

# AIF

## Prospectus and Statute including annexures specific to partial funds

November 20, 2019

### AARGOS Funds SICAV

**Investment company with variable capital according to Liechtenstein law  
for professional and qualified investors**

**(hereinafter referred to as investment company or "AIF")**

Note: The investment company is an umbrella structure, which can include several partial funds. The various partial funds are separated in terms of assets and liabilities. Where reference is made in this prospectus and statute to the investment company, including Annexure B "Overview of partial funds", this implies the entire structure i.e., all partial funds together. On the other hand, if a reference is made in this prospectus and statute to partial funds, including Annexure B "Overview of partial funds", this always implies a single partial fund. This investment company currently has only 1 partial fund. Detailed information is given in Point 4 of this prospectus and in Art. 1 of the statute.

Portfolio manager:



AIFM:



## Instructions for investors

### Prerequisite for investment

The shares of AIF are purchased based on the prospectus, the statute and the latest annual report, if already published. Only the information given in the prospectus and the statute, including Annexure A and Annexure B, shall be valid. Upon purchase of shares, they are deemed to have been approved by the investor.

### Purchase reservation

This prospectus and the statute do not constitute an offer or invitation to subscribe for shares of AIF by any person in any jurisdiction, in which such offer or invitation is unlawful, or in which the person making such offer or invitation is not qualified to do so, or to any person, to whom such offer or invitation is unlawful.

### Information reservation

Information, which is not contained in this prospectus and statute or in the documents made available to public and does not come from AIFM, the depository or from a person authorised for selling the shares of AIF, is not considered as authorised and is not reliable.

### Tax reservation

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

### Sales reservation

Annexure D "Specific information for individual countries of sale" - as far as available - contains information regarding the sale in different countries. The shares of AIF are not permitted for sale in all countries of the world. If shares are issued, transferred and redeemed abroad, the provisions in force there apply. In general, the shares of AIF should not be offered in jurisdictions and to persons, in which or to whom this is not allowed.

### Use of block-chain technology

Insofar as shares of certain fund share classes are represented by tokens in partial funds, there are specific risks associated with these technologies. Such tokenised shares of certain share classes of partial funds use the Ethereum block-chain as the underlying technology to facilitate the process of issue and the transfer of the related rights from one person to another. Potential investors, who have not yet familiarized themselves with this technology, are requested to inform themselves about it.

The explanations given in Section 8 "Risk information" (in particular Points 8.2.3 and 8.2.4) describes general risks associated with the block-chain. Specific associated risks are described in the Annexure to the respective partial fund.

### Complaints

**The satisfaction of our investors is of prime importance to us. Therefore, our agents and we take all your suggestions, criticism and complaints regarding the funds we manage very seriously. Investors have the opportunity to file a complaint with us as the AIFM of the fund, Ahead Wealth Solutions AG, Austrasse 15, 9490 Vaduz, Liechtenstein. This complaint can be made by e-mail, fax or in writing and is, of course, free of charge for the investor. Further information for this topic – including the possibility of downloading a complaint form – is given on our home page [www.ahead.li](http://www.ahead.li) in the column Ahead | Investor information | Investor complaints. Here, you can also find further useful information about our funds.**

**For us, it is very important to know, if the investors are in any way not satisfied with the funds we manage – therefore, please do not hesitate to contact us!**

## Organisation of the investment company

<b>Country of incorporation:</b>	Liechtenstein
<b>Responsible supervisory authority:</b>	Financial Market Authority Liechtenstein (FMA); <a href="http://www.fma-li.li">www.fma-li.li</a> Landstrasse 109, 9490 Vaduz, Liechtenstein
<b>Board of Directors of the investment company:</b>	AARGOS AG, Vaduz (LI) Ahead Wealth Solutions AG, Vaduz (LI)
<b>Management of the investment company:</b>	Ahead Wealth Solutions AG Austrasse 15, 9490 Vaduz, Liechtenstein
<b>Board of Directors of Ahead Wealth Solutions AG:</b>	Beat Frischknecht, Weinfelden (CH) Doris Beck, Ruggell (LI) Dr. Heinz Frommelt, Wädenswil (CH) Lic.oec. Karlheinz Ospelt, Vaduz (LI)
<b>Management of Ahead Wealth Solutions AG:</b>	Alex Boss, Vaduz (LI) Peter Bargetze, Triesen (LI) Martin Krassnitzer, Bludesch (AT)
<b>Portfolio manager</b>	ArclInvest AG Stöcklerweg 1, 9490 Vaduz, Liechtenstein For the partial funds: <ul style="list-style-type: none"><li>• AARGOS Global Real Estate Fund</li></ul>
<b>Depository:</b>	Bank Frick & Co. AG Landstrasse 14, 9496 Balzers, Liechtenstein For the partial funds: <ul style="list-style-type: none"><li>• AARGOS Global Real Estate Fund</li></ul>
<b>Chartered Accountant:</b>	Grant Thornton AG Bahnhofstrasse 15, 9494 Schaan, Liechtenstein

## Key data of the investment company

<b>Name of the investment company:</b>	AARGOS Funds SICAV
<b>Date of incorporation of the investment company:</b>	October 09, 2019
<b>Legal structure:</b>	AIF in the legal form of an investment company with variable capital under Liechtenstein law pursuant to the law dated December 19, 2012 for Alternative Investment Fund Managers (AIFMG)
<b>Fund structure:</b>	Umbrella structure with one partial fund
<b>Name of the partial fund:</b>	AARGOS Global Real Estate Fund
<b>Business year:</b>	The business year of the investment company starts on January 1 and end on December 31.
<b>Accounting currency of the investment company:</b>	CHF

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## PART I: THE PROSPECTUS

The issue and withdrawal of shares of the corresponding partial fund is done based on the currently valid statute, on Annexure A "Organisational structure of AIF and AIFM" and on Annexure B "Overview of partial funds". This statute is supplemented by the respectively latest annual report. If the cut-off date of the annual report is more than eight months in the past, the semi-annual report, if one is required, must also be offered to the buyer.

It is not permitted to provide information or make statements that deviate from the prospectus, statute, Annexure A "Organisational structure of AIF and AIFM", Annexure B "Overview of partial funds" or the key investor information. AIFM is not liable, if information is given or statements are made that deviate from the latest prospectus, statute or the key investor information.

The prospectus and the statute, including Annexure A "Organisational structure of AIF and AIFM" and Annexure B "Overview of partial funds" are given here in a single document. The essential constituent document of the fund is the statute including Annexure A "Organisational structure of AIF and AIFM" and Annexure B "Overview of partial funds". **Only the statute including Annexure A "Organisational structure of AIF and AIFM" and Annexure B "Overview of partial funds" are subject to the substantive legal review of the Liechtenstein Financial Market Authority.**

### 1 Sale documents

The prospectus, the statute, the Annexure A "Organisational structure of AIF and AIFM", the Annexure B "Overview of partial funds" as well as the latest annual report, if already published, are available free of charge on a durable medium from AIFM, the depository, the paying agents and all authorised distributors in the country and abroad as well as on the website of LAFV Liechtenstein Investment Fund Association at [www.lafv.li](http://www.lafv.li).

If desired by the investor, the mentioned documents can also be made available to him on paper free of charge. More information about the investment company or its partial funds is available in the Internet at [www.ahead.li](http://www.ahead.li) and from Ahead Wealth Solutions AG, Austrasse 15, 9490 Vaduz, during the normal business hours.

### 2 The statute

The statute includes a general part as well as the Annexure A "Organisational structure of AIF and AIFM" and Annexure B "Overview of partial funds". The statute and the aforesaid annexures are printed in full. The statute, the Annexure A "Organisational structure of AIF and AIFM" as well as the Annexure B "Overview of partial funds" can be amended or supplemented, in whole or in parts, any time by AIFM. Amendment of the statute, of Annexure A "Organisational structure of AIF and AIFM" as well as of Annexure B "Overview of partial funds" requires the prior approval of FMA.

The prospectus as well as the other annexures are not subject to an auditing obligation by the FMA and, therefore, do not have to be approved by the FMA.

Each amendment of the statute as well as of Annexure A "Organisational structure of AIF and AIFM" as well as Annexure B "Overview of partial funds" is published in the publication medium of AIF and is thereafter legally binding for all investors. The publication medium of the investment company is the web page of LAFV Liechtenstein Investment Funds Association [www.lafv.li](http://www.lafv.li).

### 3 General information about the investment company

AARGOS Funds SICAV (hereinafter referred to as "AIF") was established on October 9, 2019 as an alternative investment fund (AIF) of the open-ended type under the law of principality of Liechtenstein.

The statute and Annexure A "Overview of partial funds" were approved by FMA on September 16, 2019 and the investment company was entered in the trade register of Liechtenstein on October 10, 2019.

The statute and the Annexure A “Overview of partial funds” came into force the first time on November 20, 2019.

The investment company is a legally independent open-ended collective investment undertaking and is subject to the law dated December 19, 2012 on Managers of Alternative Investment Funds (hereinafter referred to as “AIFMG”), in its respectively latest version.

The investment company is an umbrella structure, which can include several partial funds. The various partial funds are separated in terms of assets and liabilities. Where reference is made in this prospectus to provisions of the investment company, this implies the entire structure i.e., all partial funds together. On the other hand, if a reference is made in this prospectus to partial funds, this always implies a single partial fund.

The assets, in which AIFM may invest money and the rules to be followed while doing so, are laid down in AIFMG, the statute and the Annexure B “Overview of partial funds”, which regulate the legal relationship between the shareholders (hereinafter: investors), AIFM and the depository. Unless agreed upon otherwise in the AIFMG, the legal relationship between investors and the AIFM is governed by the statute and, unless otherwise provided therein, by the provisions of the Persons and Companies Act (PGR). The statute includes a general part (the statute) as well as the Annexure A “Organisational structure of AIF and AIFM” and Annexure B “Overview of partial funds”. The statute as well as the Annexure A “Organisational structure of AIF and AIFM” and the Annexure B “Overview of partial funds” and each of their amendments require the approval of the Financial Market Authority (FMA) of Liechtenstein, in order to be effective.

## **4 Information about the structure of the investment company**

### **4.1 Duration of the investment company**

The duration of the investment company results from Annexure B “Overview of partial funds”.

### **4.2 Shares of the investment company**

The investors participate in the respective partial fund assets of the investment company in proportion to the shares they have purchased.

The units are not documented, but are only kept in book-entry form i.e., no certificates are issued. If the investment company decides to build new classes of shares, the shares of these classes can be represented by tokens based on block-chain; such shares are also maintained only in the book-entry form. A meeting of the investors e.g., in a general meeting, is not planned and the investors have no voting rights. By subscribing to or by buying shares, the investor acknowledges the statute and the Annexure B “Overview of partial funds”. Investors, their heirs or other authorised persons may not demand the division or dissolution of the investment company. The details of the individual partial funds of the investment company are described in Annexure B “Overview of partial funds”.

### **4.3 Partial funds of the investment company**

In principle, all shares of a partial fund embody the same rights, unless the investment company decides to issue different classes of shares within a partial fund in accordance with Art. 42 of the statute.

Each partial fund is regarded as an independent asset in the relationship among the investors. The rights and obligations of investors in one partial fund are different from those of investors in the other partial funds.

With respect to third parties, the assets of the individual partial funds are liable only for the obligations entered into by the respective partial funds themselves.

This prospectus and the statute, including Annexure A “Organisational structure of AIF and AIFM” and Annexure B “Overview of partial funds” apply to all partial funds of AARGOS Funds SICAV. At present, the investment company is offering the following partial fund for subscription:

- AARGOS Global Real Estate Fund

#### 4.4 Class of shares

The investment company can decide to make several classes of shares within a partial fund.

Pursuant to Articles 24 and 43 of the statute of the investment company, share classes may in future be formed, which differ from the existing share classes with regard to the allocation of income, the issue commission, the reference currency and the use of currency hedging transactions, the management fee, the minimum investment amount or a combination of these features. However, the rights of the investors, who have acquired shares from the existing share classes, remain unaffected by this.

The share classes launched in connection with each partial fund and the fees and remunerations incurred in connection with the shares of the partial fund are set forth in Annexure B "Overview of partial funds". More information about the share classes can be taken from Clause 9.4.2.

#### 4.5 Past performance of partial funds

The past performance of partial funds or of the share classes is given on the web page of LAFV Liechtenstein Investment Funds Association at [www.lafv.li](http://www.lafv.li) or in KIID. The past performance of a share is not a guarantee for the current and future performance. The value of a share can rise or fall at any time. The commissions and fees incurred for issue and redemption do not take into account the past performance shown.

### 5 Organisation

#### 5.1 Country of residence / Competent supervisory authority

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

#### 5.2 Legal relationships

The legal relationships between the investors and the investment company are governed by the law dated December 19, 2012 on Alternative Investment Fund Managers (AIFMG) and the ordinance dated March 22, 2016 on Alternative Investment Fund Managers (AIFMV) and, to the extent not regulated therein, by the provisions of the Persons and Companies Act (PGR).

#### 5.3 Investment company

##### 5.3.1 Head-office

The head-office of the company is in Vaduz, principality of Liechtenstein.

##### 5.3.2 Management

The investment company has designated the third party company mentioned in Section 5.4 as AIFM (management) as defined in the AIF Act. This third company is responsible for the administration, risk management, distribution and ongoing management of the partial funds.

##### 5.3.3 Board of Directors of the investment company

Chairperson	AARGOS AG, Vaduz (LI)
Member	Ahead Wealth Solutions AG, Vaduz (LI)

#### 5.4 AIFM

Ahead Wealth Solutions AG (hereinafter "Ahead"), Austrasse 15, 9490 Vaduz, Liechtenstein, HR No. FL-0002.273.796-4.

Ahead was founded on February 27, 2008 for an unlimited period of time in the form of a public limited company with its registered office and head office in Vaduz, principality of Liechtenstein. AIFM is authorised by the Liechtenstein supervisory authority in accordance with the relevant provisions of the AIFMG on October 14, 2013 and was entered in the official list of Liechtenstein management companies.

The share capital of the AIFM is CHF 2 million, divided into registered shares and is fully paid up to 100%.

The corporate purpose of the AIFM is the management and distribution of alternative investment funds under the Liechtenstein law.

In addition, Ahead is notified in the following countries under the European Trade in Services:

Germany | since 11.09.2008 | registration number 121.629

Italy | since 09.03.2009 | registration number 23626.5

Austria | since 18.03.2009 | registration number n/a

Luxembourg | since 17.07.2009 | registration number n/a

Based on an agreement of appointment and delegation, the investment company has designated Ahead Wealth Solutions AG as an AIFM as defined in AIFMG.

AIFM shall manage the investment company and its partial funds for the account and in the exclusive interest of the investors according to the principle of risk spreading and in accordance with the provisions of the statute and Annexure A "Organisational structure of AIF and AIFM" and Annexure B "Overview of partial funds".

AIFM is entitled to dispose off, in its own name, the assets belonging to the investment company in accordance with the legal provisions of the statute and to exercise all rights arising from this. The details regarding the rights and duties of AIFM are regulated in AIFMG.

An overview of all investment funds managed by AIFM is given on the web page of LAFV Liechtenstein Investment Funds Association ([www.lafv.li](http://www.lafv.li)).

### 5.5 Board of Directors

President Beat Frischknecht, Weinfelden (CH)

Members Doris Beck, Ruggell (LI)

Dr. Heinz Frommelt, Wädenswil (CH)

Lic.oec. Karlheinz Ospelt, Vaduz (LI)

### 5.6 Management

Chairman Alex Boss, Vaduz (LI)

Members Peter Bargetze, Triesen (LI)

Martin Krassnitzer, Bludesch (AT)

### 5.7 Portfolio management

The portfolio management for the partial funds given below has been assigned to ArclInvest AG, Stöcklerweg 1, 9490 Vaduz, Liechtenstein:

- AARGOS Global Real Estate Fund

ArclInvest AG focuses on investment and asset management for institutional and private clients and is prudentially supervised by the FMA.

The task of portfolio management is, in particular, the independent daily implementation of the investment policy and the conduct of the day-to-day business of the respective partial fund as well as other related services under the supervision, control and responsibility of the AIFM. These tasks are performed in compliance with the principles of the investment policy and the investment restrictions of the respective partial fund, as described in Annexure B "Overview of partial funds", as well as the statutory investment restrictions.

The portfolio manager has the right to seek advice from third parties, in particular, from various investment advisors, at his own expense and responsibility.

The precise execution of the mandate is governed by a portfolio management agreement concluded between AIFM and ArclInvest AG.

### 5.8 Investment advisors

No investment advisors have been appointed.

## 5.9 Depository

The Bank Frick & Co. AG, Landstrasse 14, 9496 Balzers, Liechtenstein acts as the depository for AIF.

The Bank Frick & Co. AG was founded in 1998 by the Liechtenstein trustee Kuno Frick sen. together with financial investors from Austria. Today the bank is owned by the Kuno Frick Family Foundation (70 percent) and Net 1 UEPS Technologies, Inc. (Net1; 30 percent), a financial technology company listed in NASDAQ. The bank strategically manages the business area of digital banking services. The bank's roots lie in private banking and in the development of tailor-made financial services. Other business areas are institutional banking and comprehensive services in the funds sector. Experts of Bank Frick are on hand to advise professional financial intermediaries and issuers.

The depository holds the assets in safe custody on behalf of the investment company. It may, with the consent of AIFM, entrust it in whole or in part for safekeeping to other banks, financial institutions and recognised clearing houses that meet the legal requirements. The depository's tasks also include the execution of applications or orders for subscription, redemption, conversion and transfer of shares and the keeping of the register of shares. The depository shall fulfil its duties and assume the responsibilities under the AIFM and the depository agreement, as amended (the "Depository Agreement"). It acts independent of AIFM and exclusively in the interest of the investors.

The depository is subject to the provisions of the Liechtenstein FATCA agreement and the corresponding implementation provisions in the Liechtenstein FATCA Act.

## 5.10 Auditors of the investment company and of AIFM

Grant Thornton AG, Bahnhofstrasse 15, 9494 Schaan, Liechtenstein.

The investment company and AIFM must have their business activities audited annually by an auditor independent of them and recognized by the FMA.

## 6 General investment principles and restrictions

The relevant partial fund's assets are invested in compliance with the principle of risk diversification as defined in the rules of AIFMG and in accordance with the investment policy principles described in Article 43 of the statute as well as in accordance with the investment policy principles and within the investment restrictions described in Annexure B "Overview of partial funds".

### 6.1 Aim of investment

The aim of investment policy for the individual partial funds is described in Annexure B "Overview of partial funds".

### 6.2 Investment policy

The investment policy for the partial funds is described in Annexure B "Overview of partial funds".

The general investment principles and restrictions set out in Section VIII of the statute apply to all partial funds, unless deviations or additions are specified for the respective partial fund in Annexure B "Overview of partial funds".

The implementation of the fund-specific investment policy can have a significant impact on the investment result due to the burden of transaction costs.

### 6.3 Accounting/reference currency

The accounting currency of the partial funds and the reference currency for each class of shares are set forth in Annexure B "Overview of partial funds".

The accounting currency is the currency, in which the accounting of the partial funds is done. The reference currency is the currency, in which the performance and the net inventory value of the share classes have been calculated. Investments are made in the currencies that are best suited to the performance of the respective partial fund.

## 6.4 Profile of the typical investor

The profile of the typical investor for the individual partial funds is described in Annexure B “Overview of partial funds”.

## 7 Investment regulations

### 7.1 Permitted investments

The permitted investments as well as the possible restrictions are given in Annexure B “Overview of partial funds”.

### 7.2 Not permitted investments

**7.2.1** The investments not permitted of the respective partial fund are given in Annexure B “Overview of partial funds”.

**7.2.2** The AIFM may, at any time, in the interest of the shareholders, qualify other investments as unauthorised to the extent necessary to comply with the laws and regulations of those countries, where the shares of AIF are offered and sold.

### 7.3 Investment limits

The investment limits of the respective partial fund are based on the legal provisions of AIFMG depending upon the selected fund type. General restrictions are given in the Annexure B “Overview of partial funds”.

#### **A. Investment periods, within which the corresponding investment limits must be reached**

The investment limits must be reached within the time period mentioned in Annexure B “Overview of partial funds”.

#### **B. Procedure in case of deviations from the investment limits:**

**7.3.1** The partial fund does not have to comply with the investment limits when exercising subscription rights from securities or money market instruments forming part of its assets.

**7.3.2** Where the investment limits are exceeded, AIFM shall, when making sales, seek as a priority objective to normalise that situation, taking into account the interests of investors.

**7.3.3** Any loss incurred as a result of an active breach of the investment limits / investment regulations must be reimbursed to the fund without delay.

### 7.4 Limitation of borrowing and ban on granting credit and guarantees

**7.4.1** The assets of the partial fund may not be pledged or otherwise encumbered, transferred by way of security or assigned by way of security, except in the case of borrowings as defined in the following Clause 7.4.2 or security deposits in connection with the settlement of transactions involving derivative financial instruments.

**7.4.2** The provisions on borrowing are described in the fund-specific Annexure B “Overview of partial funds”.

**7.4.3** The AIF or the relevant partial fund shall not be entitled to claim against the depositary for the granting of the maximum permissible credit limit. The sole decision as to whether, how and in what amount a loan is granted rests with the depositary in accordance with its credit and risk policy. This policy may change during the term of the AIF.

**7.4.4** An AIF may neither grant loans nor act as guarantor for third parties. Agreements contrary to these prohibitions shall not bind the AIF or the investors. Possible exceptions to this are given in the Annexure B “Overview of partial funds”.

**7.4.5** Clause 7.4.4 does not prevent the acquisition of financial instruments that have not yet been fully paid up.

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

### **7.5.1 Risk management procedure**

AIFM must use a risk management process that allows it to monitor and measure at any time the risk associated with the investment positions and their respective share of the overall risk profile of the investment portfolio; it must also use a process that allows an accurate and independent assessment of the value of the OTC derivatives. AIFM shall submit reports to FMA at least once a year containing information that gives a true and fair view of the derivatives used for the AIF, the underlying risks, the investment limits and the methods used to estimate the risks associated with the derivative transactions.

The total exposure (“Total Commitment”) of AIF or the relevant partial fund is calculated either using the Commitment Method or using the Value-at-Risk (VaR) method taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the items.

The risks management method used by AIFM is given in Annexure B “Overview of partial funds”.

### **7.5.2 Derivative financial instruments**

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

Under the conditions and within the limits laid down by law, the partial fund may use techniques and instruments, whose price is derived from other financial instruments (hereinafter referred to as “derivatives”) as a key element in achieving the investment strategy.

The derivatives permissible for the partial funds and the principles of their use are described in Annexure B “Overview of partial funds”.

### **7.5.3 Securities lending**

AIFM does not do any securities lending.

### **7.5.4 Pension transactions**

AIFM does not do any pension transactions.

### **7.5.5 Investments in shares in other funds**

A partial fund may invest in shares in other funds according to its investment policy given in Annexure B “Overview of partial funds”. In doing so, the corresponding investment restrictions are to be followed.

### **7.5.6 Currency hedging of share classes**

The provisions for currency hedging of share classes are described in the fund-specific Annexure B “Overview of partial funds”.

### **7.5.7 Joint administration**

In order to reduce operating and management costs while allowing for a broader diversification of investments, AIFM may decide to manage some or all of the assets of the AIF together with the assets belonging to other collective investment undertakings.

The assets of this AIF are currently managed individually and, therefore, not jointly with assets belonging to other collective investment undertakings.

## **8 Risk instructions**

### **8.1 Risks specific to partial funds**

**The performance of the shares depends on the investment policy and on the market development of the individual investments of the partial fund and cannot be determined in advance. In this context, it should be noted that the value of the shares may rise or fall at any time compared to the issue price. It cannot be guaranteed that the investors gets his invested capital back.**

The risks specific to the partial funds of AIF are given in Annexure B “Overview of partial funds”.



## 8.2 General risks

All investments in a partial fund are associated with risks. These risks may include or be associated with equity and bond market risks, exchange rate, interest rate, credit and volatility risks, and political risks. Each of these risks can also occur together with other risks. This section will briefly explain some of these risks. However, it must be noted that this is not a conclusive listing of all the possible risks.

Insofar as shares are represented and issued by tokens in partial funds, there are specific risks due to technological conditions, which are described in the respective annexure to the partial fund.

Every investment in a company is subject to risks and its value is subject to operational and market-related fluctuations. This also applies to an investment in shares which are issued in the form of block-chain-based tokens via Smart Contracts<sup>1</sup>.

