are made to investors. However, the investor is not entitled to the transfer of specific asset positions.

A payout in kind shall be effected by direct delivery of assets and, if applicable, an additional payment of the difference between the value of the payout in kind and the value of the Fund units. In this case, the investor receives a tender of Fund assets corresponding to the value of the Fund units held.

The delivery of assets takes place by means of custody transfer, physical transfer or another transfer, depending on the type of Fund assets. By means of a custody account transfer, the payout in kind shall only be made to a bank domiciled in Liechtenstein or abroad that is subject to equivalent supervision and the EU Money Laundering Directive as amended or an equivalent regulation. The Depository Bank reserves the right to refuse delivery in kind if this requirement is not met.

The costs associated with a delivery in kind (transport, insurance, etc.) and any associated taxes and duties will be charged to the investor or offset against the investor's claims.

### **Art. 54.7 Dissolution of a unit class**

If a unit class is liquidated without the AIF being dissolved, all Fund units of this unit class will be redeemed at their then valid NAV and the price per Fund unit will be paid out by the Depository Bank for the benefit of the former investors.

### **Art. 54.8 Liquidation costs**

The costs of liquidating the Fund assets shall be borne by the Fund assets or the investors. The costs of liquidating the founder assets shall be borne by the founder shareholders.

## 14 Final provisions

### Art. 55 Binding documents

#### Art. 55.1 Constituent Documents, Annual Report and KID

The legal relationships between the investors and the AIF and the acquisition of Fund units are governed by the “**Constituent Documents**” and the latest “**annual report**”.

The Constituent Documents comprise the “**Investment Terms and Conditions**” (including the **Investor Information pursuant to Art. 105 AIFMG**) and the “**Articles of Association**”.

Only the information contained in the Constituent Documents and in the latest annual report is valid. With the acquisition of the Fund units, this information is deemed to be approved by the investor.

In good time before the purchase of Fund units, the “**Key Information Document**” (“**KID**”) shall be made available to the investor free of charge, insofar as a KID is produced.

**Third parties are not permitted to provide information or make statements that deviate from the Constituent Documents and the Key Information Document (“KID”). Such divergent information or statements shall be ineffective and shall therefore neither entitle nor oblige the AIF nor the AIFM. Neither the AIF nor the AIFM shall be liable if and to the extent that such divergent information or statements are provided by third parties.**

#### Art. 55.2 Significant changes to the Constituent Documents

The FMA must be notified in writing of a significant change to the Constituent Documents one month prior to the implementation of a planned change or immediately after the occurrence of an unplanned change. At the same time as the notification to the FMA, the investors shall be informed of the change by investor notice in the AIF’s publication medium.

Significant changes are provisions that could lead investors to revise their investment decision, in particular changes in the investment strategy, changes in fees, changes in valuation rules or changes in comparable regulations.

The AIFM must notify the FMA in writing of the change of the Auditor one month before it takes effect. The change of the Auditor must be published by the AIFM in the publication medium at the time it becomes effective. If the AIF is an open-ended AIF, the investors must be informed that they may request the redemption of their Fund units in accordance with the redemption conditions contained in the Constituent Documents.

### Art. 56 Binding language

The legally binding language for the AIF (in particular for all documents and publications of the AIF) is the English language. Any translations are for information purposes only and therefore any liability is excluded.

### Art. 57 Publication medium

The “**publication medium**” of the AIF is the homepage of the LAFV Liechtensteinischer Anlagefondsverband ([www.lafv.li](http://www.lafv.li)). All notices to investors are published in the publication medium.



**All publications become legally binding for all investors on the day of publication in the publication medium.**

In particular, the following binding publications are made in the publication medium:

- the Constituent Documents and any amendment (especially any change of the investment strategy) as well as a any KID
- the last annual report
- the last NAV of the AIF or the last market price of the Fund units
- (if available) the past performance of the AIF
- the information pursuant to Art. 106 (1) lit. b and (2) AIFMG

The Constituent Documents, the latest annual report and any KID may also be obtained free of charge from the AIFM or its homepage ([www.onefunds.li](http://www.onefunds.li)), from the Depositary Bank and – if applicable – from any paying agents and sales agents in Liechtenstein or abroad.

## **Art. 58 Conflicts of interest**

The AIF must be structured and organized in such a way that the risk of conflicts of interest prejudicial to the interests of the AIF or those of the investors is eliminated as far as possible and, if conflicts nevertheless arise, they are identified and dealt with appropriately. In particular, conflicts of interest between the AIFM, the AIF, the investors and, where applicable, prime brokers – in each case in relation to the AIFM and each other – shall be taken into account. In all other respects, the statutory provisions and the conflict of interest manual of the AIFM shall apply. The conflict of interest manual can be obtained free of charge upon request in the case of justified interests.

## **Art. 59 Payments by the AIFM to third parties or from third parties**

The AIFM reserves the right to make payments from its own fee to third parties for the acquisition of investors, the provision of fund-related services or as a partnership commission, on condition that this does not result in additional costs for the AIF or the investors. The AIFM has no obligation to report in detail on effective payments that goes beyond the accounting standards applicable to the AIFM.

Payments that the AIFM receives from third parties in connection with the fund activities (e.g. retrocessions for investments made for the account of the AIF, etc.) are passed on to the AIF.

