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# Oldtimer Fund

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**Investment fund under Liechtenstein law  
Investment undertaking for qualified investors**

## **Prospectus and contractual terms**

The **Oldtimer Fund** (hereinafter: the Fund) is an investment undertaking for qualified investors established in accordance with Art. 23 of the Investment Undertakings Act of 19 May 2005 (hereinafter: the IUA) in conjunction with Art. 28 and Art. 29 of the Investment Undertakings Ordinance of 23 August 2005 (hereinafter: the IUO). This Fund is intended solely for one or more qualified investors. It is exempt from the licensing requirement and other obligations stipulated in Art. 28 para. 1 IUO.

The legally relevant content of this prospectus (hereinafter: the Prospectus) constitutes the contractual terms and simultaneously serves as the deed of trust. In acquiring units the investor is deemed to have approved the contractual terms. On request the qualified investors of the Fund may obtain the currently valid versions of the following documents from the Administration Company, the Custodian Bank and all authorised distributors:

- the Prospectus and the contractual terms;
- annual reports;
- the current Fund unit price.

The Fund's statutory publication medium is the website of the Liechtenstein Investment Fund Association (hereinafter: the LAFV) at [www.lafv.li](http://www.lafv.li). Further information on the Fund is available during office hours from Valartis Fund Management (Liechtenstein) AG.

**valartisfunds<sup>+</sup>**

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## 1. Key fund data

Basic information	
Securities ID no.	see unit class information
ISIN	see unit class information
Duration	unlimited
Listing	no
Accounting currency <sup>1</sup>	EUR
Minimum investment on initial subscription	CHF 250,000 or foreign currency equivalent
Minimum investment on subsequent subscriptions	none
Initial issue price per unit	EUR 100
Unit price rounding	rounded to two decimal places
Unit denomination	whole units
NAV valuation frequency	quarterly
NAV valuation day	on 31/03, 30/06, 30/09 and 31/12 of each year
Acceptance deadline for unit transaction: issues	1 bank working day before the valuation date <sup>2</sup> , 5 p.m. CET
Acceptance deadline for unit transaction: redemptions	1-year lock-up period, thereafter notice period of 90 working days before the next normal valuation date, 5 p.m. CET  for details, see <a href="#">Section 4.9</a>
Value date	settlement date <sup>3</sup> + 3 days
Financial year	1 January – 31 December
Appropriation of profit	see unit class information
Commissions and costs payable by investors	
Issue commission	max. 5% in favour of distributors
Redemption commission	For redemptions during the lock-up period a 2% commission shall be levied for each month of non-compliance, payable to the Fund. Once the lock-up period has expired, no redemption commission shall be levied.
Maximum redemption commission on dissolution of the Fund	max. CHF 10,000

<sup>1</sup> The accounting currency is the currency in which the Fund's performance and net asset value are calculated.

<sup>2</sup> If the valuation day is not a bank working day in Liechtenstein, the acceptance deadline for unit transactions shall be the last bank working day in Liechtenstein before the valuation day.

<sup>3</sup> The settlement date is the day on which the NAV as per the valuation date is calculated.

Commissions and costs payable by the Fund		
Administration <sup>4</sup>	max. 0.25% p.a.  first year: minimum CHF 20,000 p.a. subsequent years: minimum CHF 30,000 p.a.  plus up to CHF 3,000 p.a. per unit class after the first unit class	
Custodian Bank <sup>5</sup>	max. 0.15% p.a.  first year: minimum CHF 10,000 p.a. subsequent years: minimum CHF 15,000 p.a.	
Investment management fee	2.50% p.a.	
Performance fee	25% only if profit is realised; for details, see <a href="#">Section 3.5.2 d)</a>	
Hurdle rate	5%	
High water mark (HWM)	yes; for details, see <a href="#">Section 3.5.2 d)</a>	
Other costs	see <a href="#">Section 3.5.2 e)</a>	
Unit class information <sup>6</sup>		
Unit class	EUR-T	EUR-A
Securities ID no.	24829058	24829062
ISIN	LI0248290582	LI0248290624
Unit class accounting currency <sup>7</sup>	EUR	EUR
Appropriation of profit	reinvested	distributed

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

<sup>5</sup> The commission or fee actually charged is shown in the annual report.

<sup>6</sup> The specific requirements to be met by investors in order to acquire units of a particular unit class are indicated in Section 4.11 "General information on the units".

<sup>7</sup> The unit class accounting currency is the currency in which the performance and net asset value of the unit class are calculated.

## 2. Organisation of the Fund

### 2.1. Country of domicile / responsible supervisory authority

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

### 2.2. Legal form

The **Oldtimer Fund** (hereinafter: the Fund) has been created as a legally independent open-ended investment fund in the form of a collective trusteeship in accordance with the Liechtenstein law on investment undertakings for other values or real estate.

### 2.3. Avoidance of conflicts of interest

The various business activities of the Administration Company, Custodian Bank, their authorised agents and associated companies can give rise to conflicts of interest.

All parties involved in managing the Fund shall be obliged to take appropriate organisational and personnel measures to mitigate as far as possible the risk of damage to investors' interests as a result of conflicts of interest.

Where this is not possible, the parties involved shall employ their best efforts and all necessary expertise to settle the conflict appropriately or to handle it lawfully and equitably.

### 2.4. Confirmation of receipt by the FMA and establishment date

As part of the procedure for establishing the Fund, the confirmation of receipt issued by the FMA as per Art. 28 para. 3 IUO was received on 15 July 2014.

The Fund was subsequently entered in the Liechtenstein Commercial Register on 23 July 2014 with No. FL-0002.482.419-0.

### 2.5. Administration Company / Administration of the Fund

**Valartis Fund Management  
(Liechtenstein) AG**

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Liechtenstein reg. no. FL-0002.299.012-3

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Valartis Fund Management (Liechtenstein) AG is a wholly-owned subsidiary of Valartis Bank (Liechtenstein) AG approved by the Liechtenstein FMA pursuant to Art. 55 para. 1 item a IUA in conjunction with Art. 56 IUA. It is also licensed to administer individual portfolios and to provide investment counselling pursuant to Art. 24 para. 3 IUA as well as being licensed to act as an asset management company pursuant to Art. 13 et seq. UCITSA.

As an innovative financial service provider with registered office in the Principality of Liechtenstein, Valartis Fund Management (Liechtenstein) AG specialises in establishing and administering tailor-made fund solutions as well as offering investment management services for individual portfolios. In the field of fund solutions it offers fully integrated packages ranging from initial advice to finalised, fully registered investment funds with their own international securities identification numbers (ISINs). The share capital of Valartis Fund Management (Liechtenstein) AG amounts to EUR 1.5 million and is fully paid in.

#### Board of Directors:

Chairman: Dr Andreas Insam, of Gamprin-Bendern (LI)  
Members: Dr Gerhard Lackinger, of Feldkirch (A)  
Dr Hannes Leitgeb, of Vienna (A)  
Philipp Leibundgut, of Zurich (CH)  
Dr Michael Hanke, of Triesenberg (LI)


#### Management Board:

CEO: Franz Glatzl, of Diepoldsau (CH)  
Member: Dr Walfried Kraher, Feldkirch (A)

#### External auditors of the Administration Company:

Ernst & Young, Maagplatz 1, CH-8010 Zurich, Switzerland

## 2.6. Custodian Bank of the Fund

<p><b>Banque Pasche (Liechtenstein) SA</b> Austrasse 61 FL-9490 Vaduz Liechtenstein</p> <p>Tel . +423 / 239 33 81 Fax +423 / 239 33 08</p> <p><a href="mailto:funds@cm-bpgroup.li">funds@cm-bpgroup.li</a></p> <p>Liechtenstein reg. no. <i>FL-0001.542.492-8</i></p>	
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The Custodian Bank shall keep the unit register of the Fund.

