

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

## **AMG Substanzwerte Schweiz**

Investment fund under Swiss law of the type "securities fund"

Prospectus with Integrated Fund Contract  
February 2024

Fund Management Company: LLB Swiss Investment Ltd., Zurich  
Custodian Bank: Bank J. Safra Sarasin Ltd., Basel

**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 or semi-annual report (if published after the latest annual report) serve 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 shall be deemed valid.

### 1 Information on the Investment Fund

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

AMG Substanzwerte Schweiz fund has been established by LLB Swiss Investment Ltd. (formerly LB(Swiss) Investment Ltd.) as fund management company, and submitted to the Swiss Financial Market Supervisory Authority (FINMA) with the consent of Bank J. Safra Sarasin Ltd., Basel, as custodian bank. The fund contract was first approved by FINMA on 19 October 2004.

#### 1.2 Term of investment fund

The investment fund has an unlimited term.

#### 1.3 Tax Regulations Relevant to the Investment Fund

The 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 the relevant withholding tax deductions imposed by the country of investment. To the extent possible, these taxes will be reclaimed for the investor in Switzerland based on the double-taxation agreement provisions or other corresponding agreements.

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

Investors domiciled in Switzerland may reclaim the deducted withholding tax via their tax returns or by submitting a separate refund application.

Investors domiciled outside Switzerland can reclaim the withholding tax under the provisions of a possibly existing double-taxation agreement between Switzerland and their country of domicile. There is no possibility of reclaiming when such an agreement is not in place.

Distributions of income to investors domiciled outside Switzerland are made free of Swiss withholding tax, provided at least 80% of the fund's income stems from foreign sources. Furthermore, these are subject to 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 (declaration of domicile / affidavit). No guarantee can be given that at least 80% of the fund's income will stem from foreign sources. If withholding tax is charged to an investor domiciled outside Switzerland owing to the failure to present a declaration of domicile, under Swiss law they may submit a refund application directly to the Swiss Federal Tax Administration in Bern.

It is assumed for this investment fund that the preconditions of the domicile declaration are not present.

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".

#### Information for investors in Germany:

The investment fund under Swiss law (approved by the Swiss supervisory authority FINMA) qualifies as an investment fund within the meaning of the German Investment Tax Act (InvStG). For the purpose of investor taxation, regular reporting is made to WM Datenservice. In addition, tax-relevant information is made available via the fund management company's website ([www.llbswiss.ch](http://www.llbswiss.ch)). The compilation and verification of the tax information relevant for the German investor is carried out by the fund management company's German tax advisor.

#### Partial exemption entitlement for equity and mixed funds:

The fund management company intends to ensure that investment funds that meet the requirements of an equity fund or mixed fund within the meaning of Article 2 para. 6 or 7 InvStG on the basis of their investment strategy are formally qualified as equity funds or mixed funds by including the following wording.

The fund management company shall ensure that more than 50% of the value of the fund assets are invested in such equity investments within the meaning of Article 2 para. 8 InvStG that may be acquired under Swiss law in accordance with the fund contract for the investment fund (e.g. in shares of corporations that are admitted to

official trading on a stock exchange or are listed on an organised market). The consideration of the shares in other investment funds is either based on the actual capital participation ratios published by these other investment funds on valuation days or on the capital participation ratios specified in the investment guidelines of these other investment funds. German investors should thus benefit from the partial exemption pursuant to Article 20 para. 1 InvStG. A German tax advisor was commissioned to monitor compliance with the investment limits and to document this accordingly.

This investment fund therefore qualifies as an equity fund pursuant to Article 2 para. 6 InvStG. The daily equity participation ratios are published via WM Datenservice as required.

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 is registered with the US tax authorities as a "registered deemed-compliant Foreign Financial Institution under a Model 2 IGA" pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code (Foreign Account Tax Compliance Act, including the corresponding rulings, "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 Auditors**

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

Address of the auditing company:

PricewaterhouseCoopers AG  
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.

In accordance with 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 is currently the following unit class, which is not restricted to a specific group of investors:

- "A (CHF)" class: Distribution class denominated in the reference currency Swiss franc (CHF), which is at the same time the reference currency of the fund, and which is aimed at all investors. No minimum investment is required. Rebates but no retrocessions may be paid for the "A (CHF)" class (retro-free class).

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

Unitholders may request on any dealing day to switch shares of any unit class to shares of another unit class based on the net asset value of the unit classes, if they meet the contractual requirements for participation in the unit class they want to switch in.

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 relevant unit classes and of the fund itself is not necessarily the currency in which the direct or indirect investments of the fund are denominated.

For all unit classes the risks of assets whose reference currency is not the same as the reference currency of the respective unit class of the fund, the currency risk may be totally or partially hedged. As full hedging is not required, investment loss due to foreign-exchange market risks cannot be excluded. If differing unit classes are established, all issued units of a unit class shall have identical structural features.

The fund management company shall undertake to treat all investors in the fund fairly. The fund management company shall not place the interests of one investor or a group of investors before the interests of another investor or investor group in the management of the liquidity risk and the redemption of units. The fund management company shall primarily take the principle of the equal treatment of investors into account in that it ensures that no investor can gain an advantage through the purchase or sale of units at already known unit prices. Therefore, it shall set a daily order acceptance deadline. Subscription and redemption orders, received at the custodian bank by 9:00 am (CET) on a bank business day (order date), will be processed based on the net asset value applicable on the next bank business day (valuation day). Therefore, the net asset value used for settlement is not yet known at the point in time when the order was issued (forward pricing). It is calculated on the valuation day based on the closing price on the order date.

## 1.7 Listing and trading

The units of class "A (CHF)" are listed on a stock exchange. There is a secondary market for these units at SIX Swiss Exchange (Segment Sponsored Funds / Sponsor and Market Maker is Bank Julius Bär & Co. AG).

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

## 1.8 Terms and Conditions for the Issue and Redemption of Fund Units

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

Subscription and redemption orders received by the custodian bank by 9 am 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 based on the closing prices on the order day. Orders received after 9 am CET (cut-off-time) by the custodian bank be dealt with on the following banking 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 issuing and redemption prices are rounded up to the smallest unit of the reference currency of a given unit class. Payment will be made two bank working days after the order day (value date is trade date plus two).

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

<b>Overview</b>		<b>T</b>	<b>T+1</b>	<b>T+2</b>
1.	Subscription and redemption orders received by the custodian bank by 9 a.m. CET (order day)	X		
2.	Closing prices for the valuation 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 = Trade date and deadline for closing prices / T+1 = Valuation date

### **Redemption in kind**

In the event of termination, investors may request that investments be transferred to them instead of a cash payment ("redemption in kind"). The application must be submitted together with the termination application. The fund management company is not obliged to permit contributions in kind.