## **Art. 60 Tax regulations**

### **Art. 60.1 Income Tax**

All Liechtenstein AIFs are subject to unlimited tax liability in Liechtenstein and are subject to income tax. However, the income from the Fund assets constitutes tax-exempt income; any income from the founder assets is subject to the regular tax rate.

#### **Art. 60.2 Emissions and Turnover Taxes**

The issue and redemption of Fund units are not subject to the emissions tax.

The transfer of ownership of Fund units against payment is subject to the turnover tax if a party or an intermediary is a domestic securities dealer.

#### **Art. 60.3 Withholding Taxes**

The AIF is not subject to withholding tax in the Principality of Liechtenstein, particularly not to coupon or advance capital gains tax.

Foreign income and capital gains generated by the AIF or any subfund of the AIF may be subject to the respective withholding tax deductions of the country of investment. Any double taxation treaties remain reserved.

Both income and capital gains, whether distributed or reinvested, may be partially or fully subject to a so-called paying agent tax (e.g. final withholding tax, Foreign Account Tax Compliance Act), depending on the person who directly or indirectly holds the Fund units. The rules depend on the national tax law of the investor.

#### **Art. 60.4 AEOI (OECD CRS)**

With respect to the AIF, a Liechtenstein paying agent may be obliged to report the Fund unit holders to the local tax authority in compliance with the Automatic Exchange of Information (AEOI) treaties or may be obliged to make the corresponding statutory reportings.

#### **Art. 60.5 FATCA**

The AIF is subject to the provisions of the Liechtenstein FATCA Agreement as well as the corresponding implementing provisions in the Liechtenstein FATCA Act.

#### **Art. 60.6 Natural persons with tax domicile in Liechtenstein**

Private investors domiciled in the Principality of Liechtenstein must declare their Fund units as assets and these are subject to wealth tax. Any distributed or reinvested earnings of the AIF are exempt from income tax. Capital gains realized on the sale of the Fund units are exempt from acquisition tax. Capital losses cannot be deducted from the taxable acquisition.

#### **Art. 60.7 Persons with tax domicile outside Liechtenstein**

For investors domiciled outside the Principality of Liechtenstein, the taxation and other tax consequences of purchasing, holding or selling Fund units are governed by the tax laws of the respective country of domicile.

#### **Art. 60.8 Disclaimer**

**The remarks on the taxation are based on the currently known legal situation and practice in Liechtenstein. Any changes to legislation, case law, decrees and the practice of the tax authorities in Liechtenstein and under foreign tax law are expressly reserved.**

**Investors are encouraged to consult their own professional advisor regarding the relevant tax consequences. Neither the AIF, the AIFM, the Depositary Bank nor their delegates accept any responsibility for the individual tax consequences to the investor of the purchase, holding or sale of Fund units.**

## **Art. 61 Fiscal year, accounting and annual report**

The financial year of the AIF is defined in Art. 1.

The AIFM prepares and publishes an audited annual report for the AIF not later than six months after the end of each financial year.

## **Art. 62 Liability and Statute of Limitation**

### **Art. 62.1 AIFM, Liquidator, Administrator**

The AIFM, a liquidator or an administrator is liable to the investors for the damage resulting from the violation of Art. 32 to 46 AIFMG, unless they prove that they are not at fault. A delegation of tasks and a sub-delegation pursuant to Art. 46 AIFMG to third parties shall not affect the liability. Any limitation of this liability is excluded.

Claims for damages against the AIFM, a liquidator or an administrator become statute-barred five years after the occurrence of the damage, but no later than one year after the redemption of the Fund unit or after becoming aware of the damage.

### **Art. 62.2 Depositary Bank**

The Depositary Bank is liable pursuant to Art. 61 AIFMG. There is no exclusion of liability pursuant to Art. 61 (3) AIFMG.

Claims for damages against the Depositary Bank shall become statute-barred five years after the occurrence of the damage, but no later than one year after the redemption of the Fund unit or after becoming aware of the damage.

### **Art. 62.3 Auditor**

The Auditor is liable in accordance with the provisions of the PGR on auditors.

### **Art. 62.4 Distributor**

The Distributor is liable pursuant to Art. 72 AIFMG.

### **Art. 62.5 Investor**

The personal liability of investors is limited to the amount of the investment after full payment of the investment amount.

### **Art. 63 Applicable law**

The AIF is governed by Liechtenstein law. To the extent that the Constituent Documents do not contain any provisions, the legal relationships between the investors and the AIF shall be governed in particular by the AIFMG (Act of 19 December 2012 on Alternative Investment Fund Managers) as amended and by the AIFMV (Ordinance of 22 March 2016 on Alternative Investment Fund Managers) as amended and, to the extent that no provisions are contained therein, by the provisions of the PGR on public limited companies.

### **Art. 64 Complaint procedure and place of jurisdiction**

To ensure that all investors are treated equally, the AIFM has established an effective and transparent procedure for the appropriate and prompt handling of investor complaints. The AIFM shall ensure that all complaints and any action taken to resolve them are recorded. Investor complaints may be lodged with the AIFM free of charge. Information on the complaints procedure shall be made available to investors free of charge upon request.

In order to settle disputes between the investors, the AIFM, the Depositary Bank, Administrators and Distributors a conciliation procedure within the meaning of Art. 175 AIFMG shall be conducted. If no agreement can be reached between the parties, the ordinary legal procedure shall be followed.

