

*The English version of the prospectus is an unofficial translation from the original, which was prepared in German. Only the German version binding.*

## **Alpinum Funds (CH) – Liquidity Fund USD**

Investment fund issued for Alpinum Investment Management Ltd, Zurich  
Investment fund under Swiss law of the type  
'other funds for traditional investments'  
for qualified investors

Prospectus with integrated fund contract  
October 2023

Fund management company: LLB Swiss Investment Ltd., Zurich  
Custodian bank: UBS Switzerland AG, Zurich

**LLB Swiss Investment Ltd.**

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## Part 1: Prospectus

This prospectus with integrated fund contract, the Key Information Document and the most recent annual report serves as the basis for all subscriptions of units in this investment fund.

Only the information contained in the prospectus, the Key Information Document or in the fund contract will be deemed to be valid.

### 1 Information on the investment fund

#### 1.1. Establishment of the investment fund in Switzerland

The fund contract of the Alpinum Funds (CH) - Liquidity Fund USD was submitted by LLB Swiss Investment Ltd. (formerly LB(Swiss) Investment AG), Zurich, Switzerland, in its capacity as the fund management company, and UBS Switzerland AG, Zurich in its capacity as the custodian bank, to the Swiss Federal Market Supervisory Authority (FINMA and first approved by FINMA on April 14th, 2016.

#### 1.2. Term of the investment fund

The investment fund has an unlimited term.

#### 1.3. Tax regulations relevant to the investment fund

The investment fund has no legal personality in Switzerland. It is not subject to tax on income or capital.

The Swiss federal withholding tax deducted from the investment fund's domestic income can be reclaimed in full for the investment fund by the fund management company.

Income and capital gains realized outside Switzerland may be subject to withholding tax imposed by the country of investment. Insofar as is possible, these taxes will be reclaimed by the fund management company on behalf of investors domiciled in Switzerland under the terms of double taxation treaties or other such agreements.

Distributions of income made by the investment fund to investors domiciled in Switzerland are subject to Swiss federal withholding tax (source tax) at 35%, irrespective of whether they are reinvested or distributed. Any capital gains distributed by a separate coupon are not subject to withholding tax.

Investors domiciled in Switzerland may reclaim withholding tax deducted from their distributions by filing tax returns or by submitting a separate refund application.

Investors domiciled outside Switzerland may reclaim withholding tax deducted under the terms of double taxation treaties between Switzerland and their country of domicile. If no such treaty exists, the withholding tax may not be reclaimed.

Distributions of income to Investors domiciled outside Switzerland are made free of Swiss withholding tax, provided at least 80% of the fund's income originates from foreign sources. This is subject to presentation of confirmation from a bank stating that the units in question are held at the bank in the custody account of an Investor domiciled outside Switzerland, and that the distributions of income are credited to this Investor's account (bank declaration / affidavit). No guarantee can be given that at least 80% of the fund's income originates from foreign sources.

If withholding tax is charged to an Investor domiciled outside Switzerland owing to a failure to present a declaration of domicile, under Swiss law they may submit a refund application directly to the Swiss Federal Tax Administration in Berne.

Furthermore, both income and capital gains, whether distributed or reinvested, may, depending on the person who holds the units directly or indirectly, be subject in full or in part to a "paying agent tax".

This tax information is based on the current legal situation and practice. It is subject to changes in legislation, the decisions of the courts and the ordinances and practices of the tax authorities

**Taxation and other tax implications for investors, who hold, buy or sell fund units are defined by the tax laws and regulations in the investor's country of domicile.**

**Neither the fund management company nor the custodian may be held responsible for individual tax consequences for investors resulting from the purchase and sale or holding of fund units. Potential investors should inform themselves about the laws and ordinances, which apply to the subscription, purchase, ownership and sale of shares or units in the place of domicile and, if applicable, seek counsel.**

The investment fund has the following tax status:

#### International automatic exchange of information in tax matters (automatic exchange of information)

For the purposes of the automatic exchange of information in accordance with the Common Standard on Reporting and Due Diligence for Financial Account Information (CRS) of the Organisation for Economic Co-Operation and Development (OECD), the Fund qualifies as a non-reporting financial institution.

#### FATCA:

The investment fund has been registered with the tax authorities in the United States as a Registered Deemed-Compliant Financial Institution under a Model 2 IGA as provided for by Sections 1471 – 1474 of the U.S. Internal Revenue Code (Foreign Account Tax Compliance Act, including related ordinances, FATCA).

The investment fund is neither licensed nor registered in the United States of America (USA) in conjunction with the tax considerations. The investment fund therefore can be classified as intransparent, which can be linked to tax consequences.

#### **1.4. Financial year**

The financial year runs from 1 January to 31 December.

#### **1.5. Auditor**

The auditing company is PricewaterhouseCoopers AG with registered office in Zurich.

#### Address of the auditing company:

PricewaterhouseCoopers Ltd.  
Birchstrasse 160  
CH-8050 Zurich

#### **1.6. Fund units**

The fund units are bearer units. Units will not take the form of actual certificates but will exist purely as book entries.

Pursuant to the fund contract, the fund management company is entitled to establish, liquidate or merge unit classes at any time, subject to the consent of the custodian bank and the approval of the supervisory authority.

There are currently the following unit classes which are limited to qualified investors according to art. 10 para. 3, and 3<sup>ter</sup> CISA:

- „USD IA“-class: Accumulation class, denominated in US Dollar (USD), at the same time the reference currency of the fund and which are available to qualified investors according to art. 10 para. 3 and 3<sup>ter</sup> CISA. There is no minimum investment required. No retrocessions and/or rebates are paid out for the „USD IA“-class. The „USD IA“-class is eligible mainly for clients of the distribution network of „Alpinum Investment Management Ltd“.
- „USD IB“-class: Accumulation class, denominated in US Dollar (USD), at the same time the reference currency of the fund and which are available to qualified investors according to art. 10 para. 3 and 3<sup>ter</sup> CISA. There is no minimum investment required. No retrocessions and/or rebates are paid out for the „USD IB“-class.

At the moment there is no minimum subsequent investment amount required for all unit classes.

Unitholders may at any time request the switch of their units into units of another class on the basis of the Net Asset Value of the respective share classes concerned if the conditions for holding the share class into which the switch is to be effected are fulfilled.

The investor participates only in the assets and in the earnings of the unit class, where he is invested. All unit classes are entitled to participate in the undivided assets of the fund. This participation may be different due to specific costs of these particular unit classes or specific income distributions of these particular unit classes. Therefore the NAV per unit may be different for each unit class.

The individual unit classes do not constitute segregated pools of assets. Although costs are in principle charged only to the unit class for which the service in question was rendered, the possibility of a unit class being held liable for the liabilities of another unit class therefore cannot be ruled out.

The reference currency of all unit classes currently in issue and the unit of account of the fund is not necessarily the currency in which the direct or indirect investments of the fund are denominated.

For all unit classes, the risks of investments denominated in currencies other than the reference currency of the relevant unit class may be hedged in whole or in part. As there is no need for comprehensive hedging, a loss of value due to exchange rate fluctuations cannot be ruled out.

For all unit classes, the risks of investments denominated in currencies other than the reference currency of the respective unit class may be hedged in whole or in part. The assets of the mutual fund are generally denominated in the fund's unit of account (USD). Investments in other currencies are predominantly hedged against the US Dollar (USD).

## 1.7. Listing and trading

The units of the unit classes are not listed (quoted). No listing is planned either.

## 1.8. Terms for the issue and redemption of fund units

Fund units will be issued and redeemed on every bank working day (Monday to Friday). No issues or redemptions will take place on Swiss public holidays (Easter, Whitsun, Christmas, New Year, 1 August, etc.), or on days when the stock exchanges and markets in the fund's main investment countries are closed or, respectively 50% or more of the investments of the fund may not be valued adequately or when extraordinary conditions within the meaning of §17 section 4 of the fund contract are present. The fund management company and the custodian bank are entitled, to refuse applications for subscriptions at their own discretion.

Subscription and redemption orders received by the custodian bank by 2.00 pm CET at the latest on a given bank working day (order day) will be settled on the next bank working day (valuation day) on the basis of the net asset value calculated on this day. The net asset value taken as the basis for the settlement of the order is therefore not known when the order is placed (forward pricing). It is calculated on the valuation day on the basis of the closing prices on the order day. Orders which arrive at the custodian bank after 2:00 pm CET (cut-off-time) will be handled on the following bank working day.

The issue price of units of a given class corresponds to the net asset value of that class calculated on the valuation day. No issuing commission or other commissions are charged.

The redemption price of units of a given class corresponds to the net asset value of that class calculated on the valuation day. No redemption commission or other commissions are charged.

Incidental costs for the purchase and sale of investments (brokerage fees in line with the market, commissions, taxes and duties.) incurred by the investment fund in connection with the investment of the amount paid or the sale of the terminated corresponding part of the investment will be charged to the fund assets.

The issue and redemption prices are rounded up to the smallest unit of the reference currency of a given unit class. Payment will be made one bank working day after the order day (T + 1).

Fractions of units are issued to 1/1,000 (three decimal places) units.

	<b>Overview</b>	<b>T</b>	<b>T+1</b>
1.	Subscription and redemption orders received by the custodian bank by 2:00 pm CET (order day)	X	
2.	Closing prices for the calculation of the Net Asset Value	X	
3.	Calculation of the Net Asset Value (Valuation Day)		X
4.	Procession date of transaction		X
5.	Publication of net asset value		X
6.	Value date of transaction		X

T = Order day and basis of the closing prices for valuation / T+1 = Valuation date

### Example:

A subscription or redemption order received by the custodian bank before 2:00 pm CET (cut-off time) on a given bank working day (order day e.g. Mar 15, 2016) will be settled on the next bank working day (here Mar 16, 2016) on the basis of the net asset value calculated on this day on the basis of the net asset value calculated on this day (Mar 16, 2016, valuation day). The net asset value taken as the basis for the settlement of the order is therefore not known when the order is placed (forward pricing). It will be calculated on the valuation day (Mar 16, 2016) on the basis of the closing prices on the order day (Mar 15, 2016).

## 1.9. Use of income

The net income of the investment fund shall be added annually per unit class to the assets of the corresponding unit class for reinvestment (reinvestment) within four months of the close of the accounting year at the latest.

The fund management may also decide to reinvest the income of each unit class on an interim basis. Any taxes and duties levied on the reinvestment shall remain reserved.

Realized capital gains from the sale of assets and rights may either be distributed by the fund management company or retained for reinvestment.

## **1.10. Investment objective and investment policy of the fund**

### **1.10.1 Investment objective**

The investment objective of the fund is principally to achieve a return above money market rates with regard to a balanced risk diversification, a high liquidity and capital preservation. The fund does not qualify as „money market fund“ in accordance with the provisions of the AMAS directive for money market funds and may therefore have a higher risk in comparison with a money market fund, that complies with the directive.