Investors are requested to read the entire prospectus together with the annexures to the partial funds. The information provided in this prospectus, in particular the information in this section on "Risk Factors", as well as specific risk warnings for partial funds in Annexure B, should be observed and considered by every potential investor prior to subscription or purchase of shares.

It is further recommended that investors have or acquire in-depth knowledge and experience of the functionality of block chains, smart contracts and cryptographic tokens in general, prior to subscribing for or purchasing shares of certain classes of shares in the form of tokens pursuant to this prospectus. The occurrence of individual risks or the cumulative interaction of various risks may have material adverse effects on the net assets, financial position and/or results of operations of the issuer or companies affiliated with the issuer, which may have a direct impact on the value and yield of the shares.

In the worst case, there may be an insolvency of the issuer and a total loss of the investment.

**Potential investors should be aware of the risks associated with an investment in shares of the partial fund and should not make an investment decision until they have obtained comprehensive advice from their legal, tax and financial advisors, auditors or other experts regarding the suitability of an investment in shares of the partial fund, taking into account their personal financial and tax situation and all other circumstances, in accordance with the investment policy of the partial fund and the information contained in this prospectus and the statute including Annexure B "Overview of partial funds".**

In addition to the risks specific to partial funds according to Clause 8.1, the investments in partial funds can be subject to the following general risks:

### 8.2.1 Macro-economic risks

#### Monetary value risk

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

#### Economic risk

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

#### Country or transfer risk

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

### 8.2.2 Market-specific risks

#### Market risk (price change risk)

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<sup>1</sup> Smart Contracts technically map the logic of contractual regulations - using the programming code. Such regulations are based on "If-then-else" instructions (if condition "A" occurs, action "B" is executed) and are executed automatically.

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

#### **Interest rate risk**

Insofar as the partial fund invests in interest-bearing securities, it is exposed to an interest rate risk. If market interest rates rise, the market value of the interest-bearing securities forming part of the partial fund's assets may fall significantly. This applies to a greater extent, if the assets of the partial fund also hold interest-bearing securities with longer residual terms and lower nominal interest rates.

#### **Psychological market risk**

Moods, opinions and rumours can cause a significant fall in share prices, although the earnings situation and future prospects of the companies, in which investments are made, need not have changed significantly. The psychological market risk acts particularly on the shares.

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

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

In the event of insolvency proceedings being opened against the assets of the issuer, the issuer is temporarily or permanently restricted in disposing of its assets or if disposals of the issuer's assets are taken over by a court-appointed insolvency administrator. This may have adverse effects on the Issuer's financial position and operations. This case may also occur, if insolvency applications have been filed unjustly.

#### **Counter-party risk**

The risk is that the fulfilment of transactions concluded for the account of the assets is jeopardised by liquidity problems or bankruptcy of the respective counter-party.

#### **Business risk**

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

#### **Currency risk**

If the partial fund holds assets denominated in foreign currencies - and insofar as these foreign currency positions are not hedged - it is exposed to a direct currency risk. Falling exchange rates lead to a reduction in the value of foreign currency investments. In addition to direct currency risks, there are also indirect currency risks. Internationally active companies are more or less dependent on the development of exchange rates, which can also indirectly affect the price development of investments. In the opposite case, the foreign exchange market also offers opportunities for profits.

#### **Hedging of currency risks for share classes**

Where share classes exist which are not denominated in the partial fund's accounting currency, partial or complete hedging against currency risks may be carried out. It is at the discretion of the AIFM to determine, whether and to what extent any hedging is undertaken. There can be no assurance that any hedging will fully cover all currency risks or that any hedging will be beneficial.

### **8.2.3 Risks associated with the block-chain**

Shares of certain share classes of partial funds may be issued in the form of tokens based on the block chain (for example, Ethereum). The following is a brief and simplified description of block-chain technology, limited to aspects necessary to understand the tokenised issue of shares.

A block chain - also known as distributed ledger - can be described as a public and decentralised register that permanently records transaction data.

"Public" means that anyone can see any transaction recorded in the past. The entire transaction history is stored in the register.

"Permanent" means that due to the cryptographic functions on which the technology is based, it is not possible to change the transaction history with current technology. "Decentralised" means that there is no central entity responsible for the registry. Instead, a multitude of "nodes" in a peer-to-peer network (the "Network") constantly synchronise transaction data.

In its basic form, a transaction on the block chain only shows the source, the destination(s) and a certain value or amount that is transferred. The source and destination are designated addresses on the block chain - basically a long alphanumeric string of characters created according to certain mathematical rules (the "address"; "public key"; "public key"). Anyone can create new addresses. When a new address is created, a second alphanumeric string is generated that is unique to that Public Key (the "Private Key"). Each public key has only one such private key.

Along with storing the existing transaction data permanently, the network also has a second purpose. It ensures that each new request to transfer a particular value from one address to another address (the "transaction request") is verified and confirmed. All confirmed transaction requests are permanently stored in the block chain (the "Transaction"). This process continuously extends the transaction history and is also known as mining.

Transaction requests are confirmed by the network, if they are properly authorised and the transaction request does not violate certain rules (e.g., no "double-spending").

Digital signatures are used to determine whether a transaction request has been properly authorised. This means that each transaction request must be cryptographically signed with the private key.

Using the publicly accessible address, the network checks whether a transaction request was actually cryptographically signed with the private key. It is not necessary to disclose the private key for this purpose.

Transaction requests are not confirmed individually, but en bloc for several transaction requests. This means that several transaction requests are confirmed at the same time, but it also means that it takes some time before a transaction request is confirmed. All confirmed transactions are stored in a new block (the "block") in the block chain. The average time for creating a new block on the Ethereum block chain is approximately 20 seconds at the time of writing and approval of this prospectus<sup>2</sup>.

In addition to these two basic functions, (a) the permanent storage of confirmed transactions and (b) the verification of new transaction requests, modern block chains such as Ethereum also enable the decentralised execution of a computer programme (the "Smart Contract"). Smart Contracts perform certain tasks based on their programming. Both the programming and any changes made to the block chain by a Smart Contract are permanently stored in the block chain.

### **Risk of changes in regulatory requirements**

There is a risk of comprehensive regulation of the subject area of crypto-currencies and related services. This may mean that the business model, including the respective tokens, must be adapted accordingly. This may mean that the business model has to be adapted in a way that differs from the form presented in this prospectus, which may result in additional costs.

### **Competition risk**

Competition in the area of token offerings (Initial Coin Offerings/Security Token Offerings; ICOs/STOs), crypto-currencies as well as innovations or further developments in the area of block-chain technologies, FinTech or financial services using such technologies can lead to a reduction of market shares.

As a consequence, the issuer may not be able to generate income, in which the holders of the tokens participate, or only to a lesser extent than expected, which in turn may have a negative effect on the value of the tokens.

### **Risk of loss of key persons**

Due to the possible loss of key personnel, there is a risk that expertise will no longer be available. The issuer relies on key team members with in-depth knowledge of the crypto-industry and may incur substantial losses, if one or more key team members and/or directors decide to leave the issuer or if significant developments and trends in the crypto-industry are not identified in a timely manner.

### **Legal risks**

The legal classification of crypto-currencies and tokens and their admissibility or the permissibility, effectiveness and enforceability of contracts concluded in this context can vary greatly from jurisdiction to jurisdiction.

It is not excluded that in individual countries, including the country of residence of an investor, transactions with cryptographic currencies and/or in connection with tokens are or will be prohibited or that corresponding contracts and legal transactions are not legally enforceable.

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<sup>2</sup><https://etherscan.io/chart/blocktime>.

**Risk of issue / lack of success**

The issuance of tokens as described in this prospectus may be discontinued for various reasons, including lack of investor interest, lack of funding, lack of commercial success or prospects (e.g. due to competing projects).

**8.2.4 Risks specific to investment and settlement****Possible investment spectrum**

In compliance with the investment principles and investment limits set forth in the statute, including Annexure B "Overview of partial funds", which provide for a very broad scope for the partial fund, the actual investment policy may also be geared to acquiring assets primarily in a few sectors, markets, regions or countries, for example. This concentration on a few specific investment sectors may be associated with special opportunities, which, however, are also associated with corresponding risks (e.g., narrow markets, high fluctuation margin within certain economic cycles). The annual report provides retrospective information on the content of the investment policy for the past financial year.

**Concentration risk**

Additional risks may arise from a concentration of investments in certain assets or markets, in which case the partial fund is particularly dependent on the performance of these assets or markets.

**Liquidity risk**

Assets may also be acquired for the partial fund that are not admitted to an exchange or included in another organised market. The acquisition of such assets is associated with the risk that problems may arise, in particular, in the resale of the assets to third parties.

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

**Risks when using derivative financial instruments**

AIF may use derivative financial instruments. These can be used not only for hedging purposes, but can also form part of the investment strategy. The use of derivative financial instruments for hedging purposes can change the general risk profile by reducing the opportunities and risks accordingly. The use of derivative financial instruments for investment purposes can affect the general risk profile by creating additional opportunities and risks.

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

However, due to the special features of derivative financial instruments, the risks mentioned may be different and in some cases higher than the risks of a direct investment in the underlying instruments - the use of derivatives, therefore, requires not only an understanding of the underlying instrument, but also a sound knowledge of the derivatives themselves.

Derivative financial instruments also involve the risk that the partial fund may incur a loss, because another party to the derivative financial instrument (usually a "counter-party") fails to meet its obligations.

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

There are also liquidity risks as certain instruments may be difficult to buy or sell. If transactions in derivatives are particularly large or if the corresponding market is illiquid (as may be the case in

particular with OTC derivatives), it may not be possible to fully execute transactions at all times or to liquidate a position only at increased cost.

Other risks associated with the use of derivatives are the wrong price determination or valuation of derivatives. Furthermore, it is possible that derivatives are not fully correlated with the assets, interest rates and indices, on which they are based. Many derivatives are complex and often subjectively valued. Inappropriate valuations may result in increased cash payment demands from counter-parties or a loss of value for the partial fund. Derivatives are not always directly or in parallel to the value of the assets, interest rates or indices from which they are derived. Therefore, the use of derivatives by the partial fund may not always be an effective means of achieving the partial fund's investment objective and may sometimes even have the opposite effect.

#### **Collateral management**

If the sub-fund carries out over-the-counter (OTC) transactions, it may be exposed to risks relating to the creditworthiness of OTC counter-parties: When entering into forward contracts, options and swap transactions or using other derivative techniques, the partial fund is exposed to the risk that an OTC counterparty may not meet its obligations under one or more contracts. Counterparty risk can be reduced by depositing a collateral. If a security is owed to the partial fund in accordance with applicable agreements, it is held by or on behalf of the depositary for the benefit of the partial fund. Bankruptcy, insolvency or other credit default events at the depositary or within its sub-custodian or correspondent bank network may result in the rights of the partial fund in connection with the collateral being deferred or otherwise restricted. If the partial fund owes the OTC counter-party collateral in accordance with applicable agreements, such collateral must be transferred to the OTC counter-party. Bankruptcy, insolvency or other credit default events at the OTC counter-party, the custodian or within its sub-custodian or correspondent bank network may result in the rights or recognition of the partial fund in relation to the collateral being delayed, restricted or even excluded, which would force the partial fund to fulfil its obligations under the OTC transaction regardless of any collateral provided in advance to cover such obligation.

#### **Processing risk**

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

#### **Settlement risk**

This is the risk of loss to the partial fund due to a completed transaction not being fulfilled as expected because a counter-party does not pay or deliver, or that losses may occur due to operational errors in the course of the settlement of a transaction.

### **8.2.5 Organisational risks**

#### **Legal and taxation risk**

The purchase, holding or sale of investments of the partial fund may be subject to tax regulations (e.g., withholding tax) outside the partial fund's country of domicile. Furthermore, the legal and tax treatment of the partial fund may change in an unforeseeable and uncontrollable manner. In the event of a correction that is fundamentally disadvantageous for the investor from a tax perspective, a change in the partial fund's incorrectly determined bases of taxation for previous financial years (e.g., as a result of external tax audits) may result in the investor having to bear the tax burden from the correction for previous financial years, even though he may not have been invested in the partial fund at that time. Conversely, it may be the case that an investor no longer benefits from a correction that is fundamentally advantageous for tax purposes for the current and previous financial years, in which he had invested in the partial fund as a result of the redemption or sale of the shares before the corresponding correction is implemented. In addition, a correction of tax data may result in taxable income or tax benefits actually being assessed for tax in a different assessment period than the one actually applicable, with negative effects for the individual investor.

#### **Change in the investment policy**

A change in the investment policy within the legally and contractually permitted investment range may result in a change in the risk associated with the partial fund. The AIFM may make material changes to the investment policy of the partial fund within the applicable statute at any time by amending the prospectus and the statute, including Annexure B "Overview of partial funds".

### **Change in statute**

In the statute, the investment company reserves the right to amend the provisions of the statute and Annexure B "Overview of partial funds". In addition, the statute allow the investment company to dissolve the partial fund or to merge it with another AIF. Investors, therefore, run the risk that they may not be able to realise the holding period they have planned.

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

In principle, investors may request the AIFM to redeem their shares in accordance with the valuation interval of the partial fund. However, the AIFM may temporarily suspend the redemption of shares pursuant to Clause 9.8 in exceptional circumstances and may only redeem the shares at a later date at the then applicable price. This price may be lower than the price prior to the suspension of redemption.

### **Key persons risk**

Partial funds, whose investment performance is very positive over a certain period of time, also owe this success to the suitability of the persons acting and thus the correct decisions of their management. However, the composition of the portfolio manager's staff may change. New decision-makers may then be less successful.

### **Process risk**

AIFM is obliged to safeguard the interests of the partial fund. If the situation so requires e.g., in case of fraud, bankruptcy, insolvency of investment instruments, the AIFM will - after careful consideration of the facts - attempt to represent and, if possible, enforce the interests of the partial fund and its investors. Obtaining legal assistance and advice or taking legal action may result in additional costs without ensuring that a favourable decision is obtained or that any favourable decision can be enforced. The costs incurred in this connection are borne by the partial fund and, in the negative case, may further increase the loss for the partial fund and thus for the investors.

### **Risk of costs**

The partial fund may incur additional risks from the charging of costs, especially as long as its assets have not yet exceeded a critical level. In addition to the ongoing costs pursuant to Clause 12.2, transaction costs pursuant to Clause 12.2.4, in particular, may be of major significance in line with the partial fund's trading activities and may burden its assets.

### **Performance fee**

A performance fee may be charged to the partial fund in accordance with Clause 12.2.3, if applicable. In addition to the actual cost burden itself, such a fee may provide an incentive for increased transaction activities and, above all, overestimate the risk capacity of the partial fund or its investors.

### **Risk of conflict of interests**

Due to the diverse business activities of the AIFM, the depositary, their agents and their related companies, conflicts of interest may arise. AIFM and the depositary shall take precautions to avoid the risk of conflicts of interest. However, it is possible that in individual cases the harm to client interests cannot be completely avoided.

## **9 Participation in the investment company**

### **9.1 Sales restrictions**

The shares of the investment company are not permitted for sale in all countries of the world. If shares are issued, transferred and redeemed abroad, the provisions in force there apply.

### **9.2 Sales restriction in the United States of America (USA)**

The shares of the investment company have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or under the securities laws of any state or local authority of the United States of America or its territories, possessions or other territories under its jurisdiction, including the Commonwealth of Puerto Rico (the "United States").

The shares or units of the AIF may not be marketed in the United States or offered, sold or otherwise transferred or held in for the account of to US persons (as defined in the 1933 Act). Subsequent transfers of units of the Investment Company in the United States or to US persons are not permitted.

The units of the investment company are offered and sold on the basis of an exemption from the registration requirements of the 1933 Act in accordance with Regulation S of that Act.

US citizens are, for example, those natural persons who

- a) were born in the USA or one of its territories or territories;
- b) are naturalized citizens;
- c) were born abroad as the child of a US citizen;
- d) without being a US citizen, are predominantly resident in the United States (or green card holder);
- e) are married to a US national; or
- f) are taxable in the USA.

Also considered as US citizens are:

- a) Investment and capital companies, which were founded under the laws of one of the 50 US federal states or under the laws of the District of Columbia;
- b) an investment company or partnership established under an "Act of Congress"
- c) a pension fund established as a US trust;
- d) an investment company that is taxable in the USA; or
- e) Investment companies, which are considered as such under Regulation S of the 1933 Act and/or the US Commodity Exchange Act.

The Investment Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended, or under any other US federal laws. Accordingly, shares of the investment company will not be offered, sold or otherwise transferred in the United States or to or for the account of US persons (as defined by the 1933 Act).

The shares of the investment company have not been approved or denied approval by the United States Securities and Exchange Commission (the "SEC") or any other regulatory authority in the United States, nor has the SEC or any other regulatory authority in the United States ruled on the accuracy or adequacy of this prospectus and the statute.

This prospectus and the statute may not be circulated in the United States. The distribution of this prospectus and the statute and the offering of the shares may also be subject to restrictions in other jurisdictions.

### **9.3 Sales**

AIF is intended for qualified investors as defined in Article 62 AIFMV.

The acquisition of a share in an AIF for qualified investors requires the signing of a subscription certificate by the qualified investor or the person, with whom the qualified investor has concluded a written asset management agreement in accordance with AIFMV Art. 62 Para 1 Letter B Clause 3. The signatory of the subscription form confirms that at the time of signing one of the conditions of Art. 62 Para 2 Letter B is fulfilled.

### **9.4 General information about the shares**

#### **9.4.1 Securitisation of the shares**

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

#### **9.4.2 Classes of shares**

AIFM can build several classes of shares for each partial fund.

Shares of individual share classes can also be issued in the form of tokens on the Ethereum blockchain (tokenised shares). For this purpose, the special provisions regarding issue and redemption in the sections 9.6.3 and 9.7.2 which are inherent in the technology used must be observed.

Share classes may be formed that differ from existing share classes in terms of the allocation of income, the issuing commission, the reference currency and the use of currency hedging transactions, the management fee, the minimum investment amount or a combination of these features. However, the rights of the investors, who have acquired shares from the existing share classes, remain unaffected by this.

The share classes launched in connection with each partial fund and the fees and remunerations incurred in connection with the shares of the partial fund are set forth in Annexure B "Overview of partial funds".

The share classes launched in connection with each partial fund and the fees and remunerations incurred in connection with the shares of AIF are set forth in Annexure B "Overview of partial funds".

In addition, certain other fees, remunerations and charges are paid out of the assets of the AIF. Please refer to Clause 11 and 12 (tax regulations and costs and fees).

## 9.5 Calculation of the net asset value of each share

### 9.5.1 Proper valuation

The Net Asset Value (the "NAV") of each share of a sub-fund/class of shares is calculated by the AIFM at the end of the financial year and on the relevant valuation day based on the last known prices taking into account the valuation interval.

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

It shall be rounded to the following values when shares are issued and redeemed:

- to EUR 0.01 in case of Euro.

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

1. Securities that are officially listed on a stock exchange are valued at the last available price. If a security is officially listed on several stock exchanges, the last available price of the stock exchange that is the main market for this security is decisive.
2. Securities not officially listed on a stock exchange but traded on a market open to the public are valued at the last available price.
3. Securities or money market instruments with a residual term of less than 397 days may be written down or written up on a straight-line basis with the difference between the cost price (purchase price) and the redemption price (price at final maturity). A valuation at the current market price may be omitted, if the redemption price is known and fixed. Any changes in creditworthiness are also taken into account.
4. Investments, whose price is not in line with market conditions and those assets, which do not fall under Clause 1, Clause 2 and Clause 3 above, are valued at the price, which would probably be obtained, if they had been sold with due care at the time of valuation and which is determined in good faith by the management of AIFM or by agents acting under its direction or supervision.
5. OTC derivatives shall be valued on a daily basis at a valuation to be determined and verifiable by the AIFM, as determined in good faith by the AIFM and in accordance with generally accepted valuation models verifiable by auditors, based on the likely sale value.
6. Funds are valued at the last established and available net asset value. In the event that redemption of units is suspended or no redemption right exists or the net asset value is determined in the case of closed-end AIF, these units shall be valued in the same way as all other assets at the current market value as determined in good faith by the AIFM in accordance with generally accepted valuation models verifiable by auditors.
7. If no market price is available for the relevant assets, these assets, as well as any other assets permitted by law, are valued at their current market value as determined in good faith by the AIFM and in accordance with generally accepted valuation models verifiable by auditors on the basis of the likely sale value.



8. Liquid assets are valued at their nominal value plus accrued interest.
9. Loans granted to property companies (both securitised and non-securitised) are valued at nominal value, less any impairments, plus accrued interest.
10. The market value of transferable securities and other investments denominated in a currency other than the relevant partial fund currency is converted into the relevant partial fund currency at the latest average exchange rate.
11. Investments that are not traded on a stock exchange or another regulated market open to the public are valued as follows:

Initial valuation is carried out at acquisition cost (e.g., purchase price or fixed price for the capital increase) in the case of transactions between independent parties. These values are verified by means of due diligence.

For subsequent valuations, in order to determine a fair value, a valuation assessment based on individual financial statements, consolidated financial statements or budgeted accounts (or a combination thereof) is generally used. The management company may use common valuation methods for the valuation assessment, such as net asset value assessment, last financing round or capital increase and/or comparable transactions, multiple analyses or discounted cash flow (DCF). Valuations, particularly of investments in the development sector (e.g., construction projects not yet completed), can alternatively be valued "at cost". Other methods are also possible with justification.

Audited individual financial statements must be available at least once a year. If current audited financial statements are not available, an alternative method must be agreed upon with the auditor.

In order to promote consistency of valuation, any significant deviation from a once chosen methodology is only possible after consultation with the auditor.

AIFM has the right to temporarily apply other adequate valuation principles for the partial fund's assets, if the above mentioned criteria for valuation appear impossible or inappropriate due to extraordinary events. In case of massive redemption requests, AIFM may value the units of the relevant partial fund's assets based on the prices, at which the necessary sales of securities are expected to be made. In this case, the same calculation method shall be applied for simultaneously submitted issue and redemption applications.

### **9.5.2 Extraordinary valuation**

AIFM may, if necessary in the interest and in order to achieve the investment objective, decide to carry out the extraordinary valuation of the fund's assets at the end of a month and to admit share transactions (subscriptions only) at this NAV. This may, in particular, be the case, if special investment opportunities arise for the AIF, for which additional funds are required and if there is a corresponding interest on the part of investors to subscribe for new shares. The valuation principles set out in Point 9.5.1 must also be applied in the case of extraordinary valuations.

## **9.6 Issue of shares**

### **9.6.1 Issue of units on an ordinary valuation day**

Shares are issued on each valuation day at the net asset value of each share of the relevant share class of the relevant partial fund, plus any issue commission and plus any taxes and duties.

The units are not certified as securities.

Subscription applications must be received by the depositary by the closing date for acceptance at the latest. If a subscription application is received after the cut-off time, it will be reserved for the following valuation 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 in Liechtenstein. These can be obtained from the respective distributors.

Information on the valuation date, the cut-off time and the amount of the maximum issuing commission, if any, can be found in Annexure B "Overview of the partial funds".

Payment must be received within a specified period (value date) after the valuation date. AIFM reserves the right to extend this period, if the regular value date proves to be too short. For information on the value date, please refer to Annexure B "Overview of partial funds".

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

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

If the payment is made in a currency other than the reference currency, the equivalent amount from the conversion of the payment currency into the reference currency, less any fees, will be used to purchase shares.

The minimum investment that must be held by an investor in a given Class of Shares is set out in Annexure B "Overview of partial funds". The minimum investment may be waived at the discretion of the partial fund.

Contributions in kind are permitted and must be examined and evaluated by AIFM on the basis of objective criteria.

Shares may also be subscribed for at the request of an investor and with the consent of AIFM against transfer of investments at the relevant daily price (contribution in kind or "subscription in kind"). AIFM is not obliged to act on such application.

Contributions in kind must be examined and evaluated by AIFM on the basis of objective criteria. The transferred investments must be consistent with the investment policy of the partial fund and the AIFM must have a current investment interest in the assets. The value of the contribution in kind must be verified by the auditor. All costs incurred in this connection (including the auditor's fees, other expenses and any taxes and duties) are borne by the investor concerned and may not be charged to the relevant fund assets.

The depositary, the AIFM or the distributors may at any time reject a subscription application or temporarily restrict, suspend or definitively cease issuing units or shares if this appears necessary in the interest of the investors, the public interest, the protection of the AIFM or the partial fund or the investors. In this case, the depositary will reimburse, without delay, without interest, any payments received in respect of subscription orders which have not already been executed, where appropriate with the assistance of the paying agent.