The fund management company alone decides on redemptions in kind and only approves such transactions if the execution of the transactions is fully in accordance with the investment policy of the investment fund and if the interests of the other investors are not impaired.

The details of redemptions in kind are governed by § 17 para. 7 of the fund contract.

## **1.9 Use of income and distribution of assets**

### Use of income

The net income of the fund shall be distributed annually per unit class to the investors in the accounting currency of the respective unit class within four months of the end of the financial year.

The fund management company may make additional interim distributions from the income.

Capital gains realized may either be distributed by the fund management company or retained for reinvestment.

### Distribution of assets

Provided that all income and realized gains from the most recently closed and previous accounting years have been distributed in full, the fund management may decide to make a partial repayment ("distribution of assets"). This is a repayment of investments made without (partially) dissolving the fund. The payout is therefore tax-neutral for investors domiciled in Switzerland. Neither the investment fund nor the investors incur any costs from the distribution of assets. The distribution of assets may be made in connection with the audited annual financial statements and is disclosed in the annual report. The fund management company shall publish the distribution of assets in advance in the organ of publication.

## 1.10 Investment Objective and Investment Policy of the Fund

### 1.10.1 Investment Objective

The principal investment goal of AMG Substanzwerte Schweiz is to achieve capital growth by investing in the Swiss equity market with a focus on small caps.

### 1.10.2 Investment Policy

- a) The fund management company shall, after deduction of the liquid assets, invest
- at least two-thirds of fund assets in equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies having their registered offices or the majority of their commercial activities in Switzerland;
  - at least 51% of the Fund's assets in equity securities and rights (shares, participation certificates, cooperative shares, participation certificates and similar) of small and medium-sized companies that have their registered office or the majority of their economic activity in Switzerland. Small and medium-sized companies" are companies that are included in the SPI EXTRA® or have a comparable capitalization.
- b) In addition, the fund management company may, after deduction of the liquid assets, invest up to a maximum of one-third of the fund's assets in:
- equities and equity-like securities and rights (shares, coupons, cooperative shares, participation certificates, etc.) of companies (including holding companies) that do not satisfy the requirements set forth in a) above;
  - Swiss-franc-denominated debt securities and debt security rights (bonds, convertible bonds, convertible notes, warrant-linked bonds etc.), issued by Swiss companies;
  - units of collective investment funds (target funds);
  - derivatives (including warrants) on investments mentioned in a) and b) above.
- c) Furthermore the fund management company has to adhere to the following investment restrictions, which refer to the entire fund assets (after deduction of liquid assets):
- units/shares in other collective investment schemes maximum 10%;
  - debt securities and debt security rights maximum 10%.

#### Sustainability in the portfolio management

##### Classification and information of the fund according to the European Disclosure Regulation 2019/2088 (SFDR - Sustainable Finance Disclosure Regulation):

Due to the investment policy and investment objective applied, the fund primarily takes traditional financial criteria into account. The asset management of this fund does not currently explicitly take environmental or social criteria into account or does not aim for sustainable investments.

The term "sustainability risks" refers to the risk of an actual or potential loss in value of an investment due to the occurrence of environmental, social or governance-related events. Due to the broad diversification and the performance achieved in the past, their assessment has no relevant impact on the return. The impact of sustainability risks on the fund's return is therefore considered irrelevant.

The asset manager does not take into account the "main adverse impacts on sustainability factors" for this fund, as the fund does not pursue an ESG and/or sustainable investment policy.

In the medium to longer term, the asset manager assumes that traditional investments will achieve a return comparable to that of diversified, sustainable investments. However, no guarantee can be given in this regard.

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

### 1.10.3 Investment Restrictions

Including the derivatives, the fund management company may invest up to 20% of the fund assets in securities from the same issuer.

#### 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 item 10 of the fund contract. Due to its investment policy, this fund has a focus on a "narrow market" and is therefore allocated to the investment segment "**Swiss Small & Mid Cap Companies**".

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

#### Permitted types of collateral:

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

- They are highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing They can be sold quickly at a price that is close to its pre-sale valuation;
- they are valued on at least a daily basis. Assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- they should be issued by an entity that is independent from the counterparty or by a company that does not belong to nor is dependent on the counterparty's group;
- Issuer credit quality of collateral received should be of high quality.

#### Required level of collateralization

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

- collateral should be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the collateral exposure to a given issuer does not exceed 20% of its net asset value. Deviation from this rule is permitted if the collateral is 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. 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; assets received as collateral will be booked into a safe custody account with the custodian bank in the name of the fund management company with reference to the fund;
- 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 fund management company decides on the realization of the collateral to indemnify the collective investment scheme;
- if the fund management company receives collateral for at least 30% of a fund's assets, it 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 and its agents must be in a position to attribute any uncovered claims remaining after the realization of collateral to the securities funds whose assets were the subject of the underlying transactions.

#### Determination of security margins

The fund management company and 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 lead to a deviation from the investment objectives or a change the investment character of the fund. Commitment Approach II is applied for the assessment of risk.

Derivatives form part of the investment strategy and are not 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 derivative forms may be used, i.e. call or put options, swaps and forward transactions (futures and forwards), as described in more detail in the fund contract (cf. § 12 of the fund contract), provided the underlying securities are permitted as investments in accordance with the investment policy. The derivative transactions may be concluded either on an 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 leverage effect on the fund assets or correspond to a short sale. The overall exposure of this Investment Fund that is associated with derivatives may not exceed 100% of its net assets, and the overall exposure of the fund may thus be up to 200% of its net assets.

### **1.11 Net Asset Value**

The net asset value of a unit of a given class is determined by the market value of the relevant share class on the market value of fund assets, minus all the fund liabilities which are attributable to the unit class in question, divided by the number of units in the respective unit 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 assets (extract from § 19 of the fund contract)

Management fee of the fund management company for share class "A (CHF)" max. 1.50% p.a.

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

In addition the Fund Management Company and its agents may pay retrocessions and or rebates according to ciph. 1.12.3 of this prospectus.

Custodian bank commission of the custodian bank (applies to all unit classes): max. 0.10% p.a.

The commission is used for 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.

No commission will be charged for the distribution of the annual income to the investors.

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 and semi-annual report.

### 1.12.2 Total Expense Ratio

The coefficient for the total costs charged to the fund assets on an ongoing basis (total expense ratio or TER) was:

#### TER, without Performance Fee:

Year	Class "A (CHF)"
2020	1.17%
2021	1.18%
2022	1.22%

#### TER including Performance Fee:

Year	Class "A (CHF)"
2020	1.17%
2021	1.18%
2022	1.22%

### 1.12.3 Payments of retrocession and rebates

#### Retrocessions

The fund management company and its agents do not pay any retrocessions to third parties to compensate them for the distribution and brokerage of fund units in Switzerland or from Switzerland.