The place of jurisdiction for all disputes arising from legal relationships with the AIF, the AIFM and the Depositary Bank is the Princely District Court in Vaduz. Legal action by an investor against the AIF, the AIFM or the Depositary Bank and legal action by the AIF, the AIFM or the Depositary Bank against an investor may also be taken at the locally and functionally competent court of law at the investor's place of domicile or registered office.

### **Art. 65 Enforceability of court judgments in the country of domicile of the AIF**

Rulings of Liechtenstein courts of law may be enforced in the Principality of Liechtenstein.

## Art. 66 Entry into force

The Investment Terms and Conditions come into force on September 6<sup>th</sup>, 2024.

### The AIFM:

#### **ONE Funds AG**

Austrasse 14, FL-9495 Triesen

### Depositary Bank:

#### **Kaiser Partner Privatbank AG**

Herrengasse 23, FL-9490 Vaduz

## Articles of Association / Satzung

The Constituent Documents consist of the Articles of Association and the Investment Terms and Conditions. The legal provisions governing entries in the commercial register require that the Articles of Association be drawn up in German. Therefore, although an English translation of the Articles of Association may be provided, only the German version of the Articles of Association shall be legally valid, while the Investment Terms and Conditions are issued exclusively in English.

English language version	Deutsche Sprachfassung
<p>The Articles of Association are part of the Fund's Constituent Documents. The Investment Terms and Conditions of are not part of the Articles of Association.</p>	<p>Die Satzung ist Bestandteil der konstituierenden Dokumente des Fonds. Die Anlegebedingungen sind nicht Teil der Satzung.</p>
<h3>1 General provisions</h3>	<h3>1 Allgemeine Bestimmungen</h3>
<p><b>Art. 1 Company name of the SICAV</b></p> <p>The name of the Investment Company is "<b>BLUE OCEAN SICAV</b>" (the "<b>SICAV</b>") and has the legal form of a public limited company with variable capital (SICAV).</p>	<p><b>Art. 1 Firma der SICAV</b></p> <p>Die Firma der Investmentgesellschaft lautet „<b>BLUE OCEAN SICAV</b>“ (die „<b>SICAV</b>“) und hat die Rechtsform einer Aktiengesellschaft mit veränderlichem Kapital (SICAV).</p>
<p><b>Art. 2 Registered office of the SICAV</b></p> <p>The registered office of the SICAV is Triesen, Principality of Liechtenstein.</p>	<p><b>Art. 2 Sitz der SICAV</b></p> <p>Gesellschaftssitz ist Triesen, Fürstentum Liechtenstein.</p>

### Art. 3 Purpose of the SICAV

The exclusive purpose of the SICAV is the investment and management of assets for the account and benefit of the investors in accordance with the Investment Terms and Conditions.

The SICAV may, subject to the limitations set forth in the AIFMG as well as in the Constituent Documents, take such other measures and actions as it deems appropriate to achieve its purpose.

### Art. 4 Duration of the SICAV

The SICAV is established for an indefinite period.

### Art. 5 Umbrella Fund

The SICAV may be a single fund or umbrella fund, which may then comprise one or more subfunds.

## 2 Share capital and shares

The share capital is divided into founder shares ("**founder assets**") and investor shares ("**Fund units**"; "**Fund assets**"). The founder assets are separate from the Fund assets under management.

### Art. 3 Zweck der SICAV

Ausschliesslicher Zweck der SICAV ist die Vermögensanlage und Verwaltung für Rechnung und Nutzen der Anleger gemäss den Anlagebedingungen.

Die SICAV kann unter Berücksichtigung der im AIFMG sowie in diesen konstituierenden Dokumenten festgelegten Beschränkungen alle anderen Massnahmen ergreifen und Handlungen vornehmen, die sie zur Erreichung ihres Gesellschaftszweckes für angemessen erachtet.

### Art. 4 Dauer der SICAV

Die SICAV ist auf unbestimmte Dauer errichtet.

### Art. 5 Umbrella-Fonds

Die SICAV kann ein Single-Fonds oder Umbrella-Fonds sein, der dann einen oder mehrere Teilfonds umfassen kann.

## 2 Aktienkapital und Aktien

Das Aktienkapital wird in Gründeraktien ("**Gründervermögen**") und Anlegeraktien ("**Fondsanteile**"; "**Fondsvermögen**") eingeteilt. Das Gründervermögen ist vom verwalteten Fondsvermögen getrennt.

## Art. 6 Founder shares

The share capital of the founder shares amounts to **USD 60'000,-** and is divided into **60 founder shares**.

Founder shares are registered shares with a nominal value of **USD 1'000,-** each, which are issued to the founders of the SICAV.

The founder shares confer the right to participate in the General Meeting of Shareholders and to exercise the voting rights at the General Meeting of Shareholders.

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

Provision may be made for the founder shares to be securitized in global certificates. The Board of Directors may issue share certificates for any number of founder shares instead of individual founder shares or waive the issue of share certificates.

## Art. 7 Investor Shares

Investor shares (Fund units) are bearer shares without nominal value issued to investors.

Investors participate in the assets and income of the assets under management of the SICAV by virtue of Fund units in accordance with the provisions of the Investment Terms and Conditions.

The Fund units are issued in the type of securitization and denomination determined by the AIF and specified in the Investment

## Art. 6 Gründeraktien

Das Aktienkapital der Gründeraktien lautet auf **USD 60'000,-** und in **60 Gründeraktien** unterteilt.