The issue of fund units may be discontinued in cases of application of Clause 9.9.

The AIFM may also take a decision to suspend the issue of shares, in whole or in part, if new investments could impair the achievement of the investment objective.

### **9.6.2 Issue of units on an extraordinary valuation day**

AIFM may, if necessary in the interest and in order to achieve the investment objective, decide to carry out the extraordinary valuation of the fund's assets at the end of a month and to admit share transactions (subscriptions only) at this NAV. This may, in particular, be the case, if special investment opportunities arise for the AIF, for which additional funds are required and if there is a corresponding interest on the part of investors to subscribe for new shares.

The valuation principles are described in detail in Point 9.5.1 must also be applied in the case of extraordinary valuations. Settlement is made at the extraordinary NAV plus any issuing commission and any taxes. The commissions or fees incurred in this connection are set out in Annexure B "AIF at a glance". In addition, the settlement principles pursuant to Point 9.6.1 shall apply analogously.

The decision on an extraordinary valuation must be published on the website of the AIFM ([www.ahead.li](http://www.ahead.li)) and of the LAFV Liechtenstein Investment Funds Association ([www.lafv.li](http://www.lafv.li)) with at least one month's notice.

### **9.6.3 Special features in the issue and safekeeping of shares in the form of tokens**

For the issue of share classes that provide for shares in the form of tokens, a trading agent (Bank Frick & Co. AG) is deployed for the technical implementation.

The trading agent monitors the so-called AARGOS Whitelist Smart Contract on behalf of AIFM. This contract regulates the onboarding of an investor and thus the inclusion in the AARGOS Whitelist (Whitelist). In the course of onboarding, an identification process is carried out, a business and investor profile is created and the tax categorisation is done.

The white-list is a register, in which wallet addresses are kept. This register is linked to a Smart Contract, which monitors the technology to ensure that shares in the form of tokens can only be allocated or transferred to wallet addresses that are listed in the register. A wallet address will only be included in the register (white-list) if the investor, to whom the wallet address is assigned, is authorised to dispose of the wallet and the investor has previously been identified and categorised in an onboarding by the trading agent via order of the AIFM. Shares in the form of tokens can only be transferred to investors, whose wallet address is included in the white-list. In addition to identification, the white-list function also ensures that sales are only made to qualified investors after assessment by the trading agent on behalf of the AIFM.

The Smart Contract used for making tokens for the shares (mapping of shares in the form of tokens) is based on the Ethereum block-chain, as is the Whitelist Smart Contract. If an investor wants to receive tokenised units or transfer them to another address, the AARGOS Token Smart Contract checks, whether the recipient address (so-called "Public Key") is present in the white-list. If this is not the case, the transaction is not executed technologically.

As soon as a new investor and his wallet have been identified and his investor profile has been successfully created, his address will be added to the AARGOS Whitelist. The trading agent may then, by order of the AIFM, "mint" new AARGOS tokens (create new shares in the form of tokens) and transfer them in accordance with the subscription value. The white-list function ensures that token holders are always identified. Furthermore, the share register is created via the white-list.

The trading agent also has the so-called "owner function" for the AARGOS Token Smart Contract. This function enables the trading agent to enforce court or official orders (e.g., blocking of the tokenised shares) on his behalf.

The tokenised shares shall be held with the trading agent after the conclusion of an asset management mandate pursuant to Art. 62 Para 1 lit. b) Z 3 AIFMV. The investor must comply with the above-mentioned onboarding process, before an allocation of the units in the form of tokens takes place. The trading agent ensures by order of AIFM that the investor is the beneficial owner.

## **9.7 Redemption of shares**

### **9.7.1 Redemption of shares in general**

Shares are redeemed on each valuation day at the net asset value per share of the relevant share class of the relevant partial fund, less any redemption commission and less any taxes and duties.

Redemption requests must be received by the depositary by no later than the closing date for acceptance. If a redemption request is received after the closing date, it will be reserved for the following valuation 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 in Liechtenstein. These can be obtained from the respective distributors.

Information on the valuation date, the closing date for acceptance and the amount of the maximum redemption commission, if any, can be found in Annexure B "Overview of the partial funds".

As it is necessary to ensure that an appropriate proportion of liquid funds is held in the assets of the relevant partial fund, payment of shares will be made within three bank working days of the relevant redemption date. This does not apply in the event that the transfer of the redemption amount proves impossible in accordance with legal provisions, such as currency and transfer restrictions or due to other circumstances beyond the control of the depositary.

If, at the request of the investor, payment is to be made in a currency other than the currency, in which the shares in question are issued, the amount to be paid is calculated from the proceeds of the conversion from the accounting currency to the payment currency, less any fees and charges.

The relevant share expires upon payment of the redemption price.

If the execution of a redemption request results in the holdings of the relevant investor falling below the minimum investment of the relevant share class as set out in Annexure B "Overview of partial funds", AIFM may, without further notice to the investor, treat such redemption request as an application to redeem all shares held by the relevant investor in that share class or as an application to convert the remaining shares into another share class of the same partial fund with the same reference currency, for which the investor meets the eligibility criteria.

AIFM may redeem shares against the will of the investor against payment of the redemption price where this appears necessary in the interest or protection of investors or the AIFM, in particular, where

1. there is a suspicion that market timing, late trading or other market techniques are being used by the respective investor in connection with the acquisition of the units, which could harm the investors as a whole,
2. the investor does not fulfil the conditions for the acquisition of the shares, or
3. the shares are distributed in a country, in which the respective partial fund is not authorised for distribution or has been acquired by a person, for whom the acquisition of the units is not permitted.

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

Shares may also be redeemed at the request of an investor, with the consent of the AIFM, against transfer of investments at the relevant net asset value of the partial fund (redemption in kind). AIFM is not obliged to act on such a request and shall be entitled to charge additional fees at a reasonable level to cover the additional effort.

Expenses in kind shall be assessed by AIFM on the basis of objective criteria. In the case of expenses in kind, the investment policy of the partial fund must continue to be followed and the investment rules must be complied with. In addition, the AIFM considers that existing investors in the partial fund must have an interest in the expenses in kind of the securities. The recoverability of the non-cash expenses must be verified by an auditor. All costs incurred in this connection (including the auditor's fees, other expenses and any taxes and duties) are borne by the investor concerned and may not be charged to the relevant fund assets.

The redemption of fund shares may be discontinued in cases of application of Clause 9.9 of the prospectus.

### **9.7.2 Special features in the redemption of shares in the form of tokens**

If an investor makes use of his right to redeem shares in the form of tokens, the principles described in Section 9.7.1 apply. Because of the technology used, these principles are extended by the following process:

- The investor issues a redemption order to the depository (Bank Frick & Co. AG) to a certain extent (max. the total number of tokens held);
- The depository informs AIFM about the investor's redemption order;
- Based on the calculation of the net asset value by the AIFM, which is checked for plausibility by the depository, the equivalent value is calculated in the reference currency of the share class, to which the investor is entitled through the redemption of the tokenised shares;
- The depository informs the investor of the redemption address (wallet address), to which the investor must transfer the corresponding number of tokenised units, in order to obtain redemption at the forward price calculated in advance;
- Once the shares have been transferred in the form of tokens from the investor to the redemption address, the investor will be credited with the corresponding amount in the reference currency of the share class in his bank account;

- At the same time, the depositary will initiate another transaction to the AARGOS Token Smart Contract, which is programmed to "burn" the tokenised shares transferred by the investor to the redemption address in that transaction. This process destroys the tokenised shares located at the redemption address.

### **9.8 Switching of shares**

Where different classes of shares are offered, shares of one class of shares may also be switched into shares of another class of shares, both within the same partial fund and from one partial fund to another partial fund. No conversion fee will be charged in the event of a conversion within the same partial fund. If switching of shares is not possible for certain partial funds or share classes, this will be mentioned for the partial fund or share class concerned in Annexure B "Overview of partial funds".

Switching shares of one share class to another may be subject to duties, taxes and stamp duties in certain countries.

The switching of shares may be discontinued in cases of application of Clause 9.9 of the prospectus.

More information about this is given under Art. 52 of the statute.

### **9.9 Suspension of the calculation of the net asset value and of the issue, redemption and conversion of shares**

AIFM may temporarily suspend the calculation of the net asset value and/or the issue, redemption and conversion of shares of a partial fund, where this is justified in the interest of investors, in particular:

1. if a market, which forms the basis for the valuation of a substantial part of the assets of the partial fund is closed as a result of a national holiday, or if trading on such a market is restricted or suspended;
2. in the event of political, economic or other emergencies;
3. if restrictions on the transfer of assets render transactions for the AIF impracticable; or
4. in the event of technical problems in the settlement of the share transaction, in particular, with regard to the AARGOS token share class.

The suspension of the calculation of the net asset value of a partial fund will not affect the calculation of the net asset value of the other partial funds, if none of the above conditions apply to the other partial funds.

The AIFM may also take a decision to suspend the issue of shares, in whole or in part, if new investments could impair the achievement of the investment objective.

The issue of shares will be temporarily suspended, in particular, if the calculation of the net asset value per share is discontinued. If the issue of shares is discontinued, investors will be informed immediately by notice in the publication organ as well as in the media specified in the fund documents or by means of durable data carriers (letter, fax, e-mail or similar) of the reason and the time of the discontinuation.

In addition, the AIFM shall be entitled, while safeguarding the interests of the investors, to make substantial redemptions only i.e., to suspend redemption temporarily, after corresponding assets of the respective partial fund can be sold without delay while safeguarding the interests of the investors.

As long as the redemption of shares is suspended, no new shares of this partial fund will be issued. Conversions of shares, whose redemption is temporarily restricted, are not possible. The temporary suspension of the redemption of shares of a partial fund does not result in the temporary suspension of the redemption of the partial funds not affected by the events concerned.

AIFM shall ensure that sufficient liquid assets are available to the relevant partial fund's assets to enable the redemption or exchange of shares at the request of investors in normal circumstances to be effected in a timely manner.

AIFM shall immediately notify the FMA and, in an appropriate manner, the investors of the suspension of the redemption and payment of units. Subscription, redemption or conversion requests will be settled after the calculation of the net asset value is resumed. Investors may revoke their subscription, redemption or conversion requests until the resumption of share trading.

#### **9.10 Forced redemption**

AIFM or the depositary may unilaterally redeem units of the partial fund against payment of the redemption price, thereby forcing an investor to sell them, where this appears necessary in the interest or for the protection of the investors, the AIFM, the depositary or the partial fund, in particular, where

1. there is a suspicion that market timing, late trading or other market techniques are being used by the respective investor in connection with the shares already acquired, which could harm the investors as a whole;
2. an investor has acquired shares of the partial fund, who - particularly in accordance with Section 9.2 - is not entitled to acquire shares of the partial fund in accordance with the legal provisions of his country of domicile;
3. There is reason to believe that an investor has gained an advantage over other investors through internal knowledge e.g., regarding the valuation or liquidity of investments;
4. there is reason to suspect that the provisions of the Due Diligence Act (DDA) and the associated Due Diligence Ordinance (DDO), as amended, applicable in the Principality of Liechtenstein are being violated; or
5. in any other way, the code of conduct of the Liechtenstein Fund Centre as well as the regulations of the Liechtenstein Fund Centre or of AIFM are violated.

#### **9.11 Prohibition to purchase**

AIFM or the depositary may prohibit individual investors from acquiring shares of the partial fund, where this is deemed necessary in the interest or for the protection of the investors, the AIFM, the depositary or the partial fund, in particular, where

1. there is a suspicion that market timing, late trading or other market techniques are being used by the respective investor in connection with the planned acquisition of the shares, which could harm the investors as a whole,
2. an investor wishes to acquire units of the partial fund, who - in particular in accordance with Section 9.2 - is not entitled to acquire shares of the partial fund in accordance with the legal provisions of his country of domicile;
3. There is reason to believe that an investor wishes to gain an advantage over other investors through internal knowledge e.g., regarding the valuation or liquidity of investments;
4. there is reason to suspect that the provisions of the Due Diligence Act (DDA) and the associated Due Diligence Ordinance (DDO), as amended, applicable in the Principality of Liechtenstein could be violated; or
5. in any other way, the code of conduct of the Liechtenstein Fund Centre as well as the regulations of the Liechtenstein Fund Centre or of AIFM are violated.

It is at the sole discretion of the AIFM or the depositary to prohibit individual investors or groups of investors from acquiring shares of the partial fund by refusing to accept the subscription application, by cancelling a subscription application that has already been settled or by means of a compulsory redemption in accordance with Section 9.9.

## **10 Use of proceeds**

The realised income of a partial fund consists of net income and realised capital gains.

AIFM may distribute the income generated in a partial fund or one of its share classes to the investors of this partial fund or share class or reinvest (accumulate) this income in the relevant partial fund or share class.

The realised income of those partial funds or share classes that have an allocation of income of the "reinvesting" type in accordance with Annexure B "Overview of partial funds" is reinvested on an ongoing basis i.e., retained.

## 11 Taxation regulations

### 11.1 Capital company or investment corporation and fund assets

All Liechtenstein AIFs in the legal form of a capital company with variable capital (AGmVK) or an investment company with variable capital (SICAV) are subject to unlimited tax liability in Liechtenstein and are subject to income tax. The income from the assets under management represents tax-free income. When determining the modified equity capital, only the equity capital that is not attributable to the assets under management is to be stated. The income tax is 12.5% of the taxable net income.

#### Issue and sales taxes<sup>3</sup>

The formation (issue) of founder shares or shares in the share capital (as part of the equity capital) of a capital company with variable capital (AGmVK) or an investment company with variable capital (SICAV) is subject neither to the issue tax nor to the formation tax. The same applies to the issue of shares in the assets under management. The transfer in return for payment of ownership of shares in the assets under management is subject to the turnover tax, provided that one of the parties or an intermediary is a domestic securities dealer. The redemption of founders' shares or shares in the share capital as well as shares in assets under management is exempt from the turnover tax. The AIF in the legal form of an investment company with variable capital or an investment company with variable capital shall be deemed to be exempt from the turnover tax.

#### Withholding taxes

The AIF in the legal form of an investment company with variable capital or an investment company with variable capital is not subject to any withholding tax liability in the Principality of Liechtenstein, in particular, no coupon or withholding tax liability. Foreign income and capital gains earned by AIF in the legal form of a capital company with variable capital or an investment company with variable capital or any partial funds (segments) of the fund may be subject to the respective withholding tax deductions of the country of investment. Any double taxation agreements remain reserved.

#### EU taxation of interest

With respect to the fund or any partial fund (segments) of the fund, a Liechtenstein paying agent may be required to withhold tax with respect to certain interest payments of the fund or any partial fund (segments), both on distributions and on the sale or redemption of investor units made to natural persons domiciled for tax purposes in an EU member state (**EU taxation of interest**). Where appropriate, a Liechtenstein paying agent may, at the express request of the beneficial owner, provide for a reporting procedure instead of retaining the tax.

### 11.2 Natural persons with tax domicile in Liechtenstein

Private investors domiciled in the Principality of Liechtenstein must declare their shares as assets and these are subject to wealth tax. Any distributions of income or retained earnings of the AIF in the legal form of a capital company with variable capital or an investment company with variable capital or any partial funds (segments) of the fund are exempt from income tax. The capital gains realised on the sale of the shares are not subject to income tax. Capital losses cannot be deducted from taxable income.

### 11.3 Persons with tax domicile outside of Liechtenstein

For investors, whose country of domicile is outside the Principality of Liechtenstein, taxation and the other tax consequences of holding or buying or selling investor shares are governed by the tax laws of the respective country of domicile and, in particular, with regard to EU taxation of interest, by the country of domicile of the paying agent.

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<sup>3</sup> In accordance with the customs affiliation agreement between Switzerland and Liechtenstein, Swiss stamp tax law also applies in Liechtenstein. For the purposes of Swiss stamp tax legislation, the Principality of Liechtenstein is, therefore, considered a domestic country.

## 11.4 FATCA

AIF will comply with the provisions of the Foreign Account Tax Compliance Act ("FATCA", in particular, Sections 1471 - 1474 of the U.S. Internal Revenue Code and any agreement between Liechtenstein and the United States of America on cooperation to facilitate the implementation of FATCA, if applicable) and will register with the U.S. Internal Revenue Service as a FATCA participating institution to the extent required.

### Disclaimer

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

**Investors are requested to consult their own professional advisor regarding the relevant tax consequences. Neither the investment company, the AIFM, the portfolio manager, the depository nor their agents can assume any responsibility for the individual tax consequences for the investor resulting from the purchase, sale or holding of investor shares.**

## 12 Costs and fees

### 12.1 Costs and fees charged to investors in connection with the purchase and sale of shares of the partial fund

#### 12.1.1 Issue commission

In order to cover the costs incurred in placing the shares, AIFM may charge an issue commission on the net asset value of the newly issued shares for the benefit of the AIF, the AIFM, the depository and/or distributors in Switzerland or abroad in accordance with Annexure B "Overview of partial funds".

#### 12.1.2 Redemption commission

For the payment of redeemed shares, AIFM may charge a redemption commission on the net asset value of the redeemed shares for the benefit of the AIF, the AIFM, the depository and/or distributors in Switzerland or abroad in accordance with Annexure B "Overview of partial funds".

#### 12.1.3 Conversion fee

For the purpose of switching from one partial fund to another or from one class of shares to another class of shares as requested by the investor, the AIFM shall charge a fee on the net asset value of the original partial fund or class of shares as set forth in Annexure B "Overview of partial funds".

### 12.2 Costs and fees charged to the partial fund

#### 12.2.1 Fees depending upon assets

##### Administrative costs

The investment company shall charge an annual fee for the provision of the AIF, including the provision of corporate bodies, as well as for the management of the AIF by the AIFM, in accordance with Annexure B "Overview of partial funds". This fee is calculated based on the average net fund assets and is charged at the end of each financial year. The investment company is entitled to make payments on account during the year for the fees due.

The investment company thus also assumes the costs incurred by the depository for the custody of the securities and the costs incurred for the management of the AIF, as well as:

- Remuneration to the Liechtenstein Financial Market Authority (FMA);
- Price publications in the domestic publication organ of the AIF; and
- Remuneration to the auditor;

Any taxes levied on the fund's assets and its income and expenses are not included in the management costs, but are charged directly to the AIF.

##### Portfolio management fee

The investment company charges an annual fee for portfolio management and distribution in accordance with Annexure B "Overview of partial funds". This fee is calculated based on the average



net fund assets and is charged at the end of each financial year. The investment company is entitled to make payments on account during the year for the fees due.

#### **Transaction costs issue of tokens**

The trading agent will charge a fee for the onboarding of an investor and thus his inclusion in the AARGOS Whitelist and the creation of new shares in the form of tokens (minting) for each subscription in accordance with Annexure B "Overview of partial funds". This fee is calculated and charged on the basis of the amount subscribed.

#### **Performance fee**

The portfolio manager may receive a performance-related compensation according to Section 12.2.3.

**The partial fund's investment policy in Annexure B "Overview of partial funds" provides information on the maximum amount of fees dependent on the partial fund's assets and the annual report provides information on their actual amount.**

#### **12.2.2 Fees independent of assets**

AIFM and the depositary shall also be entitled to reimbursement of the following fees and expenses, independent of the assets of the AIF, incurred by them in the exercise of their functions:

- Costs of preparing, printing and mailing the annual reports and other statutory publications;
- Costs for the publication of the notices of the AIF addressed to investors in the publication organs and any additional newspapers or electronic media determined by the AIFM (with the exception of price publications in the domestic publication organ of the AIF);
- Fees and costs for authorisations and supervision of the AIF abroad;
- Fees incurred in connection with distribution in Switzerland and abroad (e.g. advisory, legal, translation costs);
- Fees incurred in connection with a possible listing of the AIF on a stock exchange;
- Fees, costs and charges related to the determination and publication of tax factors for all countries where distribution approvals exist or private placements are available and required, based on actual expenses at market rates;
- Fees for paying agents, representatives and other agents with similar functions abroad;
- a reasonable proportion of the costs of printed matter and advertising incurred directly in connection with the offering and sale of units;
- Fees of auditors and tax advisors, insofar as these expenses are incurred in the interests of the investors and are not already covered by the compensation pursuant to Fig. 12.2.1;
- Transaction-related fees in favour of AIFM in connection with the administration or risk management according to section 12.2.4;
- Incorporation costs;
- Extraordinary dispositions according to Section 12.2.6;
- Liquidation costs according to Section 12.2.7.

No additional fees shall be charged to AIFM or the depositary which have already been compensated with the remuneration referred to in Section 12.2.1.

Any distribution of fees between several AIF independent of assets shall be made in accordance with the principles set out in Section 12.2.8.

For fees that are independent of the assets of the partial fund and are undetermined in terms of their amount or the time at which they arise, provisions are made pro rata temporis based on the average assets of the partial fund and accrued on each valuation day of the partial fund. The provisions are reversed when the corresponding costs become due. Excess provisions are reversed at the discretion of the AIFM in favour of the partial fund or the provision rate for the coming financial year is reduced. If the provisions made are insufficient to cover the corresponding costs, the under-accrued provisions may be charged to the assets of the partial fund at the end of the financial year.

#### **12.2.3 Fees depending upon investment performance**

The additional performance-related remuneration ("performance fee") is based on the increase in value of the partial fund's assets. If the increase in the net asset value in the financial year after deduction of all costs exceeds the limit price (= historical high watermark plus hurdle rate), a

performance fee is charged to the assets of the partial fund for the increase in value exceeding the hurdle rate.

The High Watermark principle is applied when calculating the performance fee. Thereafter, the following applies: If the partial fund suffers losses in value, the performance fee will not be charged in subsequent periods until these losses are recovered.

AIFM has internal rules regarding the payment of a performance fee.

**The amount of this fee can be found in Annexure B "Overview of partial funds".**

For an example of the calculation, please refer to Annexure C "Example for calculating the performance fee".

#### **12.2.4 Transaction costs**

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

Transaction costs and currency hedging costs do not constitute expenses in connection with the management of the partial fund's assets and are, therefore, not included in the total cost calculation of the partial fund in accordance with Section 12.3.

AIFM may be entitled to a transaction-related fee for expenses related to fund administration (e.g., handling fee) or risk management (e.g., risk management fee). A transaction-related remuneration for the investment decision or distribution is not permitted. Any transaction-related fee is shown under Section 12.2.2 as a fee independent of the partial fund's assets and is subject to the partial fund's total cost calculation pursuant to Section 12.2.9.

#### **12.2.5 Incorporation costs**

The costs of the incorporation and initial issue of shares are charged to the partial fund, capitalised and subsequently amortised over a period of approximately five years. The incorporation costs are a component of the costs and fees that are independent of the assets of the partial fund as described in Section 12.2.2.

#### **12.2.6 Extraordinary disposition costs**

In addition, AIFM may charge costs for extraordinary dispositions to the assets of the partial fund.

Extraordinary disposition costs are composed of expenses, which serve exclusively to protect the interests of the investors, which arise in the course of regular business activities and which could not be foreseen when the AIF or the relevant partial fund was founded. Extraordinary disposition costs are in particular legal advice and procedural costs in the interest of the AIF or the relevant partial fund or the investors. In addition, all costs of any extraordinary dispositions pursuant to the AIFMG and AIFMV (e.g., changes to the fund documents) that may become necessary shall be understood as extraordinary disposition costs.

The incorporation costs are a component of the costs and fees that are independent of assets of the partial fund as described in Section 12.2.2. If the partial fund's maximum permitted cost limit pursuant to Section 12.3 is exceeded, the extraordinary disposition costs are not included.

#### **12.2.7 Liquidation costs**

In case of liquidation of the investment company or the partial fund, AIFM may charge a liquidation fee of up to CHF 10,000 in its favour and debit it directly to the assets of the partial fund. In addition to this amount, the partial fund shall bear all costs of authorities, the auditor and the depositary.

The liquidation costs are a component of the costs and fees that are independent of the assets of the partial fund as described in Section 12.2.2. The liquidation costs are to be understood as extraordinary

disposition costs. If the partial fund's maximum permitted cost limit pursuant to Section 12.3 is exceeded, the liquidation costs are not included.

#### **12.2.8 Cost distribution in case of several partial funds**

All costs directly attributable to an individual partial fund will be charged to that partial fund. If costs are incurred in the AIF, which cannot be allocated in their amount exactly to an individual partial fund, the costs incurred shall, at the discretion of AIFM, either be divided according to the number of partial funds concerned or be allocated in proportion to the assets of the partial funds in relation to the total assets of the AIF and charged to the individual partial funds.