### **1.10.2 Investment policy**

This fund invests at least 75% directly or indirectly (via other collective investment schemes) in money market instruments issued by countries, other public-law institutions or private borrowers worldwide, in bonds (excluding convertible bonds, convertible notes and warrant issues), notes as well as other fixed- or floating rate debt securities and -rights of other public-law institutions or private borrowers worldwide or in bank deposits held at domestic and foreign banks. These investments have at least an „investment grade“-rating. Up to 25 % of the net asset value of the fund may be invested in the same investment, which however may be of a lower quality in respect of their creditworthiness (Rating).

Furthermore the fund management company has to adhere to the following investment restrictions, which refer to the entire fund assets:

- investments in securities are restricted to those having a residual maturity of less than or equal to two years to final term, provided that the residual maturity up to the forthcoming date when the interest rate is reset is shorter than or equal to 397 days. (Floating-rate securities must be adjusted to a money market rate or index);
- the portfolio has a weighted average maturity (WAM) of six months at most;
- the weighted average life (WAL) (Duration) of the portfolio does not exceed twelve months.
- the fund management company may choose the investment currencies at their own discretion. If the investments are not denominated in the reference currency of the share class, the fund management company may hedge these positions entirely or partially;
- up to 49% of the fund's assets may be invested in units of target funds, whereas investments in other collective investment schemes according to § 8 prov. 1 lit. ce are limited to 15%.

In the asset management of the fund, ecological/social criteria are currently not explicitly taken into account or sustainable investments are not explicitly targeted.

### **1.10.3 Investment restrictions**

Including derivatives the fund management company may invest up to a maximum of 20% of the fund assets in securities and money market instruments from the same issuer.

The fund management company may acquire for the fund assets up to 35% in securities and money market instruments from the same issuer if the securities or money market instruments are issued or guaranteed by an OECD country, a public-law entity from the OECD, or by an international public-law organization to which Switzerland or a member state of the European Union belongs.

The Swiss Financial Market Supervisory Authority (FINMA) has permitted that up to 100% of the fund assets may be invested in securities and money market instruments from the same issuer if the securities or money market instruments are issued or guaranteed by an OECD country, a public-law entity from the OECD, or by an international public-law organization to which Switzerland or a member state of the European Union belongs.

The aforementioned authorized issuers / guarantors are beside OECD countries and public-law entities from the OECD the following international organizations: Singapore, Hongkong, European Union (EU), European Council, Council of Europe Social Development Fund, International Bank for reconstruction and development (Worldbank), European Bank for reconstruction and development (EBRD), European investment bank (EIB), Interamerican development bank (IADB), Nordic Investment Bank (NIB), Asian development bank (ASDB), African development bank (AfDB), International Monetary fund, European Stability Mechanism Fund (ESM), European Financial Stability Facility (EFSF), International Finance-Corporation (IFC) und die Eurofima (European Company for the Financing of Railroad Rolling Stock).

Up to 15% of the fund's assets may be invested in target funds pursuant § 8 prov. 1 lit. ce, which have a redemption, resp. trading frequency, that does not correspond to the trading frequency of this fund. Such target funds must offer at least a monthly liquidity.

Up to 15% of the fund's assets may be invested in units of other collective investment schemes pursuant § 8 prov. 1 lit. ce), that are considered as fund of funds (collective investment schemes where the fund contracts allow investments in other collective investment schemes of more than 49%).

#### Investment restrictions for the fund management company

In accordance with Art. 84 para. 2 CISO, the supervisory authority has authorized the fund management company to increase the limit regarding the restriction of participation in a single issuer from 10% pursuant to Art. 84 para. 1 CISO to 20% for funds with an investment policy focus on a "narrow market". The detailed provisions in this regard are set out in § 15 of the fund contract. Due to its investment policy, this fund has no focus on a "narrow market" and is therefore allocated to the investment segment "**Others**".

Detailed information on the investment restrictions can be found in the fund contract (see Part 2 § 15 of the fund contract).

#### **1.10.4 Management of collateral**

##### The permitted types of collateral

Assets received as collateral as part of investment techniques or OTC transactions must satisfy the following requirements:

- It is highly liquid and is traded at a transparent price on an exchange or other regulated market open to the public. It can be disposed of at short notice at a price close to the valuation undertaken prior to sale;
- It is valued at least on each trading day. Where price volatility is high, suitable conservative security margins must be applied;
- It is not issued by the counterparty or by a company that belongs to or is dependent on the counterparty's group;
- The credit quality of the issuer is high.

##### The required level of collateralisation

The required level of collateralisation is fulfilled by the following obligations and requirements in the management of collateral:

- The collateral must be diversified appropriately in terms of countries, markets and issuers. Appropriate diversification of issuers is deemed to have been achieved if the collateral of a single issuer held does not correspond to more than 20% of the net asset value. Deviation from this rule is permitted if the collateral is issued or guaranteed by a country or a public-law entity from the OECD or by an international public-law organisation to which Switzerland or a member state of the European Union belongs, or the approval conditions set out in Article 83 paragraph 2 CISO are met. If collateral is provided by more than one counterparty, an aggregate perspective must be ensured;
- The fund management company or its agents must be able to obtain power of disposal over, and authority to dispose of, the collateral received at any time in the event of default by the counterparty, without involving the counterparty or obtaining its consent;
- The fund management company or its agents may not re-lend, re-pledge, sell or reinvest collateral pledged or transferred to them or use it as part of a repurchase transaction or to hedge obligations arising from derivative financial instruments. If a counterparty fails to perform its obligations in a timely manner, the management company decides on the realization of the collateral to indemnify the collective investment scheme;
- If the fund management company or its agents accept collateral representing more than 30% of the fund assets, they must ensure that the liquidity risks can be captured and monitored appropriately. Regular stress tests must be carried out that take account of both normal and exceptional liquidity conditions. The controls carried out must be documented;
- The fund management company or its agents must be in a position to attribute any uncovered claims remaining after the realisation of collateral to the securities funds whose assets were the subject of the underlying transactions.

##### The determination of security margins

The fund management company or its agents provide for appropriate security margins;

The risks involved in the management of the collateral are taken into account in the risk management process. These are namely operational risks, liquidity risks and counterparty risks.

### 1.10.5 The use of derivatives

The fund management company may use derivatives. However, even under extreme market circumstances, the use of derivatives may not result in a deviation from the investment objectives or a change the investment character of the fund. The Commitment Approach II (extended process) will be applied for the assessment of risk.

Derivatives are used solely to hedge investment positions.

In connection with collective investment schemes, derivatives may be used only for currency hedging purposes, with the exception of the hedging of market, interest rate and credit risks in the case of collective investment schemes for which the risks can be determined and measured unequivocally.

Only basic forms of derivatives may be used, as described in more detail in the fund contract (cf. § 12 of the fund contract), provided the underlying securities are permitted as investments under the fund contract. The derivative transactions may be concluded either on a stock exchange or another regulated market open to the public, or in OTC (over-the-counter) trading. In addition to market risks, derivatives are also subject to counterparty risk, i.e. the risk that the party to the contract may not be able to meet its obligations and may thus cause a financial loss.

The use of derivatives may have a so-called leverage effect on the fund's assets or may correspond to a short sale. The total exposure in derivatives may be up to 100% of the net fund assets and the total exposure of the fund may thus be up to 200% of its net fund assets. However, under normal market conditions, the Fund Management Company will not make use of leverage effect on the fund's assets or of short sales.

Detailed information on the fund's investment policy and its restrictions, as well as the permitted investment techniques and instruments (in particular derivatives and their scope) are contained in the fund contract (cf. part 2, §§ 7-15 of the fund contract).

### 1.11. Net asset value

The net asset value of unit of a given class is determined by the proportion of the market value of the fund assets attributable to that unit class, less any of the fund liabilities that are attributed to that unit class, divided by the number of units of that class in circulation. It will be rounded up to the smallest unit of the reference currency of a given unit class.

### 1.12. Fees and incidental costs

#### 1.12.1 Fees and incidental costs charged to the fund's assets (excerpt from § 19 of the fund contract)

Management fee charged by the fund management company **USD IA Class** max. 0.40% p.a.

Management fee charged by the fund management company **USD IB Class** max. 0.60% p.a.

This covers the management (incl. fund administration), asset management and where applicable, the distribution activities relating to the investment fund.

Custodian bank's fee max.0.10% p.a.

The fee is covers the duties of the custodian bank such as the safekeeping of the fund assets, the payments on behalf of the investment fund and the other duties listed under §4 of the fund contract.

In addition, the fees and incidental costs listed under § 19 of the fund contract may also be charged to the investment fund.

The actual charged rates are found in the annual report.

#### 1.12.2 Total expense ratio

The coefficient of the total costs charged to the fund's assets on an ongoing basis (total expense ratio, TER) was:

Year	„USD IA“-class	„USD IB“-class
2020	0.30%	0.36%
2021	0.34%	0.39%
2022	0.36%	0.41%



### **1.12.3 Payment of retrocessions and rebates**

The fund management company and its agents do not pay retrocessions as remuneration for distribution activity in respect of fund units in or from Switzerland.

The fund management company and its agents shall not pay any rebates in connection with distribution activities in or from Switzerland in order to reduce the fees and costs charged to the fund that are attributable to the investor.

### **1.12.4 Fees and incidental costs charged to the investor (excerpt from § 18 of the fund contract)**

No issuing commission is charged accruing to the fund management company, custodian bank and/or distributors in Switzerland and abroad.

No redemption commission is charged accruing to the fund management company, custodian bank and/or distributors in Switzerland and abroad.

However, for the settlement of issues and redemptions financial intermediaries (usually the custodian bank of the investor) will apply transaction charges at the expense of the investor.

No charges are applied for the switch from one unit class to the other by the fund management company and its delegated parties.

### **1.12.5 Commission sharing agreements and soft commissions**

The fund management company has not concluded any commission sharing agreements.

The fund management company has not concluded agreements in respect of soft commissions.

### **1.12.6 Investments in affiliated collective investment schemes**

No issue and redemption commission shall be charged on investments in collective investment schemes which the fund management company manages directly or indirectly itself, or which are managed by a company with which the fund management company is affiliated by virtue of joint management, control or a substantial direct or indirect holding.

### **1.13. Availability of fund documents and reports**

The prospectus with integrated fund contract, the corresponding key information document, and the annual reports can be obtained free of charge from the fund management company, the custodian bank and all distributors.

### **1.14. Legal form of the investment fund**

The investment fund is an investment fund under Swiss law of the type "other funds for traditional investments" pursuant to the Swiss Federal Act on Collective Investment Schemes of 23 June 2006.

The investment fund is based upon a collective investment agreement (fund contract), under which the fund management company undertakes to provide investors with a stake in the investment fund in proportion to the fund units acquired by those investors, and to manage this investment fund in its own discretion and for its own account in accordance with applicable law and the terms of the fund contract. The custodian bank is a party to the fund contract and performs such duties as are ascribed to it by law and the fund contract.

### **1.15. Significant risks and risk profile**

Before making an investment decision in respect of any unit class of the fund, prospective investors should carefully consider all the information contained in this prospectus with integrated fund contract and their own personal circumstances. Prospective investors should have particular regard to the considerations in this section and the "Profile of the Typical Investor".