As a result of its acquisition of 52.5% of the equity of the former Swissfirst Bank (Liechtenstein) AG, Banque Pasche SA, headquartered in Geneva, became the majority shareholder. With effect from 1 January 2008 Swissfirst Bank (Liechtenstein) AG was renamed Banque Pasche (Liechtenstein) SA.

In its main areas of business Banque Pasche (Liechtenstein) SA engages in classic private banking activities, offering a range of fully integrated, tailor-made and innovative wealth management and

financial planning services. As at end-2013 the equity capital of Banque Pasche (Liechtenstein) SA amounted to CHF 48 million.

The Custodian Bank shall hold the assets in safekeeping for the account of the Fund. Subject to the Administration Company's approval it may entrust some or all of the assets to the safekeeping of other banks, financial institutions and recognised clearing houses that fulfil the relevant statutory requirements. Further duties of the Custodian Bank consist in handling enquiries and executing orders in connection with unit subscriptions, redemptions, conversions and transfers and in keeping the unit register of the Fund.

The Custodian Bank shall hold the Fund's assets in safekeeping within the customary scope of bank custody business. Further, it shall perform all the duties prescribed by the Liechtenstein Investment Undertakings Act of 19 May 2005, as amended (IUA).

External auditor of the Custodian Bank:

PricewaterhouseCoopers AG, Vadianstrasse 25a/Kornhausstrasse 26, CH-9001 St Gallen, Switzerland

## 2.7. Investment Manager of the Fund

### **Sigma Investment AG**

Graben 13/1/40  
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Fax +43 / 1 533 36 62 75

Companies reg. no. FN 252849m  
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[office@sigma-investment.at](mailto:office@sigma-investment.at)  
[www.sigma-investment.at](http://www.sigma-investment.at)

## 2.8. Advisors

In its business activities the Investment Manager shall be advised by a number of experts with connections to the classic and vintage vehicle scene.

### **Mark Smith**

Mark Smith bought his first classic car at the age of 15. He has more than 40 years' experience on the vintage vehicle scene, and his own personal collection now runs to some 400 classic cars. His experience and expertise guarantee a high quality of vehicle selection. He has an extensive network of connections with other vintage vehicle collectors and owners.

**John Kenney**

John Kenney is a renowned authority when it comes to cars. He owns several vintage vehicles and used to run his own junior formula racing team, taking part himself in some of the races. His experience and expertise in the world of motor sport will greatly assist the Fund when making investments in vintage racing cars.

**Ahdi Al-Hunaif**

Ahdi lives and works in Vienna, Austria, as an internationally active entrepreneur. Previously he was a fund manager at Kuwait Investment Company, the leading investment company of Kuwait's sovereign wealth fund, where he was responsible for managing a portfolio worth around USD 200 million. In 2009 he moved to Vienna, where he is in charge of the OPEC Fund for International Development (OFID), a USD 900 million loan portfolio. In addition, he sits on the advisory board of a company from the CEE region active in the sustainable energy sector with total sales of EUR 2 billion.

**Sascha Wolff**

Sascha Wolff is the founder and chairman of the Classic Car Club Kitzbühel, which organises exclusive drives in vintage cars around the Kitzbühel area for potential investors. He is the main organiser of the Grand Tirolia Classic Car and Golf Trophy, a highly exclusive classic vehicle rally in and around Kitzbühel.

He bought his first classic vehicle at the age of 18 and, through a classified advertisement in a newspaper, sold it three days later for a 50% profit. Since then vintage cars have been his main passion in life. He is exceedingly well connected with other classic car owners in Europe. He lives in Kitzbühel, Austria, and Munich, Germany.

**2.9. External auditors of the Fund****ReviTrust Grant Thornton AG**

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FL-9494 Schaan  
Principality of Liechtenstein

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ReviTrust  
Grant Thornton

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### 3. Financial information on the Fund

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#### 3.1. Structure of the Fund

The Fund is structured as a simple (non-segmented) fund.

Units shall be acquired on the basis of this Prospectus and the latest annual report, once published. Only information contained in this Prospectus or in documents named herein shall be regarded as valid. On acquiring units, the investor is deemed to have approved this information.

The investors participate in the assets and income of the Fund in proportion to the units they have acquired. The entire net assets of the Fund are jointly co-owned by all the investors in the Fund, who shall have equal-priority rights to the net assets in proportion to the units they own. However, investors' units do not confer voting or other membership rights of any kind.

The securities and other assets of the Fund shall be managed by the Administration Company in the interests and for the account of the investors. Pursuant to Art. 37 IUA, in the event of the Administration Company's insolvency the assets managed as collective investments for the joint account of the investors shall not form part of the insolvent estate.

#### 3.2. Appropriation of profit

The profit shall be appropriated in accordance with the Fund's investment guidelines (cf. [Section 1](#), "Key fund data").

#### 3.3. Taxes

##### 3.3.1. Investment funds

As a general principle all Liechtenstein investment funds pursuant to the IUA are liable to tax without limitation and are subject to income tax applied at the rate of 12.5% on all taxable net income. However, income generated on the managed assets counts as tax-exempt income.

##### a) Stamp taxes on the issue and negotiation of securities

The creation (issue) of units of such an investment fund does not attract issue tax (i.e. Swiss federal stamp tax on the issue and negotiation of securities). The sale (transfer of ownership against valuable consideration) of investors' units attracts turnover tax (i.e. Swiss federal tax on the negotiation of securities) if one of the parties or an intermediary is a Swiss securities dealer<sup>8</sup>. Redemptions of investors' units are exempt from said turnover tax. The Fund is considered to be an investor exempt from turnover tax.

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<sup>8</sup> Pursuant to the Customs Union Agreement between Switzerland and Liechtenstein, Swiss stamp duty law is also applicable in Liechtenstein. For the purposes of Swiss stamp duty legislation, therefore, the Principality of Liechtenstein is deemed to be part of Switzerland.

**b) Withholding taxes**

The Fund is not liable for any taxes deductible at source in the Principality of Liechtenstein, notably coupon or withholding tax. Foreign earnings and capital gains made by the Fund may be subject to the deduction of tax at source in the country of investment. These provisions are subject to any double taxation agreements that are in force.

**3.3.2. Natural persons resident for tax purposes in Liechtenstein**

Investors domiciled (resident for tax purposes) in the Principality of Liechtenstein must declare their units as assets, and these are subject to capital tax. Any distribution or reinvestment of income by the Fund is not liable to Liechtenstein income tax. Capital gains made on the sale of Fund units are not liable to Liechtenstein income tax. Capital losses cannot be set off against taxable income.

**3.3.3. Persons domiciled outside Liechtenstein**

For investors domiciled (resident for tax purposes) outside the Principality of Liechtenstein, taxation and the other tax implications of holding, buying or selling investors' units of the Fund are dependent on the fiscal regime of the investor's country of domicile and, especially with regard to EU taxation of interest payments, on the paying agent's country of domicile.