Costs incurred in connection with a subsequent launch of further partial funds shall be charged to the partial fund, to which they are attributable.

#### **12.2.9 Total costs**

The total current fees before any performance fee (Total Expense Ratio before Performance Fee; TER) is calculated according to general principles recognised by the FMA and includes, with the exception of transaction costs, all costs and fees that are continuously charged to the assets of the AIF.

The TER of the partial funds is given on the home page of LAFV Liechtenstein Investment Funds Association ([www.lafv.li](http://www.lafv.li)) and in the respective annual report, as well as its publications already done.

### **12.3 Other remunerations**

In connection with the acquisition and disposal of assets and rights on behalf of the AIF, the AIFM, the depositary and any authorised representative shall ensure that any remuneration (e.g. retro-cessions, portfolio fees, kickbacks) always directly or indirectly benefits the AIF. The depositary is entitled to retain a maximum amount of 30% of the remuneration as retention.

## **13 Information for the investors**

Publication medium of the investment company is the website of LAFV Liechtenstein Investment Funds Association ([www.lafv.li](http://www.lafv.li)) as well as other mediums mentioned in the funds documents.

All notifications for the investors, also the ones about the amendments in the statute as well as in Annexure A "Organisational structure of AIF and AIFM" and Annexure B "Overview of partial funds" are published on the website of LAFV Liechtenstein Investment Funds Association ([www.lafv.li](http://www.lafv.li)) as the publication medium of the investment company as well as in the mediums and data carriers mentioned in the funds documents.

The net asset value of the shares of the investment company or of each partial fund or a share class is published on each valuation day on the website of LAFV Liechtenstein Investment Funds Association ([www.lafv.li](http://www.lafv.li)) as the publication medium of AIF as well as in the mediums and data carriers mentioned in the funds documents (letter, fax, e-mail or similar).

The annual report, audited by an auditor, shall be made available free of charge to investors at the registered office of the AIFM and the depositary.

## **14 Duration, dissolution, merger and structural measures of AIF**

### **14.1 Duration**

The investment company has been established for unlimited time.

### **14.2 Dissolution**

#### **14.2.1 Principle**

The provisions for the dissolution of the investment company also apply to its partial funds and share classes.

#### **14.2.2 Decision for dissolution**

The dissolution of the investment company or one of its partial funds is mandatory in the cases provided for by law. In addition, the AIFM has the right to dissolve the AIF or an individual partial fund or share class at any time.

The investment company may be dissolved by resolution of the general body meeting. The resolution shall be adopted in compliance with the legal provisions prescribed for amendments to the statute.

Partial funds and share classes may be dissolved by resolution of the Board of Directors.

Investors, their heirs and other beneficiaries may not demand the division or dissolution of the investment company or of an individual partial fund or share class.

The decision regarding the dissolution of a partial fund or a share class is published at least 30 days, before the dissolution becomes effective, on the website of LAFV Liechtenstein Investment Funds Association ([www.lafv.li](http://www.lafv.li)) as the publication medium of the investment company as well as in the mediums or by means of data carriers mentioned in the funds documents (letter, fax, e-mail or similar). A copy of the investor notification is sent to FMA. Unless the Board of Directors decides otherwise, the investment company will no longer issue, redeem or exchange shares of the investment company from the date of the resolution on dissolution, until the dissolution decision is implemented.

In the event of liquidation, the investment company shall dispose of the assets in the best interests of the investors and instruct the depository to distribute the net liquidation proceeds of the investment company, the respective partial fund or share class to the investors on a pro rata basis.

The AIFM shall be entitled to instruct the depository to distribute the net liquidation proceeds after deduction of the liquidation costs to the investors. Otherwise, the liquidation of the investment company or the partial fund shall be carried out in accordance with the provisions of the Liechtenstein Persons and Companies Act (PGR).

If the AIFM dissolves a share class without dissolving the investment company or the partial fund, all shares of this class shall be redeemed at their then current net asset value. This redemption shall be published by AIFM and the redemption price shall be paid by the depository for the benefit of the former investors.

#### **14.2.3 Reasons for dissolution**

If the net assets of the investment company fall below a value, which is necessary for economically efficient management, and in the event of a significant change in the political, economic or monetary environment or as part of a rationalisation process, the investment company may decide to redeem all shares of the investment company, a partial fund or a share class at the net asset value (taking into account the actual realisation prices and realisation costs of the investments) on the valuation day, on which the corresponding resolution takes effect.

#### **14.2.4 Cost of dissolution**

The costs of dissolution shall be charged to the assets of the investment company or a partial fund.

#### **14.2.5 Dissolution and bankruptcy of the investment company**

In the event of the dissolution and bankruptcy of the investment company, the assets managed for the purpose of collective capital investment for the account of the investors do not form part of its bankruptcy estate and are not dissolved together with the company's assets. The investment company or a partial fund forms a fund for the benefit of its investors. Each fund shall be transferred to another AIFM with the consent of FMA or dissolved by way of separate compensation in favour of the investors of the investment company or a partial fund.

#### **14.2.6 Dissolution and bankruptcy of AIFM or of the depository**

The assets managed for the purpose of collective investment for the account of the investors shall not, in the event of dissolution and bankruptcy of AIFM, be included in the bankruptcy estate of AIFM and shall not be dissolved together with its assets. The investment company or a partial fund forms a fund for the benefit of its investors. Each fund shall be transferred to another AIFM with the consent of FMA or dissolved by way of separate compensation in favour of the investors of the investment company or a partial fund.

In the event of bankruptcy of the depository, the managed assets of the investment company or a partial fund shall be transferred to another depository with the consent of FMA or dissolved by way of separate satisfaction in favour of the investors of the investment company or a partial fund.

## **14.2.7 Termination of the designation and delegation agreement and the depositary agreement**

### **Dissolution of the designation and delegation agreement**

In the event of termination of the delegation agreement between the investment company and AIFM managing it, each fund shall be transferred to another AIFM with the consent of FMA or dissolved by way of separate satisfaction in favour of the investors of the investment company.

### **Dissolution of the depositary agreement**

In the event of termination of the depositary agreement, the managed assets of the investment company or a partial fund shall be transferred to another depositary with the consent of FMA or dissolved by way of separate compensation in favour of the investors of the investment company or a partial fund.

## **14.3 Structural measures**

### **14.3.1 General**

Unless otherwise agreed upon below, the legal provisions of Art. 76 ff. of AIFMG and the associated ordinance provisions apply to structural measures. In particular, it is possible to merge AIF with UCITS according to the provisions of the UCITSG.

It is also possible to split the investment company or its share classes.

### **14.3.2 Merger**

For the purposes of Article 78 of AIFMG, the AIFM may at any time and at its own discretion, with the approval of the relevant supervisory authority, decide to merge the AIF with one or more other AIF, irrespective of the legal form of the AIF and whether or not the other AIF is domiciled in Liechtenstein. Partial funds and share classes of the AIF may also merge with each other, but also with one or more other AIF or their partial funds and share classes.

All assets of the AIF or of the partial fund may be transferred to another existing AIF or to an AIF or partial fund newly created by the merger on any transfer date.

The depositary institutions of the investors shall provide information on the reasons for the merger, the potential effects for the investors at least 35 business days before the planned transfer date. Investors shall also receive key investor information relating to the AIF that will be maintained or newly created by the merger.

Until five working days prior to the planned transfer date, investors shall have the option to either redeem their shares without a redemption fee or to exchange their shares for shares of another AIF, which is also managed by the AIFM and has a similar investment policy to the AIF to be merged.

On the date of transfer, the values of the receiving and the transferring AIF or AIF shall be calculated, the exchange ratio shall be determined and the entire transaction shall be audited by the auditor or the depositary. The exchange ratio is determined in accordance with the ratio of the net asset values of the acquired and the receiving investment fund at the time of acquisition. The investor receives the number of shares in the new fund that corresponds to the value of his shares in the transferring fund. It is also possible for investors in the transferring fund to receive up to 10 percent of the value of their shares in cash. If the merger takes place during the current financial year of the transferring fund, its managing AIFM must prepare a report as at the transfer date, which complies with the requirements for an annual report.

AIFM notifies in the publication medium of AIF, the website of LAFV Liechtenstein Investment Fund Association [www.lafv.li](http://www.lafv.li), when AIF acquires another AIF and the merger has become effective. In the event of the AIF ceasing to exist as a result of a merger, the AIFM shall assume the public disclosure function that manages the receiving or newly created AIF.

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

### **14.3.3 Information, consent and investor rights**

Information regarding mergers is published on the website of LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the publication medium of AIF. Only for the purpose of producing the waiver effect or forfeiture pursuant to Art. 43 AIFMV, publication shall be made by means of durable data carriers (letter, fax, e-mail or similar).

If the shares of the AIF involved in the merger are distributed only to professional investors, the merger plan shall contain at least the following information:

- a) the AIF involved;
- b) an indication, whether the merger is a merger by acquisition, a merger by creation or a merger with partial liquidation;
- c) the background and rationale for the proposed merger; and
- d) the planned effective date of the merger.

In case an AIF is exclusively distributed to professional investors, a report by the depositary or the independent auditor as defined in Art. 83 AIFMG is waived off.

Investors will be adequately and accurately informed about the proposed merger. The investor information must enable investors to make an informed judgement regarding the impact of the transaction on their investment and the exercise of their rights under Articles 84 and 85 AIFMG. In the case of AIF that are distributed exclusively to professional investors, no investor information notice is required.

In the event of a merger, investors may, without incurring any costs other than those retained by the AIF to cover the dissolution costs, demand

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

The right to exchange shares shall only apply to the extent that the AIF or the relevant partial fund with a similar investment policy is a partial fund of the same AIF or is managed by the same AIFM or by a company closely linked to the AIFM. Where applicable, investors shall receive a fractional settlement.

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

If the shares of the AIF are only distributed to professional investors, the investor waives off the rights under Art. 86 AIFMG.

### **14.3.4 Costs of merger**

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

This applies analogously to structural measures pursuant to Art. 90 lit. a and b AIFMG.

In the case of AIF, which are exclusively marketed to professional investors, legal, advisory or administrative costs associated with the preparation and implementation of structural measures pursuant to Art. 90 lit. c to d AIFMG may be charged to the fund assets. In this case, the expected costs must be stated in the investor information, both in total and approximately per unit, unless the investor information has been completely waived off.

### **14.3.5 Transformation of a master or feeder AIF into an AIF and vice versa**

For the transformation of a feeder or master AIF into an AIF and vice versa, the provisions on structural measures apply analogously.

## **15 Applicable law, place of jurisdiction and authoritative language**

The investment company is subject to Liechtenstein law. The exclusive place of jurisdiction for all disputes between investors, the AIFM and the depositary is Vaduz.

However, the AIFM and/or the depositary may submit themselves and the AIF to the jurisdiction of the countries, in which units are offered and sold with respect to claims of investors from these countries. Any other legally binding jurisdictions to the contrary are reserved.

The legally binding language for the prospectus, the statute as well as for Annexure A “Organisational structure of AIF and AIFM” and Annexure B “Overview of partial funds” shall be German.

This prospectus comes into force on November 20, 2019.

## **16 Specific information for individual sales countries**

According to the applicable law in the Principality of Liechtenstein, the constituent documents (Statute including Annexure A “Organisational structure of AIF and AIFM” and Annexure B “Overview of partial funds”) are approved by the FMA. This approval relates only to information concerning the implementation of the provisions of the AIFMG. For this reason, the information based on foreign law in any annexures is not subject to review by the FMA and is excluded from approval.

For the following countries, specific information for individual distribution countries is regulated in the annexures:

- Currently, AIF are only authorised for distribution to professional and qualified investors in the Principality of Liechtenstein and may not be publicly offered and/or distributed abroad.

## Part II Statute of AARGOS Funds SICAV

### Preamble

The statute as well as Annexure A "Organisational structure of AIF and AIFM" and Annexure B "Overview of partial funds" constitute an essential unit.

To the extent a matter is not regulated in this statute, the legal relationship between the investors and the AIFM shall be governed by the law dated December 19, 2012 on Alternative Investment Fund Managers (AIFMG) and the regulation dated March 22, 2016 on Alternative Investment Fund Managers (AIFMV), and to the extent not regulated therein, by the provisions of the Persons and Companies Act (PGR) concerning the corporation, the establishment or the foundation or by those of the SEG concerning the European Company.

AIF is an umbrella structure, which can include several partial funds. The various partial funds are separated in terms of assets and liabilities.

The partial funds may invest according to their specific investment policy. The investment policy of each partial fund is determined within the framework of the investment objectives. The net assets of each partial fund or share class and the net asset values of the shares of these partial funds or share classes are expressed in the respective reference currency.

The respective rights and obligations of the owners of the units of the AIF (hereinafter referred to as "investors"), the AIF, the AIFM and the depositary are governed by this statute.

By acquiring shares (the "Shares") of one or more partial funds, each investor acknowledges the statute, which defines the contractual relationship between the investors, the AIF, the AIFM and the depositary and the duly executed amendments to this document.

### I. General provisions

#### Art. 1 Name of the investment company

Under the name of AARGOS Funds SICAV (the "AIF"), an investment company exists in the form of a public limited company pursuant to Article 9 of the law dated December 19, 2012 on Managers of Alternative Investment Funds (AIFMG).

#### Art. 2 Head-office of AIF

The head-office of AIF is Vaduz, Principality of Liechtenstein.

#### Art. 3 Purpose of AIF

The sole purpose of the AIF is to invest the capital raised from a number of investors for their benefit in accordance with the investment strategy set out herein.

AIF may, subject to the restrictions laid down in the AIFMG, take all measures and actions it deems appropriate to achieve its corporate purpose.

#### Art. 4 Duration of AIF

AIF has been established for unlimited time.

#### Art. 5 AIFM

AIF is managed by Ahead Wealth Solutions AG, (the "AIFM"), which has been established in the legal form of a public limited company with registered office in Vaduz, Liechtenstein, in accordance with this statute. Pursuant to the AIFMG, AIFM is licensed by the Financial Market Authority of Liechtenstein (FMA) and registered on the list of AIFM authorised in Liechtenstein, which is officially published by FMA.

AIFM manages the AIF for the account and in the exclusive interest of the investors and in accordance with the provisions of the statute and Annexure B "Overview of partial funds".



AIFM is entitled to dispose off, in its own name, the assets belonging to AIF in accordance with the legal provisions of the statute and to exercise all rights arising from this.

#### **Art. 6 Delegation of tasks**

AIFM may, subject to the provisions of the AIFMG and the AIFMV, delegate part of its tasks to third parties for the purpose of efficient management. The precise execution of the mandate shall be laid down in a contract concluded between AIFM and the delegated party.

#### **Art. 7 Depository**

AIFM has appointed a bank or investment firm under Liechtenstein banking law with domicile or branch office in the Principality of Liechtenstein or another body authorised under the AIFMG as depository for each partial fund's assets. The assets of the individual partial fund assets may be held in safe custody with different depositories. The function of the depository is governed by AIFMG, the depository agreement and this statute.

#### **Art. 8 Prime broker**

Only a credit institution, regulated investment firm or other entity subject to regulatory oversight and continuous supervision and providing services to professional investors, primarily to finance or execute transactions in financial instruments as a counter-party, and which may also provide other services such as transaction clearing and settlement, custody services, securities lending and borrowing, and customised technology and operational support facilities, may be appointed as a prime broker.

A prime broker may be appointed by the depository as sub-depository or by AIFM as counter-party.

## **II. Organisation of AIF**

The bodies of the AIF are the general meeting, the board of directors and the auditor.

### **A | The general meeting**

#### **Art. 9 Authorities**

The topmost body of the investment organisation is the general meeting. It has the following authorities:

1. the election of the board of directors and the auditor;
2. approval of the income statement, balance sheet and annual report;
3. the resolution on the appropriation of net profit, in particular the determination of dividends;
4. the discharge of the board of directors;
5. the adoption of the statute and the dissolution or merger of the AIF;
6. the adoption of resolutions on the amendment of the statute , whereby a simple majority is sufficient (however, prior approval by FMA is required)
7. the adoption of resolutions on matters that are reserved for the general meeting of shareholders by law or by the statute or that are submitted to it by the board of directors.

#### **Art. 10 Ordinary general meeting**

The right to participate in the general meeting is governed by Article 24 of this statute. The ordinary general meeting shall be convened within six months of the end of a financial year at the registered office of the company or at any other place specified in the convening notice.

If all the founder shares are assembled or represented and no objection is raised, they may form a general meeting even without observing the otherwise prescribed formal requirements for convening the meeting, and valid negotiations and resolutions may be held and resolutions passed in the same general meeting on matters within its competence (universal meeting).

#### **Art. 11 Extraordinary general meeting**

Extraordinary general meetings may be convened at any time in the manner prescribed by law.

If all the founder shares are assembled or represented and no objection is raised, they may form a general meeting even without observing the otherwise prescribed formal requirements for convening the meeting, and valid negotiations and resolutions may be held and resolutions passed in the same general meeting on matters within its competence (universal meeting).

#### **Art. 12 Convening**

The general meeting of shareholders is convened by the board of directors in accordance with the law, internal guidelines and the statute.

The invitation must be issued at least twenty days prior to the day of the meeting and must include the agenda.

#### **Art. 13 Organisation**

The general meeting is chaired by the chairman of the board of directors. If the chairman is unable to attend, a member of the board of directors designated by the board shall chair the meeting or a chairman elected by the general meeting.

The chairman appoints the keeper of the minutes and vote counter. The former shall sign the minutes of the proceedings together with the chairman.

#### **Art. 14 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 of shareholders conducts its elections and passes its resolutions by an absolute majority of the share votes represented, unless otherwise provided by law.

In the event of a tie, the chairman has the casting vote.

If, in the case of elections, the first ballot is not successful, a second ballot is held, in which the relative majority decides.

Elections and votes are held openly, unless the chairman or one of the founding shareholders requests that they be held in secret.

## **B | Board of Directors**

#### **Art. 15 Composition**

The board of directors consists of at least two members.

The members are natural persons or legal entities.

As a rule, the board of directors is elected at the annual general meeting. The term of office of the members of the board of directors lasts until the general meeting has elected a new member. Prior resignation or dismissal is reserved.

If a member of the board of directors resigns before the end of his or her term of office, the remaining members of the board of directors may appoint a provisional successor until the next annual general meeting. The successor thus determined shall enter into the term of office of his predecessor.

The members of the board of directors may be re-elected at any time.

#### **Art. 16 Self-constitution**

The board of directors is self-constituting. It elects the chairman and the vice-chairman (deputy chairman) from among its members.

#### **Art. 17 Tasks**

The board of directors is responsible for the ultimate direction of the AIF and for the supervision and control of the management.

It represents the AIF externally and shall manage all matters, which are not delegated to another body of the AIF or third parties by law, the statute, special regulations or a separate agreement.

The board of directors is authorised to appoint one AIFM and one depositary for each partial fund and investment committees for each partial fund.

#### **Art. 18 Appointment of the management**

The board of directors is empowered to designate, under its own responsibility and by separate contract, an AIFM for the management of the business. The same shall apply to an AIFM authorised in another EEA member state, which is authorised to carry out such activities through a domestic branch or in the context of cross-border provision of services.

In any case, the board of directors is responsible for determining the investment policy for each partial fund's assets, for fundamental decisions on the issue and redemption of investor shares and for decisions on structural measures relating to individual partial fund assets or share classes.

#### **Art. 19 Meeting and resolution**

The board of directors meets at the invitation of the chairman or his deputy.

Any member may request the chairman to convene a meeting without delay, stating his reasons.

The board of directors constitutes a quorum, if the majority of its members are present.

Resolutions are passed by a simple majority of the votes cast. Resolutions may also be passed by circulars, unless a member requests an oral discussion. Resolutions by circulars require unanimity and must be recorded in the minutes of the next meeting.

The president shall vote and shall have the casting vote in the event of a tie. Minutes must be kept of the discussions and resolutions of the board of directors. The minutes must be signed by the chairman and the secretary.

#### **Art. 20 Authorised signatory of AIF**

The members of the board of directors sign collectively in pairs. In all other respects, the board of directors regulates the authority to sign.

#### **Art. 21 Conflict of interests**

The AIF must be structured and organised in such a way as to minimise the risk of conflicts of interest prejudicial to the interests of the AIF or those of clients and, where conflicts do arise, to identify and manage them appropriately. In particular, conflicts of interest between AIFM, its clients, AIF, investors and, where applicable, prime brokers, both in relation to AIFM and among themselves, shall be taken into account. In all other respects, the legal provisions and the Conflicts of Interest manual of AIFM shall apply. The Conflict of Interest manual is available free of charge on request in case of justified interests.

## **C | Auditor**

#### **Art. 22 Task and appointment of the auditor**

The control of the annual reports of AIF shall be assigned to an auditor licensed in the Principality of Liechtenstein and appointed by the general meeting of shareholders. The auditor is appointed for a period of one year, may be re-elected and dismissed at any time by the general meeting of shareholders.

### **III. Company capital and shares**

The assets of the founding shareholders are separate from the managed assets of the investors.

#### **Art. 23 Company capital**

The share capital (own assets) of AIF at the time of incorporation is CHF 70,000 (in words: Swiss Francs seventy thousand) and is divided into 70 registered founder shares with a nominal value of CHF 1,000 each. The accounting currency at the umbrella level of the AIF is EUR.

The increase in the share capital may be effected by the gradual issue of new shares to existing shareholders or third parties and the reduction of the share capital may be effected by the gradual redemption of all or part of the share capital by means of the redemption of shares, without having to comply with the procedure laid down for the increase or reduction of the share capital. When new shares are issued, the subscription rights of existing shareholders are cancelled.

Instead of issuing individual founder shares, the board of directors may issue share certificates for any number of founder shares or waive the issue of share certificates.

#### **Art. 24 Shares**

Founder shares are registered shares with a nominal value of CHF 1,000 each, which are issued to the founders of AIF. They certify the right to participate in the general meeting and entitle the holder to exercise voting rights at the general meeting.

Investor units are bearer shares without par value issued to the public. They do not confer the right to participate in the general meeting of shareholders, have no voting rights and, moreover, do not entitle the holder to participate in the profits of the assets of AIF.

The general meeting may resolve to convert bearer shares into registered shares or registered shares into bearer shares.

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

The shares shall be issued in the type of securitisation and denomination determined by AIF and specified in the partial fund specific annexure of the statute.

The AIF may provide for the securitisation in global certificates.

There is no entitlement to the delivery of physical securities. The types of shares are specified for the respective partial fund in the partial fund specific annexure to the statute.

For the purpose of easy transferability, the shares are held in collective safekeeping.

There is no general subscription right when new shares are issued.

All shares in a partial fund generally have the same rights, unless the board of directors decides to issue different share classes within a partial fund.

The board of directors may decide to provide for two or more share classes within a partial fund. The share classes may differ in their characteristics and rights according to the way their income is used, the fee structure or other specific characteristics and rights. From the date of their issue, all shares participate in the same way in the income, price gains and liquidation proceeds of their respective share class. If share classes are established for the respective partial funds, this is mentioned in the partial fund specific annexure to the statute, stating the specific features or rights.

## **IV. Sales**

#### **Art. 25 Sales information / sales restrictions**

AIFM shall provide investors with the information required under AIFMG in the latest version prior to their acquisition of shares of AIF on the website of the LAFV Liechtenstein Investment Funds Association at [www.lafv.lizur](http://www.lafv.lizur) or may be obtained free of charge from AIFM and the depositary.

Shares are acquired based on the constituent documents as well as the latest annual report, provided that publication of the latter has already taken place or is required. Only the information contained in the constituent documents is valid. Upon purchase of shares, they are deemed to have been approved by the investor.

The shares of AIF are not permitted for sale in all countries of the world. If shares are issued, redeemed and converted abroad, the provisions in force there apply.

## Art. 26 Professional investors / private investors

### A. Professional investors

**Following applies for AIF for professional investors as defined in the guideline 2014/65/EU (MiFID II):**

A professional customer is a customer, who has sufficient experience, knowledge and expertise to make his own investment decisions and to adequately assess the risks involved. To be considered as a professional, a customer must meet the following criteria:

#### I. Categories of customers, who are considered as professional customers

The following entities are considered to be professional customers for the purposes of the directive in respect of all investment services and financial instruments:

1. Legal entities, which must be authorised or supervised, in order to operate in the financial markets. The list below should be understood as including all authorised entities carrying out the activities that characterise those entities:
  - entities authorised by a member state under a directive,
  - legal entities authorised or supervised by a member state without reference to a directive,
  - legal entities authorised or regulated by a third country:
    - a) Financial institutions
    - b) Investment firms
    - c) other authorised or supervised financial institutions
    - d) Insurance companies
    - e) Undertakings for collective investments and their management companies
    - f) Pension funds and their management companies
    - g) Commodity traders and commodity derivatives traders
    - h) local investors
    - i) other institutional investors.
2. Large companies that meet two of the following requirements at company level:
  - Balance sheet total: EUR 20,000,000
  - Net sales: EUR 40,000,000
  - Equity: EUR 2,000,000
3. National and regional governments, including public debt management agencies at national or regional level, central banks, international and supranational institutions such as the World Bank, IMF, ECB, EIB and other similar international organisations.
4. Other institutional investors, whose principal activity is investing in financial instruments, including entities engaged in securitisation of debt and other financing activities.