An investment in the fund is only suitable for investors who (independently or in conjunction with an appropriate financial or other adviser) are able to evaluate the merits and risks of such an investment and who have sufficient resources to be able to accept any losses that may result.

The risk factors set out in this prospectus and the relevant key information document are not exhaustive. There may be other risks which a prospective investor should consider as relevant to its own particular circumstances or generally.

Investments in money market instruments and fixed- or floating rate debt securities are subject to interest rate, sector, security and credit risks. Lower-rated and unrated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of depreciation and default that these securities carry. Lower-rated and unrated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and

sell such securities at an optimum time. In a historically low interest rate environment, the risk from rising interest rates grows.

The volume of transactions effected in certain international bond markets may be appreciably below that of the world's largest markets such as the United States. Accordingly, the investment in such markets may be less liquid and their prices may be more volatile than comparable investments in securities traded on markets with higher trading volumes. In addition settlements may require longer processing times in some markets than others, which may affect the liquidity of the portfolio.

The funds' assets comprise mainly money market instruments and fixed- or floating rate debt securities rated „Investment Grade“-, which may be associated with the risk of default or downgrading. For this reason the fund does not qualify as a money market fund under the AMAS directive for money market funds and may therefore have a higher risk in comparison with a money-market fund, that complies with the directive. The value of the investments may fluctuate considerably, not only dependent on the world economy, the interest terms, but also on the general credit market environment and on the issuer's credit rating or the guarantor. This investment fund may invest in securities that are not rated by independent rating agencies and therefore present a higher level of risk than rated securities. The investments of the fund are normally denominated in the reference currency of the fund (USD). Investments denominated in other currencies will be mostly hedged against the US-Dollar (USD). Investments held by the fund, may be exposed to higher interest rate and credit risks and potentially lower liquidity than a money market fund.

Investors should note that, as investments can fluctuate considerably and their value may rise or fall, and there is no guarantee, that the fund will meet its investment objectives. The value of investments and resulting realized returns are subject to increases as well as decreases. To reflect the changes in the net asset value of the fund, and that the investor may not recover all the capital he invested.

The fund is also exposed to the following risks:

- Operational risk: the fund is subject to the risk of material losses resulting from human error or system failures or incorrect valuation of the underlying securities;
- Settlement risk: by investing on financial markets, the fund is subject to risks that an expected payment or delivery of securities will not occur on time or at all;
- Counterparty risk (including in connection with underlying assets for target funds);
  - The fund may enter contracts with different counterparties. If a counterparty defaults, it may fail to perform its financial obligations to the fund partially or completely;
  - The use of derivatives in the form of contracts with counterparties may entail significant losses if a counterparty defaults
- Investments in target funds: In the case of investments in target funds, the same costs may be incurred both at the level of the investment fund and at the level of the target fund. Where applicable, foreign target funds do not have to be authorised for distribution in Switzerland and may not be subject to equivalent regulation and supervision in their country of origin offering a comparable level of protection. An investment fund may only be able to achieve its investment objective if a target fund also achieves its investment objective. The performance of units or shares of a target fund is largely dependent on the performance of the respective asset manager, whereby neither the fund management company nor the asset manager appointed for the fund has any direct control over the management of the investments in a target fund. Depending on the investments in which the target fund invests, the value of the units or shares held in a target fund may be influenced by further risks to which the investing fund assets are consequently also exposed. The investment in units or shares of a target fund is associated with the risk that the redemption of the units or shares may be subject to restrictions, as a result of which investments in target funds may be less liquid than other types of investments.
- Sustainability risk: Sustainability risk is the negative impact on the value of an investment caused by sustainability factors. Sustainability factors may include environmental, social and/or governance issues as well as being exogenous in nature and/or company specific. Sustainability risks can lead to a material deterioration in a company's financial profile, profitability or reputation and thus have a significant impact on security prices.

### **1.16. Liquidity risk management**

The fund management company shall ensure appropriate liquidity risk management. The fund management company shall assess the liquidity of the investment funds for which it is responsible at least quarterly under various scenarios and document these.

Liquidity risk is the risk that an investment fund cannot sell or liquidate an asset at the quoted price or fair market value. In this context, reduced liquidity in the trading of the assets held may have an adverse impact on the ability of the investment fund to service redemption requests or to meet liquidity needs in response to a specific economic event in a timely manner.

The fund management monitors this liquidity risk by assessing the liquidity of the assets held in the investment fund in relation to the fund assets. A liquidity ratio has been defined for each investment fund, which reflects the expected minimum liquidity. The fund management monitors compliance with this liquidity ratio and has defined procedures in the event that it is not met.

Depending on the asset, the assessment of liquidity is based on a quantitative or qualitative analysis. In the case of exchange-traded securities such as equities, a quantitative approach is used in which liquidity is assessed by means of historical trading volumes. In the case of non-exchange-traded securities and bonds, the fund management pursues a qualitative approach, whereby various criteria such as the remaining term to maturity, the credit rating, the share of an issue held, the country of domicile or the currency are used to assess liquidity.

In monitoring liquidity risks, the fund management also uses the results of various calculated scenarios. In doing so, changed conditions on the asset side of the investment fund are simulated by worsening the liquidity in the assets. At the same time, possible changes on the liabilities side of the investment fund are also taken into account by assuming higher net redemptions of unit certificates.

## **2 Information on the fund management company**

### **2.1 General information on the fund management company**

LLB Swiss Investment Ltd. is the fund management company. The fund management company, which is domiciled in Zurich, Switzerland, has been active in the fund business since its formation as a public limited company in 1995.

### **2.2 Further information on the fund management company**

As at Dec 31, 2022, the fund management company administers a total of 60 collective investment schemes in Switzerland, with assets under management totaling CHF 5.2 billion.

Apart from the representation of foreign collective investment schemes, the fund management company does not provide any other services pursuant to Art. 34 FINIG as of the date of this prospectus.

#### Address of the fund management company:

LLB Swiss Investment Ltd.  
Claridenstrasse 20  
CH-8002 Zurich  
www.llbsswiss.ch

### **2.3 Management**

#### Board of directors of the fund management company

Natalie Flatz, President, at the same time member of the executive board of the Liechtensteinische Landesbank AG, Vaduz,

Bruno Schranz, Vice President, at the same time head of the department „Fund Services“ of Liechtensteinische Landesbank AG, Vaduz

Markus Fuchs

#### Executive board

Dominik Rutishauser

Ferdinand Buholzer

### **2.4 Subscribed and paid-in capital**

On the 31st of December 2022 the subscribed share capital of the fund management company amounted to CHF 8,000,000 millions.

The share capital is divided into registered shares and has been paid up in full.

The shares of the fund management company are held 100% by Liechtensteinische Landesbank AG, Vaduz

### **2.5 Delegation of investment decisions and tasks**

Investment decisions in respect of the fund have been delegated to Alpinum Investment Management AG, Zurich.

#### Address of the asset manager:

Alpinum Investment Management AG  
Talstrasse 82  
CH-8001 Zurich

#### Delegation of other tasks

The operation and maintenance of the IT infrastructure, including data storage, has been transferred to Liechtensteinische Landesbank AG in Vaduz, Liechtenstein.

The operation and provision, including data storage, of the integrated software solution used by the fund management company for the areas of "investment accounting" and "investment controlling/reporting" has been transferred to Frankfurter Bankgesellschaft (Schweiz) AG in Zurich.

No other sub-tasks pursuant to Articles 14 and 35 FINIG have been transferred.

## **2.6 Exercising of membership and creditors' rights**

The fund management company exercises the membership and creditors' rights associated with the investments of the funds it manages independently and exclusively in the interests of the investors. The fund management company will, upon request, provide the investors with information on exercising of membership and creditors' rights.

In the case of scheduled routine transactions, the fund management company is free to exercise shareholder and creditors' rights itself or to delegate their exercise to the custodian bank or a third party, or to waive the exercise of shareholder and creditors' rights.

In the case of all other events that might have a lasting impact on the interests of the investors, such as, in particular, the exercise of membership and creditors' rights the fund management company holds as a shareholder or creditor of the custodian bank or another related legal entity, the fund management company will exercise the voting rights itself or issue explicit instructions. In such cases, it may base its actions on information it receives from the custodian bank, the portfolio manager, the company or of voting advisors or from other third parties or learns from the media.

## **3 Information on the custodian bank**

### **3.1 General information on the custodian bank**

UBS Switzerland AG is the custodian bank. The bank was founded in 2014 as a stock corporation with its registered office in Zurich and assumed the Private and Corporate Banking business as well as the Wealth Management business booked in Switzerland of UBS AG.

### **3.2 Further information on the custodian bank**

As a universal bank, UBS Switzerland AG offers a wide range of banking services.

UBS Switzerland AG is a subsidiary of UBS Group AG. With consolidated total assets of USD 1,104,364 million and published capital and reserves of USD 57,218 million as at 31 December 2022, UBS Group AG is financially one of the strongest banks in the world. It employs 72,597 staff worldwide, with an extensive network of offices.

The custodian bank can delegate the safekeeping of the fund's assets to third-party or central depositaries in Switzerland or abroad.

The custodian bank may only delegate the safekeeping of the fund's financial instruments to third-party or central depositaries subject to regulatory supervision. This requirement does not apply to compulsory custody in a place where it is not possible to transfer the financial instruments to a regulated third-party or central depositary, notably due to binding legal constraints.

The effect of the use of third-party and central depositaries is that the fund management company no longer has sole ownership of deposited securities, but only co-ownership. Moreover, if the third-party and central depositaries are not supervised, they are unlikely to meet the organizational requirements placed on Swiss banks.

The custodian bank is liable for damages caused by the delegated party to the extent that custodian bank cannot prove that it applied due diligence in the selection, instruction and monitoring necessary for the circumstances.

The custodian bank has been registered with the tax authorities in the United States as a Reporting Financial Institution under a Model 2 IGA as provided for by Sections 1471 – 1474 of the U.S. Internal Revenue Code (Foreign Account Tax Compliance Act, including related ordinances, "FATCA").

## 4 Information on third parties

### 4.1 Paying agents

The paying agent is UBS Switzerland AG, Bahnhofstrasse 45, 8001 Zürich and its subsidiaries in Switzerland.

### 4.2 Distributors

The following institutions have been appointed as distributors for the fund:

- Alpinum Investment Management Ltd has been appointed as distributor for the fund (see sec. 2.5)

The fund management company may appoint further distributors at any time.

### 4.3 Delegation of investment decisions and other tasks

Investment decisions in respect of the fund have been delegated to Alpinum Investment Management AG, Zurich.

The investment manager is licensed as an asset manager of collective capital investment schemes and is supervised as such by the Swiss Financial Market Supervisory Authority (FINMA).

Precise details of the delegation are laid down in an asset management agreement between the fund management company and the investment manager.