**3.3.4. EU taxation of savings income**

A Liechtenstein paying agent can be obliged to levy withholding tax on certain interest payments by the Fund or any sub-funds thereof to natural persons resident for tax purposes in a member state of the European Union (EU taxation of interest payments), whether such payments are made in the form of a distribution or in the course of the sale or redemption of investors' units. At the beneficiary's express request, the Liechtenstein paying agent may institute a reporting procedure instead of retaining the withholding tax.

**3.3.5. Disclaimer**

The above tax information is based on the law and legal practice as currently known and is therefore expressly subject to any changes in legislation, legal practice or the regulations and practices of the tax authorities.

Investors are strongly advised to consult their own professional advisor on the tax consequences of these investments. The Administration Company, the Custodian Bank and their authorised agents cannot accept responsibility for the individual tax consequences for investors who hold, buy or sell units of the Fund.

**3.4. Retrocessions**

In connection with the acquisition and sale of property and rights for the Fund, the Administration Company, Custodian Bank and any authorised agents shall ensure that all inducements, especially retrocessions, are credited directly or indirectly to the Fund. For services rendered in connection with the collection of volume discounts on investment funds and structured products the Custodian Bank shall be entitled to charge a fee equal to 20% of the volume discounts collected.

### 3.5. Costs

#### 3.5.1. Commissions and costs payable by investors

##### a) Issue commission

To cover the costs of placing Fund units, in accordance with [Section 1](#), “Key fund data”, the Administration Company may levy an issue commission on the net asset value of newly issued units, such commission being payable to itself and/or the Custodian Bank and/or authorised Fund distributors.

##### b) Redemption commission

In accordance with [Section 1](#), “Key fund data”, to cover the costs of redeeming Fund units the Administration Company may levy a redemption commission on the net asset value of redeemed units, payable to the Fund. The redemption commission shall apply even where redemptions are processed by means of the direct transfer / assignment / handover of Fund assets (see [Section 4.9](#)).

##### c) Liquidation costs

When paying out the liquidation dividend in the event of the Fund’s dissolution, the Administration Company may levy a redemption commission on the net asset value of Fund units payable to itself or to the Custodian Bank in accordance with [Section 1](#), “Key fund data”. The Fund shall at all times hold sufficient liquidity to cover the liquidation costs.

#### 3.5.2. Commissions and costs payable by the Fund

All costs stipulated in [Section 3.5.2](#) may only be attributed to the individual unit classes (where such exist as of the establishment of the Fund or are created subsequently) that incurred those costs. Costs that cannot be attributed entirely and precisely to an individual unit class shall be charged to the unit classes pro rata as a proportion of total Fund assets.

##### a) Administration Company

The total Administration Company costs payable by the Fund are indicated in [Section 1](#) “Key fund data”.

##### b) Custodian Bank

The total Custodian Bank costs payable by the Fund are indicated in [Section 1](#) “Key fund data”.

##### c) Investment Manager

The total Investment Manager costs payable by the Fund are indicated in [Section 1](#) “Key fund data”.

##### d) Performance fee

The total performance fee payable by the Fund is indicated in [Section 1](#), “Key fund data”.

The Fund’s Investment Manager shall be entitled to receive an additional performance-related remuneration (“performance fee”) based on the realised increase in the value of the Fund’s assets.

If, after deduction of costs (including the fund management fee and the administrative fee charged by the Administration Company) the increase in the Fund's net asset value exceeds the threshold price (= previous month's closing price plus absolute hurdle rate), the Investment Manager shall receive a performance-related bonus payable from the amount by which it exceeds the hurdle rate.

When calculating the performance fee, the high water mark principle shall apply.

A sample performance fee calculation is given in [Section 9.1. Sample performance fee calculation for the Oldtimer Fund](#)

#### **e) Other costs**

The following additional expenditures shall be borne by the Fund's assets:

##### **Ordinary expenditure**

- set-up costs for the Fund (e.g. licence fees, costs of producing and printing the prospectus in all required languages); unless these are met by the Administration Company itself or by a third party, they shall be capitalised and depreciated on a straight-line basis over a five-year period;
- the costs of professional translations of the relevant purchase and sale documents;
- the costs of preparing, printing and mailing annual reports and any other publications prescribed by law, in all required languages;
- the costs of any notices to investors published by the Fund in the official publication media and any other newspapers or electronic media designated by the Administration Company;
- any taxes payable on the Fund's assets, earnings and expenditures, in the event that the fiscal conditions as described in [Section 3.3](#) change to the Fund's detriment at some future date;
- fees arising in connection with reporting to tax authorities (e.g. fees for tax representatives) and other reporting duties, and all associated outlays by the Administration Company;
- an appropriate proportion of publication and advertising costs incurred in direct connection with the distribution and sale of Fund units;
- the costs incurred for legal advice and tax planning by the Administration Company or the Custodian Bank acting in the best interests of the unit holders;
- the costs of any extraordinary measures that may become necessary pursuant to the IUA and the IUO (e.g. amendments to Fund documents);
- costs in connection with the valuation of special investments (e.g. expert opinions), and all associated outlays by the Administration Company;
- the costs of expert opinions and/or specialist consultation in connection with the sale and/or purchase of Fund assets in the best interests of the investors, in particular with regard to unlisted securities;
- fees and costs in connection with the licensing and supervision of the Fund in Liechtenstein;
- the costs of any sub-custodians of Fund assets in the event that some Fund assets cannot be held in safekeeping directly by the Custodian Bank;
- fees charged by the Fund auditors;
- due diligence costs for distributors.

##### **Extraordinary expenditure**

In addition, in special circumstances the following may also be charged to the Fund, according to costs actually incurred and at standard market rates, where this is deemed to be in the investors' best interests by the Administration Company:

- i. Certified accountants: the costs of extraordinary fees and expenses in excess of the agreed fee incurred by the Fund's accountants in connection with expert opinions drawn up at the behest of the Administration Company;
- ii. Legal/tax advice: the costs of legal opinions and expert tax assessments commissioned by the Administration Company and/or the Custodian Bank.

#### **- Transaction costs**

The Fund shall bear all transaction costs incurred in buying and selling investments in order to manage the Fund's assets (standard market brokerage charges, commissions, taxes and duties, success fees and/or finder's fees in direct connection with realised investments as per **Section 5**).

The Administration Company may levy a handling fee for alternative and private equity investments. The Administration Company shall be entitled to compensation for outlays made in connection with Fund investments in alternative and private equity instruments, and in particular its own audit and processing costs. Such compensation shall be calculated manually by the Administration Company according to the costs incurred per transaction.

These costs shall be charged directly to the investments concerned at their cost or sale value.

#### **3.5.3. Total expense ratio (TER)**

The total expenses borne by the Fund on an annual basis (total expense ratio, TER) shall be shown in the relevant annual report. The TER is calculated according to methods recognised by the FMA and comprises all commissions and costs charged to the assets of the Fund, with the exception of transaction costs.

In implementing its investment strategy the Fund shall make use of a special-purpose vehicle. The TER of the special-purpose vehicle shall be included in the calculation of the Fund's TER.