The legal entities mentioned above are considered professional customers. However, they must be able to request treatment as non-professional customers, where investment firms are prepared to provide a higher level of protection. Where the customer of an investment firm is one of the entities referred to above, the investment firm must, before providing any services, inform the customer that, based on the information in its possession, he is classified and treated as a professional customer, unless the investment firm and the customer agree upon otherwise. The investment firm must also inform the customer that he may request a change to the terms agreed upon in order to obtain a higher level of protection.

It is the responsibility of the professional customer to apply for the higher level of protection, if he believes that he is unable to correctly assess or manage the risks associated with the investment.

The higher level of protection is provided, when a customer classified as a professional customer enters into a written agreement with the investment firm not to treat him as a professional customer for the purposes of the applicable conduct of business rules. That agreement shall specify, whether this applies to one or more services or transactions or to one or more types of products or transactions.

5. Customers, who can be treated as professional customers upon application in accordance with directive 2014/65/EU (MiFID II).

## **B. Private investors**

Private investor is an investor, who is not a professional investor.

This AIF is intended exclusively for professional and qualified investors.

## **Art. 27 Special forms of sale**

### **A. AIF for qualified investors**

**Following applies for AIF for qualified investors as defined in Art. 62 AIFMV:**

1. An AIF for qualified investors is an AIF, which corresponds to one of the fund types referred to in Art. 58 to 61 AIFMV and which fulfils the conditions laid down in Art. 62 AIFMV.
2. An AIF for qualified investors may only be distributed to one or more qualified investors. Qualified investors are:
  - a) professional investors according to Art. 4 Para 1 Clause 31 AIFMG;
  - b) Individual investors, who fulfil at least one of the following prerequisites:
    - 1) Provision of a minimum investment of EUR 100,000 or its equivalent in another currency, if the individual investor has, directly or indirectly, financial assets worth EUR 1 million or its equivalent in another currency at the time of subscription
    - 2) Provision of a minimum investment of EUR 100,000 or its equivalent in another currency, if:
      - (aa) the investor states in writing in a document separate from the investment commitment agreement that he is aware of the risks associated with the intended commitment or investment;
      - (bb) AIFM assesses the expertise, experience and knowledge of the investor, without assuming that the investor has the market knowledge and experience of a professional customer;
      - (cc) AIFM, under consideration of the nature of the intended commitment or investment, is reasonably satisfied that the investor is able to make his own investment decisions and understand the risks involved, and that such a commitment is appropriate for the concerned investor;
      - (dd) AIFM confirms in writing that it has carried out the evaluation mentioned under the sub-paragraph (bb) and that the prerequisites given under the sub-paragraph (cc) are present;
    - 3) Conclusion of a written asset management contract with persons domiciled in the country or abroad, who:
      - aa) are authorised for asset management according to the EEA law; or
      - bb) are authorised for asset management in third countries by the national supervisory authority or, for their asset management activity, belong to a self-regulatory organisation recognised by the national supervisory authority and are subject to a money laundering regime equivalent to the EEA law; FMA issues a list of countries with equivalent regulations.
3. Investor information relating to AIF for qualified investors shall at least comply with the requirements for AIF distributed exclusively to professional investors. In particular, the semi-annual report and the key investor information will not be published, which will be pointed out during the distribution process.
4. The acquisition of a share in an AIF for qualified investors requires the signing of a subscription form by the qualified investor or the person, with whom the qualified investor has concluded a written asset management agreement pursuant to Para 2 Letter b Clause 3. The signatory of the subscription form confirms that at the time of signing, one of the conditions pursuant to Para 2 Letter b is fulfilled.

5. The body that accepts subscriptions (subscription office) only accepts subscriptions that appear plausible with regard to the declaration concerning the position as qualified investor.
6. For the distribution of AIF to qualified investors, the exemption from the obligation to publish a prospectus pursuant to Art. 83 AIFMV applies. There is no obligation to provide key investor information under Articles 77 to 80 of AIFMV. The sale is limited to within the country.

## V. Structural measures

### Art. 28 General

Unless otherwise agreed upon below, the legal provisions of Art. 76 ff. of AIFMG and the associated ordinance provisions apply to structural measures. In particular, it is possible to merge AIF into OGAW according to the provisions of the UCITSG.

It is also possible to split AIF or partial funds / its share classes.

### Art. 29 Merger

For the purposes of Article 78 of AIFMG, the AIFM may at any time and at its own discretion, with the approval of the relevant supervisory authority, decide to merge the AIF with one or more other AIF, irrespective of the legal form of the AIF and whether or not the other AIF is domiciled in Liechtenstein. Partial funds and share classes of the AIF may also merge with each other, but also with one or more other AIF or their partial funds and share classes.

All assets of the AIF or of the partial fund may be transferred to another existing AIF or to an AIF or partial fund newly created by the merger on any transfer date.

The depositary institutions of the investors shall provide information on the reasons for the merger, the potential effects for the investors at least 35 business days before the planned transfer date. Investors shall also receive key investor information relating to the AIF that will be maintained or newly created by the merger.

Until five working days prior to the planned transfer date, investors shall have the option to either redeem their shares without a redemption fee or to exchange their shares for shares of another AIF, which is also managed by the AIFM and has a similar investment policy to the AIF to be merged.

On the date of transfer, the values of the receiving and the transferring AIF or AIF shall be calculated, the exchange ratio shall be determined and the entire transaction shall be audited by the auditor or the depositary. The exchange ratio is determined in accordance with the ratio of the net asset values of the acquired and the receiving investment fund at the time of acquisition. The investor receives the number of shares in the new fund that corresponds to the value of his shares in the transferring fund. It is also possible for investors in the transferring fund to receive up to 10 percent of the value of their shares in cash. If the merger takes place during the current financial year of the transferring fund, its managing AIFM must prepare a report as at the transfer date, which complies with the requirements for an annual report.

AIFM notifies in the publication medium of AIF, the website of LAFV Liechtenstein Investment Funds Association ([www.lafv.li](http://www.lafv.li)), when AIF acquires another AIF and the merger has become effective. In the event of the AIF ceasing to exist as a result of a merger, the AIFM shall assume the public disclosure function that manages the receiving or newly created AIF.

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

### Art. 30 Information, consent and investor rights

Information regarding mergers is published on the website of LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the publication medium of AIF. Only for the purpose of producing the waiver effect or forfeiture pursuant to Art. 43 AIFMV, publication shall be made by means of durable data carriers (letter, fax, e-mail or similar).

If the shares of the AIF involved in the merger are distributed only to professional investors, the merger plan shall contain at least the following information:

- a) the AIF involved;
- b) the information, whether the merger is a merger through acquisition,
- c) is a merger by new formation or a merger with partial liquidation;
- d) the background and rationale for the proposed merger; and
- e) the planned effective date of the merger).

In case an AIF is exclusively distributed to professional investors, a report by the depositary or the independent auditor as defined in Art. 83 AIFMG is waived off.

Investors will be adequately and accurately informed about the proposed merger. The investor information must enable investors to make an informed judgement regarding the impact of the transaction on their investment and the exercise of their rights under Articles 84 and 85 AIFMG. In the case of AIF that are distributed exclusively to professional investors, no investor information notice is required.

In the event of a merger, investors may, without incurring any costs other than those retained by the AIF or by the partial funds to cover the dissolution costs, demand

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

The right to exchange shares shall only apply to the extent that the AIF or the relevant partial fund with a similar investment policy is a partial fund of the same AIF or is managed by the same AIFM or by a company closely linked to the AIFM. Where applicable, investors shall receive a fractional settlement.

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

If the shares of the AIF are only distributed to professional investors, the investor waives off the rights under Art. 86 AIFMG.

#### **Art. 31 Cost of merger**

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

This applies analogously to structural measures pursuant to Art. 90 lit. a and b AIFMG.

In the case of AIF, which are exclusively marketed to professional investors, legal, advisory or administrative costs associated with the preparation and implementation of structural measures pursuant to Art. 90 lit. c to i AIFMG may be charged to the partial fund assets. In this case, the expected costs must be stated in the investor information, both in total and approximately per unit, unless the investor information has been completely waived off.

#### **Art. 32 Transformation of a master or feeder AIF into an AIF and vice versa**

For the transformation of a feeder or master AIF into an AIF and vice versa, the provisions on structural measures apply analogously.

## **VI. Dissolution of AIF, its partial funds and share classes**

#### **Art. 33 General**

The provisions for the dissolution of AIF also apply to its partial funds and share classes.

Investors will be informed of the decision through the same channels as described in the previous section "Structural measures".

#### **Art. 34 Decision for dissolution**

The dissolution of the investment company or one of its partial funds is mandatory in the cases



provided for by law. In addition, the AIFM has the right to dissolve the AIF or an individual partial fund or share class at any time.

The investment company may be dissolved by resolution of the general body meeting. The resolution shall be adopted in compliance with the legal provisions prescribed for amendments to the statute.

Partial funds and share classes may be dissolved by resolution of the Board of Directors.

Investors, their heirs and other beneficiaries may not demand the division or dissolution of AIF or of an individual partial fund or an individual share class.

The decision regarding the dissolution of an partial fund or a share class is published at least 30 days, before the dissolution becomes effective, on the website of LAFV Liechtenstein Investment Fund Association ([www.lafv.li](http://www.lafv.li)) as the publication medium of the investment company as well as in the mediums or by means of data carriers mentioned in the funds documents (letter, fax, e-mail or similar). A copy of the investor notification is sent to FMA. Unless the Board of Directors decides otherwise, the investment company will no longer issue, redeem or exchange shares of the investment company from the date of the resolution on dissolution, until the dissolution decision is implemented. In the event of liquidation, the investment company shall dispose of the assets in the best interests of the investors and instruct the depository to distribute the net liquidation proceeds of the investment company, the respective partial fund or share class to the investors on a pro rata basis.

The AIFM shall be entitled to instruct the depository to distribute the net liquidation proceeds after deduction of the liquidation costs to the investors. Otherwise, the liquidation of AIF or of the partial fund shall be carried out in accordance with the provisions of the Liechtenstein Persons and Companies Act (PGR).

If AIFM dissolves a share class without dissolving the investment company or the partial fund, all shares of this class shall be redeemed at their then current net asset value. This redemption shall be published by AIFM and the redemption price shall be paid by the depository for the benefit of the former investors.

#### **Art. 35 Reasons for dissolution**

If the net assets of the investment company fall below a value, which is necessary for economically efficient management, and in the event of a significant change in the political, economic or monetary environment or as part of a rationalisation process, the investment company may decide to redeem all shares of the investment company, a partial fund or a share class at the net asset value (taking into account the actual realisation prices and realisation costs of the investments) on the valuation day, on which the corresponding resolution takes effect.

#### **Art. 36 Dissolution and bankruptcy of the investment company**

In the event of the dissolution and bankruptcy of the investment company, the assets managed for the purpose of collective capital investment for the account of the investors do not form part of its bankruptcy estate and are not dissolved together with the company's assets. The investment company or a partial fund forms a fund for the benefit of its investors. Each fund shall be transferred to another AIFM with the consent of FMA or dissolved by way of separate compensation in favour of the investors of the investment company or a partial fund.

#### **Art. 37 Dissolution and bankruptcy of AIFM or of the depository**

The assets managed for the purpose of collective investment for the account of the investors shall not, in the event of dissolution and bankruptcy of AIFM, be included in the bankruptcy estate of AIFM and shall not be dissolved together with its assets. The investment company or a partial fund forms a fund for the benefit of its investors. Each fund shall be transferred to another AIFM with the consent of FMA or dissolved by way of separate compensation in favour of the investors of the investment company or a partial fund.

In the event of bankruptcy of the depository, the managed assets of the investment company or a partial fund shall be transferred to another depository with the consent of FMA or dissolved by way of separate satisfaction in favour of the investors of the investment company or a partial fund.

## **Art. 38 Termination of the designation and delegation agreement and the depository agreement**

### **Dissolution of the designation and delegation agreement**

In the event of termination of the delegation agreement between the investment company and AIFM managing it, each fund shall be transferred to another AIFM with the consent of FMA or dissolved by way of separate satisfaction in favour of the investors of the investment company.

### **Dissolution of the depository agreement**

In the event of termination of the depository agreement, the managed assets of the investment company shall be transferred to another depository with the consent of FMA or dissolved by way of separate compensation in favour of the investors of the investment company or a partial fund.

## **Art. 39 Cost of dissolution**

The costs of dissolution shall be charged to the managed assets of the investment company.

## **VII. Formation of partial funds and share classes**

### **Art. 40 Formation of partial funds**

AIF consists of one or several partial funds. AIFM may, at any time, decide to launch additional partial funds and to dissolve or merge existing partial funds. The statute including the partial fund-specific Annexure B "Overview of partial funds" shall be amended accordingly.

Investors shall participate in the respective partial fund assets of the AIF in proportion to the shares they have acquired.

Each partial fund is regarded as an independent asset in the relationship among the investors. The rights and obligations of investors in one partial fund are different from those of investors in the other partial funds.

With respect to third parties, the assets of the individual partial funds are liable only for the obligations entered into by the respective partial funds.

### **Art. 41 Duration of the individual partial funds**

The partial funds may be established for a definite or indefinite period. The duration of a partial fund is specified for the respective partial fund in Annexure B "Overview of partial funds".

### **Art. 42 Share classes**

AIFM can build several classes of shares for each partial fund.

Shares of individual share classes can also be issued in the form of tokens on the Ethereum blockchain (tokenised shares). For this purpose, the special provisions regarding issue and redemption in the sections 9.6.3 and 9.7.2 which are inherent in the technology used must be observed.

Share classes may be formed that differ from existing share classes in terms of the allocation of income, the issuing commission, the reference currency and the use of currency hedging transactions, the management fee, the minimum investment amount or a combination of these features. However, the rights of the investors, who have acquired shares from the existing share classes, remain unaffected by this.

The share classes launched in connection with each partial fund and the fees and remunerations incurred in connection with the shares of the partial fund are set forth in Annexure B "Overview of partial funds".

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

The respective partial fund's assets are invested in accordance with the rules of AIFMG and the investment policy principles described below and within the investment restrictions.

### **Art. 43 Investment policy**

The investment policy for the partial funds is described in Annexure B "Overview of partial funds".

The general investment principles and restrictions given below apply to all partial funds, unless deviations or additions are specified for the respective partial fund in Annexure B “Overview of partial funds”.

#### **Art. 44 Permitted investments**

The authorised investments of the partial fund are based on the legal provisions of AIFMG and AIFMV, for liquid investments on Art. 58 Para 2 AIFMV and for illiquid investments on Art. 59 Para 2 AIFMV. General restrictions are given in the Annexure B “Overview of partial funds”.

#### **Art. 45 Use of derivatives, techniques and instruments**

The use of derivatives, borrowing, securities lending and repurchase agreements is governed by the legal provisions of the AIFMG depending on the fund type selected.

#### **Risk management procedure**

AIFM must use a risk management process that allows it to monitor and measure at any time the risk associated with the investment positions and their respective share of the overall risk profile of the investment portfolio; it must also use a process that allows an accurate and independent assessment of the value of the OTC derivatives. AIFM shall submit reports to FMA at least once a year containing information that gives a true and fair view of the derivatives used for each managed partial fund, the underlying risks, the investment limits and the methods used to estimate the risks associated with the derivative transactions.

#### **Securities lending**

AIFM does not do any securities lending.

#### **Pension transactions**

AIFM does not do any pension transactions.

#### **Art. 46 Investment limits**

The investment limits of the partial fund are based on the legal provisions of AIFMG depending upon the selected fund type. General restrictions are given in the Annexure B “Overview of partial funds”.

##### **A. Investment periods, within which the corresponding investment limits must be reached**

The investment limits must be reached within the time period mentioned in Annexure B “Overview of partial funds”.

##### **B. Procedure in case of deviations from the investment limits:**

1. A partial fund asset does not have to comply with the investment limits when exercising subscription rights from securities or money market instruments forming part of its assets.
2. If the aforementioned limits are exceeded, the partial fund's primary objective in its sales must be to normalize this situation, taking into account the interests of investors.
3. Any loss incurred as a result of an active breach of the investment limits / investment regulations must be reimbursed to the fund without delay.

#### **Art. 47 Merging of assets (pooling)**

For the purpose of efficient management, AIFM may allow internal pooling and/or the joint management of assets of certain partial funds. In this case, assets of different partial funds shall be managed jointly. The assets under common management shall be referred to as a “pool”, but such pools shall be used exclusively for internal management purposes. The pools do not constitute separate entities and are not directly accessible to investors.

The company may invest and manage all or part of the portfolio assets of two or more partial funds (referred to for this purpose as “participating partial funds”) in the form of a pool. Such a pool of assets is formed by transferring cash or other assets (provided such assets are consistent with the investment policy of the pool concerned) from each participating partial fund to the pool of assets. Thereafter, the AIFM may make further transfers to each pool of assets. Similarly, assets may be transferred back to a participating partial fund up to the amount of its participation.

The share of a participating partial fund in the respective asset pool is valued by reference to notional units of equal value. When establishing a pool of assets, AIFM will determine the initial value of the notional units (in such currency as the directors may deem appropriate) and allocate to each participating partial fund shares equal to the total value of the cash (or other assets) contributed by it. The value of the notional units is then calculated by dividing the net assets of the asset pool by the number of existing notional units.

If additional cash or assets are contributed to or withdrawn from an asset pool, the notional units allocated to the relevant participating partial fund will each be increased or decreased by a number calculated by dividing the contributed or withdrawn cash or assets by the current value of the participating partial fund's participation in the pool. Where a cash contribution is made to the pool of assets, it will be reduced for calculation purposes by an amount that the board of directors considers appropriate to take account of any tax, acquisition and acquisition costs associated with the investment of the cash concerned. In the case of a cash withdrawal, a corresponding deduction may be made to take account of any costs associated with the sale of securities or other assets of the pool.

Dividends, interest and other income-like distributions earned on the assets of an asset pool are attributed to the asset pool in question and thus result in an increase in the respective net assets. In case of liquidation of the AIF, the assets of a pool of assets shall be allocated to the participating partial funds in proportion to their respective participation in the pool of assets.

#### **Art. 48 Joint administration**

In order to reduce operating and management costs while allowing for a broader diversification of investments, the AIFM may decide to manage part or all of the assets of one or more partial funds together with assets attributable to other partial funds or belonging to other collective investment undertakings. In the following sections, the term "jointly managed entities" means AIF and each of its partial funds and all entities, with or between which a joint management agreement, if any, would be in place; the term "jointly managed assets" refers to all assets of such jointly managed entities, which are managed for joint management in accordance with the aforementioned joint management agreement.

Under the joint management agreement, the respective portfolio manager shall be entitled to make decisions on a consolidated basis for the relevant jointly managed entities regarding investments and sales of investments, which have an impact on the composition of the portfolio of AIF and its partial funds. Each jointly managed entity shall hold a share of the jointly managed assets in proportion to its net assets as a percentage of the total value of the jointly managed assets. This proportionate shareholding (for this purpose referred to as "shareholding ratio") shall apply to all categories of assets held or acquired in the context of the joint management. Decisions on investments and/or asset disposals do not affect this participation ratio and further investments are allocated to the jointly managed units in the same proportion. In the event of sale of assets, these will be deducted proportionately from the jointly managed assets held by each jointly managed entity.

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

Investors' attention is drawn to the fact that the joint management agreement may result in the composition of the assets of the relevant partial fund being affected by events affecting other jointly managed entities, such as subscriptions and redemptions, unless specific measures are taken by the directors or by one of the entities mandated by AIFM. Consequently, if all other aspects remain unchanged, subscriptions received by an entity jointly managed with the partial fund will result in an increase in the cash reserve of that partial fund. Conversely, subscriptions received by an entity managed jointly with the partial fund result in a reduction of the cash reserves of this partial fund. Subscriptions and redemptions may, however, be held in the special account opened for each jointly

managed entity outside the joint management agreement and through which subscriptions and redemptions must pass. Given the possibility of recording substantial subscriptions and redemptions in these special accounts and the possibility that the board of directors or its delegated bodies may decide at any time to terminate the participation of the partial fund in the joint management agreement, the relevant partial fund may avoid reallocations of its portfolio, if such reallocations could affect the interests of the AIF and its investors.

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

Jointly managed assets of partial funds will only be managed together with assets that are to be invested according to the same investment objectives as those applicable to the jointly managed assets, in order to ensure that investment decisions are fully consistent with the investment policy of the relevant partial fund. Assets under common management may only be managed together with assets, for which the same portfolio manager is authorised to take investment or disposal decisions and for which the depositary also acts as custodian to ensure that the depositary is able to fully exercise its functions and responsibilities vis-à-vis the fund and its partial funds in accordance with the law. The depositary shall at all times keep the assets of the AIF separate from the assets of the other jointly managed entities, which enables it to identify the assets of each partial fund at any time. As the investment policy of the jointly managed entities need not be exactly the same as the investment policy of a partial fund, it is possible that, as a consequence, the common investment policy may be more restrictive than that of the partial fund.

AIFM may, at any time, and without prior notice decide to terminate the agreement on joint management.

Investors may, at any time, inquire at the registered office of the AIFM as to the percentage of assets under common management and of the entities, with which such common management agreement exists at the time of their inquiry.

The annual reports shall indicate the composition and percentages of the assets under common management.

Joint management agreements with non-Liechtenstein entities are permissible, provided that

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

## IX. Valuation and share business of investor shares

### Art. 49 Calculation of the net asset value of each share

#### A. Proper valuation

The Net Asset Value (the "NAV") of each share of a sub-fund/class of shares is calculated by the AIFM at the end of the financial year and on the relevant valuation day based on the last known prices taking into account the valuation interval.

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

It shall be rounded to the following values when shares are issued and redeemed:

- to EUR 0.01 in case of Euro.

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

1. Securities that are officially listed on a stock exchange are valued at the last available price. If a security is officially listed on several stock exchanges, the last available price of the stock exchange that is the main market for this security is decisive.
2. Securities not officially listed on a stock exchange but traded on a market open to the public are valued at the last available price.
3. Securities or money market instruments with a residual term of less than 397 days may be written down or written up on a straight-line basis with the difference between the cost price (purchase price) and the redemption price (price at final maturity). A valuation at the current market price may be omitted, if the redemption price is known and fixed. Any changes in creditworthiness are also taken into account.
4. Investments, whose price is not in line with market conditions and those assets, which do not fall under Clause 1, Clause 2 and Clause 3 above, are valued at the price, which would probably be obtained, if they had been sold with due care at the time of valuation and which is determined in good faith by the management of AIFM or by agents acting under its direction or supervision.
5. OTC derivatives shall be valued on a daily basis at a valuation to be determined and verifiable by the AIFM, as determined in good faith by the AIFM and in accordance with generally accepted valuation models verifiable by auditors, based on the likely sale value.
6. Funds are valued at the last established and available net asset value. In the event that redemption of units is suspended or no redemption right exists or the net asset value is determined in the case of closed-end AIF, these units shall be valued in the same way as all other assets at the current market value as determined in good faith by the AIFM in accordance with generally accepted valuation models verifiable by auditors.
7. If no market price is available for the relevant assets, these assets, as well as any other assets permitted by law, are valued at their current market value as determined in good faith by the AIFM and in accordance with generally accepted valuation models verifiable by auditors on the basis of the likely sale value.
8. Liquid assets are valued at their nominal value plus accrued interest.
9. Loans granted to property companies (both securitised and non-securitised) are valued at nominal value, less any impairments, plus accrued interest.
10. The market value of transferable securities and other investments denominated in a currency other than the relevant partial fund currency is converted into the relevant partial fund currency at the latest average exchange rate.
11. Investments that are not traded on a stock exchange or another regulated market open to the public are valued as follows:

Initial valuation is carried out at acquisition cost (e.g., purchase price or fixed price for the capital increase) in the case of transactions between independent parties. These values are verified by means of due diligence.