#### Rebates

In respect of distribution in or from Switzerland, the fund management company and its agents may on request pay rebates directly to Investors. The purpose of rebates is to reduce the fees or costs incurred by the Investor in question. Rebates are permitted provided that

- they are paid from fees charged by the fund management company and therefore do not represent an additional charge to the fund assets;
- they are granted on the basis of objective criteria;
- all Investors who meet these objective criteria and request rebates are also granted these within the same timeframe and to the same extent

The objective criteria for granting rebates by the Fund Management Company or its agents are:

- the volume subscribed by the Investor or the total volume they hold in the collective investment scheme or, where applicable, in the product range of the promoter;
- the amount of the fees generated by the investor;
- expected investment period.

At the request of the Investor, the fund management company must disclose the amounts of such rebates free of charge.

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

No issuing or redemption commission is charged on subscriptions and redemptions of units.

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

#### 1.12.5 Performance Fee

In addition, the fund management company charges the investment fund a performance fee. That fee is calculated according to the following table:

<b>Performance Fee</b>		8% per year	A performance-based commission of 8% per year will be calculated on the arithmetic difference between the cumulated performance of the Fund and the cumulated Hurdle Rate during the period under review i.
<b>period under review</b>		annual	The period under review for the calculation of the performance fee is the financial year of the fund
<b>Interval of performance calculation</b>		daily	The basis of the performance-based commission is the daily performance of the net asset value per unit. No performance fee will be determined on days where the net asset value of the fund is not calculated (Sundays and holidays).
<b>Consideration of costs and fees</b>		net	The performance-based commission will be calculated on the net asset value per unit <i>after</i> deduction of all costs and fees but <i>before</i> deduction of the accrued performance-based commission until that date.
<b>Share-by Share basis</b>	<b>Fee per unit</b>	High Watermark	The performance-based commission per unit will be calculated by taking into account the currently applicable High Watermark.
	<b>Total Fee</b>	average of outstanding units	For the calculation of the total amount of the performance-based commission to be accrued the average of outstanding units since the beginning of the actual financial year will be taken into account.
<b>high watermark principle</b>		yes	The net asset value per unit must have reached a new historic high since the launch of the fund, to allow a performance-based commission to be accrued
<b>"High Watermark"-Reset-Interval</b>	<b>Performance Fee</b>	after payment	The High Watermark for a new financial year will only be adjusted, if a performance-based commission has been paid out at the end of the previous quarter.
	<b>Fund distributions</b>		If distributions of income and capital gains are made to the investors, the High Watermark will be adjusted by these amounts.
<b>„Hurdle Rate“- principle</b>		2% per financial year	A minimum return of 2% per year is required to allow a performance-based commission to be accrued.
<b>Interval of accrual</b>		valuation day	The performance-based commission will be calculated and accrued on each valuation day and accrual will be increased or liquidated in part or in full according to the development of the net asset value
<b>Interval of payment</b>		annually	A performance-based commission will be paid out at the end of a financial year.

### **1.12.6 Commission sharing agreements and non-pecuniary benefits (soft commissions)**

The fund management company has not concluded commission sharing agreements.

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

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

The prospectus with integrated fund contract, the corresponding key information document, and the annual and semi-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 "Securities Fund" 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**

Before making an investment decision with respect to any units class of the fund, potential investors should carefully consider all the information contained in this prospectus with integrated fund contract as well as their own personal circumstances. Prospective investors should pay particular attention 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 together 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 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 that a potential investor should consider as relevant to its own particular circumstances or as relevant generally.

#### **General risk factors**

##### General risks

The main risks of the investment fund are changes in the market values of the respective investments. Depending on the general stock market trend and the performance of the securities held in the fund assets, the net asset value may fluctuate significantly. It cannot be ruled out that the value may fall over a longer period of time. There is no guarantee that the investment objective of the fund will be achieved or that investors will get back all the capital they have invested, achieve a specific return or interest rate, or return the units to the fund management company at a specific price. Past performance is not indicative of future investment results.

Due to its focus on equities or equity securities as well as investments in debt securities of various sectors and companies of different sizes, the investment fund essentially exhibits such risks that are associated with investments in equities and debt securities. Market risk, interest rate risk, liquidity risk and company-specific risks are of particular relevance.

##### Market risk

Market risk is a general risk associated with all investments. A deterioration in market conditions or general uncertainty regarding economic markets may result in a decline in the market value of existing or potential investments or increased illiquidity of investments. Such declines or illiquidity could result in losses and reduced investment opportunities for the Fund, prevent the Fund from successfully achieving its investment objective or require the Fund to dispose of investments at a loss during adverse market conditions. Causes of market risks may include, in particular, political uncertainties, currency export restrictions, changes in laws and fiscal framework conditions, economic factors and changes in investor confidence or behavior.

##### Currency risk

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

Certain unit classes may be denominated in a reference currency other than the unit of account of the investment fund. For hedged share classes, a hedging strategy is applied in accordance with the provisions in the fund contract, which aims to minimize the currency risk taking into account various practical considerations. There is no guarantee that the hedging strategy will achieve this objective. Investors' attention is drawn to the fact that there

is no allocation of liabilities between the individual unit classes of the investment fund. Thus, there is a risk that, under certain circumstances, hedging transactions undertaken for a hedged share class may result in liabilities that affect the net asset value of the other share classes of the investment fund.

#### Liquidity risk

In the case of financial instruments, there is the risk that a market is illiquid at times. This may result in instruments not being traded at the desired time and/or in the desired quantity and/or at the expected price. Phased illiquid financial markets combined with high redemption requests may mean that the fund management company may not be able to make redemptions within the time period specified in this fund contract and/or without significantly affecting the net asset value of the investment fund. In addition, financial instruments listed on a stock exchange may be delisted in exceptional cases. The liquidity risk is limited insofar as investments in relatively liquid instruments and markets are predominantly sought for the fund.

#### Counterparty risk

Counterparty risk is the probability of insolvency of the debtor, a counterparty to a pending transaction or the issuer or guarantor of a security or derivative. Also to be considered is the risk of banks with which funds are placed. The occurrence of the insolvency of such a party results in the partial or total loss of the amount of the investment subject to the risk of this party. Issuer risk always depends on the financial and economic situation and future of the issuer. One measure of the creditworthiness of a counterparty is its rating by rating agencies. In addition, an investment fund is exposed to the risk that an expected payment or delivery of assets will not be made or will not be made on time. Market practices relating to the settlement of transactions and the safekeeping of assets can lead to increased risks.