#### **3.6. Historical performance**

The historical performance of the Fund is available at any time from the Administration Company and/or the Custodian Bank. Where the LAFV website ([www.lafv.li](http://www.lafv.li)) is the designated official publication medium, the historical performance of the Fund shall also be available on that website. In addition, the Administration Company may at any time decide to publish current and historical prices on platforms in the public domain. The past performance of a unit is no guarantee of its future performance. Commissions and fees chargeable on issue and redemption are not included in the performance shown.

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## 4. Participation in the Fund and value of Fund units

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### 4.1. Qualified investors

The Fund is intended exclusively for investment by one or more qualified investors in one of the following categories:

#### 4.1.1. Directly qualified investors pursuant to Art. 29 para. 1 IUO

The following persons and entities shall be considered qualified investors pursuant to the relevant legal provisions (IUA and IUO) providing they invest at least CHF 250,000 or the foreign currency equivalent in the investment undertaking for qualified investors:

- a) companies subject to a supervisory regime equivalent to that of Liechtenstein, in particular banks and securities houses, asset management companies, insurance companies, occupational insurance schemes, post office institutions, collective capital investments and their management companies;
- b) commercial companies whose equity capital in the last financial year amounted to more than CHF 20 million or the foreign currency equivalent;
- c) persons, corporations, trustees, other corporate entities and bodies which are not commercially active but which, at the time of the investment, directly or indirectly hold financial assets to a value of at least CHF 1 million or the foreign currency equivalent;
- d) states, public sector corporations and institutions, central banks, international and supranational institutions and other comparable international organisations.

Upon initial subscription the above minimum investment amount (or at least the minimum investment amount stipulated in [Section 1](#), “Key fund data”) shall apply to directly qualified investors.

#### 4.1.2. Indirectly qualified investors pursuant to Art. 29 para. 2 IUO

Investors who have concluded a written investment management agreement with persons domiciled at home or abroad shall also be considered qualified investors, providing

- a) they are subject to a supervisory regime equivalent to that of Liechtenstein with regard to their asset management activities or are demonstrably affiliated to an industry organisation recognised by the national supervisory authority; and
- b) they are subject to the anti-money laundering rules currently in force within the EEA or to equivalent rules. The FMA compiles a list of countries with equivalent regulatory regimes.

### 4.2. Subscription offices

Fund units may be acquired through the Custodian Bank or any other bank with domestic or foreign domicile that conforms to Directive 91/308/EEC as amended by Directive 2005/60/EC or to equivalent provisions and which is subject to an appropriate supervisory regime.

### 4.3. Subscription form

A condition for the acquisition of units in an investment undertaking for qualified investors is the signature of a subscription form by the qualified investor or by a person with whom the qualified investor has concluded a written investment management agreement as per [Section 4.1.2](#) above. The person signing the subscription form shall confirm that the requirements stipulated in [Section 4.1](#) are fulfilled at the time of signing.

Units of the Fund may be acquired only by means of subscriptions in cash or in kind made using the attached subscription form.

Contributions in kind are generally possible subject to the following conditions:

- the securities to be contributed are in accordance with the investment policy;
- the investment guidelines are not infringed by the contributions in kind;
- the specific contribution in kind has been explicitly approved by the Administration Company;
- once made, the contributions in kind shall be verified and confirmed by the auditors;
- the processes involved in making the contributions in kind must not impose costs on the Fund.

### 4.4. Sales restrictions

The Fund is approved for public sale only in the Principality of Liechtenstein.

The issue and redemption of Fund units abroad are governed by the provisions in force in the country concerned. In particular, the Fund units have not been registered pursuant to the United States Securities Act of 1933 and must not be offered, sold, forwarded or delivered directly or indirectly in the United States, to citizens or residents of the United States, or to corporations or other legal entities established or administered under United States law, except in connection with a transaction that does not violate said Act. For the purposes of this document the term “United States” means the United States of America, all its Federal States, territories and possessions and all areas under its jurisdiction. Citizens of the United States who are resident outside the United States may become beneficial owners of Fund units in accordance with Regulation 5 of the Securities Act Release No. 33-6863 (2 May 1990).

### 4.5. Market timing

The Custodian Bank and/or Administration Company do not permit “market timing” (the improper exploitation of differences in the value of investment fund units by means of short-term systematic trading in such units). The Custodian Bank and/or Administration Company therefore reserve the right to reject subscription and conversion applications that they regard as suspicious and to take appropriate measures to protect the other investors.

#### 4.6. Measures to prevent money laundering

Authorised distributors in Liechtenstein shall give undertakings to the Administration Company to comply with all provisions in force in the Principality of Liechtenstein pursuant to the Due Diligence Act (DDA) and the Due Diligence Ordinance (DDO) and with all relevant FMA directives currently in force.

Insofar as authorised distributors in Liechtenstein themselves accept monies from investors, they have a duty under the DDA and the DDO to identify subscribers, to ascertain the beneficial owners, to draw up a profile of the business relationship and to comply with all applicable local regulations for the prevention of money laundering.

#### 4.7. Net asset value

The net asset value (NAV) per unit of the Fund shall be calculated by the Administration Company in the accounting currency and in accordance with the Fund's valuation frequency as per the specified valuation day (NAV date) and on every other day on which units are issued or redeemed. The valuation shall be made in accordance with the methods detailed below. Information on the accounting currency, the value date and the valuation frequency is given in **Section 1**, "Key fund data".

The NAV per unit is the product of the value of the Fund's assets minus any liabilities of the Fund divided by the number of units in circulation. For the issue and redemption of units the NAV shall be rounded to two decimal places.

The assets of the Fund shall be valued using the following methods:

- a) Investments that are listed on an exchange or traded on a regulated market shall normally be valued at the closing price on the valuation day. Where an investment is traded on more than one exchange or market, the valuation shall be based on the price in the principal market for that investment, subject to **item 1**
- b) In the case of investments in securities or money market instruments with a remaining period to maturity of less than 12 months, the difference between the original purchase price and the repayment price (price at final maturity) may be depreciated or appreciated on a straight-line basis and no valuation need be made at the current market price if the repayment price is known and fixed. Any changes in creditworthiness shall also be taken into account.
- c) Investments whose prices are not in line with market conditions and assets that are not covered by **items a)** and **b)** above shall be valued at the price that would probably be obtained by diligent sale at the time of valuation, this price to be determined in good faith by the Management Board of the Administration Company or by suitably qualified authorised agents acting under their guidance or supervision.
- d) Liquidity shall normally be valued at par plus accrued interest.
- e) Shares of companies that are not traded on a regulated market shall be valued by means of an expert valuation based on an audited annual financial statement drawn up in accordance with

recognised accounting standards and certified by a suitably qualified third party. Where the Administration Company cannot carry out its own valuation, it shall commission a competent, independent third party to carry out such valuation and to that end shall obtain the consent of the external auditors of the Fund in advance.

The certified financial statement of the company to be valued should be no more than three months old (relative to the Fund's valuation date). Where no current financial statement is available, an alternative valuation method shall be agreed with the external auditors.

Valuations shall be carried out in accordance with customary valuation methods such as NAV, last financing round or capital increase and/or comparable transactions, multiple analysis or discounted cash flow (DCF) analysis. Alternatively, investments – and in particular capital investments in the development phase (e.g. construction projects that are not yet complete) – may be valued at cost. In order to ensure consistency in valuation practices, once a valuation method has been adopted significant deviations from that method may only occur after consultation with the external auditors.