For subsequent valuations, in order to determine a fair value, a valuation assessment based on individual financial statements, consolidated financial statements or budgeted accounts (or a combination thereof) is generally used. The management company may use common valuation methods for the valuation assessment, such as net asset value assessment, last financing round or capital increase and/or comparable transactions, multiple analyses or discounted cash flow (DCF). Valuations, particularly of investments in the development sector (e.g., construction projects not yet completed), can alternatively be valued "at cost". Other methods are also possible with justification.

Audited individual financial statements must be available at least once a year. If current audited financial statements are not available, an alternative method must be agreed upon with the auditor.

In order to promote consistency of valuation, any significant deviation from a once chosen methodology is only possible after consultation with the auditor.

AIFM has the right to temporarily apply other adequate valuation principles for the partial fund's assets, if the above mentioned criteria for valuation appear impossible or inappropriate due to extraordinary events. In case of massive redemption requests, AIFM may value the units of the relevant partial fund's assets based on the prices, at which the necessary sales of securities are expected to be made. In this case, the same calculation method shall be applied for simultaneously submitted issue and redemption applications.

## **B. Extraordinary valuation**

AIFM may, if necessary in the interest and in order to achieve the investment objective, decide to carry out the extraordinary valuation of the fund's assets at the end of a month and to admit share transactions (subscriptions only) at this NAV. This may, in particular, be the case, if special investment opportunities arise for the AIF, for which additional funds are required and if there is a corresponding interest on the part of investors to subscribe for new shares. The valuation principles set out in Letter B must also be applied in the case of extraordinary valuations.

## **Art. 50 Issue of shares**

### **A. Issue of units on an ordinary valuation day**

Shares are issued on each valuation day at the net asset value per share of the relevant share class of the relevant partial fund, plus any issuing commission and plus any taxes and duties.

The units are not certified as securities.

Subscription applications must be received by the depositary by the closing date for acceptance at the latest. If a subscription application is received after the cut-off time, it will be reserved for the following valuation 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 in Liechtenstein. These can be obtained from the respective distributors.

Information on the valuation date, the cut-off time and the amount of the maximum issuing commission, if any, can be found in Annexure B "Overview of the partial funds".

Payment must be received within a specified period (value date) after the valuation date. AIFM reserves the right to extend this period, if the regular value date proves to be too short. For information on the value date, please refer to Annexure B "Overview of partial funds".

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

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

If the payment is made in a currency other than the reference currency, the equivalent amount from the conversion of the payment currency into the reference currency, less any fees, will be used to purchase shares.

The minimum investment that must be held by an investor in a given Class of Shares is set out in Annexure B "Overview of partial funds".

Trading may be suspended in cases, where Art. 53 of this statute applies.

Contributions in kind are permitted and must be examined and evaluated by AIFM on the basis of objective criteria.

Shares may also be subscribed for at the request of an investor and with the consent of AIFM against transfer of investments at the relevant daily price (contribution in kind or "subscription in kind"). AIFM is not obliged to act on such application.

Contributions in kind must be examined and evaluated by AIFM on the basis of objective criteria. The transferred investments must be consistent with the investment policy of the relevant partial fund and there must be a current investment interest in the securities in the opinion of the AIFM. The value of the contribution in kind must be verified by the auditor. All costs incurred in this connection (including the auditor's fees, other expenses and any taxes and duties) are borne by the investor concerned and may not be charged to the relevant partial fund assets.

The depositary, the AIFM or the distributors can, at any time, reject a subscription application or temporarily restrict, suspend or definitively cease issuing units or shares if this appears necessary in the interest of the investors, the public interest, the protection of the AIFM or the partial fund or the investors. In this case, the depositary will reimburse, without delay, without interest, any payments received in respect of subscription orders which have not already been executed, where appropriate with the assistance of the paying agent.

Trading may be suspended in cases, where Art. 53 of this statute applies.

The AIFM may also take a decision to suspend the issue of shares, in whole or in part, if new investments could impair the achievement of the investment objective.

#### **B. Issue of units on an extraordinary valuation day**

AIFM may, if necessary in the interest and in order to achieve the investment objective, decide to carry out the extraordinary valuation of the fund's assets at the end of a month and to admit share transactions (subscriptions only) at this NAV. This may, in particular, be the case, if special investment opportunities arise for the AIF, for which additional funds are required and if there is a corresponding interest on the part of investors to subscribe for new shares.

The valuation principles are described in detail in Art. 46 must also be applied in the case of extraordinary valuations. Settlement is made at the extraordinary NAV plus any issuing commission and any taxes. The commissions or fees incurred in this connection are set out in Annexure B "AIF at a glance"; in addition, the settlement principles pursuant to Art. 47 shall apply analogously.

The decision on an extraordinary valuation must be published on the website of the AIFM ([www.ahead.li](http://www.ahead.li)) and of the LAFV Liechtenstein Investment Funds Association ([www.lafv.li](http://www.lafv.li)) with at least one month's notice.

#### **C. Special features in the issue and safekeeping of shares in the form of tokens**

For the issue of share classes that provide for shares in the form of tokens, a trading agent (Bank Frick & Co. AG) is deployed for the technical implementation.

The trading agent monitors the so-called AARGOS Whitelist Smart Contract on behalf of AIFM. This contract regulates the onboarding of an investor and thus the inclusion in the AARGOS Whitelist (Whitelist). In the course of onboarding, an identification process is carried out, a business and investor profile is created and the tax categorisation is done.

The white-list is a register, in which wallet addresses are kept. This register is linked to a Smart Contract, which monitors the technology to ensure that shares in the form of tokens can only be allocated or transferred to wallet addresses that are listed in the register. A wallet address will only be included in the register (white-list) if the investor, to whom the wallet address is assigned, is authorised to dispose off the wallet and the investor has previously been identified and categorised in an onboarding by the trading agent via order of the AIFM. Shares in the form of tokens can only be transferred to investors, whose wallet address is included in the white-list. In addition to identification, the white-list function also ensures that sales are only made to qualified investors after assessment by the trading agent on behalf of the AIFM.

The Smart Contract used for making tokens for the shares (mapping of shares in the form of tokens) is based on the Ethereum block-chain, as is the Whitelist Smart Contract. If an investor wants to receive tokenised units or transfer them to another address, the AARGOS Token Smart Contract checks, whether the recipient address (so-called "Public Key") is present in the white-list. If this is not the case, the transaction is not executed technologically.



As soon as a new investor and his wallet have been identified and his investor profile has been successfully created, his address will be added to the AARGOS Whitelist. The trading agent may then, by order of the AIFM, "mint" new AARGOS tokens (create new shares in the form of tokens) and transfer them in accordance with the subscription value. The white-list function ensures that token holders are always identified. Furthermore, the share register is created via the white-list.

The trading agent also has the so-called "owner function" for the AARGOS Token Smart Contract. This function enables the trading agent to enforce court or official orders (e.g., blocking of the tokenised shares) on his behalf.

The tokenised shares shall be held with the trading agent after the conclusion of an asset management mandate pursuant to Art. 62 Para 1 lit. b) Z 3 AIFMV. The investor must comply with the above-mentioned onboarding process, before an allocation of the units in the form of tokens takes place. The trading agent ensures by order of AIFM that the investor is the beneficial owner.

## **Art. 50 Redemption of shares**

### **A. Redemption of shares in general**

Shares are redeemed on each valuation day at the net asset value per share of the relevant share class of the relevant partial fund, less any redemption commission and less any taxes and duties.

Redemption requests must be received by the depositary by no later than the closing date for acceptance. If a redemption request is received after the closing date, it will be reserved for the following valuation 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 in Liechtenstein. These can be obtained from the respective distributors.

Information on the valuation date, the closing date for acceptance and the amount of the maximum redemption commission, if any, can be found in Annexure B "Overview of the partial funds".

As it is necessary to ensure that an appropriate proportion of liquid funds is held in the assets of the relevant partial fund, payment of shares will be made within three bank working days of the relevant redemption date. This does not apply in the event that the transfer of the redemption amount proves impossible in accordance with legal provisions, such as currency and transfer restrictions or due to other circumstances beyond the control of the depositary.

If, at the request of the investor, payment is to be made in a currency other than the currency, in which the shares in question are issued, the amount to be paid is calculated from the proceeds of the conversion from the accounting currency to the payment currency, less any fees and charges.

The relevant share expires upon payment of the redemption price.

If the execution of a redemption request results in the holdings of the relevant investor falling below the minimum investment of the relevant share class as set out in Annexure B "Overview of partial funds", the AIFM may, without further notice to the investor, treat such redemption request as an application to redeem all shares held by the relevant investor in that share class or as an application to convert the remaining shares into another share class of the same partial fund with the same reference currency, for which the investor meets the eligibility criteria.

AIFM may redeem shares against the will of the investor against payment of the redemption price, where this appears necessary in the interest or for protection of investors or the AIFM, in particular, where

1. there is a suspicion that market timing, late trading or other market techniques are being used by the respective investor in connection with the acquisition of the units, which could harm the investors as a whole,
2. the investor does not fulfil the conditions for the acquisition of the shares, or
3. the shares are distributed in a country, in which the respective partial fund is not authorised for distribution or has been acquired by a person, for whom the acquisition of the units is not permitted.

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

Shares may also be redeemed at the request of an investor, with the consent of the AIFM, against transfer of investments at the relevant net asset value of the partial fund (redemption in kind). AIFM is not obliged to act on such a request and shall be entitled to charge additional fees at a reasonable level to cover the additional effort.

Expenses in kind shall be assessed by AIFM on the basis of objective criteria. In the case of expenses in kind, the investment policy of the partial fund must continue to be followed and the investment rules must be complied with. In addition, the AIFM considers that existing investors in the partial fund must have an interest in the expenses in kind of the securities. The recoverability of the non-cash expenses must be verified by an auditor. All costs incurred in this connection (including the auditor's fees, other expenses and any taxes and duties) are borne by the investor concerned and may not be charged to the relevant partial fund assets.

The redemption of fund shares may be discontinued in cases, where Art. 53 of this statute applies.

#### **B. Special features in the redemption of shares in the form of tokens**

If an investor makes use of his right to redeem shares in the form of tokens, the principles described in Section 9.7.1 apply. Because of the technology used, these principles are extended by the following process:

- The investor issues a redemption order to the depository (Bank Frick & Co. AG) to a certain extent (max. the total number of tokens held);
- The depository informs AIFM about the investor's redemption order;
- Based on the calculation of the net asset value by the AIFM, which is checked for plausibility by the depository, the equivalent value is calculated in the reference currency of the share class, to which the investor is entitled through the redemption of the tokenised shares;
- The depository informs the investor of the redemption address (wallet address), to which the investor must transfer the corresponding number of tokenised units, in order to obtain redemption at the forward price calculated in advance;
- Once the shares have been transferred in the form of tokens from the investor to the redemption address, the investor will be credited with the corresponding amount in the reference currency of the share class in his bank account;
- At the same time, the depository will initiate another transaction to the AARGOS Token Smart Contract, which is programmed to "burn" the tokenised shares transferred by the investor to the redemption address in that transaction. This process destroys the tokenised shares located at the redemption address.

#### **Art. 50 Conversion of shares**

The conversion of all or part of the shares into shares of another partial fund shall be carried out based on this statute, taking into account a conversion fee in favour of the recipient and in the amount specified in the annexure of the relevant partial fund, but at least the difference between the issuing commission of the partial fund of the shares to be converted and the issuing commission of the partial fund, into which the conversion is made. If no conversion fee is charged, this will be mentioned for the relevant partial fund in the relevant annexure to the statute.

A conversion of shares into another partial fund or share class is only possible, if the investor fulfils the conditions for the direct acquisition of shares of the respective partial fund or share class.

Where different classes of shares are offered, shares of one class of shares may also be switched into shares of another class of shares, both within the same partial fund and from one partial fund to another partial fund. No conversion fee will be charged in the event of a conversion within the same partial fund. If the conversion of shares is not possible for certain partial funds or share classes, this will be mentioned for the affected partial fund or share class in partial fund-specific Annexure B "Overview of partial funds".

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

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

A = Number of shares of the new partial fund or, if applicable, share class, into which the conversion is to be made

B = number of shares of the partial fund or, if applicable, share class, from which the conversion is to be made

C = net asset value or redemption price of the shares submitted for conversion

D = exchange rate between the partial funds concerned or between any classes of shares. If both partial funds or share classes are valued in the same accounting currency, this coefficient is 1.

E = Net asset value of the shares of the partial fund or, where applicable, the share class, to which the exchange is to be made, plus taxes, fees or other charges

In some cases, fees, taxes and stamp duties may be incurred in individual countries, when switching partial funds.

AIFM may, at any time, reject an application for conversion of a partial fund or class of shares, if this is deemed necessary in the interest of AIFM or the partial fund or in the interest of investors, in particular, if

1. there is a suspicion that "market timing", "late-trading" or other market techniques are being used by the respective investor in connection with the acquisition of the units, which may be detrimental to the investors as a whole
2. the investor does not fulfil the conditions for the acquisition of the shares, or
3. the shares are sold in a country, in which the respective partial fund is not authorised for sale or has been acquired by a person, for whom the acquisition of the shares is not permitted.

AIFM shall ensure that the conversion of shares is settled on the basis of a net asset value per share unknown to the investor at the time of submission of the application (forward pricing).

The conversion of fund shares may be discontinued in cases, where Art. 53 of this statute applies.

#### **Art. 53 Suspension of the calculation of the net asset value and of the issue, redemption and conversion of shares**

AIFM may temporarily suspend the calculation of the net asset value and/or the issue, redemption and conversion of shares of a partial fund, where this is justified in the interest of investors, in particular:

1. if a market, which forms the basis for the valuation of a substantial part of the assets of the partial fund is closed as a result of a national holiday, or if trading on such a market is restricted or suspended;
2. in the event of political, economic or other emergencies; or
3. if restrictions on the transfer of assets render transactions for the AIF impracticable.
4. in the event of technical problems in the settlement of the share transaction, in particular, with regard to the AARGOS token share class.

The suspension of the calculation of the net asset value of a partial fund will not affect the calculation of the net asset value of the other partial funds, if none of the above conditions apply to the other partial funds.

The AIFM may also take a decision to suspend the issue of shares, in whole or in part, if new investments could impair the achievement of the investment objective.

The issue of shares will be temporarily suspended, in particular, if the calculation of the net asset value per share is discontinued. If the issue of shares is discontinued, investors will be informed immediately by notice in the publication organ as well as in the media specified in the fund documents or by means of durable data carriers (letter, fax, e-mail or similar) of the reason and the time of the discontinuation.

In addition, the AIFM shall be entitled, while safeguarding the interests of the investors, to make substantial redemptions only i.e., to suspend redemption temporarily, after corresponding assets of the respective partial fund can be sold without delay while safeguarding the interests of the investors.

As long as the redemption of shares is suspended, no new shares of this partial fund will be issued. Conversions of shares, whose redemption is temporarily restricted, are not possible. The temporary suspension of the redemption of shares of a partial fund does not result in the temporary suspension of the redemption of the partial funds not affected by the events concerned.

AIFM shall ensure that sufficient liquid assets are available to the relevant partial fund's assets to enable the redemption or exchange of shares at the request of investors in normal circumstances to be effected in a timely manner.

AIFM shall immediately notify the FMA and, in an appropriate manner, the investors of the suspension of the redemption and payment of units. Subscription, redemption or conversion requests will be settled after the calculation of the net asset value is resumed. Investors may revoke their subscription, redemption or conversion requests until the resumption of share trading.

#### **Art. 54 Late trading and market timing**

If there is a suspicion that an applicant is engaged in late trading or market timing, AIFM and/or the depositary will refuse to accept the subscription, conversion or redemption request until the applicant has resolved any doubts concerning his application.

#### **Late trading**

Late trading means the acceptance of a subscription, conversion or redemption order received after the cut-off time of the day in question and its execution at the price based on the net asset value applicable on that day. Late trading allows an investor to benefit 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 complied with the official cut-off time. The advantage of this investor is even more significant, when he can combine late trading with market timing.

#### **Market timing**

Market timing is the arbitrage procedure, by which an investor systematically subscribes and redeems or converts shares of the same partial fund or share class in the short term by taking advantage of time differences and/or errors or weaknesses in the system for calculating the net asset value of the partial fund or share class.

#### **Art. 55 Prevention of money laundering and terrorism financing**

AIFM shall ensure that the domestic distributors undertake vis-à-vis AIFM to comply with the provisions of the Due Diligence Act and the associated Due Diligence Ordinance applicable in the Principality of Liechtenstein as well as the guidelines of FMA in their currently valid version.

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

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

## X. Costs and fees

### Art. 56 Ongoing fees

#### Costs and fees charged to an AIF

##### A. Fees depending upon assets

###### Administrative costs

The investment company shall charge an annual fee for the provision of the AIF, including the provision of corporate bodies, as well as for the management of the AIF by the AIFM, in accordance with Annexure B "Overview of partial funds". This fee is calculated based on the average net fund assets and is charged at the end of each financial year. The investment company is entitled to make payments on account during the year for the fees due.

The investment company thus also assumes the costs incurred by the depository for the custody of the securities and the costs incurred for the management of the AIF, as well as:

- Remuneration to the Liechtenstein Financial Market Authority (FMA);
- Price publications in the domestic publication organ of the AIF; and
- Remuneration to the auditor;

Any taxes levied on the fund's assets and its income and expenses are not included in the management costs, but are charged directly to the AIF.

###### Portfolio management fee

The investment company charges an annual fee for portfolio management and distribution in accordance with Annexure B "Overview of partial funds". This fee is calculated based on the average net fund assets and is charged at the end of each financial year. The investment company is entitled to make payments on account during the year for the fees due.

###### Transaction costs issue of tokens

The trading agent will charge a fee for the onboarding of an investor and thus his inclusion in the AARGOS Whitelist and the creation of new shares in the form of tokens (minting) for each subscription in accordance with Annexure B "Overview of partial funds". This fee is calculated and charged on the basis of the amount subscribed.

**The partial fund's investment policy in Annexure B "Overview of partial funds" provides information on the maximum amount of fees dependent on the partial fund's assets and the annual report provides information on their actual amount.**

##### B. Fees independent of assets

AIFM and the depository shall also be entitled to reimbursement of the following expenses incurred by them in the exercise of their functions:

- Costs of preparing, printing and mailing the annual reports and other statutory publications;
- Costs for the publication of the notices of the AIF addressed to investors in the publication organs and any additional newspapers or electronic media determined by the AIFM (with the exception of price publications in the domestic publication organ of the AIF);
- Fees and costs for authorisations and supervision of the partial fund abroad;
- Fees incurred in connection with distribution in Switzerland and abroad (e.g. advisory, legal, translation costs);
- Fees incurred in connection with a possible listing of the partial fund on a stock exchange;
- Fees, costs and charges related to the determination and publication of tax factors for all countries where distribution approvals exist or private placements are available and required, based on actual expenses at market rates;
- Fees for paying agents, representatives and other agents with similar functions abroad;
- a reasonable proportion of the costs of printed matter and advertising incurred directly in connection with the offering and sale of units;
- Fees of auditors and tax consultants, insofar as these expenses are incurred in the interests of the investors;
- Transaction-related fees in favour of AIFM in connection with the administration or risk management;

- Incorporation costs;
- Extraordinary dispositions;
- Liquidation costs;

For fees that are independent of the assets of the partial fund and are undetermined in terms of their amount or the time at which they arise, provisions are made pro rata temporis based on the average assets of the partial fund and accrued on each valuation day of the partial fund. The provisions are reversed when the corresponding costs become due. Excess provisions are reversed at the discretion of the AIFM in favour of the partial fund or the provision rate for the coming financial year is reduced. If the provisions made are insufficient to cover the corresponding costs, the under-accrued provisions may be charged to the assets of the partial fund at the end of the financial year.

#### **Transaction costs**

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

AIFM may be entitled to a transaction-related fee for expenses related to fund administration (e.g., handling fee) or risk management (e.g., risk management fee). A transaction-related remuneration for the investment decision or distribution is not permitted. Any transaction-related fee shall be disclosed under Art. 56 as a fee independent of the assets of the AIF.

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

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

#### **Incorporation costs**

The costs for the formation and initial issue of shares are charged to the partial funds existing at the time of formation, capitalised and subsequently amortised over a period of approximately five years. The formation costs are allocated proportionately to the respective partial fund assets. Costs incurred in connection with the launch of further partial funds are charged to the respective partial fund, capitalised and subsequently amortised over a period of approximately five years. The incorporation costs are a component of the costs and fees that are independent of the assets of the partial fund as described in Art. 56.

#### **Liquidation fees**

In case of liquidation of the investment company or the partial fund, AIFM may charge a liquidation fee of up to CHF 10,000 in its favour and debit it directly to the assets of the partial fund. In addition to this amount, the partial fund shall bear all costs of authorities, the auditor and the depositary.

#### **Extraordinary disposition costs**

In addition, AIFM may charge costs for extraordinary dispositions to the assets of the respective partial fund.

Extraordinary disposition costs are composed of expenses, which serve exclusively to protect the interests of the investors, which arise in the course of regular business activities and which could not be foreseen when the AIF or the relevant partial fund was founded. Extraordinary disposition costs are in particular legal advice and procedural costs in the interest of the AIF or the relevant partial fund or the investors. In addition, all costs of any extraordinary dispositions pursuant to the AIFMG and AIFMV (e.g., changes to the fund documents) shall be understood as extraordinary disposition costs.

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

In addition, AIFM may charge a performance fee. If a performance fee is charged, it is described in detail in Annexure B "Overview of partial funds".

## **Art. 57 Cost charged to the investor**

### **Issue commission:**

In order to cover the costs incurred in placing the shares, AIFM can charge an issue commission on the net asset value of the newly issued shares for the benefit of the AIF, the AIFM, the depositary and/or distributors in Switzerland or abroad in accordance with Annexure B "Overview of partial funds".

### **Redemption commission**

For the payment of redeemed shares, AIFM can charge a redemption commission on the net asset value of the redeemed shares for the benefit of the AIF, the AIFM, the depositary and/or distributors in Switzerland or abroad in accordance with Annexure B "Overview of partial funds".

### **Conversion fee**

For the purpose of switching from one partial fund to another or from one class of shares to another class of shares as requested by the investor, the AIFM shall charge a fee on the net asset value of the original partial fund or class of shares as set forth in Annexure B "Overview of partial funds".

## **XI. Concluding provisions**

### **Art. 58 Use of proceeds**

The realised income of a partial fund consists of net income and realised capital gains.

AIFM may distribute the income generated in a partial fund or one of its share classes to the investors of this partial fund or share class or reinvest (accumulate) this income in the relevant partial fund or share class.

The realised income of those partial funds or share classes that have an allocation of income of the "reinvesting" type in accordance with Annexure B "Overview of partial funds" is reinvested on an ongoing basis i.e., retained.

### **Art. 59 Grants**

AIFM reserves the right to grant benefits to third parties for the acquisition of investors and/or the provision of services. The basis of assessment for such payments shall normally be the commissions, fees, etc. charged to investors and/or assets/asset components placed with the AIFM. Their amount shall be a percentage of the relevant assessment basis. Upon request, the AIFM shall at any time disclose to the investor further details of the arrangements made with third parties. The investor herewith expressly waives off any further claim for information against the AIFM, in particular the AIFM shall not be obliged to provide detailed accounts with regard to actually paid benefits.

The investor acknowledges and accepts that AIFM may be used by third parties (including group companies) in connection with the admission of investors, acquisition/distribution of collective investment schemes, certificates, notes, etc. (hereinafter referred to as "Products"; these also include those managed and/or issued by a group company) may provide the AIFM with benefits generally in the form of portfolio payments. The amount of such benefits varies depending on the product and product provider. Portfolio payments are usually based on the volume of a product or product group held by the AIFM. They are usually a percentage of the management fees charged for the respective product, which are remunerated periodically during the holding period. In addition, sales commissions may also be paid by securities issuers in the form of discounts on the issue price (percentage discount) or in the form of one-off payments, the amount of which corresponds to a percentage of the issue price. Subject to any other provision, the investor can, at any time, before or after the provision of the service (purchase of the product), request from AIFM further details of the arrangements made with third parties regarding such payments. However, the right to receive further details regarding transactions already carried out is limited to the 12 months preceding the request. The investor expressly waives off any further claim to information. If the investor does not request any further details prior to the provision of the service or if he/she obtains the service after obtaining further details, he/she waives any claim to disclosure in accordance with § 1009 of the Austrian Civil Code (ABGB).