Gründeraktien sind Namenaktien mit einem Nennwert von **USD 1'000,- das Stück**, die an die Gründer der SICAV ausgegeben werden.

Die Gründeraktien begründen das Recht zur Teilnahme an der Generalversammlung und berechtigen zur Ausübung des Stimmrechts in der Generalversammlung.

Die Generalversammlung kann die Umwandlung von Inhaberaktien in Namenaktien oder von Namenaktien in Inhaberaktien beschliessen.

Es kann für die Gründeraktien die Verbriefung in Globalurkunden vorgesehen werden. Der Verwaltungsrat kann anstelle einzelner Gründeraktien Aktienzertifikate über eine beliebige Anzahl von Gründeraktien ausstellen oder auf die Ausgabe von Aktientiteln verzichten.

## Art. 7 Anlegeraktien

Anlegeraktien (Fondsanteile) sind Inhaberaktien ohne Nennwert, die an Anleger ausgegeben werden.

Anleger partizipieren kraft Anlegeraktien (Fondsanteile) entsprechend den Bestimmungen der Anlagebedingungen am Vermögen und Ertrag des verwalteten Vermögens der SICAV.

Die Fondsanteile werden in der durch den AIF bestimmten und in den Anlagebedingungen genannten Art der Verbriefung und Stückelung



<p>Terms and Conditions. There is no entitlement to delivery of a share certificate.</p> <p>The investor shares do not confer any right to participate in the General Meeting of Shareholders, have no voting rights and, moreover, do not embody any right to participate in the profits of the founder assets.</p> <p>The share capital may be increased by the gradual issue of new shares to existing investors or third parties and the share capital may be reduced by the gradual repayment of all or part of the share capital through the redemption of shares without the procedure prescribed by law for the increase or reduction of the share capital having to be observed. When new shares (Fund units) are issued, existing investors have no pre-emptive rights.</p> <p>The assets under management may be divided into economically independent subfunds. For the assets under management or for individual subfunds, unit classes may exist which give rise to different rights and obligations within such subfunds.</p> <p>All Fund units in an AIF or subfund have the same rights in principle, unless the AIFM decides to issue different unit classes within the AIF or a subfund. From the date of their issue, all Fund units participate equally in returns, share price gains and liquidation proceeds of their respective unit class.</p>	<p>ausgegeben. Ein Anspruch auf Auslieferung einer Aktienurkunde besteht nicht.</p> <p>Die Anlegeraktien begründen kein Recht zur Teilnahme an der Generalversammlung, haben kein Stimmrecht und verkörpern überdies kein Recht auf Beteiligung am Gewinn des Gründervermögens.</p> <p>Die Erhöhung des Aktienkapitals durch allmähliche Ausgabe neuer Aktien an bisherige Anleger oder Dritte und die Herabsetzung des Aktienkapitals durch allmähliche gänzliche oder teilweise Rückzahlung des Aktienkapitals durch Einlösung von Aktien kann erfolgen, ohne dass hierbei das für die Erhöhung oder Herabsetzung des Aktienkapitals gesetzlich vorgesehene Verfahren eingehalten werden muss. Bei der Ausgabe neuer Aktien (Fondsanteile) steht bestehenden Anlegern kein Bezugsrecht zu.</p> <p>Das verwaltete Vermögen kann in Teilfonds, das heisst in wirtschaftlich voneinander unabhängige Teilvermögen, aufgeteilt sein. Für das verwaltete Vermögen oder für einzelne Teilfonds können Anteilsklassen bestehen, die innerhalb eines solchen Teilvermögens unterschiedliche Rechte und Pflichten begründen.</p> <p>Alle Fondsanteile an einem AIF bzw. Teilfonds haben grundsätzlich die gleichen Rechte, es sei denn der AIFM beschliesst, innerhalb des AIF bzw. Teilfonds verschiedene Anteilsklassen auszugeben. Alle Fondsanteile sind vom Tage ihrer Ausgabe an in gleicher Weise an Erträgen, an Kursgewinnen und am Liquidationserlös ihrer jeweiligen Anteilsklasse beteiligt.</p>
---	---

### 3 Organization of the SICAV

#### Art. 8 Governing bodies

The governing bodies of the SICAV are:

- 1) the General Meeting,
- 2) the Board of Directors and
- 3) the Auditor.

#### Art. 9 General Meeting

##### Art. 9.1 Rights of the General Meeting

The meeting of the founder shareholders of the SICAV constitutes the General Meeting, which is the supreme body of the corporation.

It shall have the following powers:

- 1) Election and dismissal of the members of the Board of Directors and the determination of their signatory rights;
- 2) Appointment of the Auditor;
- 3) Approval of the income statement, the balance sheet and the annual report;
- 4) Resolution on the appropriation of net income, in particular the determination of dividends;

### 3 Organisation der SICAV

#### Art. 8 Organe

Die Organe der SICAV sind:

- 1) die Generalversammlung,
- 2) der Verwaltungsrat und
- 3) der Wirtschaftsprüfer.

#### Art. 9 Generalversammlung

##### Art. 9.1 Rechte der Generalversammlung

Die Versammlung der Gründeraktionäre der SICAV bildet die Generalversammlung, die das oberste Organ der Gesellschaft darstellt.