- f) For the Fund, the value of investments not denominated in the Fund's accounting currency shall be translated into the Fund's accounting currency at the middle rate between the buying and selling rate in Liechtenstein or, if no such rate is available there, on the most representative market for the foreign currency in question.

The Administration Company shall be entitled on occasion to use other appropriate methods to value the Fund's assets in the event that the valuation criteria stated above appear inappropriate or unworkable in the light of extraordinary events. In the case of very large redemption volumes, the Administration Company may value the Fund units on the basis of the prices at which the necessary sales of securities are made. In such cases, the same calculation method shall be employed for all issue and redemption applications presented for processing on the same valuation day.

#### 4.8. Issue of units

Units may be bought by subscription at the NAV per unit.

Settlement shall be made at the NAV plus issue commission and any applicable taxes. The maximum issue commissions and fees payable are indicated in [Section 1](#), "Key fund data".

Applications for these transactions must reach the Custodian Bank by the acceptance deadline. If a subscription application is received after the acceptance deadline, it shall be held over for the next valuation day. For applications placed with authorised distributors, earlier deadlines may be set for submission of applications in order to ensure punctual forwarding to the Custodian Bank in Liechtenstein. Such earlier deadlines can be obtained directly from the relevant authorised distributor. Information on the acceptance deadline is given in [Section 1](#), "Key fund data".

If payment for the Fund units is made in a currency other than the accounting currency, upon receipt the payment currency shall be converted into the accounting currency and the resulting equivalent value minus conversion fees shall be applied to the unit purchase.

The Custodian Bank, the Administration Company and/or the authorised distributors shall be entitled to reject subscription applications at their discretion and without stating their reasons.

Furthermore, the Administration Company may resolve to halt completely or suspend temporarily the issue of units if new units might impair achievement of the investment objective.

#### 4.9. Redemption of units

Pursuant to Art. 54 para. 2 IUO, the Fund is subject to a restriction applying to redemptions.

Given the Fund's investment strategy, unit redemptions are generally subject to compliance with an acceptance deadline that is brought forward several months as specified in [Section 1](#), "Key fund data". This is necessary in order to enable the Investment Manager to process even large numbers of redemption applications in the best interests of the Fund's remaining investors. Applications for these transactions must reach the Custodian Bank by the acceptance deadline. If a redemption application is received after the acceptance deadline, it shall be held over for the next valuation day for which it complies with the acceptance deadline. However, the Administration Company reserves the right to treat and settle redemption applications received after the acceptance deadline as if they had been received prior to the settlement date of the subsequent NAV, subject to the need to ensure equal treatment for all parties applying for redemptions.

Redemptions of units shall be settled at the NAV in the accounting currency minus redemption commission, if any, and minus applicable taxes. In order to facilitate long-term planning by the Investment Manager, redemptions shall be subject to a redemption commission payable to the Fund. The maximum redemption commissions and fees payable are indicated in [Section 1](#), "Key fund data".

If, at the request of the investor redeeming the units, the payment of the redemption price is to be made in a currency other than the accounting currency, the amount to be paid out shall be calculated from the conversion of the accounting currency into the desired currency, minus conversion fees.

As a general rule, redemptions shall be settled in cash at the NAV as per the redemption date. In the event that immediate cash settlement of the redemption amount is impossible the Administration Company may resolve to postpone settlement of the redemption application in part or in full until the corresponding Fund assets can be sold and cash settlement once again becomes possible. Where such a measure is necessary, all redemption applications presented in timely manner for processing on the same valuation day shall be settled at the same price and then, in the event of temporary partial settlement, reduced pro rata. Where it proves impossible to satisfy the redemption applications in full by the next redemption date, they shall take precedence over other redemption applications submitted in the interim. In the event of the liquidation of the Fund, redemption applications submitted but not yet settled / paid out shall not confer any entitlement to a settlement amount other than the liquidation NAV.

In the event that execution of a redemption application would result in a reduction of the applicant's investment in the Fund below the minimum investment specified in [Section 1](#), "Key fund data", the Administration Company shall be entitled at its discretion and without need for

further notification of the investor to process said redemption application as if it were an application for redemption of all Fund units held by the investor.

The Custodian Bank and/or Administration Company shall be entitled at any time to redeem units at their own discretion if such units are held by investors who are not entitled to acquire or hold them.

**Important note: redemption restriction pursuant to Art. 54 para. 2 IUO:**

Units may be redeemed subject to compliance with the 1-year lock-up period and thereafter with a notice period of at least 90 working days expiring on the next normal valuation date.

Units may be redeemed prematurely, subject to consultation with the Administration Company and with due regard to potential discounts reflecting any lack of liquidity of the target investments.

#### 4.10. Suspension of NAV calculations and of unit issues and redemptions

Art. 27 IUO provides that the Administration Company may suspend the NAV calculation and/or the issue and redemption of Fund units in the following circumstances:

- if a market which forms the basis for the valuation of a substantial part of the Fund's assets is closed as a result of a national holiday;
- if a market which forms the basis for the valuation of a substantial part of the Fund's assets is closed unexpectedly or if trading on such a market is restricted or suspended;
- in the event of political, economic and other emergencies;
- if transactions for the Fund cannot be executed owing to restrictions on the transfer of assets.

The Administration Company shall immediately report any suspension for the above reasons to the FMA, to the Fund auditors and, in some appropriate manner, to the investors. If the NAV cannot properly be calculated, the Administration Company must immediately contact the FMA with proposals for appropriate measures.

#### 4.11. General information on the units

The units exist only in book entry form. Units shall not be issued or redeemed in fractions. At the investor's request and expense, physical units may be issued in the form of registered securities but not in the form of bearer securities. In all other respects the possibility of issuing physical securities shall be subject to the requirements of the Custodian Bank.

The Administration Company shall be authorised to create unit classes. The Administration Company may combine or suspend unit classes. The unit classes that exist or will exist for the Fund and the associated costs and remunerations are specified in [Section 1](#), "Key fund data".

The Administration Company shall be entitled at any time to give the Fund an umbrella (segmented) structure by creating economically independent sub-funds in accordance with the relevant statutory provisions (especially Art. 53 IUA in conjunction with Art. 63 IUO).

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## 5. Investment principles

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### 5.1. Investment objective and investment policy

The bulk of the Fund's assets shall be invested in shares and units of unlisted special-purpose vehicles whose economic activities focus on the sale and purchase, maintenance and hiring out of classic cars. The Fund pursues a buy-and-hold strategy with regard to cars that, for some special reason (e.g. through connection with a famous person), are unique and therefore of interest only to buyers from a highly select clientele. At the same time, however, it pursues a buy-and-sell strategy with regard to cars that do not have this quality and thus might have appeal to a much wider circle of potential buyers. The Fund is suitable for investors with a medium- to long-term investment horizon.

The classic cars are owned exclusively by the special-purpose vehicles and are kept in storage in Liechtenstein and/or the European Union. Most (though not all) of them are vehicles that have already been faithfully restored largely to their original mint condition, ideally with a traceable history of their previous owners, and cars previously owned by well-known persons.