## Art. 60 Taxation guidelines

### Capital company or investment corporation and fund assets

All Liechtenstein AIFs in the legal form of a capital company with variable capital (AGmVK) or an investment company with variable capital (SICAV) are subject to unlimited tax liability in Liechtenstein and are subject to income tax. The income from the assets under management represents tax-free income. When determining the modified equity capital, only the equity capital that is not attributable to the assets under management is to be stated. The income tax is 12.5% of the taxable net income.

### Issue and sales taxes<sup>4</sup>

The formation (issue) of founder shares or shares in the share capital (as part of the equity capital) of a capital company with variable capital (AGmVK) or an investment company with variable capital (SICAV) is subject neither to the issue tax nor to the formation tax. The same applies to the issue of shares in the assets under management. The transfer in return for payment of ownership of shares in the assets under management is subject to the turnover tax, provided that one of the parties or an intermediary is a domestic securities dealer. The redemption of founders' shares or shares in the share capital as well as shares in assets under management is exempt from the turnover tax. The AIF in the legal form of an investment company with variable capital or an investment company with variable capital shall be deemed to be exempt from the turnover tax.

### Withholding taxes

The AIF in the legal form of an investment company with variable capital or an investment company with variable capital is not subject to any withholding tax liability in the Principality of Liechtenstein, in particular, no coupon or withholding tax liability. Foreign income and capital gains earned by AIF in the legal form of a capital company with variable capital or an investment company with variable capital or any partial funds (segments) of the fund may be subject to the respective withholding tax deductions of the country of investment. Any double taxation agreements remain reserved.

### EU taxation of interest

With respect to AIF or any partial fund (segments) of AIF, a Liechtenstein paying agent may be required to withhold tax with respect to certain interest payments of AIF or any partial fund (segments), both on distributions and on the sale or redemption of investor units made to natural persons domiciled for tax purposes in an EU member state (**EU taxation of interest**). Where appropriate, a Liechtenstein paying agent may, at the express request of the beneficial owner, provide for a reporting procedure instead of retaining the tax.

### FATCA

AIF will comply with the provisions of the Foreign Account Tax Compliance Act ("FATCA", in particular, Sections 1471 - 1474 of the U.S. Internal Revenue Code and any agreement between Liechtenstein and the United States of America on cooperation to facilitate the implementation of FATCA, if applicable) and will register with the U.S. Internal Revenue Service as a FATCA participating institution to the extent required.

### Natural persons with tax domicile in Liechtenstein

Private investors domiciled in the Principality of Liechtenstein must declare their shares as assets and these are subject to wealth tax. Any distributions of income or retained earnings of the AIF in the legal form of a capital company with variable capital or an investment company with variable capital or any partial funds (segments) of the fund are exempt from income tax. The capital gains realised on the sale of the shares are not subject to income tax. Capital losses cannot be deducted from taxable income.

### Persons with tax domicile outside of Liechtenstein

For investors, whose country of domicile is outside the Principality of Liechtenstein, taxation and the other tax consequences of holding or buying or selling investor shares are governed by the tax laws of the respective country of domicile and, in particular, with regard to EU taxation of interest, by the country of domicile of the paying agent.

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<sup>4</sup> In accordance with the customs affiliation agreement between Switzerland and Liechtenstein, Swiss stamp tax law also applies in Liechtenstein. For the purposes of Swiss stamp tax legislation, the Principality of Liechtenstein is, therefore, considered a domestic country.



## **Disclaimer**

The tax information is based on the currently known legal situation and practice in Liechtenstein. We expressly reserve the right to make changes to the legislation, jurisdiction or decrees and practice of the tax authorities in Liechtenstein and under foreign tax law.

Investors are requested to consult their own professional advisor regarding the relevant tax consequences. Neither the investment company, the AIFM, the portfolio manager, the depository nor their agents can assume any responsibility for the individual tax consequences for the investor resulting from the purchase, sale or holding of investor shares.

## **Art. 61 Information for the investors**

Publication medium of the investment company is the website of LAFV Liechtenstein Investment Funds Association ([www.lafv.li](http://www.lafv.li)) as well as other mediums mentioned in the funds documents.

All notifications for the investors, also the ones about the amendments in the statute as well as in Annexure A "Organisational structure of AIF and AIFM" and Annexure B "Overview of partial funds" are published on the website of LAFV Liechtenstein Investment Funds Association ([www.lafv.li](http://www.lafv.li)) as the publication medium of the investment company as well as in the mediums and data carriers mentioned in the funds documents.

The net asset value of the shares of the investment company or of each partial fund or each share class is published on each valuation day on the website of LAFV Liechtenstein Investment Funds Association ([www.lafv.li](http://www.lafv.li)) as the publication medium of AIF as well as in the mediums and data carriers mentioned in the funds documents (letter, fax, e-mail or similar).

The annual report, audited by an auditor, shall be made available free of charge to investors at the registered office of the AIFM and the depository.

## **Art. 62 Reports**

AIFM shall prepare an audited annual report for each AIF as well as a semi-annual report, if any, in accordance with the legal requirements in the Principality of Liechtenstein.

By no later than six months after the end of each business year, AIFM publishes an audited annual report in accordance with the legal provisions of the Principality of Liechtenstein.

In the case of an AIF for qualified investors, the preparation and publication of a semi-annual report is waived off.

Audited and unaudited interim reports may also be prepared.

## **Art. 63 Business year**

The business year of AIF starts on January 1 of each year and ends on December 31 of the same year.

## **Art. 64 Amendments of the statute**

This statute may be amended or supplemented, in whole or in part, by AIFM at any time.

AIFM shall notify FMA, in writing, of the significant changes at least one month before the implementation of the change or without delay after the occurrence of an unplanned change.

If AIF is subject to authorisation, the statute of AIFM and any amendments thereto shall require the prior approval of FMA, in order to be effective.

## **Art. 65 Limitation period**

The claims of investors against AIFM, the liquidator, custodian or depository shall become time-barred five years after the occurrence of the loss, but by no later than one year after the redemption of the share or after becoming aware of the loss.

## **Art. 66 Applicable law, place of jurisdiction and authoritative language**

AIF is subject to Liechtenstein law. The exclusive place of jurisdiction for all disputes between investors, the AIFM and the depository is Vaduz.

However, the AIFM and/or the depositary may submit themselves and the AIF to the jurisdiction of the countries, in which units are offered and sold with respect to claims of investors from these countries. Any other legally binding jurisdictions to the contrary are reserved.

German is the legally binding language for this statute.

**Art. 67 General**

In addition, reference is made to the provisions of AIFMG, the provisions of the Persons and Companies Act (PGR) on collective trusts and the general provisions of the PGR as amended.

**Art. 68 Coming into force**

This statute comes into force with the entry in the trade register.

Vaduz, November 20, 2019

**AIFM:**

Ahead Wealth Solutions AG, Vaduz

**The Depositary:**

Bank Frick & Co. AG, Vaduz

## **Annexure A: Organisational structure of AIF and AIFM**

### **Organisational structure of AIFM**

#### **Board of Directors**

Beat Frischknecht, President of the board of directors  
Doris Beck, Member of the board of directors  
Dr. Heinz Frommelt, Member of the board of directors  
lic.oec. Karlheinz Ospelt, Member of the board of directors

#### **Management**

Alex Boss, CEO  
Peter Bargetze, CFO  
Martin Krassnitzer, Head Fund Administration & Relationship Management

#### **Chartered accountant of AIFM**

Grant Thornton AG, Bahnhofstrasse 15, 9494 Schaan, Liechtenstein

### **Organisational structure of AIF**

#### **Board of Directors**

AARGOS AG, Vaduz (LI)  
Ahead Wealth Solutions AG, Vaduz (LI)

#### **Chartered accountant of AIF**

Grant Thornton AG, Bahnhofstrasse 15, 9494 Schaan, Liechtenstein

#### **Reference currency of AIF**

EUR

## Annexure B” Overview of partial funds

The statute and this Annexure B “Overview of partial funds” form an essential unit and, therefore, complement each other.

### 1. AARGOS Global Real Estate Fund

#### A. Overview of partial funds

##### Master data and information about the partial fund and its share classes

Classes of shares	EUR	AARGOS Token
Security number	48,507,184	48,507,187
ISIN number	LI0485071844	LI0485071877
Sales	Sale is made exclusively to professional and qualified investors.	
Duration of the partial fund	unlimited	
Listing	no	
Reference currency of the partial fund	EUR	
Reference currency of the share class	EUR	EUR
Minimum investment	EUR 100,000.--	EUR 100,000.--
Initial issue price	EUR 100.--	EUR 100.--
Initial subscription date	open	open
Payment (first value date)	open	open
Valuation day	last day of the year	
Extraordinary valuation day <sup>5</sup>	at the end of a month, with a notice of at least one month on the website of the management company (www.ahead.li) and of the LAFV Liechtenstein Investment Funds Association (www.lafv.li) with at least one month's notice.	
Valuation interval	yearly	
Valuation deadline	at the latest on the last Liechtenstein banking day of the sixth month following the valuation day	
Issue and redemption day	each valuation day	
Value date issue and redemption day	<u>Subscriptions:</u> Valuation date (by this date the depositary must have received the money) <u>Redemptions:</u> on the third Liechtenstein bank working day after the share price has been calculated	
Acceptance deadline for share transactions	<u>Subscriptions:</u> Valuation day, 12.00 noon, subject to a one-month subscription notice <u>Redemptions:</u> Valuation day, 12.00 noon, subject to a 6-month termination notice	
Lock-up period	Redemptions are possible at the earliest by NAV 31.12.2024. The lock-up period may be extended for a maximum of two one-year periods, if the AIF does not have sufficient liquidity.	
Denomination	Shares to three decimal places	
Securitisation	book entry / no issue of certificates	
Closing of financial year	on December 31 each year	
End of the first financial year	December 31, 2020	

<sup>5</sup> Details are given in Clause 9.5.2 «Extraordinary valuation» and Clause 9.6.2 «Issue of shares on an extraordinary valuation day».

<b>Appropriation of profits</b>	accumulating
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#### Cost charged to the investor

Classes of shares	EUR	AARGOS Token
<b>Max. issue commission</b>	5%	5%
<b>Max. redemption commission</b>	none	none

#### Cost charged to the partial fund's assets<sup>6</sup>

Classes of shares	EUR	AARGOS Token
<b>Max. administrative costs<sup>7</sup></b>	0.40 % p.a. plus max. CHF 90,000	
<b>Max. portfolio management fee<sup>5</sup></b>	1.50% p.a.	
<b>Transaction costs issue of tokens</b>	None	0.25% , max. CHF 20,000.- per subscription
<b>Performance fee</b>	15%	
<b>Hurdle rate</b>	2.50%	
<b>High Watermark</b>	yes	

#### B. Task delegation by AIFM

##### a) Risk Management

The risk management is not delegated for this partial fund.

##### b) Portfolio management

Portfolio management for this partial fund is delegated to ArclInvest AG.

##### c) Issue of shares in the form of token (trading agent)

For share classes that provide for issue of shares in the form of tokens, a trading agent (Bank Frick & Co. AG) is deployed for the technical implementation.

#### C. Depository

The depository function for this partial fund is delegated to the Bank Frick & Co. AG.

#### D. Investment principles of the partial fund

The following provisions govern the investment principles specific to the partial fund of the AARGOS Global Real Estate Fund.

##### a) Investment objective and policy

The investment strategy consists, in particular, by using so-called property or special purpose entities, in the acquisition of properties in the Core Plus/Value Added segment and their long-term preservation, improvement and creation of substance as well as the generation of current income. The primary objective is a long-term orientation combined with active portfolio management geared to property market cycles. In addition, properties in the opportunistic segment can also be acquired. In addition, equity interests in other real estate companies can also be acquired.

When selecting investments, the aim is to achieve an optimal risk/return structure through diversification according to properties, their type of use, location and size. A diversification of currencies can be achieved by spreading the investments across different currency areas.

<sup>6</sup> Plus taxes and other costs: Transaction costs and expenses incurred by AIFM and the depository in the performance of its functions. The details are given in the prospectus in Sections 11 (Taxation) and 12 (Costs and fees charged to the fund).

<sup>7</sup> The actually charged commission or fee is shown in the annual report.

All investments go through a multi-stage selection process. In principle, the property-specific value drivers (location, market, construction quality, tenant/creditworthiness, rental agreements, cost structures, future developments, property management, etc.) and tax aspects are examined when selecting investments.

In principle, the AIF is not subject to geographical restrictions i.e., investments can be made anywhere in the world. However, it cannot be excluded that the investments made or the properties acquired may be concentrated in a certain region, even over a longer period of time. The focus is on covering the various value drivers associated with the properties. The greatest possible value creation potential is to be achieved by ensuring that the investment policy consists of two components: a selective and focused transaction strategy and an active property management approach. The planned portfolio structuring takes the form of a weighting of both the investment categories, the property types, the investment strategies and the country distribution.

Fund assets can be invested in funds available at short notice both to secure liabilities and in the absence of suitable investment properties. These can be held in the form of bank deposits at sight and over the long term, as well as money market investments or bonds and debt securities of all currencies.

#### **b) Permitted investments**

Following are permitted as investment instruments:

1. Real estate investments in land, including associated companies using so-called property or special purpose vehicles; considered to be land:  
Commercial and industrial properties with a share of residential use, residential properties, commercial properties and mixed-use properties:
  - a) Shopping centres (retail)
  - b) Hotel properties
  - c) Logistics properties
  - d) EFH and condominium ownership;
  - e) Buildings under building law (leasehold), provided this is transferable and can be registered;
  - f) independent and permanent rights (such as building rights);
  - g) building land (including demolition objects) and buildings in progress;
  - h) Redevelopment objects with development potential.
2. Subsidiaries, i.e. companies that are controlled by a majority of capital and votes or by sole ownership (in particular in the form of participations in real estate corporations and similar forms of companies), whose sole purpose is the acquisition and sale, construction of superstructures or the rental and leasing of their own land (subsidiaries in the legal form of a holding company are excluded from this purpose)
3. Shares in domestic and foreign real estate investment funds or undertakings for collective investment with a similar function from an OECD member state that are subject to government supervision;
4. Investment securities and investment value rights of real estate companies worldwide (including REITs, Real Estate Investment Trusts);
5. Investment securities and investment value rights (shares, participation and dividend-right certificates, shares with warrants, etc.) of companies worldwide, as well as securities, rights and money market instruments traded on a stock exchange or another regulated market open to the public;
6. Fixed and/or variable-interest debt securities and debt security rights (bonds, notes, debentures, warrant bonds, convertible bonds, mortgage bonds, etc.) of private and public-sector borrowers worldwide;
7. Demand or callable deposits with a maximum term of twelve months with credit institutions that have their registered office in an EEA member state or in another state, provided that they are subject to supervision there that is equivalent to Liechtenstein's;
8. Investments in all freely convertible currencies as spot or forward transactions;
9. Over-the-counter currency options and forward exchange contracts;

10. Units or shares in open-ended investment funds, which are the subject of investments as defined in this section;
11. Units or shares in closed investment funds or undertakings for collective investment with a similar function, including exchange traded funds (ETFs) and investment or holding companies, of issuers worldwide that make investments as defined in this section;
12. Investment securities and investment value rights (GmbH shares, KG shares, shares in other unlisted partnerships and corporations, shares, participation and dividend-right certificates) of companies worldwide which, although not themselves qualifying as real estate companies, have a real estate reference in the broader sense and which are not traded on an exchange or another regulated market open to the public.

**c) Not permitted investments**

1. Direct investments in real estate;
2. Noble metals (direct);
3. Commodities and commodity contracts (direct);
4. Short selling;
5. Non-securitised loans receivable (excluding shareholder loans to companies held by the AIF).

**d) Investment restrictions**

Following investment restrictions apply to the partial fund:

1. AIF may invest up to 100% of the net assets of the fund in unlisted investments;
2. The largest investment may not exceed 100% of the net assets of the fund;
3. Derivative financial instruments such as options, futures and the like may only be used for hedging purposes;
4. Forward exchange transactions may be used both for hedging and investment purposes;
5. Investments in equity securities and equity securities pursuant to Point b) Point 12 are limited to 30% of the fund's net assets.

**e) Borrowing and granting of loans:**

1. In exceptional cases and, if necessary, in the interest of the investors, the AIF may itself take out temporary loans up to a maximum amount of 20% of the net assets of the fund. This limit must be complied with, when the borrowing is concluded and may be increased by subsequent fluctuations in the value of the investments. Under no circumstances may the loans exceed 30% of the net assets of the fund.
2. The real estate companies held directly or indirectly by AIF may also take out loans.
3. The objects and rights belonging to the Fund's assets may not be pledged, except for the borrowing permitted under Clause 1 and for permitted transactions with derivative financial instruments.
4. The AIF may neither grant loans nor act as a guarantor for third parties, with the exception of shareholder loans granted by the fund to so-called property or special purpose vehicles held by the fund as well as guarantees in favour of these.

The AIF shall not be entitled to claim against the depositary for the granting of the maximum permissible credit limit. The sole decision as to whether, how and in what amount a loan is granted rests with the depositary in accordance with its credit and risk policy. This policy may change during the term of the AIF.

**f) Investments in shares in other funds**

The partial fund may invest a maximum of 30% of its assets in units in other funds. In doing so, the corresponding investment restrictions are to be followed.

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

**g) Currency hedging of share classes**

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

**h) Accounting/reference currency of the partial fund**

The accounting currency of the partial funds and the reference currency for each class of shares are set forth in lit. A of the Annexure "Overview of partial funds".

The accounting currency is the currency, in which the accounting of the partial funds is done. The reference currency is the currency, in which the performance and the net inventory value of the share classes have been calculated. Investments are made in the currencies that are best suited to the performance of the respective partial fund.

**i) Profile of the typical investor**

The partial fund is suitable exclusively for investors with a high risk tolerance and a long-term investment horizon. Owing to the possibility of concentrating on only a few investments, the investor must be willing and able to accept large fluctuations in value and possibly also substantial losses in value.

**E. Valuation**

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

**F. Risks and risk profile of the partial fund**

**a) Risks specific to partial funds**

**The past performance of the shares depends upon the investment policy and on the market development of the individual investments of the partial fund and cannot be determined in advance. In this context, it should be noted that the value of the shares may rise or fall at any time compared to the issue price. It cannot be guaranteed that the investors gets his invested capital back.**

Due to the focused investment strategy of the AIF combined with the possibility to invest up to 100% of the net assets of the fund in illiquid real estate investments, thereby taking an additional transfer risk, and to invest only in a small number of assets, the AIF may be exposed to risks that go far beyond the traditional level and may, under certain circumstances, result in very high losses in value, including total loss.

**Liquidity of the investments**

The AIF may invest up to 100% of its net assets in unlisted real estate investments, which, in principle, have limited liquidity. This may, under certain circumstances, mean that these securities may only be sold over a longer period of time and only at significantly lower prices, for example in the event of a large number of redemptions of units of the AIF. In the case of larger sales triggered in this way, this fact can have a massive impact on the net asset value of the AIF.

**Ability of investments to get valued and their transparency**

AIF may invest up to 100% of its net assets in unlisted investments, for which no price is available from official data providers. The valuation of unlisted investments shall normally be carried out using an internal valuation model based on financial statements and/or external valuation reports. For this reason, the calculated value of the investments does not necessarily reflect the true value of the investments. The information available about these companies is not comparable to that of securities listed or otherwise traded on a regulated market and may result in a lack of transparency and information about the investments. Changes in the valuation of the investments



or changes in accounting regulations in individual countries may lead to unexpected and very large fluctuations in the net asset value of AIF.

#### **Transfer risk**

The possibility for AIF to invest up to 100% of its net assets in unlisted investments, where the usual standards may not be prevailing at the domicile of AIF, may lead to massive uncertainties in the transfer of the securities or their equivalents, which may result in a total loss of the assets invested by AIF.

#### **Cost charging / conflicts of interest**

It is possible for AIF to invest the majority of its net assets in a single security. These securities may be directly or indirectly controlled or influenced by the portfolio manager. It is also possible that the portfolio manager may receive remuneration, commissions, management fees or other benefits from the companies, in which investments are made. This may lead to a conflict of interest, as a result of which the portfolio manager may take decisions, for which the AIF buys properties too expensively, sells properties too cheaply or enters into contracts with other service providers that are unfavourable to AIF. These conflicts of interest may range from slight financial losses to substantial damage to the assets of AIF.

#### **Risk of high indirect costs**

The individual special purpose entities, in which AIF invests, also require management and incur administrative and other operational costs. These additional costs may significantly reduce the income of AIF.

#### **Risk of leverage**

The individual special purpose entities, in which AIF invests, have the possibility to use debt capital. This leverage allows AIF to suffer above average losses in case of negative price developments of the underlying properties.

#### **Concentration on few investments (concentration risk)**

AIF may invest its assets in a limited number of investments. This may result in a high concentration which, in the event of a counter-party default, may lead to a total loss of the invested capital.

#### **Blind pool**

It is not yet clear, which properties are to be acquired by AIF (blind pool). Therefore, this involves the risk that it will not be possible to find a sufficient number of properties that meet the investment criteria, which may prolong the acquisition process, in particular. This would have a negative impact on the earnings situation of AIF. Furthermore, purchased properties may differ from the individual expectations of the investor, even though they meet the investment criteria.

#### **Risks of real estate investments, participation in real estate companies and the encumbrance with a heritable building right**

Real estate investments are subject to risks that may affect the share value through changes in income, expenses and the market value of the properties. This also applies to investments in properties held by real estate companies. The following examples of risks do not constitute an exhaustive list:

- In addition to changes in the general economic environment, there are risks inherent in real estate ownership in particular, such as vacancies, rent arrears and rent losses, which may result from changes in the quality of locations or tenants' creditworthiness, among other things. The condition of the building may necessitate maintenance expenses that are not always foreseeable. Ongoing maintenance and modernisation or restructuring of the real estate should maintain or improve its competitiveness.
- Risks from fire and storm damage as well as natural hazards (flooding, high water, earthquakes) are covered by international insurance policies, to the extent that the necessary insurance capacity is available, economically viable and objectively necessary.
- Properties, especially in conurbations, may be exposed to the risk of war and terrorism. Without itself being affected by an act of terrorism, a property can be economically devalued, if the property market of the affected area is permanently impaired and the search for tenants is

difficult or impossible. Terrorism risks are also covered by insurance policies, provided that the appropriate insurance capacities are available and that this is economically justifiable and objectively necessary.

- Purchase-specific risks arise mainly from the condition of the individual property at the time of purchase. Numerous factors, including the age of the building fabric, non-compliance with building law requirements, hidden defects or previously undetected pollutants (e.g., asbestos) that are hazardous to the health of the occupants, or misjudgement could result in costs for expensive renovation, maintenance and modernisation measures. Furthermore, rental income from the seller may be incorrectly stated or may prove to be of no value. It may happen that the seller is aware of the approaching creditworthiness problems of the tenants or their intention to terminate the lease and conceals them. It is, therefore, possible that properties are bought at too high a price and can only be resold at a loss. Each of these risks would have a negative impact on the company's net assets, financial position and results of operations, if realised.
- Risks in the portfolio management, development and sale of properties can arise, among other things, from official intervention (e.g., the refusal or withdrawal of planning permission, increased requirements for the protection of historical monuments and other building regulations), but also from changes in the letting sector (e.g., a fall in rents) and the property market in general (e.g., a falling price level and thus falling sales prices).

The management of real estate includes risks relating to the continuity of rental payments, among other things. The letting of real estate properties and the associated level of rental income also involves risks with regard to

- the creditworthiness of the tenants,
- the time span until follow-up letting (lower rental income due to vacancies that cannot be reduced or even increasing vacancy rate),
- temporary or permanent vacancies,
- existing and future rental agreements and conditions,
- the development of indirect costs that can be apportioned, which may limit the scope for rent increases, and
- the development of the rent index for the respective region and its relevance with regard to rental legislation.

Despite the intended structure and equipment quality of the properties in line with demand and use, it cannot be ruled out that higher than calculated expenses will be incurred during the holding period of the property e.g., for maintaining value due to technical progress, competitive adjustments or changes in tenants' preferences. The risks described above could have a significant adverse effect on the company's net assets, financial position and results of operations.

- Real estate properties are purchased by AIF based on valuations prepared by external experts and are then offered for sale again based on these valuations. It cannot be ruled out that such valuations are objectively flawed. Such an incorrect valuation could result from the fact that the person preparing the expert opinion may have been mistaken in his assessment. Furthermore, decisive valuation factors that could not have been foreseen at the time the expert opinion was prepared, such as the environment of the property, new legal requirements, etc., could have changed significantly by the time the property is sold. Furthermore, a real estate valuation report is no guarantee that the value shown for a property will actually be maintained; rather, this valuation is only a decision-making aid that does not necessarily refer to a market situation that may change at a later date.