#### Economic risks

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

#### Operational risks

Operational risks are risks in administration, trade processing, delivery of financial instruments (settlement) and their safekeeping as well as valuation. Such administrative risks can arise from disruptions to processes from crises, disasters or human error.

#### Settlement risk

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

### **Specific risk factors**

#### Investments in Equities

The price of equity securities may be affected by many factors at the individual company level and by general economic and political developments, including trends in economic growth, inflation and interest rates, reports of corporate earnings, demographic trends and catastrophes. Risks associated with investing in equity and equity-related securities include, in particular, major market price fluctuations, negative information about issuers or markets, and the subordinated status of equity securities to debt securities of the same issuer.

#### Investments in companies with small market capitalization

There are certain risks associated with investing in small cap companies and in securities of small and medium-sized companies. The market prices of such securities may be more volatile than those of large companies, in part because of less liquidity. Because small and medium-sized companies typically have fewer shares outstanding than larger companies, it may be more difficult to buy and sell significant amounts of stock without affecting market prices. There is usually less publicly available information about these firms than about large firms. The smaller capitalization of such firms and the fact that small firms may have smaller product lines and command a smaller market share than larger firms may make them more sensitive to fluctuations in the economic cycle. In addition, in exceptional cases, shares of smaller companies listed on a stock exchange may be delisted.

#### Interest rate risk

The value of fixed income securities held by the investment fund will change in response to changes in interest rates. The value of fixed income securities generally increases when interest rates fall and decreases when interest rates rise. Fixed income securities with higher interest rate sensitivity and longer maturities are generally subject to greater fluctuations in value as a result of changes in interest rates.

### Credit risk

Fixed income securities are subject to the risk of the inability of the issuer or a guarantor to make principal and/or interest payments on its obligations. Issuers or guarantors that have higher credit risk generally offer higher yields for this additional risk. Changes in the financial condition of an issuer or guarantor, changes in economic and political circumstances generally, or changes in economic and political circumstances affecting a particular issuer or guarantor are factors that may have an adverse effect on an issuer's or guarantor's credit quality.

### Concentration risks

The risk of losses due to low diversification of the investments made. Diversification can be in terms of geography (economic zone, country, region, etc.), currency or sector. Concentration risk also refers to large positions in a single issuer relative to the fund's asset base. Concentrated investments are often more vulnerable to local economic, market, political or regulatory events and may therefore suffer from increased volatility.

### Derivatives risk

Through the possible use of derivatives in pursuit of the investment objective or to hedge the fund's assets, the investment fund assumes additional risks, which depend on the characteristics of both the derivative in question and the underlying asset. Exposures to derivatives may be subject to leverage effects, so that even a small investment in derivatives may have a significant, even negative, impact on the performance of the fund.

### Investments in target funds

When investing 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 authorized for distribution in Switzerland and may not be subject to equivalent regulation and supervision in their country of origin that provides 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. Investing in units or shares of a target fund involves 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.

The current risk profile of the investment fund is set out in the relevant key information document.

## **1.16 Liquidity risks 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**

The fund management company is LLB Swiss Investment Ltd. (herein after referred to as the "fund management company"). Since its founding in 1995 as a joint-stock company, the fund management company, with its head offices in Zurich, has been active in the fund business.

### **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, chairman, 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 31<sup>st</sup> of December 2022 the subscribed share capital of the fund management company amounted to CHF 8,000,000.--.

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

The fund management company has covered the professional liability risks, which result from the management of investment assets and could result from the professional negligence of its bodies or employees, through equity capital amounting to at least 0.125 percent of the value of the portfolio of all managed investment funds, where this amount is reviewed and adjusted annually.

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

Investment decisions in respect of the fund have been delegated to Serafin Asset Management Ltd., Zug.

#### Address of the asset manager:

Serafin Asset Management Ltd.  
Bahnhofstrasse 29  
CH-6300 Zug

#### 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 Exercise of shareholder and Creditor Rights**

The fund management company exercises the membership and creditor 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 about the exercising of membership and creditor rights.

In the case of scheduled routine transactions, the fund management company is free to exercise membership and creditor rights itself or to delegate the exercising of these to the custodian bank or a third party or to waive the exercising of membership and creditor 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 exercising of membership and creditor 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 third parties or learns from the media.

## **3 Information on the Custodian Bank**

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

The Custodian Bank is Bank J. Safra Sarasin Ltd., Basel.

The Bank was founded in Basel in 1841.

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

activities include investment advisory services, asset management for private and institutional clients, custody, lending, execution of securities transactions and investment fund business. Investment foundations, corporate finance and market making complement the range of services.

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. Financial instruments may only be transferred to supervised third-party custodians or central securities depositories. This does not apply to mandatory custody at a location where the transfer to supervised 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. This is accompanied by the following risks: The use of third-party custodians and central securities depositories means that deposited securities are no longer owned solely by the Fund Management Company, which instead becomes only a co-owner. Furthermore, if the third-party custodians and collective securities depositories are not subject to supervision, they are unlikely to meet the organizational requirements imposed on Swiss banks.

In the case of third-party custody abroad, the legal provisions and practices of the respective place of custody are also applicable.

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.

Appropriate regulations governing the organization and procedures ensure that conflicts of interest between the custodian bank and the investors and between the custodian bank and any third-party custodians and central securities depositories at home and abroad that may be involved by the custodian bank are avoided.

The Custodian Bank is registered with the US tax authorities as Participating Foreign Financial Institution (PFFI) pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code (Foreign Account Tax Compliance Act, including the corresponding rulings, "FATCA") (GIIN: IPRKWG.00000.LE.756).

#### Address of the custodian bank

Bank J. Safra Sarasin Ltd.  
Depotbankkontrolle  
Elisabethenstrasse 62  
CH-4051 Basel

## **4 Information on third parties and the Sale of Units in Germany**

### **4.1 Paying Agent**

The Paying Agent is the custodian Bank (see point 3)

The required information for unit holders (prospectus, fund contract, Key Information Document, annual and semi-annual report, issuing and redemption prices) is available free of charge along with other information and documents at the paying agent in Switzerland.



## 4.2 Distributor

The following institution has been appointed to carry out distribution activities in relation to the investment fund:  
Serafin Asset Management Ltd., Zug (cf. section 2.5)

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

## 4.3 Additional Information About the Sale of Units in Germany

The following information is directed to potential investors in Germany, in that it more precisely lays out and completes the prospectus with regard to the distribution in Germany:

### Information Office

The Information Office in Germany is the

ODDO BHF Aktiengesellschaft  
Bockenheimer Landstraße 10  
D – 60323 Frankfurt am Main

The Information Office also informs investors how to place subscription, payment, redemption, and conversion orders and how redemption proceeds are paid out.