The Fund's target investments shall consist solely of high-value vehicles chosen by experts according to clearly defined criteria. Vehicles are selected on the basis of in-depth monitoring and detailed analysis of the global vintage car market. The criteria determining the amount by which a classic car might be expected to appreciate in value are the number of such vehicles still in existence, the vehicle's importance in its time due to technical, aesthetic and historical factors, how successful and well-known it has been in motor racing history, the specific development of that individual make and the level of demand on the classic car market.

Each vehicle is thoroughly examined before acquisition. For valuation purposes external opinions are sought (e.g. Bonhams, Classic Data, independent sworn experts) in order to facilitate the acquisition of authentic original vehicles with the maximum potential for appreciation in their value.

In order to cover the running costs of the operating company, a selection of the classic cars are made available for hire. Another benefit of hiring out such vehicles, e.g. to participate in vintage car rallies such as the Ennstal Classic, is that they become known to a wider public and their value increases as a result.

Depending on its assessment of the prevailing financial market conditions, the Investment Manager shall be entitled to invest up to 100% of the Fund's assets in liquidity and money market instruments.

The Fund or, as applicable, the sub-fund shall at all times hold enough liquidity to ensure that current and expected costs are continuously covered and that incoming redemption applications may be serviced.

## 5.2. Authorised investments

The following investments shall be permitted:

- a) all securities, non-securitised rights and money market instruments which are traded on an exchange or other regulated market open to the public;
- b) other securities, non-securitised rights and money market instruments which are not traded on an exchange or other regulated market open to the public; these may include alternative investment instruments such as the equities of unlisted private equity companies, whether held directly or indirectly (e.g. via certificates or equity interests);
- c) newly issued securities;
- d) sight deposits or deposits subject to notice of withdrawal with terms not exceeding 36 months held with credit institutions domiciled in a European Economic Area member state or in another country with a supervisory regime equivalent to that in Liechtenstein;
- e) investments in other investment undertakings; these may include units of other investment undertakings managed by the same Administration Company and/or Investment Manager.

## 5.3. Investment restrictions

- a) The total risk must not exceed 150% of the Fund's NAV (incl. borrowings);
- b) Restrictions on borrowing and lending by the Fund are given in [Section 6.1](#).

## 5.4. Unauthorised investments

- a) direct investments in real estate, except where the properties concerned are used for storage, maintenance or display of vintage vehicles;
- b) short selling and structures equivalent to short selling;
- c) securities repurchase agreements;
- d) securities lending and securities borrowing transactions;
- e) derivative financial instruments.

In the best interests of the unit holders the Administration Company may at any time declare other investments to be unauthorised should this be necessary to comply with the laws and regulatory provisions of those countries in which Fund units are offered and sold.

### 5.5. Accounting currency

The accounting currency is the currency in which the Fund's performance and net asset value are calculated. The accounting currency is specified in [Section 1](#), "Key fund data".

### 5.6. Profile of the typical investor

The Fund is suitable for qualified investors with a medium- to long-term investment horizon who, within the scope of their personal asset diversification, wish to invest indirectly in a classic car portfolio according to the investment policy set out in [Section 5.1](#) and who are prepared to take on concentrated and heightened investment risks.

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## 6. Investment instruments and techniques

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### 6.1. Borrowing and lending

- a) The Fund may take out short-term loans to a maximum value of 50% of its net assets to service repayment obligations in respect of redemption applications, but may not stand surety for third parties.

This limit must be observed whenever loans are taken out and may rise as a result of subsequent fluctuations in the value of investments. On no account, however, may the value of loans exceed 150% of the Fund's net assets as a result of such fluctuations.

Responsibility for concluding credit agreements on behalf of the Fund shall rest with the Administration Company. The final decision for or against taking out loans shall be made by the Administration Company, with all due regard to the interests of the Investment Manager, the purpose of said loans, the envisaged security and the manner in which the loans are to be repaid when due.

- b) Objects and rights belonging to the Fund must not be pledged except as security for permitted borrowings and for transactions involving derivative financial instruments.
- c) The Fund has no claim against the Custodian Bank for provision of the maximum permissible loan amount. The decision as to whether, in what way and for what amount a loan may be granted by the Custodian Bank to the Fund shall rest solely with the Custodian Bank in accordance with its credit and risk policy. In certain circumstances this policy can change during the lifetime of the Fund.
- d) The Fund itself shall not be permitted to grant loans.

### 6.2. Securities lending

In accordance with [Section 5.4](#), the Fund shall not be permitted to engage in securities lending.

### 6.3. Securities borrowing

In accordance with [Section 5.4](#), the Fund shall not be permitted to engage in securities borrowing.

### 6.4. Securities repurchase agreements

In accordance with [Section 5.4](#), the Fund shall not be permitted to engage in securities repurchase agreements.

## 6.5. Liquidity

The Fund may continuously hold unlimited amounts of liquidity. Liquidity includes bank sight deposits and bank term deposits not exceeding 12 months. There shall be no restrictions on the amount of liquidity held with the Custodian Bank, and such positions shall not be subject to the provisions of [Sections 5.2](#) and [5.3](#).

## 6.6. Investments in other investment undertakings

The Fund may invest its assets in other investment undertakings and other collective investment instruments with a similar function subject to compliance with the investment restrictions set out in [Section 5.3](#). Investors should note that additional indirect costs, fees, commissions and remunerations are payable in connection with indirect investments but that such charges are debited directly to the individual indirect investments.

The acquisition of units of other investment undertakings or equivalent collective investments managed directly or indirectly by the same Administration Company and/or by the same Investment Manager or by another management company connected with the Administration Company and/or the Investment Manager by means of joint management or control or any substantial direct or indirect equity participation (i.e. more than 10% of the capital or voting rights) shall be permitted without further restriction, unless such acquisition be made in disregard of the best interests of the Fund investors.

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## 7. Note on risk

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Only qualified investors as defined in Art. 29 para. 1 IUO and [Section 4.1](#) shall be potential investors. They should be clear about the risks associated with investing in Fund units and should not make an investment decision until they have obtained comprehensive advice from their legal, tax and financial advisors, auditors or other experts on whether an investment in Fund units is suitable in the light of the investor's own financial, tax and other personal circumstances, on the information contained in this prospectus and on the Fund's investment policy.

The Fund is suitable only for highly risk-tolerant investors looking to invest over a medium- to long-term time horizon.

A detailed description of the risks to which the Fund is exposed is given in [Sections 7.1](#) and [7.2](#).

### 7.1. General risks

All investments in investment undertakings (funds) involve risks. These risks may include or relate to stock market and bond market risks, exchange rate risks, interest rate risks, credit risks, volatility risks and political risks. Any such risk can also occur in combination with other risks. Some of these risks are briefly discussed in this section. It should be noted, however, that this is not an exhaustive list of all the possible risks.

The value of the Fund's investments and the income derived from them can rise or fall and cannot be guaranteed. Nor can there be any guarantee that the Fund will actually achieve its investment objective or that the value of investments in the Fund will increase. It is possible that, on redeeming their Fund units, investors receive less than the original investment amount.

#### **Market and issuer risk**

Market risk is a risk to which all investments are exposed, since the value of any investment may change to the Fund's detriment.

Because some of its assets may be invested in debt securities, the Fund also carries a degree of issuer risk. If an issuer's solvency deteriorates or the issuer becomes insolvent, the result will be the loss of at least some – and possibly all – of the Fund's investment.