#### Delegation of other tasks

The operation and maintenance of the IT infrastructure, including data storage, has been transferred to Liechtensteinische Landesbank AG in Vaduz/Liechtenstein, a banking institution approved by the Liechtenstein supervisory authority FMA. As the sole shareholder of the fund management company, Liechtensteinische Landesbank AG has a professional IT infrastructure with many years of technical experience and a high level of competence. The exact execution of the order is governed by a contract concluded between the fund management company LLB Swiss Investment AG and Liechtensteinische Landesbank AG.

The operation and provision, including data storage, of the integrated software solution used by the fund management company for "Investment Accounting" and "Investment Controlling/Reporting" has been transferred to Frankfurter Bankgesellschaft (Schweiz) AG in Zurich, a bank licensed by the Swiss supervisory authority FINMA. Frankfurter Bankgesellschaft (Schweiz) AG has been providing this service since 2010 and is distinguished by its special expertise in the operation of this investment management tool. The exact execution of the assignment is governed by a contract concluded between the fund management company LLB Swiss Investment Ltd. and Frankfurter Bankgesellschaft (Schweiz) AG.

## 5 Further information

### 5.1 Key data

Swiss Securities numbers	„USD IA“-class „USD IB“-class:	32163977 32163978
ISINs	„USD IA“-class: „USD IB“-class:	CH0321639772 CH0321639780
FATCA-GIIN	4SN4JK.99999.SL.756	
Accounting currency:	US Dollar (USD)	
Reference currency of the unit classes	„USD IA“-class: „USD IB“-class:	US Dollar (USD) US Dollar (USD)

### 5.2 Publication of official notices of the investment fund

Further information on the investment fund may be found in the latest annual or semi-annual report. The latest information can also be found on the internet at [www.swissfunddata.ch](http://www.swissfunddata.ch).

In the event of an amendment to the fund contract, a change on the fund management company or the custodian bank, as well the dissolution of the fund, the corresponding notice will be published by the fund management company on the electronic platform of the Swiss Fund Data ([www.swissfunddata.ch](http://www.swissfunddata.ch)).

Prices are published daily (except on days, when the fund is closed for subscriptions and redemptions) on the homepage of Swiss Fund Data ([www.swissfunddata.ch](http://www.swissfunddata.ch)). In addition the fund management company may decide to publish prices in other media, like newspapers, journals or electronic media and price information systems.

### 5.3 Sales restrictions

With respect to the issue and redemption of units of this investment fund outside Switzerland, the regulations valid in the country in question apply.

- a) A distribution license is present for the following countries:
  - Switzerland (domicile)
- b) Units of this investment fund may not be offered, sold or delivered to the USA or US persons (as defined under Regulation S of the US Securities Act of 1933 and/or Rule 4.7 of the US Commodity Futures Trading Commission, in the respective valid versions).

The fund management company and the custodian bank may prohibit or restrict the sale, brokerage or transfer of units vis-à-vis natural persons or legal entities in certain countries and territories.

## 6. Further investment information

### 6.1 Historic performance

Performance of the last three financial years

Reporting date	„USD IA“-class	"USD IB"-class
31.12.2020	0.62%	0.04% <sup>1)</sup>
31.12.2021	0.01%	-0.04%
31.12.2022	1.20%	1.15%

<sup>1)</sup> 19.11. - 31.12.2020

### 6.2 Profile of a typical investor

This collective investment scheme invests mainly in money market instruments as well as in fixed- and floating rate debt securities, with the aim to generate returns over a given period, that exceed the returns generated by holding of liquid assets or a portfolio of money market instruments. The collective investment scheme may therefore be suitable for investors who are seeking an alternative to a classical money market fund. The investor must not depend on the realization of his investment at a given time.

## 7. Detailed regulations

All further information on the fund, such as the method used for the valuation of the fund's assets, a list of all fees and incidental costs charged to the investor and the fund, and the appropriation of net income, can be found in detail in the fund contract.

## Part 2: Fund contract

### Alpinum Funds (CH) - Liquidity Fund USD

#### I Basic principles

##### § 1 Name of the fund; name and registered office of the fund management company, custodian bank and asset manager

1. A contractual fund of the type 'other funds for traditional investments' has been established under the name of Alpinum Funds (CH) - Liquidity Fund USD (hereinafter referred to as the "investment fund") in accordance with Art. 25 et. seq. in conjunction with Art. 70 of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (CISA).
2. The fund management company is LLB Swiss Investment Ltd., with its registered office in Zurich.
3. The custodian bank is UBS Switzerland AG with its registered office in Zurich.
4. The asset manager is Alpinum Investment Management Ltd with its registered office in Zurich.
5. The circle of investors is limited to qualified investors pursuant to Art. 10 para. 3 and 3<sup>ter</sup> CISA:
  - a) Supervised financial intermediaries such as banks, investment firms, fund management companies, asset managers and managers of collective assets (Art. 4 para. 3 let. a FIDLEG);
  - b) Insurance undertakings under the Insurance Supervision Act (ISA) (Art. 4 para. 3 let. b FIDLEG);
  - c) Foreign clients who are subject to prudential supervision such as the persons referred to in letters a) and b) above (Art. 4 para. 3 let. c FIDLEG);
  - d) Central banks (Art. 4 para. 3 let. d FIDLEG);
  - e) public corporations with professional treasury services (Art. 4 para. 3 let. e FIDLEG);
  - f) pension funds and institutions which, according to their purpose, serve occupational pensions, with professional treasury services (Art. 4 para. 3 let. f FIDLEG);
  - g) Companies with professional treasury services (Art. 4 para. 3 let. g FIDLEG);
  - h) Large companies (Art. 4 para. 3 let. h in conjunction with Art. 4 para. 5 FIDLEG);
  - i) Private investment structures set up for wealthy private clients with professional safekeeping (Art. 4 para. 3 let. i FIDLEG);
  - j) Wealthy private clients, provided they declare that they wish to be considered professional clients (opting out) (Art. 5 para. 1 FIDLEG);
  - k) Private clients for whom a financial intermediary pursuant to Art. 4 para. 3 let. a FIDLEG or a foreign financial intermediary subject to equivalent prudential supervision provides asset management or investment advice within the meaning of Art. 3 let. c items 3 and 4 FIDLEG within the framework of a long-term asset management or investment advisory relationship are also deemed to be qualified investors, unless they have declared that they do not wish to be considered as such. The declaration must be in writing or in another form that can be verified by text.
6. The Swiss Financial Market Supervisory Authority (FINMA) has exempted the investment fund from the following requirement (Art. 10 para. 5 CISA):
  - the requirement to prepare a semi-annual report.



## **II. Rights and obligations of the parties to the contract**

### **§ 2 The fund contract**

The legal relationship between the investor on the one hand and the fund management company and the custodian bank on the other shall be governed by the present fund contract and the applicable provisions of the legislation on collective investment schemes.

### **§ 3 The fund management company**

1. The fund management company manages the fund at its own discretion and in its own name, but for the account of the investors. It decides in particular on the issue of units, the investments and their valuation. It calculates the net asset value and determines the issue and redemption prices of units. It exercises all rights associated with the investment fund.
2. The fund management company and its agents are subject to the duties of loyalty, due diligence and disclosure. They act independently and exclusively in the interests of the investors. They implement the organizational measures that are necessary for proper management. They shall account for the collective investment schemes they manage and provide information on all fees and costs charged directly or indirectly to investors and on compensation received from third parties, in particular commissions, discounts or other pecuniary advantages.
3. The fund management company may delegate investment decisions as well as specific tasks, provided this is in the interests of efficient management. It shall appoint only persons who are qualified to execute the task properly, and shall ensure the provision of instructions as well as monitoring and controlling in respect of the tasks.

Investment decisions may be delegated only to asset managers who are subject to recognized supervision.

The fund management company shall remain responsible for the fulfilment of its duties under supervisory law and shall safeguard the interests of the investors when delegating tasks. The fund management company shall be liable for the actions of persons to whom it has delegated tasks as for its own actions.

4. The fund management company may with the consent of the custodian bank submit a change to the present fund contract to the supervisory authority for approval (cf. § 26).
5. The fund management company may, in accordance with the provisions set down under § 24, merge the investment fund with other investment funds or may, in accordance with the provisions set down under § 25, dissolve the investment fund.
6. The fund management company is entitled to receive the fees stipulated in §§ 18 and 19. Further it may be released from the liabilities assumed in the proper execution of its tasks, and to be reimbursed for expenses incurred in connection with such liabilities.

#### **§ 4 The custodian bank**

1. The custodian bank is responsible for the safekeeping of the fund's assets. It handles the issue and redemption of fund units as well as payments transfers on behalf of the investment fund.
2. The custodian bank and its agents are subject to the duties of loyalty, due diligence and disclosure. They act independently and exclusively in the interests of the Investors. They implement the organizational measures that are necessary for proper management. They shall account for the collective investment schemes held in their custody and provide information on all fees and costs charged directly or indirectly to investors as well as on compensation received from third parties, in particular commissions, discounts or other pecuniary advantages.
3. The custodian bank is responsible for account and safekeeping account management on behalf of the Investment fund, but does not have independent access to its assets.
4. The custodian bank ensures that, in the case of transactions relating to the assets of the investment fund, the countervalue is transferred within the usual time limit. It notifies the fund management company if the countervalue is not remitted within the usual time limit and, where possible, requests reimbursement for the asset item concerned from the counterparty.
5. The custodian bank keeps the required records and accounts in such manner that it is, at all times, able to distinguish between the assets held in safekeeping for the individual investment funds.

In relation to assets that cannot be taken into safekeeping, the Custodian Bank verifies ownership by the fund management company, and keeps a record thereof.

6. The custodian bank may delegate the safekeeping of the fund's assets to third-party custodians and central securities depositories in Switzerland or abroad, provided this is in the interests of proper safekeeping. The custodian bank verifies and monitors that the third-party custodian or central securities depository it appoints:
  - a) possesses an appropriate organizational structure, financial guarantees and the specialist qualifications required given the nature and complexity of the assets entrusted to it;
  - b) is subject to regular external audits, thereby ensuring that it possesses the financial instruments;
  - c) the assets received from the Custodian Bank are held in safekeeping in such a manner that by means of regular portfolio comparisons they can, at all times, be clearly identified as belonging to the fund assets;
  - d) complies with the provisions applicable to the custodian bank with respect to the performance of the tasks delegated to it and the avoidance of conflicts of interest.

The custodian bank is liable for damage or loss caused by its agents unless it is able prove that it exercised the due diligence required in the circumstances in respect of selection, instruction, and monitoring. The prospectus contains information on the risks associated with the transfer of safekeeping to third-party custodians and central securities depositories.

In respect of financial instruments, the transfer of safekeeping in the sense of the previous paragraph may be made only to regulated third-party custodians and central securities depositories. This does not apply to mandatory safekeeping at a location where the transfer of safekeeping to regulated third-party custodians and central securities depositories is not possible, in particular owing to mandatory legal provisions or to the particular arrangements for the investment product in question. Investors must be informed in the Prospectus of safekeeping with non-regulated third-party custodians or Central securities depositories.