The Information Office also acts as a contact with and vis-à-vis the "Bundesanstalt für Finanzdienstleistungsaufsicht".

### Redemption and Conversion Orders, Payments

Investors in Germany may submit their subscription, payment, redemption, and conversion orders at their bank maintaining the custody account in Germany. The latter will forward the orders to the custodian bank of the fund for the purpose of processing and settlement or request the redemption in its own name to be credited to the account of the investor.

Fund distributions, redemption revenues and other payments to the investor in Germany also go through the bank maintaining the custody account in Germany. It will credit the payments to the account of the investor.

### Information

The sales documents referred to in section 297(4) sentence 1 KAGB and the documents and information referred to in section 298(1), section 299(1) to (3) and (4) sentences 2 to 4 and section 300(1), (2) and (4) KAGB are available for inspection and copying in German free of charge at the Information Office. Such sales documents and information encompass in particular the prospectus with integrated fund contract, the corresponding key information documents (PRIIP KIDs), the annual and semi-annual reports as well as the issue and redemption prices (and, if applicable, the conversion prices)

To exercise your investor rights, you can contact us by telephone at +41 58 523 96 70 at the Compliance Department of LLB Swiss Investment AG, as well as via email at "investment@llbswiss.ch" or by post at LLB Swiss Investment AG, Compliance, Claridenstrasse 20, 8002 Zurich (Switzerland). In addition, you can also contact the Ombudsman's Office at [www.finos.ch/](http://www.finos.ch/) or FINMA at [www.finma.ch](http://www.finma.ch) in case of complaints.

### Price Publications and Other Notifications

The issuing and redemption prices as well as all other legally required notifications to the investor are published on the internet at [www.swissfunddata.ch](http://www.swissfunddata.ch).

In particular, in the following cases, the information shall be provided to investors in Germany by means of a durable medium under § 167 KAGB in German or in a language customarily used in the sphere of international finance:

- Suspension of the redemption of investment fund units (§ 298 para. 2 no. 1 KAGB).
- Termination of the administration of the investment fund or its handling (§ 298 para. 2 no. 2 KAGB).
- Changes or amendments of the contract terms and conditions, which cannot be reconciled with the previous investment principles, affect important investor rights or concern fees and reimbursements, which can be taken from the special investment assets, including background information about the changes or amendments as well as the investor rights in a clear and understandable way; when doing so, notification must also be provided on how and where this information can be obtained (§ 298 para. 2 no. 3 KAGB).
- The merger of investment funds in the form of merger information, which must be prepared in accordance with article 43 of the guideline 2009/65/EG (§ 298 para. 2 no. 4 KAGB).

- The conversion of an investment fund into a feeder fund or changes of a master fund in the form of information, which must be prepared in accordance with article 64 of the guideline 2009/65/EG (§ 298 para. 2 no. 5 KAGB).
- amendments to the fund contract, any change in regards of the fund management company and/or custodian bank; and the liquidation of the investment fund will be published by the fund management company in the publication media as stated in ciph 5.2 of this prospectus and in Germany in the electronic Federal Gazette ("Bundesanzeiger"). This shall also apply to other important information concerning the issue and redemption of units for which the KAGB provides for notification by means of a durable data medium (such as a suspension or resumption of the redemption of units).

#### **4.4 Delegation of investment decisions and other tasks**

Investment decisions in respect of the fund have been delegated to Serafin Asset Management Ltd. („Asset Manager“), Zug.

The Asset Manager is licensed as a manager of collective assets and as such is subject to supervision in Switzerland by the Swiss Financial Market Supervisory Authority FINMA.

The exact execution of the mandate is governed by an asset management agreement concluded between the fund management company and the asset manager.

The asset manager is not a company affiliated with the fund management company so that to this extent no conflict of interest is present. However, conflicts of interest can arise when the asset manager is also working in the same function for other investment funds or other third parties as an asset manager or investment advisor, and in this function implements a comparable investment strategy. According to the asset management agreement between the fund management company and the asset manager, the asset manager is required handle such conflicts of interest in an appropriate way.

##### 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

Securities number	Class "A (CHF)":	1959753
ISIN	Class "A (CHF)":	CH0019597530
FATCA-GIIN	LOUW7H.99999.SL.756	
Accounting currency of the fund	Swiss Francs (CHF)	
Reference currency of the share classes	Class "A (CHF)":	Swiss Francs (CHF)

### 5.2 Publications of the investment fund and information

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

In the event of an amendment to the fund contract, a change of 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 homepage of Swiss Fund Data ([www.swissfunddata.ch](http://www.swissfunddata.ch)).

Price publications for all unit classes 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.

Additional information about the investment limits of the risk management of the investment fund, the risk management methods and the latest risk developments and yields of the most important categories of assets is available at no charge when requested in writing from the fund management company as well as the German information office.

The fund management company also regularly publishes the following information:

- Immediate information about changes in the liability of the custodian on the Internet at [www.llbsswiss.ch](http://www.llbsswiss.ch);
- The percentage share of assets in the investment fund, which are difficult to liquidate and therefore are subject to special regulations, in the annual report;
- And new rules about liquidity management of the AIF, in the annual report;
- the current risk profile of the investment fund and the risk management processes used for this purpose, in the fund prospectus;
- the current risk profile of the investment fund, in the relevant Key Information Document.

### 5.3 Sales Restrictions

With respect to the issuing and redemption of units of this investment fund outside Switzerland, the prevailing regulations in the respective country apply.

- a) A distribution license is present for the following countries:
  - Switzerland
  - Germany
- 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.

### 5.4 Legal system, jurisdiction, assertion of rights

Legal disputes arising in conjunction with the investment in the investment fund are subject to Swiss law. To assert their rights, investors may appeal to a court of law in Switzerland or, if such is available, seek a dispute settlement procedure alternatively. The courts holding jurisdiction at the head offices of the fund management company are responsible for settling legal disputes related to the fund. The enforcement of judgments is oriented to the Swiss federal law on debt collection and insolvency. Judgments from Swiss courts can be enforced against the fund management company without prior recognition.

## 6 Further investment information

### 6.1 Previous results

#### Performance of the last three financial years

Reference Date	Class "A (CHF)"
31.12.2020	-0.86%
31.12.2021	3.35%
31.12.2022	-14.58%

### 6.2 Profile of the Typical Investor / Definition of target market within the meaning of MiFID II

The investment fund is suitable for investors with a long-term investment horizon, whose primary goal is to achieve capital growth. These investors are able to tolerate significant fluctuations and reductions in the net asset value of their units in the fund, and such fluctuations and reductions may prevail for a longer period of time. These investors are familiar with the main risks of investing in stocks. Because the fund is permitted to invest in bonds, these investors must be willing to accept fluctuations in the net asset value of their units arising from interest rate movements. The fund is not suitable for investors who are looking for a speculative investment or who want or need to dispose of the invested capital at short notice. Investors should not assume that they can profitably sell their investment at a specific time.