#### **Advisory and other cost-related risks**

All costs incurred by the investor's own engagement of tax advisors, lawyers, investment counsellors or other advisors must be borne by the investors concerned, regardless of the income generated by the Fund participation.

#### **General legal risk**

The Fund invests in instruments and companies governed by foreign jurisdictions. In the event of legal disputes, litigation will take place in the country in which the investment is located, where legal precepts and business practices may differ from those prevailing in Liechtenstein. This gives rise to a number of risks, including increased litigation costs arising from the need to consult local experts, and the costs of all necessary translation work.

Future changes in the statutory or regulatory provisions and/or the prevailing legal practice in the investment countries concerned or in Liechtenstein may have negative effects on investments and payment flows. Such changes might, for example, result in an increased administrative workload for the Administration Company and hence in higher costs. For the investor, this means a reduction in the value of the Fund. In certain circumstances the very existence of the Fund might even be jeopardised.

**Sector risk**

Investments may depend on general economic and political developments at the international, national and/or local level where the investments themselves are dependent on a particular sector or industry.

**Fund and investment management**

In the course of managing the Fund and making investment decisions, errors may be made which have adverse financial consequences and reduce the returns achieved by investors.

**Derivative financial instruments**

The use of derivative financial instruments entails a number of specific risks. Their use for hedging purposes can alter the general risk profile by reducing opportunities and risks. Their use for investment and speculative purposes can alter the general risk profile by creating additional opportunities and risks.

**Counterparty risk**

This is the risk that transactions concluded for the Fund's account either will not be performed or will be performed only in part as a result of cash flow difficulties or insolvency on the part of the counterparty.

**Default (creditworthiness) risk of the appointed Custodian Bank**

The Fund's assets in the form of securities that are deposited with the appointed Custodian Bank enjoy a right of separation in insolvency. This means that, in the event of the insolvency of the Custodian Bank, the Fund's assets do not form part of its insolvent estate. This would not apply to cash holdings, for instance.

**Inflation risk**

Inflation can reduce the value of the Fund's investments. The purchasing power of the invested capital falls if the rate of inflation is higher than the return on the investments.

**Country risk**

Investments in politically unstable countries are exposed to special risks. These can result in very significant fluctuations in value and include such events as foreign exchange restrictions, transfer risks, moratoria or embargos.

**Settlement risk**

This is the risk of a loss being incurred by the Fund because a transaction that has been concluded is not executed as expected because the counterparty fails to pay or deliver or because operational errors occur in the execution of the transaction.

**Tax risk**

The purchase, holding or sale of investments by the Fund may be subject to tax regulations (e.g. withholding tax) or other norms outside the Fund's country of domicile.

**Business risk**

Equity investments involve a direct participation in a company's business success or failure. At the extreme – insolvency and failure – this can mean that the entire investment amount is lost.

**Currency risk / exchange rate risk**

Where the Fund holds assets denominated in one or more foreign currencies, it is exposed to a direct currency risk, unless these assets are hedged against exchange rate movements. Falling exchange rates can thus cause the value of foreign currency positions to decline.

**Interest rate risk**

Where the Fund invests in interest-bearing securities, it is exposed to the risk of changing interest rates. If market rates rise, the market value of the securities held by the Fund can decrease substantially.

**Risk of conflicts of interest**

The various business activities of the Administration Company, the Custodian Bank, the Investment Manager, their authorised agents and associated companies can give rise to conflicts of interest. The Administration Company and the Custodian Bank shall take measures to mitigate the risk of conflicts of interest. However, in a specific instance it is never possible to ensure with absolute certainty that the client's interests will not be compromised.

## 7.2. Specific risks

The **Oldtimer Fund** is an investment undertaking for qualified investors. Because of its investment policy, the risks associated with it are not comparable with those of investment undertakings for transferable securities. The value of Fund units changes according to the Fund's investment policy and the operational and market performance of its individual investments. The value of the Fund units can rise or fall at any time in relation to the issue price. There is no guarantee that investors will recover their entire capital investment (worst case scenario: total loss).

A number of risks specific to this Fund arise as a result of the investment principles stipulated in **Section 5**.

**Liquidity of investments**

Investments in unlisted securities could be subject to a considerable degree of liquidity impairment. In certain circumstances (e.g. if there is a spate of redemption requests necessitating forced sales) such instruments might be saleable only over an extended period and only at significantly discounted prices.

In the case of qualified shareholdings there may be insufficient market depth to ensure that larger positions can be liquidated quickly on the relevant stock exchanges.

**Concentration on a small number of instruments**

The Fund may invest up to 100% of its assets in a single position. This means that the diversification (spreading of risk) normally associated with an investment fund may not apply in the case of the Fund, and the Fund's value may be heavily dependent on the performance of one investment or a small number of investments. Consequently, the Fund is a suitable instrument only for a limited portion of an investor's assets.

**Risks relating to the valuation and transparency of investments**

The Fund may invest a substantial proportion of its net assets in unlisted securities for which the official data providers offer no prices. This lack of information on the issuing companies can give rise to a transparency deficit.

Such companies are valued on the basis of their available quarterly, half-yearly or annual reports with reference to their external auditors and/or valuations drawn up by suitably qualified third parties. Such valuations shall employ recognised methods.

**Transfer risk**

The fact that the Fund is allowed to invest up to 100% of its net assets in unlisted securities issued in countries where standards of the usual rigour might not apply could mean that the transfer of such securities or their equivalent values is subject to high levels of uncertainty that might result in the total loss of the assets invested by the Fund.

In the best interests of the investors the Administration Company and/or the Investment Manager may obtain certain legal confirmations/opinions with a view to safeguarding such transfer, thereby mitigating the transfer risk.

**Borrowing**

The Fund may take out short-term loans to a maximum value of 50% of its net assets to service repayment obligations in respect of redemption applications. This gives rise to a debt service burden for the Fund, which may impair its performance.

**General contractual risk**

In implementing the investment strategy the Administration Company and/or the Investment Manager may conclude a variety of contracts on the Fund's behalf. There is a possibility that claims arising under such contracts might not be enforceable or that the contracts might have to be reversed.

The resultant costs could mean lower distributions to investors.

**Accumulation of risks**

If a number of different risks were to coincide, the Fund might become insolvent and the investors would lose their invested capital.

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## 8. Final provisions

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### 8.1. Information for investors

Information on the Fund (Prospectus, annual report) is given on the LAFV website at [www.lafv.li](http://www.lafv.li) as well as on the website of the Administration Company.

Significant amendments to the Prospectus that are required by law to be notified to the investors shall either be published via the official publication medium, or else the Administration Company shall take steps to ensure that all the investors are informed of such amendments (e.g. through the Custodian Bank), notably in the following cases:

- a change of Administration Company;
- a change of Custodian Bank;
- a change of external auditors;
- the termination and dissolution of the Fund;
- a change of investment strategy.

Such amendments shall not enter into force until notification has been published and/or all existing investors have been informed by some other means. Further information on investors' rights may be obtained by contacting the head office of the Administration Company.

### 8.2. Dissolution and restructuring of the Fund

#### 8.2.1. Dissolution

The Fund shall be dissolved in the eventualities envisaged by law.