Ihr stehen folgende Befugnisse zu:

- 1) Wahl und Abberufung der Mitglieder des Verwaltungsrates und die Festlegung ihrer Zeichnungsrechte
- 2) Bestellung des Wirtschaftsprüfers;
- 3) Abnahme der Erfolgsrechnung, der Bilanz und des Jahresberichts;
- 4) Beschlussfassung über die Verwendung des Reingewinns, insbesondere die Festsetzung der Dividenden;

<p>5) The discharge of the Board of Directors and, if applicable, the Executive Board;</p> <p>6) Resolutions on the adoption and amendments to the Articles of Association (if necessary, after prior approval by the FMA);</p> <p>7) Resolution on the dissolution and liquidation of the SICAV (if necessary after prior approval by the FMA), whereby this may only be resolved on the restrictive condition that there are no longer any Fund assets;</p> <p>8) The passing of resolutions on matters reserved for the General Meeting of Shareholders by law or by the Articles of Association or that are submitted to it by the Board of Directors.</p>	<p>5) die Entlastung des Verwaltungsrates und gegebenenfalls der Geschäftsleitung;</p> <p>6) die Beschlussfassung über die Annahme und Änderung der Satzung (gegebenenfalls nach vorheriger Genehmigung durch die FMA);</p> <p>7) Beschlussfassung über die Auflösung und Liquidation der SICAV (gegebenenfalls nach vorheriger Genehmigung durch die FMA), wobei dies nur unter der einschränkenden Bedingung beschlossen werden darf, dass kein Fondsvermögen mehr vorhanden ist;</p> <p>8) die Beschlussfassung über die Gegenstände, die der Generalversammlung durch Gesetz oder die Satzung vorbehalten sind oder ihr vom Verwaltungsrat vorgelegt werden.</p>
<p><b>Art. 9.2 Ordinary General Meeting</b></p> <p>The right to participate in the Annual General Meeting depends on the type of shares held (cf. chapter 2).</p> <p>The ordinary General Meeting of Shareholders shall be convened within six months after the end of a financial year at the registered office of the SICAV or at any other place specified in the notice convening the meeting.</p> <p>If all the founder shares are assembled or represented and no objection is raised, they may also form a general meeting without observing the otherwise prescribed formal requirements for convening such meeting, and valid discussions and resolutions may be held therein on the</p>	<p><b>Art. 9.2 Ordentliche Generalversammlung</b></p> <p>Die Teilnahmeberechtigung an der Generalversammlung richtet sich nach der Art der gehaltenen Aktien (vgl. Kapitel 2).</p> <p>Die ordentliche Generalversammlung wird innerhalb von sechs Monaten nach Ablauf eines Geschäftsjahres am Gesellschaftssitz oder an jedem anderen, in der Einberufung festgelegten Ort einberufen.</p> <p>Wenn sämtliche Gründeraktien versammelt oder vertreten sind und kein Einspruch erhoben wird, können sie auch ohne Beachtung der sonst vorgeschriebenen Formvorschriften für die Einberufung eine Generalversammlung bilden, und es kann in derselben über die in</p>

<p>matters within their authority (Universal General Meeting).</p> <p><b>Art. 9.3 Extraordinary General Meetings</b></p> <p>Extraordinary General Meetings may be convened at any time in the manner prescribed by law.</p> <p>If all the founder shares are assembled or represented and no objection is raised, they may also form an Extraordinary General Meeting without observing the formal requirements otherwise prescribed for the convening such meeting, and valid discussions and resolutions may be passed at the same on the matters within their authority (Universal General Meeting).</p> <p><b>Art. 9.4 Convocation</b></p> <p>The General Meeting is convened by the Board of Directors in accordance with the law, internal guidelines and the Articles of Association.</p> <p>The invitation must be sent at least twenty days before the date of the General Meeting, stating the agenda, time and place.</p> <p>The Board of Directors shall convene a General Meeting if requested to do so by founder shareholders representing at least one tenth of the total shares with voting rights, stating the matters to be discussed.</p> <p><b>Art. 9.5 Organization</b></p> <p>The General Meeting is chaired by the Chairman of the Board of Directors. If he is unable to do so, a member of the Board of Directors</p>	<p>deren Befugnis liegenden Gegenstände gültig verhandelt und Beschluss gefasst werden (Universalversammlung).</p> <p><b>Art. 9.3 Ausserordentliche Generalversammlungen</b></p> <p>Ausserordentliche Generalversammlungen können jederzeit in der gesetzlich vorgeschriebenen Weise einberufen werden.</p> <p>Wenn sämtliche Gründeraktien versammelt oder vertreten sind und kein Einspruch erhoben wird, können sie auch ohne Beachtung der sonst vorgeschriebenen Formvorschriften für die Einberufung eine ausserordentliche Generalversammlung bilden, und es kann in derselben über die in deren Befugnis liegenden Gegenstände gültig verhandelt und Beschluss gefasst werden (Universalversammlung).</p> <p><b>Art. 9.4 Einberufung</b></p> <p>Die Generalversammlung wird durch den Verwaltungsrat gemäss Gesetz, internen Richtlinien und Satzung einberufen.</p> <p>Die Einladung hat mindestens zwanzig Tage vor dem Tag der Generalversammlung zu erfolgen, unter Bekanntgabe der Tagesordnung, von Zeit und Ort.</p> <p>Der Verwaltungsrat hat eine Generalversammlung einzuberufen, wenn dies von Gründeraktionären, die mindestens ein Zehntel der gesamten stimmberechtigten Aktien vertreten, unter Anführung der zu behandelnden Angelegenheiten verlangt wird.</p> <p><b>Art. 9.5 Organisation</b></p> <p>Den Vorsitz in der Generalversammlung führt der Präsident des Verwaltungsrates. Bei dessen Verhinderung führt ein vom</p>
---	--

designated by the Board of Directors or a Chairman elected by the General Meeting of Shareholders shall preside.