The definition of the target markets of the fund can be found in the Key Information Document in the section „What is the type of the product?“. This Key Information Document has been set up pursuant to the guidelines of the delegated regulation 2017/653 of the EU Commission resp. in addition to the relevant fund documents in accordance with Swiss law. The actual Key Information Document of the fund is available on the website [www.llbswiss.ch](http://www.llbswiss.ch). For Retail Clients of the EU resp. EEA countries this PRIIP KID together with the present prospectus with integrated fund contract as well as the last annual and semi-annual reports (if published after the last annual report) is the basis for any subscriptions.

## 7 Detailed Regulations

All further information on the investment fund, such as the method used for the valuation of the fund 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 the fund contract in detail.

## Part 2: Fund Contract

### I Basic Principles

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

1. A contractual fund of the type "securities funds" has been established under the name of AMG Substanzwerte Schweiz (hereinafter referred to as the "investment fund") in accordance with Art. 25 et seqq. in conjunction with Art. 53 et seqq. of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (CISA).
2. The fund management company is LLB Swiss Investment Ltd., Zurich.
3. The custodian bank is Bank J. Safra Sarasin Ltd., Basel.
4. The asset manager is Serafin Asset Management Ltd., Zug.

### 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, is 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 as well as distributions of income. 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 as well as on compensation received from third parties, in particular commissions, rebates 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 proper management. It shall appoint only persons who have the necessary skills, knowledge and experience for this activity and who have the required licenses. It shall carefully instruct and supervise the third parties involved.  
The investment decisions may only be delegated to asset managers who have the necessary authorization. Investment decisions may not be delegated to the Custodian Bank or to other companies whose interests may conflict with those of the Fund Management Company or the Investors.  
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 (see § 27).
5. The fund management company may dissolve the investment fund pursuant to the provisions set down in § 26
6. The fund management company is entitled to receive the fees stipulated in §§ 19 and 20. 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 assets. It handles the issue and redemption of fund units as well as payments on behalf of the investment fund.
2. The custodian bank and its agents are subject to the duties of loyalty, due diligence and information 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 transfer the safekeeping of the fund 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 to 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 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 any 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. There are no restrictions in terms of investor eligibility.  
Restrictions are possible for individual classes in accordance with § 6.4.
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. The 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 assert 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 or on redemption in kind, they must be given such information by the Fund Management Company at any time. The Investors may request before the courts of the registered office of the Fund Management Company that the audit firm 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 is paid out in cash. Instead of payment in cash, a redemption in kind may be made at the request of the investor and with the consent of the fund management company in accordance with the provisions of § 17 Clause 7.

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 center, namely to fight money laundering
  - b) the Investor no longer meets the statutory or contractual conditions 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 owing 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 § 27.
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 assets.
4. There is currently the following unit class, which is not restricted to a specific group of investors:
  - "A (CHF)" class: Distribution class denominated in the reference currency Swiss franc (CHF), which is at the same time the reference currency of the fund, and which is aimed at all investors. No minimum investment is required. Rebates but no retrocessions may be paid for the "A (CHF)" class (retro-free class).
5. As a rule, units do not take the form of actual certificates but exist purely as book entries. Investors are not entitled to demand the delivery of a registered or bearer unit certificate.

### 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.
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 as a result of 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 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 on a large scale and non-securitized rights with the same function (uncertified securities) that are traded on an 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 permitted only if their terms of issue provide for their admission to an exchange or other regulated market open to the public. If they have not been admitted to an exchange or other regulated market open to the public within one year after their acquisition, these securities must be sold within one month or included under the restriction rule set down in section 1 lit c.

- b) Derivatives, if (i) currencies are the underlying assets and (ii) the underlying assets are permissible as investments in accordance with the fund contract. Derivatives must either be 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 must 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 restrict investments by the target fund in other target funds to a total of 10%; (ii) these target funds are subject to provisions equivalent to those pertaining to securities funds in respect of the purpose, organization, investment policy, investor protection, risk diversification, asset segregation, borrowing, lending, short-selling of securities and money market instruments, issue and redemption of fund units and content of the semi-annual and annual reports; and (iii) these target funds are authorized as collective investment schemes in their country of domicile and are subject there to supervision which is equivalent to that in Switzerland and which serves to protect investors, and international judicial assistance is ensured.

In this regard the fund management company may invest up to a maximum of 10% of the fund's assets in units of target funds that are neither securities funds nor compliant with the relevant European Union directives (UCITS), but are equivalent to these or to Swiss securities funds pursuant to Art. 53 CISA.

The fund management company does not 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) 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 a country whose supervision is equivalent to that of Switzerland.
- e) Investments other than those specified in (a) through (d) above, up to a total of 10% of the fund's assets. The following are not permitted: (i) 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 goal of the fund consists primarily of achieving capital growth by investing in the Swiss equity market with a focus on small caps.

### **Investment policy**

- a) The fund management company shall, after deduction of the liquid assets, invest
    - at least two-thirds of fund assets in equities and other equity-type securities and rights (shares, dividend-right certificates, shares in cooperatives, participation certificates, etc.) issued by companies having their registered offices or the majority of their commercial activities in Switzerland;
    - at least 51% of the Fund's assets in equity securities and rights (shares, participation certificates, cooperative shares, participation certificates and similar) of small and medium-sized companies that have their registered office or the majority of their economic activity in Switzerland. Small and medium-sized companies" are companies that are included in the SPI EXTRA® or have a comparable capitalization.
  - b) In addition, the fund management company may invest a maximum of one-third (after deduction of liquid assets) of fund assets in:
    - equities and equity-like securities and rights (shares, coupons, cooperative shares, participation certificates, etc.) of companies (including holding companies) that do not satisfy the requirements set forth in a) above;
    - Swiss-franc-denominated debt securities and debt security rights (bonds, convertible bonds, convertible notes, warrant-linked bonds, etc.), issued by Swiss companies;
    - units in collective capital investment schemes (target funds);
    - derivatives (including warrants) on investments mentioned in a) and b) above.
  - c) Furthermore the fund management company has to adhere to the following investment restrictions, which refer to the entire fund assets (after deduction of liquid assets):
    - units/shares in other collective investment schemes maximum 10%
    - debt securities and debt security rights maximum 10%
3. The fund management company shall ensure appropriate liquidity management. The details shall be 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 and time deposits with maturities up to twelve months.