The Administration Company shall be entitled to dissolve the Fund or any of its sub-funds at any time. A decision in favour of dissolution shall be published via the publication medium once the FMA has been notified. From the date on which the resolution in favour of dissolution is taken, no further units shall be issued or redeemed.

Upon dissolution of the Fund or any of its sub-funds, the Administration Company may immediately liquidate the assets of the Fund. Such distribution of the Fund's assets must not take place until approval has been granted by the FMA. The net liquidation dividend after deduction of the liquidation costs shall then be distributed to the investors without delay. In other respects the liquidation of the Fund shall be carried out in accordance with the provisions of Liechtenstein law on persons and companies.

#### 8.2.2. Restructuring

By resolution of the Administration Company, new sub-funds may be added. Moreover, the Fund or its sub-funds may, by resolution of the Administration Company and with the Custodian Bank's approval and subject to the following provisions, be merged, split or converted into a different legal form, or their assets may be transferred to another investment fund or another sub-fund. It

FMA approval shall be required in order to convert the Fund into a different legal form and/or to transfer its assets or those of one of its sub-funds to another fund.

The Administration Company may merge the Fund or its sub-funds by transferring the assets and liabilities of the Fund or its sub-funds to the target fund with effect from the time of the merger. The investors of the source fund or sub-fund shall, at the time of the merger, receive units in the target fund according to the stipulated exchange ratio, and the source fund or sub-fund shall be dissolved without liquidation. The FMA may authorise a suspension of unit redemptions if the merger takes longer than one day. The Administration Company shall notify the FMA of the formal completion of the merger. The external auditors shall confirm this to the FMA.

The Fund or its sub-funds may be merged only in compliance with the provisions of the law and the requirements laid down by the FMA and only if:

- a) the full prospectuses of the source and target funds or their sub-funds do not differ substantially with regard to investment policy and the costs to be charged to the funds or their sub-funds;
- b) the source and target funds or their sub-funds are valued using the same valuation method at the time of the merger, the exchange ratio is calculated and the assets and liabilities are assumed;
- c) the investors are given an opportunity to return their units within an appropriate period; and
- d) the investors and the funds or their sub-funds incur no direct costs as a result of the merger.

The Administration Company shall also have the right to split or transfer the Fund or its sub-funds in accordance with items a) to d) above mutatis mutandis.

### 8.3. Applicable law, place of jurisdiction, prevailing language

The Fund shall be governed by the law of the Principality of Liechtenstein. The exclusive place of jurisdiction is Vaduz. The German versions of the Prospectus and contractual terms shall prevail. Any translations of the Prospectus shall be for information only.

In the event that certain provisions of this Prospectus are ineffective or unenforceable or become ineffective or unenforceable after the Fund has been established, the validity of the remaining provisions of the Prospectus shall be unaffected.

This Prospectus enters into force once it has been signed.

Gamprin-Bendern, \_\_\_\_\_  
Place, date

**The Administration Company:**

valartisfunds<sup>+</sup>

**Valartis Fund Management (Liechtenstein) AG**  
Schaaner Strasse 27  
FL-9487 Gamprin-Bendern  
Liechtenstein

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Vaduz, \_\_\_\_\_  
Place, date

**The Custodian Bank:**

**Banque Pasche (Liechtenstein) SA,**  
Austrasse 61  
FL-9490 Vaduz  
Liechtenstein

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## 9. Annex I – Sample performance fee calculation

### 9.1. Sample performance fee calculation for the Oldtimer Fund

Performance fee <sup>9</sup>	25%
High water mark <sup>10</sup>	yes
Hurdle rate <sup>11</sup>	5% p.a.
Performance fee calculation	at every NAV
Calculation status	provisional, performance fee only counts as set aside
Performance fee paid	at the end of each financial year

The sample calculation given below can be summed up in the following scenario:

In **year 1** no performance fee was levied because the Fund did not exceed the threshold price. The high water mark remains the initial issue price.

In **year 2** no performance fee was levied because the Fund did not exceed the threshold price. The high water mark remains the initial issue price, since no performance fee was levied in either of years 1 and 2.

In **year 3** a performance fee was levied because the Fund exceeded the threshold price and a target investment was actually sold. The new high water mark is the NAV post-performance fee for the month in which the performance fee became payable.

In **year 4** a performance fee was levied because the Fund exceeded the threshold price and a target investment was actually sold. The new high water mark is the NAV post-performance fee for the month in which the performance fee became payable.

<sup>9</sup> The performance fee is calculated pro rata and set aside on each valuation date for the current financial year. The amount of the performance fee is determined by the difference between the threshold price and the NAV pre-performance fee, although a performance fee can only ever be payable if profits are realised. The fee is paid out at the end of the financial year.

<sup>10</sup> The high water mark is the last NAV post-performance fee of the last financial year for which a performance fee was payable.

<sup>11</sup> The hurdle rate is a predetermined absolute annual rate of return to be achieved each year from a baseline value defined as 100, i.e. in the above example a 5% increase is applied each year to the baseline value of 100.

Valuation day <sup>12</sup>	NAV pre-performance fee	High water mark	Realised profit per unit <sup>13</sup>	Absolute hurdle rate <sup>14</sup>	Threshold price <sup>15</sup>	Performance fee	NAV post-performance fee
<b>Year 1</b>	100.00						
Month 1	100.42	100.00	0	0.42%	100.42	0	100.42
Month 2	100.83	100.00	0	0.42%	100.83	0	100.83
Month 3	101.25	100.00	0	0.42%	101.25	0	101.25
Month 4	101.67	100.00	0	0.42%	101.67	0	101.67
Month 12	105.00	100.00	0	0.42%	105.00	0	105.00
<b>Year 2</b>							
Month 1	105.42	100.00	0	0.42%	105.42	0	105.42
Month 2	105.83	100.00	0	0.42%	105.83	0	105.83
Month 3	106.25	100.00	0	0.42%	106.25	0	106.25
Month 4	106.67	100.00	0	0.42%	106.67	0	106.67
Month 12	110.00	100.00	0	0.42%	110.00	0	110.00
<b>Year 3</b>							
Month 1	110.42	100.00	0	0.42%	110.42	0	110.42
Month 2	110.83	100.00	0	0.42%	110.83	0	110.83
Month 3	111.25	100.00	0	0.42%	111.25	0	111.25
Month 8	133.33	100.00	20	0.42%	113.33	5	128.33
Month 12	130.00	128.33	0	0.42%	130.00	0	130.00
<b>Year 4</b>							
Month 1	130.42	128.33	0	0.42%	130.42	0	130.42
Month 2	130.83	128.33	0	0.42%	130.83	0	130.83
Month 3	131.25	128.33	0	0.42%	131.25	0	131.25
Month 7	162.92	128.33	30	0.42%	132.92	7.5	155.42
Month 12	157.50	155.42	0	0.42%	157.50	0	157.50

<sup>12</sup> The monthly format of this sample calculation is intended merely to illustrate the process more clearly; the Oldtimer Fund shall be valued on a quarterly basis as stated in Section 1, "Key fund data".

<sup>13</sup> Owing to the structure of the investment, the performance fee can only be paid if a target investment was actually sold.

<sup>14</sup> The absolute hurdle rate per month is one-twelfth of the annual absolute hurdle rate of 5%, or in absolute terms 0.4166% per month.

<sup>15</sup> The calculation basis for the threshold price is the current high water mark plus the hurdle rate.