Above all, appraisals with too high a valuation could be problematic. On the one hand, this could mean that the property in question could be purchased too expensively and/or not sold at the expected amount, and thus a loss of earnings could be incurred. These additional costs would, in turn, lead to a deterioration in earnings. The risks described above, if realised, would have a material adverse effect on the net assets, financial position and results of operations of AIF.

- The business model of the AIF is partly dependent on regulatory approvals or prohibitions as far as the development and management of real estate is concerned. The AIF endeavours to acquire only those real estate properties, for which the necessary regulatory approvals are already available or, in the opinion of AIF, can be procured without any problems. However, it cannot be excluded that conditions may be imposed subsequently for real estate projects once acquired by AIF. This may lead to reduced sales proceeds due to a deterioration in the marketability of the acquired properties and thus ultimately to a deterioration in the earnings of AIF. In the event of an unlawful denial of approval, AIF may have the possibility to obtain approval through the courts, but even if the outcome is positive, this may lead to a higher capital commitment due to the time delay. This would have a negative impact on the assets, liabilities, financial position and profits of AIF.
- AIF shall bear the risk that the land or buildings owned by it are contaminated with contaminated sites, soil contamination, other harmful soil changes or otherwise, and that it may be held liable by public authorities or private third parties for the removal of such contamination. Exclusion of liability for contaminated sites, soil contamination, other harmful soil changes or burdens is legally only possible to a limited extent for AIF.

If, in the case of acquired real estate, additional measures, such as investigations of the building fabric or the subsoil, special investigations, compaction measures and the like, become necessary due to the existing building or soil conditions, such as harmful contamination of the building fabric, high groundwater level, insufficiently compacted soil or similar reasons, this may result in corresponding disadvantages, in particular, additional costs, delays and poorer sales and realisation opportunities, which may also have an adverse effect on the business activities of AIF.

Utilization may be directed, for example, towards expert investigations, safeguarding measures, removal and disposal of harmful modified soils, parts of buildings or other objects, cleaning up of contaminated groundwater, and compensation for costs and damages caused by contaminated sites, soil contamination or other harmful soil modifications. Even if AIF is not itself responsible for the harmful changes, it has only limited possibilities to take recourse against the responsible party or parties, such as sellers or buyers, in this respect, or to successfully enforce claims for indemnification. The mere suspicion that soil contamination or other contaminated sites may be present could have negative consequences, even if the suspicion later turns out to be false. It may only be possible to counteract this fact with an exonerating expert opinion, but this, in turn, leads to unexpected costs, which reduce the sales proceeds and thus the earnings situation.

Each of these risks would have a negative impact on the net assets, financial position and results of operations of AIF, if realised.

- AIF could find itself in a situation of dependency on tenants, who rent either large areas or a large number of apartments. If these tenants unexpectedly terminate their contracts for AIF, AIF would have to find new tenants as quickly as possible, which could be difficult and time-consuming in the case of large areas or a large number of apartments. If the properties cannot be re-let immediately after the termination of the current leases, this would lead to a loss of planned rental income, which could have a negative impact on the net assets, financial position and results of operations of AIF.
- The AIF could be exposed to a warranty risk, if its sold or rented properties were defective and the AIF were to be held responsible for this. There may be a partial recourse to third parties, but this could cease, if the third party is or becomes insolvent. With regard to warranties, protracted legal proceedings with uncertain outcomes could have to be initiated, which could lead to a high cost risk. A possible recourse for AIF under guarantee could have a significant negative impact on its assets, liabilities, financial position and profit or loss.
- A further risk is the liability for incorrect sales documents that have become part of the contract. This could result in claims for damages or rescissions by buyers, which could also have a negative impact on the net assets, financial position and results of operations of AIF.

- With regard to insurance coverage, AIF cannot ensure that any damages incurred will be fully compensated. AIF may be exposed to substantial claims for damages, for which it may be liable. This includes, above all, claims for damages, which could arise from the ownership of land and buildings - e.g., violation of traffic safety obligations. Furthermore, AIF could suffer financial losses due to the ownership of land and buildings e.g., due to fire or soil contamination.

Therefore, if damage events occur, which are not or not sufficiently covered by the existing insurance coverage, this may have a significant negative impact on the net assets, financial position and results of operations of AIF.

- In particular, fluctuations in the real estate market, the general economic situation, the availability of properties and the development of the overall economic environment may have a negative impact on AIF, as the long-term development of real estate prices and rents in the respective region is difficult to predict due to numerous uncertainties.
- Macro-economic as well as sector-specific developments could have a significant negative impact on the planned sales and rental income and thus also on the value of the properties of AIF, for instance, due to economic downturns, migration of companies and individuals, rising unemployment or even terrorist attacks. There is a risk that the valuation approaches applied by AIF may have to be corrected. Should an unscheduled write-down of the real estate assets of AIF be necessary, this would have a material adverse effect on the net assets, financial position and results of operations of AIF. In particular, a write-down of the real estate assets would require the provision of further collateral and impair the company's further financing possibilities. In the event of a weakening economic situation, the willingness of potential buyers to take out long-term loans to finance real estate could decline. The purchased properties could then not be sold at the hoped-for values.

Like many other industries, the real estate sector is also dependent on the general economic conditions. In addition to tax conditions, this includes in particular demographic, settlement structure, traffic technology and transport policy conditions. Changes in these framework conditions and possibly associated adverse macro-economic developments influence the investment and consumption behaviour of market participants e.g., fewer investments are made. In addition, real estate prices could develop differently than planned. The market requirements with respect to location, size and type of properties could change permanently, so that the properties offered by AIF may no longer reflect the general market situation and may be difficult to place on the market. This would seriously affect the business and financial development of AIF.

- AIF may be unable to find suitable properties that fit into its buying and selling structure during periods of low or economically unattractive supply of properties and may, therefore, be temporarily or permanently restricted in its business activities. Such restriction of business activities would have a negative impact on the net assets, financial position and results of operations of AIF.
- Should the currently low interest rates for real loans increase significantly in the future, the acquisition of properties would be more difficult for buyers, who finance the purchase price mainly with borrowed funds due to the increased interest charges and the willingness of potential buyers to buy would be negatively affected. Possible necessary purchase price adjustments could significantly affect the sales proceeds of AIF and thus its net assets, financial position and results of operations.
- The market for commercial and residential real estate is, amongst others, dependent upon legal, in particular fiscal, framework conditions (building society subsidies, home ownership subsidies, depreciation possibilities, deduction of advertising expenses, increase in real estate transfer tax or changes in the taxation of capital gains, etc.), which may have a major impact on the buyer behaviour and pricing and thus ultimately on the earnings performance of AIF. Changes in national or European legislation or changes in the interpretation or application of existing regulations could affect the business activities of AIF. For instance, an extension of tenant protection rights in the event of a conversion of rented accommodation into condominiums could have negative effects on the sale of condominiums to investors.

Changes in the applicable tax law affecting both the property buyers' side and the income of AIF could have a negative impact on the returns of AIF. Negative effects would, in particular, occur, if tax incentives or subsidies for real estate were restricted or taxes were increased or the tax base for income from real estate (e.g., from rentals and leases) were broadened.

In recent decades, the law has become increasingly tenant-friendly. For instance, the possibility of increasing rents or giving notice to tenants has been severely restricted. Should this trend continue or intensify, this will have a negative impact on the return on real estate. Rental income in the holding phase of the properties could fall. If rental income continues to fall as a result, demand for properties for rental purposes could also decline.

Changes in laws and regulations and their interpretation by courts and authorities could have a negative impact on the business activities of AIF. In extreme cases, the economic basis of AIF may be removed and its continued existence may be threatened, with corresponding negative effects on the assets of AIF.

- In project development, risks may arise, for instance, from changes in urban land use planning and delays in obtaining building permits. Increases in construction costs and completion risks are countered as far as possible by appropriate arrangements with the contractual partners and their careful selection. However, it should be noted here that there are remaining risks, as well as the fact that the success of the initial letting depends on the demand situation at the time of completion.
- Real estate can be afflicted with construction defects. These risks cannot be completely eliminated even by careful technical inspection of the property and, if necessary, obtaining expert opinions prior to acquisition.
- When acquiring properties abroad, risks arising from the location of the properties (e.g., different legal and tax systems, different interpretations of double taxation agreements and changes in exchange rates) must be taken into account. In the case of foreign properties, the increased management risk as well as any technical difficulties, including the transfer risk associated with current income or proceeds from sales, must also be taken into account.
- The sale of a property may give rise to warranty claims by the buyer or other third parties for which AIF is liable, even if the utmost commercial care is exercised.
- The sale of real estate may result in taxable capital gains. This has a negative impact on the income and liquidity situation of AIF. A provision for risks is made up to the amount of the taxes expected to be payable on capital gains on the sale of real estate. However, there is a risk that the actual taxes are effectively higher than initially assumed.
- When acquiring equity interests in real estate companies, risks resulting from the corporate form of the company, risks in connection with the possible default of shareholders, and risks of changes in the tax and corporate law framework must be taken into account. This applies, in particular, if the real estate companies have their registered office abroad. In addition, it must be taken into account that if equity interests in real estate companies are acquired, they may be burdened with obligations that are difficult to identify. Finally, there may be no sufficiently liquid secondary market for the intended sale of the equity interest.
- As a rule, real estate investments can also be financed by borrowing. This is usually done to achieve a leverage effect (increase in return on equity by borrowing at an interest rate below the property yield). If AIF is subject to tax, the interest on the loan may be deducted from tax; this applies, in particular, to investments that are not made in the country of domicile of AIF. In the case of debt financing, changes in the value of the properties have a greater impact on the invested equity capital of AIF; in the case of 50% loan financing, the effect of an increase or decrease in the value of the property on the invested fund capital is approximately twice as high as in the case of full equity financing. Changes in value are, therefore, more significant when using external financing than is usually the case with self-financed properties. The investor thus benefits more from added value and is more strongly affected by reduced values than with full equity financing. Extensive external financing of properties also reduces liquidity

bottlenecks e.g., as a result of massive unit redemptions, to procure the necessary funds through property sales or short-term borrowing. This increases the risk that the redemption of shares must be suspended (see page 23).

- If a property is encumbered with a heritable building right, there is a risk that the holder of the heritable building right will not meet his obligations, in particular, will not pay the ground rent. In this and other cases, the leaseholder may relinquish the ground lease prematurely. The company must then seek a different economic use of the property, which can be difficult in individual cases. This also applies analogously to reversion after expiry of the contract. Finally, the encumbrance of the property with a heritable building right can restrict fungibility i.e., the property may not be as easy to sell as it would be without such an encumbrance.

#### **No rights of the investor to influence**

As a matter of principle, investors do not have any rights of co-determination or influence. This gives rise to the risk that management decisions may turn out to be different from what the individual investor expects or wishes. Decisions concerning the ongoing business of AIF are not taken by the investor and, therefore, the investor is exposed to the risk that management decisions are not optimal or incorrect from his point of view.

#### **No secondary market; limited resale and return possibilities**

There is no established secondary market for fund shares. Consequently, there is the risk that the sale of the investments may be difficult or even impossible during the lifetime of AIF. The purchase price offered by a potential buyer for the units may be significantly lower than the amount originally paid by the investor. The existing redemption rights vis-à-vis AIF are restricted in several ways, including a lock-up period and notice and settlement periods.

#### **Third party information**

This prospectus also contains information from external third parties, in particular, from the portfolio manager. It is often not possible to verify the accuracy of this information. It cannot be ruled out that the statements and information taken over from external third parties and reproduced in this prospectus may be incorrect, incomplete or removed from their factual context and are, thus, misunderstood or may even be misleading. A liability of the external third parties, whose statements and information have been adopted, is not always given. Even if claims for compensation exist, there is a risk that they cannot be enforced or not enforced in full.

#### **Insolvency of the real estate company and no capital guarantee**

The investors indirectly bear the risk of insolvency of the real estate companies, in which AIF invests. The claims of AIF against the real estate company are not secured and, in the event of insolvency, are subordinated to the claims of other creditors of the real estate company. Claims of AIF will be satisfied only after the claims of other creditors have been settled. This may also delay, reduce or even completely eliminate the fulfilment of investors' redemption requests. There is no capital guarantee for investments in AIF and the real estate companies. Depending upon the occurrence of the respective risks, a total loss of the investment amount and the front-end load may, therefore, also occur.

#### **Debt financing of the investment acquisition**

Where investors finance their investment in AIF by taking out loans, the risk for them increases. If the investor is no longer able to meet the payment obligations under the loan, this may result in the lender terminating and calling in the corresponding loans, realising the fund participation and, possibly, also the remaining assets of the investor. In addition to the total loss of the investment, this may result in the personal insolvency of the investor.

Risk management method: Commitment approach

Maximum leverage: 130%

Expected leverage: 100%

#### **b) Risks specific to share classes**

In addition to the risks specific to partial funds, the investments of AIF may have particular risks, if the shares of a share class are issued in the form of tokens based on block chain.

There are various risks associated with the subscription or purchase and holding of token-based shares (share class AARGOS tokens); those risks, which the issuer considers relevant, are described in more detail in this section. The issuer expressly does not guarantee the completeness of the risks described. It is expressly pointed out that further individual risks may arise in isolated cases. In addition, risks may occur not only individually but also cumulatively. The presentation of the risk factors does not replace the possibly necessary advice from professional advisors. An investment decision should not be made solely on the basis of these risk factors, as the information contained herein cannot replace advice and clarification tailored to the needs, objectives, experience and/or knowledge and circumstances of the investor. It is recommended that, if necessary, assessments be obtained from professional advisors.

Each potential investor of AARGOS tokens in question must decide for himself, whether the investment in these AARGOS tokens is suitable for him.

Each investor should, in particular:

- have adequate knowledge and experience to be able to effectively evaluate the AARGOS tokens and the benefits and risks of investing in them, and the information provided in this prospectus (including any supplements thereto);
- have adequate financial resources and liquidity to be able to bear all risks associated with such investment, if any;
- fully understand the terms and conditions of this prospectus (in particular, the securities note given in this prospectus and any supplements thereto) and have knowledge of trends and developments in relevant indicators or the financial market; and
- be able, alone or with the assistance of a financial advisor, to evaluate possible scenarios of trends in the economy, interest rates and other factors that may affect the investment in the AARGOS tokens, as well as the investor's ability to bear any risks.
- It is further recommended that investors have, or acquire prior to subscribing to or purchasing AARGOS tokens pursuant to this prospectus, in-depth knowledge and experience of the functionality of block chains, smart contracts and cryptographic tokens, in general.

The investor bears the risk that an investment in the AARGOS tokens may not be appropriate for him.

### **Trading and liquidity risk**

The AARGOS tokens are transferable and can be traded on the secondary market of the cryptocurrency exchange as of the date of issue and are subject to the AARGOS token being admitted to trading. In addition, however, AARGOS tokens are not admitted to trading in a regulated or unregulated market.

Admission and trading opportunities cannot be guaranteed. There is a risk that such admission to trading will not be granted. Crypto-exchanges approved for trading with security tokens must be structured as an approved MTF, OTF or stock exchange in Europe.

Redemptions are possible at the earliest by NAV 31.12.2024. The lock-up period may be extended for a maximum of two one-year periods, if the AIF does not have sufficient liquidity.

### **Taxation risk**

Prospective buyers or sellers of AARGOS tokens should note that they may be liable to pay taxes or fees in accordance with the applicable laws of the country, in which the transfer of AARGOS tokens takes place, of which they are citizens or residents or whose standards are applicable for other reasons. Legislative changes may reduce the actual revenue from the AARGOS tokens and may reduce the net proceeds that an AARGOS token holder receives as a result of the sale of his AARGOS tokens compared to the original expectations.

Tokens, including the AARGOS tokens, are a new type of asset. The tax classification of income or capital gains resulting from the purchase, holding or sale of tokens may be unclear in some countries and may be subject to future changes.

It is the responsibility of each investor to ensure that income and capital gains arising from the purchase, holding or sale of AARGOS tokens are properly declared and/or taxed in accordance with applicable law.

### **Software risks**

The smart contract systems as well as decentralised "cloud" and distributed ledger concepts, in general, and the associated software, technology and technical concepts and theories (including

block chain, cryptography etc.) are currently in an early stage of development or in an ongoing development process and are, therefore, subject to significant operational and technological risks. There is no guarantee that the processes for acquiring, selling, receiving, using, holding and “owning” the tokens and for receiving payments will function without interruption or free of errors. There is a risk that software and other technologies and theories may have weaknesses, vulnerable points, bugs or other errors.

**In the worst case, this can lead to the irretrievable loss of the AARGOS tokens.**

**The issuer assumes no liability and makes no warranties or representations with respect to the functionality of any smart contracts programmed or used for the settlement of the offer pursuant to this prospectus in the broadest sense.**

#### **Regulatory risks**

The share class of the AARGOS tokens issued pursuant to this prospectus contains innovative aspects. The tokens in question and block chain technologies as a whole are new forms of interaction. It cannot be ruled out that legal provisions, in particular, provisions on the regulation of financial services, will be applied to the offer in question in individual jurisdictions or that new regulatory developments will have a general regulatory impact on the transactions in question.

This may lead to conflicts and problems in connection with automated processes based on smart contracts or with smart contract systems in general and decentralised “cloud” and distributed ledger concepts. As a consequence, it may, among other things, be necessary to substantially adapt or even discontinue the business activities of the issuer.

#### **Risk of loss of access data**

AARGOS tokens will be allocated to the respective addresses on the Ethereum block chain (ETH addresses) of the investors upon issuance, and payments to holders of AARGOS tokens will be made in the respective crypto-currencies to the ETH address of the token holder previously disclosed to the escrow partner.

It is the sole responsibility of each investor to keep their access data secure. If access data is lost or stolen, the investor irretrievably loses all access to the tokens and assets deposited at the address in question. The issuer cannot, in its capacity as issuer of the AARGOS token or as operator of the trading software, recover, “reset” or reissue these access codes.

#### **Risk of theft**

Smart Contract Systems, as a whole, including other technological components for or in connection with the issuance of tokens under the terms of this prospectus, may be subject to hacker attacks, which may result in the theft or loss of tokens already allocated to investors. Similarly, such attacks may result in the theft or loss of ETH or BTCs paid for the purchase of AARGOS tokens, either before or after the allocation of tokens to investors.

The loss of deposited ETH and/or BTC may result in the issuer being unable to (sufficiently) develop, implement and/or further develop the trading software.

#### **Further specific risks of the block chain**

For example, the issuer uses a Smart Contract, which ensures that the rights of the token-based fund share class are distributed to the buyers in the form of AARGOS token, when the conditions of purchase are fulfilled.

The AARGOS token share class is issued in the form of tokens. This means that all associated rights are linked to the right of disposal over a token or the private key. The tokens are based on the Ethereum block chain. The use of this technology involves a number of risks.

A block chain is a public and decentralised register that permanently records transaction data. This means that there is no privacy in a transaction. Every single transfer of the tokenised fund share class (AARGOS token) is recorded publicly for an indefinite period of time.

The issuer will issue the AARGOS token to the address in the Ethereum block chain provided by the investors in the whitelisting process<sup>8</sup>. If an investor (a) uses wallet software that does not support ERC20 tokens or an investor (b) does not own the private key or (c) loses it, there is no possibility to access or recover the issued AARGOS token.

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<sup>8</sup> Identification of the owner of an Ethereum wallet address in accordance with the Due Diligence Act.



### **c) General risks**

In addition to the risks specific to partial funds, the investments of AIF can be subject to the following general risks: An exemplary, but not exhaustive, list of such risks is given in Section 8.2 of the prospectus.

#### **G. Costs reimbursed from the partial fund**

An overview of the costs reimbursed by the partial fund is given in the table "Master data and information of the partial fund and its share classes" under lit. A of this Annexure "Overview of partial funds".

#### **H. Performance fee**

For an example of the calculation, please refer to Annexure C "Example for calculating the performance fee".

Vaduz, November 20, 2019

**AIFM:**

Ahead Wealth Solutions AG, Vaduz

**The Depository:**

Bank Frick & Co. AG, Balzers

## Annexure C: Example for calculating the performance fee

Performance Fee <sup>1</sup>		15%	Hurdle Rate Anwendung		Ja			
High Watermark <sup>2</sup>		Ja	Hurdle Rate		2.5%			
Fortschreibung Hurdle Rate								Nein
Berechnung Performance Fee								mit jeder NAV
Berechnungsstatus		vorläufig, Performance Fee gilt nur als zurück gestellt						
Auszahlung Performance Fee		zum Ende eines jeden Geschäftsjahres						
Bewertungstag	NAV-Start	High Watermark	Hurdle-Rate	Grenzkurs <sup>3</sup> (HW & HR)	NAV vor Perf. Fee	Perf. Fee	NAV nach Perf.Fee	
<b>Jahr 1</b>								
Monat 1	100.00	100.00	2.5%	102.50	102.00	0.00	102.00	
Monat 2	102.00	100.00	2.5%	102.50	104.00	0.23	103.78	
Monat 3	103.78	100.00	2.5%	102.50	107.00	0.68	106.33	
Monat 4	106.33	100.00	2.5%	102.50	109.50	1.05	108.45	
Monat 12	111.43	100.00	2.5%	102.50	115.00	<b>1.88</b>	113.13	
<b>Jahr 2</b>								
Monat 1	113.13	113.13	2.5%	115.95	116.00	0.01	115.99	
Monat 2	115.99	113.13	2.5%	115.95	121.00	0.76	120.24	
Monat 3	120.24	113.13	2.5%	115.95	124.50	1.28	123.22	
Monat 4	123.22	113.13	2.5%	115.95	119.00	0.46	118.54	
Monat 12	110.00	113.13	2.5%	115.95	110.00	<b>0.00</b>	110.00	
<b>Jahr 3</b>								
Monat 1	110.00	113.13	2.5%	115.95	114.00	0.00	114.00	
Monat 2	114.00	113.13	2.5%	115.95	117.00	0.16	116.84	
Monat 3	116.84	113.13	2.5%	115.95	120.00	0.61	119.39	
Monat 4	119.39	113.13	2.5%	115.95	124.00	1.21	122.79	
Monat 12	129.59	113.13	2.5%	115.95	136.00	<b>3.01</b>	132.99	
<b>Jahr 4</b>								
Monat 1	132.99	132.99	2.5%	136.32	137.00	0.10	136.90	
Monat 2	136.90	132.99	2.5%	136.32	143.00	1.00	142.00	
Monat 3	142.00	132.99	2.5%	136.32	142.50	0.93	141.57	
Monat 4	141.57	132.99	2.5%	136.32	146.50	1.53	144.97	
Monat 12	143.70	132.99	2.5%	136.32	148.50	<b>1.83</b>	146.67	

Im **Jahr 1** wurde eine Performance Fee erhoben, da der Fonds den Grenzkurs am Jahresende überschritten hat. Die High Watermark ist der Emissionspreis.

Im **Jahr 2** wurde keine Performance Fee erhoben, da der Fonds den Grenzkurs am Jahresende nicht überschritten hat. Die High Watermark ist der NAV nach Performance Fee aus Jahr 1.

Im **Jahr 3** wurde eine Performance Fee erhoben, da der Fonds den Grenzkurs am Jahresende überschritten hat. Die High Watermark ist nach wie vor der NAV nach Performance Fee aus Jahr 1, da in Jahr 2 keine Performance Fee erhoben wurde.

Im **Jahr 4** wurde eine Performance Fee erhoben, da der Fonds den Grenzkurs am Jahresende überschritten hat. Die High Watermark ist der NAV nach Performance Fee aus Jahr 3.

<sup>1</sup> Die Performance Fee wird an jedem Bewertungstag anteilig für das laufende Geschäftsjahr berechnet und zurückgestellt. Die Höhe der Performance Fee bezieht sich auf die Differenz zwischen Grenzkurs und NAV vor Performance Fee. Eine Auszahlung erfolgt am Geschäftsjahresende, sofern der entsprechende NAV vor Performance Fee über dem Grenzkurs liegt. Sollte dies nicht der Fall sein, werden die bisher gebildeten Rückstellungen aufgelöst.

<sup>2</sup> Die High Watermark ist der letzte NAV nach Performance Fee des Geschäftsjahres, in dem letztmals eine Performance Fee bezahlt wurde.

<sup>3</sup> Die Berechnungsgrundlage für den Grenzkurs ist die gültige High Watermark zuzüglich der Hurdle Rate.