The Chairman shall designate the keeper of the minutes and the vote counter. The keeper of the minutes shall sign the minutes of the meeting together with the chairman.

#### **Art. 9.6 Adoption of resolutions and voting rights**

Each founder share entitles the holder to one vote. Shareholders may represent their shares themselves or have them represented by a third party who need not be a shareholder. Investor shares do not confer voting rights.

The General Meeting carries out its elections and passes its resolutions by an absolute majority of the share votes represented.

In the event of a tie, the motion in question is deemed approved.

Elections and votes shall be held openly, unless the Chairman or one of the founder shareholders requests that they be held by secret ballot.

### **Art. 10 Board of Directors**

#### **Art. 10.1 Organization**

The Board of Directors consists of at least one member.

The members are natural persons or legal entities.

Normally, the Board of Directors is elected at the ordinary General Meeting. The term of office of the members of the Board of Directors

Verwaltungsrat bestimmtes Verwaltungsratsmitglied den Vorsitz oder ein durch die Generalversammlung gewählter Präsident.

Der Vorsitzende bezeichnet den Protokollführer und Stimmzähler. Der Protokollführer hat gemeinsam mit dem Vorsitzenden die Verhandlungsprotokolle zu unterzeichnen.

#### **Art. 9.6 Beschlussfassung und Stimmrecht**

Jede Gründeraktie berechtigt zu einer Stimme. Die Aktionäre können ihre Aktien selbst vertreten oder durch einen Dritten, der nicht Aktionär zu sein braucht, vertreten lassen. Anlegeraktien verleihen kein Stimmrecht.

Die Generalversammlung vollzieht ihre Wahlen und fasst ihre Beschlüsse mit absoluter Mehrheit der vertretenen Aktienstimmen.

Bei Stimmgleichheit gilt der betreffende Antrag als angenommen.

Die Wahlen und Abstimmungen finden offen statt, sofern nicht der Vorsitzende oder einer der Gründeraktionäre verlangt, dass sie geheim erfolgen.

### **Art. 10 Verwaltungsrat**

#### **Art. 10.1 Zusammensetzung**

Der Verwaltungsrat besteht aus mindestens einem Mitglied.

Bei den Mitgliedern handelt es sich um natürliche oder juristische Personen.

Der Verwaltungsrat wird in der Regel in der ordentlichen Generalversammlung gewählt. Die Amtsdauer der Mitglieder des

<p>lasts until a new election has been held by the General Meeting. This is subject to prior resignation or dismissal.</p> <p>The members of the Board of Directors may be re-elected at any time.</p> <p><b>Art. 10.2 Self-constitution</b></p> <p>The Board of Directors constitutes itself. It elects the Chairman and the Vice Chairman (Deputy) from among its members.</p> <p><b>Art. 10.3 Tasks</b></p> <p>The Board of Directors is responsible for the ultimate direction of the SICAV as well as the supervision and control of the Management.</p> <p>It represents the SICAV externally and handles all matters that are not assigned to another body of the SICAV or to third parties by law, by the Articles of Association, by special regulations or by a separate contract.</p> <p><b>Art. 10.4 Appointment of the Management</b></p> <p>The Board of Directors is authorized to appoint an AIFM licensed in Liechtenstein for the Management of the SICAV under its own responsibility in accordance with the legal regulations by means of a separate contract. The same shall also apply to an AIFM licensed in another EEA member state that is permitted to provide the same services through a domestic branch or cross-border within the scope of the freedom of services.</p>	<p>Verwaltungsrates dauert so lange, bis die Generalversammlung eine Neuwahl vorgenommen hat. Vorbehalten bleiben vorheriger Rücktritt oder Abberufung.</p> <p>Die Mitglieder des Verwaltungsrates sind jederzeit wieder wählbar.</p> <p><b>Art. 10.2 Selbstkonstitution</b></p> <p>Der Verwaltungsrat konstituiert sich selbst. Er wählt aus seiner Mitte den Präsidenten und den Vizepräsidenten (Stellvertreter).</p> <p><b>Art. 10.3 Aufgaben</b></p> <p>Dem Verwaltungsrat obliegt die oberste Leitung der SICAV sowie die Überwachung und Kontrolle der Geschäftsführung.</p> <p>Er vertritt die SICAV nach aussen und besorgt alle Angelegenheiten, die nicht nach Gesetz, Satzung, einem besonderen Reglement oder einem separaten Vertrag einem anderen Organ der SICAV oder Dritten übertragen sind.</p> <p><b>Art. 10.4 Bestimmung der Geschäftsführung</b></p> <p>Der Verwaltungsrat ist ermächtigt, unter eigener Verantwortung gemäss den gesetzlichen Regelungen mit separatem Vertrag einen in Liechtenstein zugelassenen AIFM für die Geschäftsführung zu bestimmen. Das Gleiche gilt auch für einen in einem anderen EWR-Mitgliedstaat zugelassenen AIFM, der über eine inländische Zweigniederlassung oder im Rahmen des grenzüberschreitenden Dienstleistungsverkehrs entsprechende Tätigkeiten erbringen darf.</p>
--	---

In any case, only the AIFM is authorized to decide to amend the Investment Terms and Conditions (if necessary after prior approval by the FMA).