7. The custodian bank ensures that the fund management company complies with the law and the fund contract. It verifies that the calculation of the net asset value and of the issue and redemption prices of the units as well as the investment decisions are in compliance with the law and the fund contract, and that the income is appropriated in accordance with the fund contract. The custodian bank is not responsible for the choice of investments which the fund management company makes in accordance with the investment regulations.
8. The custodian bank is entitled to receive the fees stipulated in §§18 and 19. It is further entitled to be exempt from the liabilities which may have arisen in the course of the proper execution of its duties, and to be reimbursed for expenses incurred in connection with such liabilities.
9. The Custodian Bank is not responsible for the safekeeping of the assets of the target funds in which this Investment Fund invests, unless this task has been delegated to it.

## § 5 The investor

1. Investor eligibility is restricted to qualified investors pursuant to Collective Investment Scheme Act Art. 10 para. 3 and 3<sup>ter</sup>.  
The fund management company ensures together with Custodian Bank, that investors meet the requirements regarding investor eligibility.
2. On concluding the contract and making a payment in cash, the investor acquires a claim against the fund management company in respect of a participation in the investment fund's assets and income. The investor's claim is evidenced in the form of fund units.
3. Investors are only obliged to remit payment for the units of the fund they subscribe. They shall not be held personally liable for the liabilities of the fund.
4. Investors may obtain information concerning the basis of the calculation of the net asset value per unit from the fund management company at any time. If investors express an interest in more detailed information on specific business transactions effected by the fund management company, such as the exercise of membership and creditors' rights or on risk management, they must be given such information by the fund management company at any time. The investors may request at the courts of the registered office of the fund management company that the auditors or another expert investigate the matter which requires clarification and furnish the investors with a report.
5. The investors may terminate the fund contract on a daily basis and demand that their share in the investment fund be paid out in cash.
6. Upon request, the Investors are obliged to provide the fund management company and/or the custodian bank and their agents with proof that they comply with or continue to comply with the conditions laid down in the law or the fund contract in respect of participation in the Investment Fund or in a unit class. Furthermore, they are obliged to inform the custodian bank, the fund management company and their agents immediately they cease to meet these conditions.
7. The investment fund or a unit class may be subject to a "soft closing", under which investors may not subscribe for units if, in the opinion of the fund management company, the closing is necessary to protect the interests of existing investors. Soft closing applies in respect of an investment fund or share class to new subscriptions or switches into the investment fund or share class, but not to redemptions, transfers or switches out of the investment fund or share class. An investment fund or a unit class may be subject to a soft closing without notice to investors
8. The fund management company in cooperation with the custodian bank must make an enforced redemption of the units of an investor at the current redemption price if:
  - a) this is necessary to safeguard the reputation of the financial market, specifically to combat money laundering;
  - b) the investor no longer meets the statutory or contractual requirements for participation in this investment fund.
9. The fund management company, in cooperation with the custodian bank, may also make an enforced redemption of the units of an Investor at the current redemption price if:
  - a) the participation of the Investor in the Investment Fund is such that it might have a significant detrimental impact on the economic interests of the other Investors, in particular if the participation might result in tax disadvantages for the Investment Fund in Switzerland or abroad;
  - b) the Investor has acquired or holds their units in violation of provisions of a law to which they are subject either in Switzerland or abroad, of the present Fund Contract or the Prospectus;
  - c) there is a detrimental impact on the economic interests of the Investors, in particular in cases in which individual Investors seek by way of systematic subscriptions and immediate redemptions to achieve a financial benefit by exploiting the time differences between the setting of the closing prices and the valuation of the fund assets (market timing).

## § 6 Units and unit classes

1. The fund management company may establish different unit classes and may also merge or dissolve unit classes at any time subject to the consent of the custodian bank and the approval of the supervisory authority. All unit classes embody an entitlement to a share in the undivided assets of the fund, which are not segmented. This share may differ due to class-specific costs or distributions or class-specific income and the various classes may therefore have different net asset values per unit. The assets of the Investment Fund as a whole are liable for class-specific costs.
2. Notification of the creation, dissolution or merger of unit classes shall be published in the medium of publication. Only mergers shall be deemed a change to the fund contract pursuant to § 26.
3. The various unit classes may differ from one another in terms of their cost structure, reference currency, currency hedging, policy with regard to distribution or reinvestment of income, the minimum investment required and investor eligibility.

Fees and costs are only charged to the unit class for which the respective service is performed. Fees and costs that cannot be unequivocally allocated to a unit class shall be charged to the individual unit classes in relation to their share of the fund's assets.
4. There are currently the following unit classes which are limited to qualified investors according to art. 10 para. 3 and 3<sup>ter</sup> CISA:
  - „USD IA“-class: Accumulation class, denominated in US Dollar (USD), at the same time the reference currency of the fund and which are available to qualified investors according to art. 10 para. 3 and 3<sup>ter</sup> CISA. There is no minimum investment required. No retrocessions and/or rebates are paid out for the „USD IA“-class. The „USD IA“-class is eligible mainly for clients of the distribution network of „Alpinum Investment Management Ltd“.
  - „USD IB“-class: Accumulation class, denominated in US Dollar (USD), at the same time the reference currency of the fund and which are available to qualified investors according to art. 10 para. 3 and 3<sup>ter</sup> CISA. There is no minimum investment required. No retrocessions and/or rebates are paid out for the „USD IB“-class.
5. As a rule, units shall not take the form of actual certificates but shall exist purely as book entries, which may be held only in an account with the custodian. Investors are not entitled to demand the delivery of a registered or bearer unit certificate.
6. The Fund Management Company and the Custodian Bank are obliged to instruct Investors who no longer meet the conditions for holding a unit class that, within 30 calendar days, they must redeem their units pursuant to § 17, transfer them to a person who does meet the aforementioned conditions, or convert them into units of another unit class whose conditions they do meet. If an Investor fails to comply with this demand, the Fund Management Company must, in cooperation with the Custodian Bank, make an enforced conversion into another unit class of this Investment Fund or, should this not be possible, enforce the redemption of the units in question pursuant to § 5.8.

### III. Investment policy guidelines

#### A. Investment principles

##### § 7 Compliance with investment regulations

1. In selecting individual investments the fund management company must adhere to the principle of balanced risk diversification and must observe the percentage limits defined below. These percentages relate to the fund assets at market value and must be complied with at all times. The investment fund must have fulfilled the terms of the investment restrictions no later than six months after the expiry of the subscription period (launch).
2. If the limits are exceeded as a result of market-related changes, the investments must be restored to the permitted level within a reasonable period, taking due account of the investors' interests. If the limits relating to derivatives pursuant to § 12 below are exceeded due to a change in the delta, this is to be rectified within three bank working days at the latest, taking due account of the investors' interests.

##### § 8 Investment objective and investment policy

1. The fund management company may invest the assets of this investment fund in the following investments. The risks involved in these investments must be disclosed in the prospectus.

- a) Securities, i.e. transferable securities issued in large quantities and non-securitized rights with the same function (uncertified securities) that are traded on a stock exchange or other regulated market open to the public, and that embody a participation right or claim or the right to acquire such securities and uncertified securities by way of subscription or exchange, for example warrants

Investments in securities from new issues are only permitted if their admission to a stock exchange or another regulated market open to the public is envisaged under the terms of issue. If they have not been admitted to a stock exchange or another regulated market open to the public within a year after their acquisition, these securities must be sold within one month or included under the restriction set down in prov. 1 lit f.

- b) Derivatives, if (i) the underlying securities are securities pursuant to lit. a, money market instruments pursuant to lit. d, financial indices, interest rates, exchange rates or currencies, and (ii) the underlying securities are permitted as investments under the fund contract. Derivatives are either traded on a stock exchange or another regulated market open to the public, or are traded OTC;

OTC transactions are permitted only if (i) the counterparty is a regulated financial intermediary specializing in such transactions, and (ii) the OTC derivatives can be traded daily or a return to the issuer is possible at any time. In addition, it shall be possible for them to be valued in a reliable and transparent manner. Derivatives may be used pursuant to § 12.

- c) Units of other collective investment schemes (target funds), provided that (i) their documents, with the exception of collective investment schemes pursuant to subparagraph ce, restrict investments for their part in other target funds to a total of 30%; (ii) for these target funds in terms of purpose, organisation, investment policy, investor protection, risk diversification, separate safekeeping of fund assets, borrowing, lending, short selling of securities and money market instruments, issue and redemption of units and the content of the semi-annual and annual reports, equivalent provisions apply as for collective investment schemes in accordance with the following provisions ca to cd and (iii) these target funds are authorised as collective investment schemes in the country in which they are domiciled and are subject to supervision there that serves to protect investors and is equivalent to Swiss supervision and international legal assistance is ensured.

Investments in target funds must comply with the provisions pursuant lit. ca to ce:

- ca) Units of other collective investment schemes under Swiss law of the type "securities funds";
- cb) Units of other collective investment schemes under Swiss law of the type "other funds for traditional investments";
- cc) UCITS Directive 85/611/ EEC of December 20, 1985 (UCITS I) resp. 2001/107/EC resp. 2001/108/EC of January 21, 2002 (UCITS III) resp. 2009/65/EC of July 13, 2009 (UCITS IV);
- cd) Units of undertakings for collective investment (UCIs), within the meaning of Directive 2011/61/EU of June 8, 2011 (AIFM-Directive), equivalent to funds under Swiss law of the type "other funds for traditional investments, which are subject there to supervision which is equivalent to that in Switzerland and that international legal assistance is ensured.
- ce) Units of undertakings for collective investment (UCIs) within the meaning of Directive 2011/61/EU of June 8, 2011 (AIFM-Directive), equivalent to funds under Swiss law of the type "other funds for

alternative investments“, which are subject there to supervision which is equivalent to that in Switzerland and that international legal assistance is ensured.

Up to 15% of the fund's assets may be invested in target funds pursuant lit. ce, which have a redemption, resp. trading frequency, that does not correspond to the trading frequency of this fund. Such target funds must offer at least a monthly liquidity.

Up to 15% of the fund's assets may be invested in units of other collective investment schemes pursuant lit. ce), that are considered as fund of funds(collective investment schemes where the fund contracts allow investments in other collective investment schemes of more than 49%).

Subject to the provisions of § 19, the Fund Management Company may acquire units in target funds managed directly or indirectly by the Fund Management Company itself or by a company to which the Fund Management Company is related by virtue of common management or control, or by a significant direct or indirect interest.

- d) Money market instruments, provided these are liquid, can be readily valued and are traded on an exchange or other regulated market open to the public; money market instruments which are not traded on an exchange or other regulated market open to the public may only be acquired if the issue or the issuer is subject to provisions regarding creditor or investor protection and if the money market instruments are issued or guaranteed by issuers pursuant to Art. 74 para. 2 CISO.
- e) Sight or time deposits with terms to maturity not exceeding twelve months with banks domiciled in Switzerland or in a member state of the European Union or in another country provided that the bank is subject to supervision in this country which is equivalent to the supervision in Switzerland.
- f) Investments other than those specified in a to e above up to a total of 10% of the fund's assets. The following are not permitted: investments in precious metals, precious metals certificates, commodities and commodity certificates as well as (ii) real short-selling of any type of investment.