## **B Investment Techniques and Instruments**

### **§ 10 Securities Lending**

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

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

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

### **§ 12 Derivate**

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 therefore 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 10% of the Fund's net assets pursuant to § 13.2, the overall exposure of the Investment Fund may be up to 210% of the Fund's net assets. The overall exposure is determined in accordance with Art. 35 CISO-FINMA.
3. In particular, the fund management company may use basic derivative forms such as call or put options whose value at expiration depends linearly on the positive or negative difference between the market value of the underlying and the strike price and becomes zero if the difference has the other sign, swaps whose payments depend linearly and independently of the path on the value of the underlying or an absolute amount, and forward transactions (futures and forwards) whose value depends linearly on the value of the underlying. The fund management company does not use exotic derivatives (derivatives whose economic mode of action cannot be described either by a basic derivative form or by a combination of basic derivative forms).
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-traded 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 investment restrictions (maximum and minimum limits), derivatives must be factored in in accordance with the legislation on collective investment schemes.
8. The Prospectus must 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 attached to derivatives;
  - the increased volatility and increased overall exposure (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 10% of the net fund assets on a temporary basis. The maximum repayment term is 2 months.

### **§ 14 Encumbrance of the Fund Assets**

1. No more than 25% of the Fund's net 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.

## C Investment Restrictions

### § 15 Risk Diversification

#### Investment restrictions concerning the investment fund

1. The regulations on risk diversification must include the following:
  - a) investments pursuant to § 8, with the exception of index-based derivatives, provided the index is sufficiently diversified, is representative of the market to which it relates, and is published in an appropriate manner;
  - b) liquid assets pursuant to § 9;
  - c) claims against counterparties arising from OTC transactions.
2. Companies, which form a group in accordance with international accounting standards, are deemed to be a single issuer.
3. Including the derivatives, the fund management company may invest up to 10% of the fund assets in securities from the same issuer. The total value of the securities of issuers in which more than 5% of the fund assets are invested may not exceed 40% 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 assets in sight and time deposits with the same bank. Both liquid assets pursuant to § 9 and investments in bank deposits pursuant to § 8 must be included in this limit.
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 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 sections 3 to 5 above and issued by the same issuer or borrower may not exceed 20% in total of the fund assets.
7. Investments pursuant to section 3 above of the same group of companies may not in total exceed 20% of the fund assets.
8. The fund management company may invest a maximum of 10% of the fund's assets in units of the same target fund.
9. The fund management company may acquire for the fund assets less of 10% of the non-voting equity and debt 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 or the units of other collective investment schemes cannot be calculated at the time of the acquisition.

#### Investment restrictions concerning the fund management company

##### 10. **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 "Swiss Small & Mid Cap Companies". The classification of a fund may be adjusted in the event of changing circumstances.

## **IV Calculation of the Net Asset Value as well as Issuing and Redemption of Units**

### **§ 16 Calculation of the Net Asset Value**

1. The net asset value of the investment fund and the proportions attributable to the individual classes (percentages) is 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 investment fund's main investment countries are closed (e.g., bank and stock exchange holidays).
2. Securities traded on an exchange or other regulated market open to the public are to be valued at the current prices paid on the main market. Other investments or investments for which no current price is available are to be valued at the price that would probably have been obtained in a diligent sale at the time of the estimate. In such cases, the Fund Management Company will 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 may value such funds in accordance with sec. 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: the valuation price of such investments is successively adjusted in line with the redemption price, taking the net purchase price as the basis and ensuring that the investment returns calculated in this manner are kept constant. If there are significant changes in the market conditions, the valuation principles for the individual investments will be adjusted in line with the new market returns. If there is no current market price in such instances, the calculations are as a rule based on the valuation of money market instruments with the same characteristics (quality and domicile of the issuer, issuing currency, term to maturity).
5. Bank deposits are valued at the amount of the claim plus accrued interest. If there are significant changes in market conditions or credit rating, the valuation principles for time deposits will be adjusted in line with the new circumstances.
6. The net asset value of units 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 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 percentage is recalculated when one of the following events occurs:

- a) when units are issued and redeemed;
- b) on the relevant date for distributions, provided that (i) such distributions are only made for individual unit classes (distribution classes); (ii) the distributions of the various unit classes differ when expressed as a percentage of the respective net asset values; or (iii) different commission or expenses are charged on the distributions of the various unit classes when expressed as a percentage of the distribution;
- c) when the net asset value is calculated, as part of the allocation of liabilities (including due or accrued expenses and commissions) to the various unit classes, provided that the liabilities of the various unit classes are different when expressed as a percentage of the respective net asset value, especially if (i) different commission rates are applied for the various unit classes or (ii) class-specific expenses 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 several unit classes but disproportionately to their share of the net fund assets.

### **§ 17 Issuing and Redemption of Units**

1. Subscription and redemption orders for units will be accepted on the order day up to a certain cut-off time specified in the Prospectus. 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 details are governed by the Prospectus.
2. The issue and redemption price of units is based on the net asset value per unit, calculated pursuant to § 17 on the valuation day on the basis of the closing prices from the previous day.  
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 that portion of investments corresponding to the redeemed unit(s), 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 conversion of units.
4. The fund management company may, temporarily and by way of exception, defer repayment in respect 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 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 will immediately inform the audit firm and the supervisory authority of any decision to defer redemptions. It must also inform the Investors in a suitable manner.
6. No units will be issued for as long as repayments in respect of units are deferred for the reasons stipulated under point 4 a) to c).

### **Redemption in kind**

7. In the event of termination, investors may request that investments be transferred to them instead of a cash payment ("redemption in kind"). The application must be submitted together with the termination application. The fund management company is not obliged to permit contributions in kind.  
The fund management company alone decides on redemptions in kind and only approves such transactions if the execution of the transactions is fully in accordance with the investment policy of the investment fund and if the interests of the other investors are not impaired.  
The costs entailed in connection with redemptions in kind may not be charged to the fund assets.  
In the event of redemptions in kind, the fund management company draws up a report containing information on the individual assets that have been transferred, the market price of these assets on the transfer date, the number of units redeemed in return, and cash payments made to cover peak equalization. For every redemption in kind, the custodian bank verifies that the fund management company has complied with its duty of loyalty, and also checks the valuation of the assets transferred and the units redeemed as of the relevant date. Should it have any reservations or complaints, the custodian bank must report these to the audit firm without delay.  
Transactions relating to redemptions in kind must be disclosed in the annual report.

## V Fees and Incidental Costs

### § 18 Fees and Incidental Costs Charged to the Investor

1. No issuing or redemption commission is charged on subscriptions and redemptions of units.
2. No charges are applied for the switch from one share class to the other by the fund management company respectively its delegated parties.