#### **Art. 10.5 Meetings and Resolutions**

The Board of Directors shall meet as often as business requires, but at least once a year, at the invitation of the Chairman or, in his absence, of another member. Any member may request the Chairman to convene an extraordinary meeting without delay, giving reasons.

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

Resolutions are passed by a simple majority of the votes cast. Resolutions may also be passed by circular unless a member requests oral deliberation. Circular resolutions require unanimity and must be recorded in the minutes of the next meeting.

The President shall vote and shall cast the deciding vote in the event of a tie.

Minutes shall be kept of the meetings and resolutions of the Board of Directors. The minutes shall be signed by the Chairman and the keeper of the minutes.

#### **Art. 10.6 Signatory rights**

The signatory rights of the members of the Board of Directors shall be determined by the General Meeting. Unless otherwise stipulated, the members of the Board of Directors shall sign collectively in twos in the

In jedem Fall ist nur der AIFM befugt, eine Änderung der Anlagebedingungen (gegebenenfalls nach vorheriger Genehmigung durch die FMA) zu beschliessen.

#### **Art. 10.5 Versammlung und Beschlussfassung**

Der Verwaltungsrat versammelt sich, sooft es die Geschäfte erfordern, mindestens jedoch einmal jährlich, auf Einladung des Präsidenten oder bei dessen Verhinderung eines anderen Mitglieds. Jedes Mitglied kann unter Angabe von Gründen vom Präsidenten die unverzügliche Einberufung einer ausserordentlichen Sitzung verlangen.

Der Verwaltungsrat ist beschlussfähig, wenn die Mehrheit seiner Mitglieder anwesend ist.

Die Beschlüsse werden mit einfacher Mehrheit der abgegebenen Stimmen gefasst. Beschlüsse können auch auf dem Zirkularweg gefasst werden, sofern nicht ein Mitglied die mündliche Beratung verlangt. Zirkularbeschlüsse bedürfen der Einstimmigkeit und sind im Protokoll der nächsten Sitzung festzuhalten.

Der Präsident stimmt mit und gibt bei Stimmgleichheit den Ausschlag.

Über die Verhandlungen und Beschlüsse des Verwaltungsrates ist ein Protokoll zu führen. Das Protokoll ist vom Vorsitzenden und vom Protokollführer zu unterzeichnen.

#### **Art. 10.6 Zeichnungsberechtigung**

Das Zeichnungsrecht der Mitglieder des Verwaltungsrates wird durch die Generalversammlung festgelegt. Sofern nichts anderes festgelegt ist, zeichnen die Verwaltungsräte bei mehr als einem Mitglied des

case of more than one member of the Board of Directors. Other signatory rights shall be regulated by the Board of Directors.

#### **Art. 11 Auditor**

The audit of the annual reports of the SICAV shall be entrusted to an auditor licensed in the Principality of Liechtenstein and appointed by the General Meeting. The Auditor is appointed for a period of one year, may be re-elected and may be dismissed at any time by the General Meeting.

### **4 Amendment of the Articles of Association and liquidation of the SICAV**

#### **Art. 12 Amendment of the Articles of Association**

The Articles of Association may be amended at any time by resolution of the General Meeting.

The FMA must be notified in writing of a material change to the Constituent Documents one month prior to the implementation of a planned change or immediately after the occurrence of an unplanned change. At the same time as the notification to the FMA, the investors shall be informed of the planned change by notice in the AIF's publication medium. If the FMA approves the requested change within a shorter period of time or does not object within the one-month period, the change may be implemented.

Verwaltungsrates kollektiv zu zweien. Andere Zeichnungsberechtigungen regelt der Verwaltungsrat.

#### **Art. 11 Wirtschaftsprüfer**

Die Kontrolle der Jahresberichte der SICAV ist einem Wirtschaftsprüfer zu übertragen, der im Fürstentum Liechtenstein zugelassen ist und von der Generalversammlung ernannt wird. Der Wirtschaftsprüfer ist für eine Dauer von einem Jahr ernannt, kann wiedergewählt und jederzeit von der Generalversammlung abberufen werden.

### **4 Satzungsänderung und Auflösung der SICAV**

#### **Art. 12 Satzungsänderung**

Durch Beschluss der Generalversammlung kann die Satzung jederzeit geändert werden.

Eine wesentliche Änderung der konstituierenden Dokumente ist der FMA einen Monat vor Durchführung einer geplanten Änderung oder unverzüglich nach Eintreten einer ungeplanten Änderung schriftlich mitzuteilen. Gleichzeitig mit der Mitteilung an die FMA werden die Anleger über die geplante Änderung per Mitteilung im Publikationsorgan des AIF informiert. Stimmt die FMA auf Antrag der Änderung binnen kürzerer Frist zu oder widerspricht sie nicht innerhalb der einmonatigen Frist, darf die Änderung durchgeführt werden.



### **Art. 13 Liquidation**

The liquidation may relate exclusively to the Fund assets or may be carried out together with the liquidation of the founder assets of the SICAV. If the liquidation relates only to the Fund assets, the SICAV must be converted into another corporate form by means of an amendment to the Articles of Association. The liquidation of the Fund assets shall be governed by the provisions contained in the Investment Terms and Conditions.