## 2. Investment objective

The investment objective of the fund is to achieve a financial return above money market rates with regard to the principle of risk diversification and high liquidity. The fund does not qualify as „money market fund“ in accordance with the provisions of the AMAS directive for money market funds and may therefore have a higher risk in comparison with a money-market fund, that complies with the directive.

### Investment policy

- a) Subject to the provisions of lit. d this fund invests at least 75% of the fund's assets in:
  - aa) Money market instruments issued or guaranteed by countries, other public-law institutions or private borrowers worldwide rated "investment grade" and denominated in the currency of an OECD country.
    - A money market instrument may only be rated "investment grade", if at the time of the acquisition it has a short term credit rating of at least A-3 (Standard & Poor's), P-3 (Moody's) or an equivalent rating of an agency approved by FINMA. If no short term credit rating is available an equivalent long term credit rating will be applied. Should no rating be available for the investment, the money market instrument has to be rated as equal through their internal rating-procedures. Instruments issued or guaranteed by a central, regional or local administration of a member state of the European Union, of the European Central Bank, the European Union or the European Investment Bank are considered below investment grade with a minimum rating „Investment Grade“.
    - Should the quality of the instrument described in above paragraph decline to such a degree, that it can no longer be rated ‚Investment Grade‘, the investments must be sold within a reasonable period, taking due account of the investors' interests.
  - ab) Sight or time deposits with banks domiciled in Switzerland or abroad, denominated in a currency of a OECD-member state and which at the time of the acquisition have a minimum rating of BBB- (Standard & Poor's), Baa3 (Moody's) or an equivalent rating of an agency approved by FINMA.
  - ac) Bonds (excluding convertible bonds, convertible notes and warrant issues), notes as well as other fixed- or floating rate debt securities and -rights of other public-law institutions or private borrowers worldwide, denominated in a currency of a OECD-member state and which at the time of the acquisition have a minimum rating of BBB- (Standard & Poor's), Baa3 (Moody's) or an equivalent rating of an agency approved by FINMA.
  - ad) Units of other collective investment schemes (target funds) pursuant § 8 prov. 1 let. c, which primarily invest in assets listed in let. a).
- b) Subject to the provisions of let. d the fund may invest up to 25% of the fund's assets in:

- ba) Money market instruments issued by states, other public-law institutions or private borrowers worldwide, which at the time of the acquisition have a minimum rating of B- (Standard & Poor's), B3 (Moody's) or an equivalent rating of an agency approved by FINMA and are denominated in a currency of a OECD-member state.
- bb) Bonds (excluding convertible bonds, convertible notes and warrant issues), notes as well as other fixed- or floating rate debt securities and -rights of other public-law institutions or private borrowers worldwide, denominated in a currency of a OECD-member state and which at the time of the acquisition have a minimum rating of B- (Standard & Poor's), B3 (Moody's) or an equivalent rating of an agency approved by FINMA.
- bc) Units of other collective investment schemes (target funds) pursuant § 8 prov. 1 let. c, which primarily invest in assets listed in let. b).
- c) In addition the fund may use derivatives pursuant § 12, for the hedging of market risks regarding the investments listed under let. a und b as well as for the hedging of exchange rates, currency and interest rate risks.
- d) Furthermore the fund management company has to adhere to the following investment restrictions, which refer to the entire fund assets:
  - da) Investments in securities are restricted to those having a residual maturity of less than or equal to two years to final term, provided that the residual maturity up to the forthcoming date when the interest rate is reset is shorter than or equal to 397 days. (Floating-rate securities must be adjusted to a money market rate or index).
  - db) The portfolio has a weighted average maturity (WAM) of six months at most.
  - dc) The weighted average life (WAL) (Duration) of the portfolio does not exceed twelve months.
  - dd) The fund management company may choose the investment currencies at their own discretion. If the investments are not denominated in the reference currency of the share class, the fund management company may hedge these positions entirely or partially.
  - de) Up to 49% of the fund's assets may be invested in units of target funds, whereas investments in other collective investment schemes according to § 8 prov. 1 let. ce are limited to 15%.
- 3. The fund management company shall ensure appropriate liquidity management. The details are disclosed in the prospectus.

#### **§ 9 Liquid assets**

The fund management company may also hold liquid assets in an appropriate amount in the investment fund's accounting currency and in any other currency in which investments are permitted. Liquid assets comprise bank deposits at sight or on demand with maturities up to twelve months.

### **B. Investment techniques and instruments**

#### **§ 10 Securities lending**

The fund management company does not engage in securities lending transactions.

#### **§ 11 Securities repurchase agreements**

The fund management company does not engage in securities repurchase agreements.

## § 12 Derivatives

1. The Fund Management Company may use derivatives. It ensures that, even in exceptional market conditions, the financial effect of using derivatives does not result in a deviation from the investment objectives set out in the present Fund Contract and in the Prospectus, and that it does not change the investment character of the Investment Fund. Furthermore, the underlyings of the derivatives must be permissible investments according to the present Fund Contract

In connection with collective investment schemes, derivatives may be used only for currency hedging purposes, with the exception of the hedging of market, interest rate and credit risks in the case of collective investment schemes for which the risks can be determined and measured unequivocally.

2. Commitment Approach II is applied to the assessment of risk. The overall exposure of this Investment Fund that is associated with derivatives may not exceed 100% of its net assets, and overall exposure may not exceed a total of 200% of its net assets. Taking into account the possibility of temporary borrowing amounting to no more than 25% of the Fund's net assets pursuant to § 13.2, the overall exposure of the Investment Fund may be up to 225% of the Fund's net assets. The overall exposure is determined in accordance with Art. 35 CISO-FINMA.
3. The Fund Management Company may, in particular, use basic forms of derivatives such as call or put options, the expiration value of which is linearly dependent on the positive or negative difference between the market value of the underlying and the strike price, and is zero if the difference is preceded by the opposite sign (+ or -), swaps, the payments of which are dependent on the value of the underlying or on an absolute amount in both a linear and a path-independent manner, as well as future and forward transactions, the value of which is linearly dependent on the value of the underlying.
4.
  - a) Counter positions in derivatives based on the same underlying as well as counter positions in derivatives and in investments in the same underlying may be netted, irrespective of the maturity date of the derivatives, provided that the derivative transaction was concluded with the sole purpose of eliminating the risks associated with the derivatives or investments acquired, no material risks are disregarded in the process, and the conversion amount of the derivatives is determined pursuant to Art. 35 CISO-FINMA.
  - b) If the derivatives in hedging transactions do not relate to the same underlying as the asset that is to be hedged, for netting to be permitted a further condition must be met in addition to the rules set out under a) above, namely that the derivative transactions may not be based on an investment strategy that serves to generate profit. Furthermore, the derivative must result in a demonstrable reduction in risk, the risks of the derivative must be balanced out, the derivatives, underlyings, or assets that are to be netted must relate to the same class of financial instruments, and the hedging strategy must remain effective even under exceptional market conditions.
  - c) Where interest rate derivatives are predominantly used, the amount to be included in the overall exposure arising from derivatives can be determined using internationally recognized duration-netting rules provided that the rules result in a correct determination of the risk profile of the Fund, the material risks are taken into account, the use of these rules does not generate an unjustified level of leverage, no interest-rate arbitrage strategies are pursued, and the leverage of the Fund is not increased either by applying these rules or through investments in short-term positions.
  - d) Derivatives that are used solely for currency hedging purposes and do not result in leverage or contain additional market risks may be netted when calculating the overall exposure arising from derivatives without having to meet the requirements set out under b) above.
  - e) Payment obligations in respect of derivatives must be covered at all times by near-money assets, debt securities and rights, or equities, that are traded on an exchange or other regulated market open to the public, in accordance with the legislation on collective investment schemes.
  - f) If, with a derivative, the Fund Management Company enters into an obligation in respect of the physical delivery of an underlying, the derivative must be covered by the corresponding underlyings or by other investments, provided that such investments and the underlyings are highly liquid and may be purchased or sold at any time if delivery is requested. The Fund Management Company must have unrestricted power to dispose of these underlyings or investments at all times.
5. The Fund Management Company may use both standardized and non-standardized derivatives. It may conclude transactions in derivative financial instruments on an exchange or other regulated market open to the public, or in OTC (over-the-counter) trading.
- 6.



- a) The Fund Management Company may conclude OTC transactions only with regulated financial intermediaries specialized in such types of transactions that ensure proper execution of the contract. If the counterparty is not the Custodian Bank, the former or its guarantor must have a high credit rating.
  - b) It must be possible reliably and verifiably to value an OTC derivative on a daily basis and to sell, liquidate or close out the derivative at market value at any time.
  - c) If no market price is available for an OTC derivative, it must be possible at all times to determine the price using an appropriate valuation model that is recognized in practice, based on the market value of the underlyings from which the derivative was derived. Before concluding a contract for such a derivative, specific offers must, in principle, be obtained from at least two counterparties, and the contract concluded with the counterparty providing the most favorable offer in terms of price. Deviations from this principle are permitted for reasons relating to risk diversification, or where other parts of the contract such as credit rating or the range of services offered by the counterparty render another offer more advantageous overall for the investors. Furthermore, and by way of exception, the requirement to obtain offers from at least two potential counterparties may be dispensed with if this is in the investors' best interests. The reasons for doing so must be clearly documented, as must the conclusion of the contract and pricing.
  - d) As part of OTC transactions, the Fund Management Company and its agents may only accept collateral that satisfies the requirements set down in Art. 51 CISO-FINMA. The issuer of the collateral must have a high credit rating, and the collateral may not be issued by the counterparty or by a company that belongs to or is dependent on the counterparty's group. The collateral must be highly liquid, traded at a transparent price on an exchange or other regulated market open to the public, and must be valued at least on each trading day. In managing the collateral, the Fund Management Company and its agents must comply with the duties and requirements under Art. 52 CISO-FINMA. In particular, they must diversify the collateral appropriately in terms of countries, markets, and issuers. Appropriate diversification of issuers is deemed to have been achieved if the collateral of a single issuer held does not correspond to more than 20% of the net asset value. Deviation from this rule is permitted for publicly guaranteed or issued investments pursuant to Art. 83 CISO. The Fund Management Company and its agents must further be able to obtain power of disposal over, and authority to dispose of, the collateral received at any time in the event of default by the counterparty, without involving the counterparty or obtaining its consent. The collateral received must be kept at the Custodian Bank. The collateral received may be held in safekeeping by a supervised third-party custodian on behalf of the Fund Management Company provided that ownership of the collateral is not transferred and the third-party custodian is independent of the counterparty.
7. In complying with the statutory and contractual restrictions (maximum and minimum limits), derivatives shall be factored in accordance with the legislation on collective investment schemes.
  8. The prospectus shall contain further information on:
    - the importance of derivatives as part of the investment strategy;
    - the effect of the use of derivatives on the risk profile of the investment fund;
    - the counterparty risks of derivatives;
    - possible leverage effect resulting from the use of derivatives;
    - the collateral strategy.

### **§ 13 Raising and granting loans**

1. The fund management company may not grant loans for the fund's account.
2. The fund management company may borrow the equivalent of up to 25% of the net fund assets on a temporary basis.