### § 19 Fees and Incidental Costs Charged to the Fund Assets

1. For the management (incl. fund administration), the asset management and, if applicable, the distribution activities relating to the investment fund, the fund management company will charge the Investment Fund a commission not exceeding 1.50% 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 commission).

The management fee for the individual unit classes differ as follows:

Management fee of the fund management company for share class "A (CHF)" max. 1.50% p.a.

The rate of the management fee actually charged is stated in the annual and semi-annual reports.

2. In addition, the fund management company shall charge the investment fund a performance fee. It is calculated according to the following table:

<b>Performance Fee</b>		8% per year	A performance-based commission of 8% per year will be calculated on the arithmetic difference between the cumulated performance of the Fund and the cumulated Hurdle Rate during the period under review.
<b>period under review</b>		annual	The period under review for the calculation of the performance fee is the financial year of the fund
<b>Interval of performance calculation</b>		daily	The basis of the performance-based commission is the daily performance of the net asset value per unit. No performance fee will be determined on days where the net asset value of the fund is not calculated (Sundays and holidays).
<b>Consideration of costs and fees</b>		net	The performance-based commission will be calculated on the net asset value per unit <i>after</i> deduction of all costs and fees but <i>before</i> deduction of the accrued performance-based commission until that date.
<b>Share-by Share basis</b>	<b>Fee per unit</b>	High Watermark	The performance-based commission per unit will be calculated by taking into account the currently applicable High Watermark.
	<b>Total Fee</b>	average of outstanding units	For the calculation of the total amount of the performance-based commission to be accrued the average of outstanding units since the beginning of the actual financial year will be taken into account.
<b>high watermark principle</b>		yes	The net asset value per unit must have reached a new historic high since the launch of the fund, to allow a performance-based commission to be accrued
<b>"High Watermark"-Reset-Interval</b>	<b>Performance Fee</b>	after payment	The High Watermark for a new financial year will only be adjusted, if a performance-based commission has been paid out at the end of the previous quarter.
	<b>Fund distributions</b>		If distributions of income and capital gains are made to the investors, the High Watermark will be adjusted by these amounts.
<b>„Hurdle Rate“- principle</b>		2% per financial year	A minimum return of 2% per year is required to allow a performance-based commission to be accrued.
<b>Interval of accrual</b>		valuation day	The performance-based commission will be calculated and accrued on each valuation day and

		accrual will be increased or liquidated in part or in full according to the development of the net asset value
<b>Interval of payment</b>	annually	A performance-based commission will be paid out at the end of a financial year.

3. For the safekeeping of the fund 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 custodian bank of the investment fund an annual commission not exceeding 0.15% 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 of the fund assets is calculated and paid out at the end of each month (custodian bank fee).  
The rate of the custodian bank fee actually charged shall be stated in the annual and semi-annual reports.
4. The custodian bank does not charge the investment fund any commission for the payment of the annual income to the investors.
5. Furthermore, the Fund Management Company and the Custodian Bank are entitled to reimbursement of the following costs incurred in 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.
6. These costs according to ciph.5 lit a are added directly to the cost value or deducted from the sales value .
7. The fund management company and its agents may, in accordance with the provisions of the Prospectus, pay retrocessions as remuneration for distribution activity in respect of fund units, and rebates to reduce the fees or costs incurred by the Investor and charged to the fund.

## **VI Financial Statements and Audit**

### **§ 20 Financial Statements**

1. The Fund's accounting currency is the Swiss Franc.
2. The financial year runs from the 1 January to 31 December.
3. The Fund Management Company publishes an audited annual report for the Investment Fund within four months of the end of the financial year.
4. The Fund Management Company publishes a semi-annual report within two months of the end of the first half of the financial year.
5. The Investor's right to obtain information under § 5.4 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 distributed annually per unit class to the investors in the reference currency of the individual unit class within four months of the close of the financial year.  
The Fund Management Company may make additional interim distributions from the income.  
Up to 30% of the net income of a unit class may be carried forward to the new account.  
A distribution may be waived and the entire net income may be carried forward to the new account if
  - the net income in the current financial year and income carried forward from previous financial years of the collective investment scheme or a unit class is less than 1% of the net asset value of the collective investment scheme or unit class, and
  - the net income in the current financial year and income carried forward from previous financial years of the collective investment scheme or a unit class is less than one unit of the accounting currency of the collective investment scheme or the respective reference currency per unit of a unit class..
2. Capital gains realized on the sale of assets and rights may be distributed by the Fund Management Company or retained for the purpose of reinvestment.
3. Provided that all earnings and realized profits of the most recently completed financial year as well as of past financial years were comprehensively distributed, the fund management company may decide to perform a partial repayment ("capital distribution"). This constitutes a repayment of performed investments that does not cause the fund to be (partially) dissolved. This means the payout is tax neutral for investors who are domiciled in Switzerland. Neither the investment fund nor the investors are subject to any costs arising out of this capital distribution. The capital distribution may be performed in conjunction with the audited annual financial statements, and shall be detailed in the annual report. The fund management company reports the capital distribution in advance in the organ of publication.

## **VIII Investment Fund Publications**

### **§ 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; and 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 the redemption prices or the net asset value together with a note stating "excluding commissions" for all unit classes on the homepage of the Swiss Fund Data ([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 fund management company may decide to publish prices in other media, like newspapers, journals or electronic media and price information systems.
4. The Prospectus with integrated Fund Contract, the Key Information Document, and the latest annual or semi-annual reports may be obtained free of charge from the Fund Management Company, the Custodian Bank and all distributors.

## **IX Restructuring and Dissolution**

### **§ 24 Mergers**

No merger with any other investment fund is contemplated for this investment fund.

## **§ 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 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 extended 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 must inform the supervisory authority of the dissolution immediately and must publish notification in the medium 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 this fund contract, or in the event of a proposed merger of unit classes or change of fund management company or custodian bank, the investors must lodge objections with the supervisory authority within 30 days after the 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 amendment change to the fund contract (including merger of unit classes), investors may also request redemption of their units in cash subject to the contractual period of notice. Exceptions in this regard are cases pursuant to § 23 (2) that have been exempted from the duty to publish with the approval of the supervisory authority.

## **XI Applicable Law and 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 place of jurisdiction is the registered office of the fund management company.
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 February 1, 2024.
4. The present fund contract replaces the fund contract dated March 15, 2023.
5. When approving the fund contract, FINMA verifies all of the provisions of the Fund Contract and ensures their compliance with the law.

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

LLB Swiss Investment Ltd.

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

Bank J. Safra Sarasin Ltd.