The liquidation of the founder assets is carried out in accordance with the provisions of the PGR (Persons and Companies Act) as amended, taking into account relevant guidelines issued by the FMA.

The SICAV may only be liquidated once all Fund assets have been liquidated.

### **Art. 14 Liquidation costs**

The costs of liquidating the Fund assets shall be borne by the Fund assets or the investors. The costs of liquidating the founder assets shall be borne by the founder assets or the founder shareholders.

### **Art. 13 Auflösung**

Die Auflösung kann sich ausschliesslich auf das Fondsvermögen beziehen, oder kann zusammen mit der Auflösung des Gründervermögens der SICAV erfolgen. Bezieht sich die Auflösung nur auf das Fondsvermögen ist die SICAV zwingend mittels Änderung der Satzung in eine andere Gesellschaftsform umzuwandeln. Für die Auflösung des Fondsvermögens gelten die in den Anlagebedingungen enthaltenen Bestimmungen.

Die Liquidation des Gründervermögens erfolgt gemäss den Bestimmungen des PGR (Personen- und Gesellschaftsrecht) i.d.g.F. unter Berücksichtigung einschlägiger Wegleitungen der FMA.

Die SICAV kann erst dann liquidiert werden, wenn sämtliches Fondsvermögen liquidiert wurde.

### **Art. 14 Kosten der Auflösung**

Die Kosten der Auflösung des Fondsvermögens gehen zu Lasten des Fondsvermögens bzw. der Anleger. Die Kosten der Auflösung des Gründervermögens gehen zu Lasten des Gründervermögens bzw. der Gründeraktionäre.

## 5 Final provisions

### Art. 15 Notifications to the founder shareholders and to third parties

Notifications concerning the founder shareholders shall be made in text form (e.g. by email, fax or letter) to the founder shareholders listed in the share register.

Publications to third parties (in particular to the investors) are made on the homepage of the LAFV Liechtensteinischer Anlagefondsverband ([www.lafv.li](http://www.lafv.li)).

### Art. 16 Fiscal year and accounting

The financial year of the SICAV begins January 1<sup>st</sup> and ends December 31<sup>st</sup>. The balance sheet date is December 31<sup>st</sup>. The first financial year ends on December 31<sup>st</sup>, 2025.

The annual reports of the SICAV shall be prepared in accordance with the principles of proper accounting in compliance with the provisions of the PGR and the supplementary provisions of the AIFMG and the AIFMV. They shall be submitted to the Auditor for audit and to the General Meeting for approval.

### Art. 17 Binding language

In order to ensure that they can be registered in the commercial register, only the German version of the articles of association is valid.

## 5 Schlussbestimmungen

### Art. 15 Mitteilungen an die Gründeraktionäre und Dritte

Mitteilungen betreffend die Gründeraktionäre erfolgen in Textform (z.B. per e-mail, Fax oder Brief) an die im Aktienbuch verzeichneten Gründeraktionäre.

Publikationen an Dritte (insbesondere an die Anleger) erfolgen auf der Homepage des LAFV Liechtensteinischer Anlagefondsverband ([www.lafv.li](http://www.lafv.li)).

### Art. 16 Geschäftsjahr und Rechnungslegung

Das Geschäftsjahr der SICAV beginnt am 1. Januar und endet am 31. Dezember. Bilanzstichtag ist der 31. Dezember. Das erste Geschäftsjahr endet am 31. Dezember 2025.

Die Jahresrechnung der SICAV ist nach den Grundsätzen ordnungsgemässer Rechnungslegung in Übereinstimmung mit den Vorschriften des Personen- und Gesellschaftsrechts sowie den ergänzenden Bestimmungen des AIFMG und der AIFMV zu erstellen. Sie ist dem Wirtschaftsprüfer zur Prüfung und der Generalversammlung zur Genehmigung vorzulegen.

### Art. 17 Massgebende Sprache

Um die Eintragungsfähigkeit in das Handelsregister zu gewährleisten, ist die Satzung ausschliesslich in der deutschen Fassung gültig.

Other language versions (including the English language version) are for information purposes only.

### **Art. 18 Applicable law**

The SICAV is subject to Liechtenstein law, in particular the PGR (Persons and Companies Act).

### **Art. 19 Jurisdiction**

The Princely District Court in Vaduz has jurisdiction over all disputes arising from or in connection with the corporate relationship.

### **Art. 20 Formation costs**

The foundation costs amount to approximately EUR 10'000,-.

### **Art. 21 Entry into force**

The Articles of Association shall enter into force upon entry in the Commercial Register.

Vaduz, September 6<sup>th</sup>, 2024 (date of notarization)

Andere Sprachfassungen (einschliesslich der englischen Sprachfassung) dienen lediglich Informationszwecken.

### **Art. 18 Anwendbares Recht**

Die SICAV untersteht liechtensteinischem Recht, insbesondere dem PGR (Personen- und Gesellschaftsrecht).

### **Art. 19 Gerichtsstand**

Zuständig für sämtliche Streitigkeiten aus oder in Zusammenhang mit dem Gesellschaftsverhältnis ist das Fürstliche Landgericht in Vaduz.

### **Art. 20 Gründungskosten**

Die Gründungskosten belaufen sie auf etwa EUR 10'000,-.

### **Art. 21 Inkrafttreten**

Die Satzung tritt mit Eintragung im Handelsregister in Kraft.

Vaduz, den 6. September 2024 (Datum der Beurkundung)