### **§ 14 Encumbrance of the fund assets**

1. No more than 50% of the net fund assets may be pledged or ownership thereof transferred as collateral by the fund management company at the expense of the investment fund.
2. The fund assets may not be encumbered with guarantees. An exposure-increasing credit derivative is not deemed to be a guarantee within the meaning of this paragraph.

## C. Investment restrictions

### § 15 Risk diversification

#### Investment restrictions concerning the investment fund

1. The regulations on risk diversification include the following:
  - investments pursuant to § 8, with the exception of index-based derivatives, provided the index is sufficiently diversified, is representative of the market it relates to and is published in an appropriate manner;
  - liquid assets pursuant to § 9;
  - claims against counterparties arising from OTC transactions.
2. Companies which form a group in accordance with international accounting regulations are deemed to be a single issuer.
3. Including the derivatives, the fund management company may invest up to 20% of the fund assets in securities and money market instruments from the same issuer. The total value of the securities and money market instruments from the issuers in which more than 10% of the fund assets are invested may not exceed 60% of the fund assets. The provisions under point 4 and 5 below remain reserved.
4. The fund management company may invest up to a maximum of 20% of the fund's assets in sight and term deposits with the same bank. This limit includes both liquid assets pursuant to § 9 as well as investments in bank assets pursuant to § 8.
5. The fund management company may invest up to a maximum of 5% of the fund assets in OTC transactions with the same counterparty. If the counterparty is a bank domiciled in Switzerland or in a member state of the European Union or another country in which it is subject to supervision equivalent to that in Switzerland, this limit shall be increased to 10% of the fund's assets.  
If the claims arising from OTC transactions are hedged using collateral in the form of liquid assets pursuant to Art. 50 to 55 CISO-FINMA, such claims are not included in the calculation of counterparty risk.
6. Investments, deposits and claims pursuant to provs. 3 to 5 above and issued by the same issuer/borrower may not in total exceed 20% of the fund's assets with the exception of the higher limits set out in points 11 and 12 below.
7. Investments pursuant to prov. 3 above of the same group of companies may not in total exceed 20% of the fund's assets with the exception of the higher limits set out in points 11 and 12 below.
8. The fund management company may invest a maximum of 20% of the fund's assets in units of the same target fund.
9. The fund management company may acquire for the fund's assets up to a maximum of 10% of the non-voting equity and debt instruments and/or money market instruments of the same issuer as well as a maximum of 25% of the units of other collective investment schemes.  
These restrictions do not apply if the gross amount of the debt instruments, money market instruments or the units of other collective investment schemes cannot be calculated at the time of the acquisition.
10. The restrictions in provs. 9 and 13 do not apply in the case of securities and money market instruments that are issued or guaranteed by a country or a public-law entity from the OECD or by an international public-law organization to which Switzerland or a member state of the European Union belongs.
11. The limit in point 3 above is increased from 20% to 35% if the securities or money market instruments are issued or guaranteed by an OECD country, a public-law entity from the OECD, or by an international public-law organization to which Switzerland or a member state of the European Union belongs. The aforementioned securities [or money market instruments] will not be taken into account in the application of the 60% limit pursuant to point 3. However, the individual limits specified in points 3 and 5 may not be added to the existing limit of 35%.
12. The limit in point 3 above is increased from 20% to 100% if the securities or money market instruments are issued or guaranteed by an OECD country, a public-law entity from the OECD, or by an international public-law organization to which Switzerland or a member state of the European Union belongs. In this case, the Investment Fund must invest in securities or money market instruments from at least six different issues; no more than 30% of the fund assets may be invested in securities or money market instruments from the same issue. The aforementioned securities or money market instruments will not be taken into account in the application of the 60% limit pursuant to point 3.  
The aforementioned authorized issuers / guarantors are beside OECD countries and public-law entities from the OECD the following international organizations: Singapore, Hongkong, European Union (EU), European Council, Council of Europe Social Development Fund, International Bank for reconstruction and development (Worldbank), European Bank for reconstruction and development (EBRD), European investment bank (EIB), Interamerican development bank (IADB), Nordic Investment Bank (NIB), Asian development bank (ASDB), African development bank (AfDB), International Monetary fund, European Stability Mechanism Fund (ESM),

European Financial Stability Facility (EFSF), International Finance-Corporation (IFC) und die Eurofima (European Company for the Financing of Railroad Rolling Stock).

#### Investment restrictions concerning the fund management company

##### 13. **Basic regulation**

The fund management company may not acquire any equity securities that in total account for more than 10% of the voting rights or that allow it to exercise a significant influence on the management of an issuer ("basic rule").

##### **Exemption**

In deviation from the basic regulation above, the fund management may apply the following limits to funds with an investment policy focus on equity securities in "Swiss small & mid cap companies" or "gold mining companies worldwide":

##### *a) Investment segment: "Swiss Small & Mid Cap Companies"*

For funds with an investment policy focus on equity securities in "Swiss Small & Mid Cap Companies" (as defined by SIX Swiss Exchange AG as well as all unlisted Swiss companies), the fund management company may not acquire more than 20% of the equity securities of an issuer from this investment segment, consolidated across all funds with this investment policy focus, whereby the exercise of voting rights is limited to a maximum of 17% in total.

For all other issuers which are not allocated to the investment segment "Swiss Small & Mid Cap Companies", the basic regulation above applies.

##### *b) Investment Segment: "Gold Mining Companies Worldwide"*

For funds with an investment policy focus on equity securities in "gold mining companies worldwide", the fund management may not acquire more than 20% of the equity securities of an issuer from this investment segment, consolidated across all funds with this investment policy focus, whereby the exercise of voting rights is limited to a maximum of 17% in total.

For all other issuers which are not allocated to the investment segment "Gold mining companies worldwide", the basic regulation above applies.

##### *c) Investment segment: "Others"*

For all funds that have neither an investment policy focus on equity securities in "Swiss small & mid cap companies" (as defined by SIX Swiss Exchange AG as well as all unlisted Swiss companies) nor on equity securities in "gold mining companies worldwide", the fund management company may not acquire equity securities of issuers from these two investment segments that in total account for more than 6% of the voting rights.

For all other issuers that are not allocated to either of the two investment segments "Swiss Small & Mid Cap Companies" and "Gold Mining Companies Worldwide", the basic rule above applies.

##### Maximum limit per issuer (cumulative at fund management level)

Irrespective of the above rules, the fund management company may under no circumstances hold or exercise more than 20% of the participation rights or 17% of the voting rights of an issuer, cumulated across all funds managed by it and across all investment segments.

##### Classification of the fund

Based on its investment policy, this fund has been allocated to the investment segment "Other". The classification of a fund may be adjusted in the event of changing circumstances.

## IV. Calculation of the net asset value, and the issue and redemption of units

### § 16 Calculation of the net asset value

1. The net asset value of the investment fund and the share of assets attributable to the individual classes (percentages) are calculated in reference currency of the individual classes at the market value as of the end of the financial year and for each day on which units are issued or redeemed. The fund assets will not be calculated on days when the stock exchanges / markets in the fund's main investment countries are closed (e.g. bank and stock exchange holidays).
2. Securities traded on a stock exchange or another regulated market open to the public shall be valued at the current prices paid on the main market. Other investments or investments for which no current market value is available shall be valued at the price which would probably be obtained in a diligent sale at the time of the valuation. In such cases, the fund management company shall use appropriate and recognized valuation models and principles to determine the market value.
3. Open-ended collective investment schemes are valued at their redemption price / net asset value. If they are regularly traded on a stock exchange or another regulated market open to the public, the fund management company can value such funds in accordance with prov. 2.
4. The value of money market instruments that are not traded on a stock exchange or another regulated market open to the public is determined as follows. Money market instruments are calculated at their market value (mark to market) with interest rates projected for one day. Consequently, the valuation basis of the various investments reflects market yields. In the absence of a current market price, the valuation is usually based on money market instruments with the same characteristics (quality and domicile of the issuer, issue currency, maturity).
5. Bank deposits are valued on the basis of the amount due plus accrued interest. If there are significant changes in the market conditions or the credit rating, the valuation principles for time deposits will be adjusted in line with the new circumstances.
6. The net asset value of unit of a given class is determined by the proportion of the fund's assets as valued at the market value attributable to the given unit class, minus any of the investment fund's liabilities that are attributed to the given unit class, divided by the number of units of the given class in circulation. It will be rounded up to the smallest unit of the reference currency of a given unit class.
7. The percentages of the market value of the Fund's net assets (fund's assets less liabilities) attributable to the individual unit classes is determined for the first time at the initial issue of more than one class of units (if this occurs simultaneously) or the initial issue of a further unit class. The calculation is made on the basis of the assets accruing to the fund for each unit class. The share is recalculated when one of the following events occurs:
  - a) when units are issued and redeemed;
  - b) on the cut-off date for distributions, provided that (i) such distributions are made only for individual unit classes (distribution classes) or provided that (ii) the distributions of the various unit classes differ as percentages of their individual net asset values or provided that (iii) different commission or costs, as percentages, are charged on the distributions of the various unit classes;
  - c) when the net asset value is calculated, as part of the allocation of liabilities (including due or accrued costs and commissions) to the various unit classes, provided that the liabilities of the various unit classes are different as percentages of the individual net asset values, especially if (i) different commission rates are applied for the various unit classes or if (ii) class-specific costs are charged;
  - d) when the net asset value is calculated, as part of the allocation of income or capital gains to the various unit classes, provided the income or capital gains stem from transactions made solely in the interests of one unit class or in the interests of several unit classes but disproportionately to their share of the net fund assets.

### **§ 17 Issue and redemption of units**

1. Subscription and redemption orders for units are accepted up to a certain cut-off time specified in the prospectus on the day the orders are placed. The definitive price of the units for the issues and redemptions is determined at the earliest on the bank working day following the day the order is placed (valuation day). This is referred to as 'forward pricing'. The detailed modalities are governed by the prospectus.
2. The issue and redemption price of units is based on the net asset value per unit calculated on the valuation day on the basis of the closing prices from the previous day as defined under § 16.  
Incidental costs (specifically standard brokerage charges, commissions, taxes and fees) incurred by the investment fund in connection with the investment of the amount paid in, or with the sale of a re-deemed portion of investments corresponding to the unit, will be charged to the fund assets.
3. The fund management company may suspend the issue of units at any time and may reject applications for the subscription or switching of units.
4. The fund management company may temporarily and by way of exception suspend the redemption of fund units in the interests of all investors:
  - a) if a market which is the basis for the valuation of a significant proportion of the fund's assets is closed, or if trading on such a market is restricted or suspended;
  - b) in the event of a political, economic, military, monetary or other emergency;
  - c) if, owing to exchange controls or restrictions on other asset transfers, the fund can no longer transact its business;
  - d) in the event of large-scale redemptions that could significantly affect the interests of the remaining investors.
5. The fund management company shall immediately apprise the auditors and the supervisory authority of any decision to suspend redemptions. It shall also notify the investors in a suitable manner.
6. No units shall be issued as long as the redemption of units is suspended for the reasons stipulated under prov. 4 lit. a to c.

## **V. Fees and incidental costs**

### **§ 18 Fees and incidental costs charged to the investor**

1. On the issue and redemption of fund units no commission is levied to the investor (all share classes).
2. No charges are applied for the switch from one share class to the other by the fund management company and its delegated parties.

### **§ 19 Fees and incidental costs charged to the fund assets**

1. For the management (incl. fund administration), asset management and distribution activities to the investment fund, the fund management company will charge the Investment fund a commission not exceeding 0.60% p.a. of the fund's net asset value, to be charged to the fund assets on a pro rata basis every time the net asset value is calculated and paid out at the end of each month (management fee, incl. distribution fee).

The management fee for the share classes differ as follows:

Class USD IA: max. 0.40% p. a.

Class USD IB: max. 0.60% p. a.

The rate of the management fee actually charged shall be stated in the annual reports.

2. For the safekeeping of the fund's assets, the handling of the fund's payment transactions and performance of the other tasks of the custodian bank listed under § 4, the custodian bank shall charge the investment fund an annual commission not exceeding 0.10% of the fund's net asset value, to be charged to the fund's assets on a pro rata basis every time the net asset value of the fund's assets is calculated and paid out at the end of each quarter (custodian bank fee).

The rate of the custodian bank fee actually charged shall be stated in the annual reports.

3. Furthermore, the fund management company and the custodian bank shall be entitled to reimbursement of the following costs incurred in the course of executing the fund contract:
  - a) Costs for the purchase and sale of investments, namely customary brokerage fees, commissions, taxes and duties, as well as costs for the review and maintenance of quality standards for physical investments;
  - b) the supervisory authority's fees in relation to the establishment, amendment, liquidation or merger of the fund;
  - c) the supervisory authority's annual fees;
  - d) the audit firm's fees for annual auditing as well as certification in the case of establishment, amendments, liquidation or mergers of the fund;
  - e) fees for legal and tax advisors in connection with the establishment, amendment, liquidation or merger of the fund, as well as generally upholding the interests of the fund and its investors;
  - f) the cost of publishing the net asset value of the fund, together with all the costs of providing notices to Investors, including translation costs, provided such costs cannot be ascribed to any failure on the part of the fund management company;
  - g) the cost of printing legal documents, as well as the fund's annual and semi-annual reports;
  - h) the cost of any registration of the Fund with a foreign supervisory authority, and specifically the commissions levied by the foreign supervisory authority, translation costs, and remuneration for the representative or paying agent abroad;
  - i) costs relating to the exercising of voting rights or creditors' rights by the fund, including the cost of fees paid to external advisors;
  - j) costs and fees relating to intellectual property registered in the name of the fund or with rights of use for the fund;
  - k) all costs, which are incurred through the taking of extraordinary steps to protect investor interests by the fund management company, the asset manager of collective capital investments or the custodian bank.
4. These costs according to sec. 3 let. a) are added directly to the cost value or deducted from the sales value.
5. The fund management company and its agents do not pay any retrocessions as remuneration for distribution activity in respect of fund units. However, they may, in accordance with the provisions of the prospectus, pay rebates to reduce the fees or costs incurred by the Investor and charged to the fund.
6. If the fund management company acquires units in other collective investment schemes that are managed directly or indirectly by the fund management company itself or a company to which it is related by virtue of common management or control or by a significant direct or indirect interest ("related target funds"), it may not charge any issuing or redemption commissions of the related target funds to the fund.

## **VI. Financial statements and audits**

### **§ 20 Financial statements**

1. The fund's accounting currency is the USD.
2. The financial year shall run from the 1<sup>st</sup> of January to the 31<sup>st</sup> of December.
3. The fund management company shall publish an audited annual report for the investment fund within four months of the end of the financial year.
4. The investor's right to obtain information under § 5 prov. 4 is reserved.

### **§ 21 Audits**

The auditors shall examine whether the fund management company and the custodian bank have complied with the statutory and contractual provisions as well as with the code of conduct of the Asset Management Association Switzerland AMAS as it may apply. The annual report shall contain a short report by the auditors on the published annual financial statements.

## **VII. Appropriation of net income**

### **§ 22**

1. The net income of the investment fund shall be added annually per unit class to the assets of the corresponding unit class for reinvestment (reinvestment) within four months of the close of the accounting year at the latest.  
The fund management may also decide to reinvest the income of each unit class on an interim basis. Any taxes and duties levied on the reinvestment shall remain reserved.
2. Realized capital gains from the sale of assets and rights may either be distributed by the fund management company or retained for reinvestment.

## **VIII. Publication of official notices by the investment fund**

### **§ 23**

1. The medium of publication of the investment fund is the print medium or electronic medium specified in the prospectus. Notification of any change in the medium of publication must be published in the medium of publication.
2. The following information must in particular be published in the medium of publication: summaries of material amendments to the fund contract, indicating the offices from which the amended wording may be obtained free of charge, any change of fund management company and/or custodian bank, the creation, dissolution or merger of unit classes, as well as the liquidation of the investment fund. Amendments that are required by law that do not affect the rights of investors or are of an exclusively formal nature may be exempted from the duty to publish subject to the approval of the supervisory authority.
3. Each time units are issued or redeemed, the fund management company will publish the issue and redemption prices or the net asset value for all unit classes together with a note stating "excluding commissions" for all unit classes on the homepage of the Swiss Fund Data AG ([www.swissfunddata.ch](http://www.swissfunddata.ch)). Prices must be published at least twice each month. The weeks and weekdays on which publications are made must be specified in the Prospectus. In addition the prices may be published in newspapers, magazines electronic media or price information systems as defined by the management company
4. The prospectus with integrated fund contract and the latest annual reports may be obtained free of charge from the fund management company, the custodian bank and all distributors.

## **IX. Restructuring and dissolution of investment funds**

### **§ 24 Mergers**

1. Subject to the consent of the custodian bank, the fund management company may merge funds by transferring the assets and liabilities as at the time of the merger of the fund(s) being acquired to the acquiring fund. The investors of the fund(s) being acquired will receive the corresponding number of units in the acquiring fund. The fund(s) being acquired is/are terminated without liquidation when the merger takes place, and the fund contract of the acquiring fund will also apply for the fund(s) being acquired.
  2. Investment funds may only be merged if:
    - a) the corresponding fund contracts provide for this;
    - b) they are administered by the same fund management company;
    - c) the corresponding fund contracts basically concur with regard to the following terms and conditions:
      - the investment policy, the risk distribution as well as the risks related to the investment,
      - the application of the net income and the capital gains from the sale of goods and rights,
      - the type, amount and calculation of all compensation, fees and redemption commissions as well as incidental costs for the purchase and sale of investments (brokerage fees, fees, expenses), which may be charged to the fund assets or the investors,
      - the redemption terms and conditions,
      - the duration of the contract and the terms for dissolution;
    - d) on the same day the assets of the investment funds are valued, the exchange relationship is calculated and the net asset value and the liabilities are assumed;
    - e) no costs arise as a result for either the Investment Fund or the Investors.
- The provisions of § 19 para. 3 let. b), d) and e are reserved.

3. If the merger is likely to take more than one day, the supervisory authorities may permit a limited deferral of repayments of the units of the participating investment fund.
4. The fund management company shall present the intended changes to the fund contract as well as the intended merger together with the merger plan to the supervisory authority for review at least one month before the planned publication. The merger plan contains information about the reasons for the merger, the investment policy of the involved investment funds and the possible differences between the receiving and the transferred investment funds, the calculation of the exchange ratio, possible differences in compensations, possible tax consequences for the investment funds as well as a statement from the responsible auditors in accordance with the CISA.
5. The fund management company publishes the intended changes to the fund contract according to § 23 section 2 as well as the intended merger and its date together with the merger plan in the publication medium of the participating investment funds at least two months before the established effective date. When doing so, it informs the investors that they can file objections with the supervisory authorities against the intended changes to the fund contract within 30 days of the publication or they may request the redemption of their units.
6. The audit firm must check directly that the merger is being carried out correctly, and must submit a report containing its comments in this regard to the Fund Management Company and the supervisory authority.
7. The fund management company must inform the supervisory authority of the conclusion of the merger, and publish notification of the completion of the merger, confirmation from the audit firm of the proper execution of the merger, and the exchange ratio, without delay in the medium of publication of the funds involved.
8. The fund management company must make reference to the merger in the next annual report of the acquiring fund, and in the semi-annual report if published prior to the annual report. If the merger does not take place on the last day of the usual financial year, an audited closing statement must be produced for the fund(s) being acquired.

#### **§ 25 The duration of the investment fund and dissolution**

1. The investment fund has been established for an indefinite period.
2. The fund management company or the custodian bank may dissolve the fund by terminating the fund contract without observing a period of notice.
3. The investment fund may be dissolved by order of the supervisory authority, in particular if at the latest one year after the expiry of the subscription period (launch) or a longer ex-tened period approved by the supervisory authority at the request of the custodian bank and the fund management company it does not have net assets of at least 5 million Swiss francs (or the equivalent).
4. The fund management company shall inform the supervisory authority of the dissolution immediately and shall publish notification in the media of publication.
5. Once the fund contract has been terminated, the fund management company may liquidate the fund forthwith. If the supervisory authority has ordered the dissolution of the investment fund, it must be liquidated forthwith. The custodian bank is responsible for the payment of liquidation proceeds to the investors. If the liquidation proceedings are protracted, payment may be made in installments. The fund management company must obtain authorization from the supervisory authority prior to the final payment.

## **X. Amendments to the fund contract**

### **§ 26**

If any amendments are made to the present fund contract, or if the merger of unit classes or a change of the fund management company or of the custodian bank is planned, the investors may lodge objections with the supervisory authority within 30 days after the last corresponding publication. In the publication the Fund Management Company must inform the Investors about which amendments to the Fund Contract are covered by FINMA's verification and check for compliance with the law. In the event of a change to the fund contract (including the merger of unit classes) the investors can also demand the redemption of their units in cash subject to the contractual period of notice. Exceptions in this regard are cases pursuant to § 23 prov. 2 that have been exempted from the duty to publish with the approval of the supervisory authority.



## **XI. Applicable law and place of jurisdiction**

### **§ 27**

1. The investment fund is subject to Swiss law, in particular the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, the Ordinance on Collective Investment Schemes of 22 November 2006 and the Ordinance of the Swiss Financial Market Supervisory Authority FINMA on Collective Investment Schemes of 27 August 2014.

The court of jurisdiction is the court at the fund management company's registered office.

2. The German version is binding in all matters of interpretation relating to the present fund contract.
3. The present fund contract takes effect on July 20, 2022.
4. The present Fund Contract replaces the Fund Contract dated November 15, 2021.
5. When approving the fund contract, FINMA verifies only the provisions pursuant to Art. 35a para. 1 let. a-g CISO and ensures their compliance with the law.

#### **The fund management company:**

LLB Swiss Investment Ltd.

#### **The custodian bank:**

UBS Switzerland AG