

Salus Alpha Direct

Terms and Conditions

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I. Application to open an account

The application to open an account is made on the platform Salus Alpha direct and will be confirmed electronically to the Client. Salus Alpha direct is hosted on the domains salusalphadirect.com, sadirect.com and go-sadirect.com.

II. General Terms and Conditions

For your own protection and benefit, please read these Terms carefully. During each visit to this Website, you are responsible for being familiar with, and are bound by, the then current version of these Terms. If you do not agree to these Terms, please refrain from using this Website or our service.

1. About Salus Alpha Direct

Salus Alpha Direct is a Service provided by Salus Alpha Financial Services (Europe) GmbH.

Salus Alpha Financial Services (Europe) GmbH, having its registered office at Industriestrasse 56, 9491 Ruggell, Liechtenstein, registration number FL-0002.339.405-5, acting as a tied agent of Salus Alpha Capital Ltd (together “the Company”), who is licensed to provide Investment services to Retail, Professional and institutional Clients by the financial Authority in Liechtenstein (www.fma-li.li). The company ensures that it presents sufficient guarantees for the proper fulfillment of its obligations towards the investors who utilize its services and ensures that investors at all time, retain the ability to invest directly in Salus Alpha SICAV without using other services. The Company renders following services:

- Broker business opportunities for the acquisition or sale of certain financial instruments as execution only

The customer enters into a contractual relationship with Salus Alpha Direct. Salus Alpha Direct is the Platform provided by Salus Alpha Financial Services (Europe) GmbH. Salus Alpha Direct (the “Platform”) provides an opportunity for investors to purchase Salus Alpha’s investment funds online. The Platform will provide the services as described in the below clause “Scope of services”. Salus Alpha Capital GmbH acts as a liability umbrella for the services.

2. Scope of Services

The Platform enables Clients to purchase Funds online either in form of a one time purchase or in form of a savings plan (Pension Plan).

The Platform offers the possibility to purchase Salus Alpha SICAV Funds as Execution Only.

If advice is desired by the Client, the client needs to contact a qualified professional advisor who helps and identifies and classifies the type of investments suitable to the Client’s risk

profile. For avoidance of doubt the Company does not offer investment advice to the client and can only be liable for its Execution Only services.

All Services are provided in compliance with MIFID.

The investment products and services offered on the Platform may not be suitable for all investors. Clients can check his/her individual risk profile and align it to a product's risk profile as displayed by the Platform. Clients with any doubts as to the merits of an investment should seek advice from a suitably qualified professional advisor.

Since the Client purchases products without any advice given by the Platform, the Company will only execute the instructions given.

Every Client will be provided with all necessary documents including the Prospectus and KIID of the Fund Units he intends to purchase on the Platform.

3. General Definitions

“Account” means the Client's account created on Salus Alpha Direct where all the Client's transactions and orders are registered.

“Client Account” means a client's account opened by the Client on Salus Alpha Direct.

“Client” means any natural or legal person who has entered into a Client Relationship with the Company.

“Company” means the operator of the Platform Salus Alpha Direct and Salus Alpha Capital GmbH.

“Custodian” means a credit institution providing custody, registration and/or settlement services for money and Securities, a brokerage company holding the respective license, a depository or a settlement system used by Salus Alpha SICAV.

“General Terms” means these terms and conditions of the Company.

“Imperative Provisions” means provisions of law contained in the legal acts which cannot be derogated by the Agreement for the benefit of the Company.

“Order” means an instruction given by the Client to the Company in accordance with the terms and conditions of the Agreement for execution of a transaction.

“OTC” means Over-the-counter or off-exchange trading is done directly between two parties, without the supervision of an exchange.

“Platform” means Salus Alpha Direct.

“Party” means each of the Company and the Client.

“Price List” means the price list of Services adopted by Company.

“Questionnaire” means a questionnaire containing questions about the Client's experience, knowledge, investment objectives, etc., in accordance with MIFID regulations.

“Salus Alpha” means Salus Alpha SICAV, Salus Alpha Financial Services (Europe) GmbH

or Salus Alpha Capital GmbH.

“Service” means the service provided by the Company to the Client under the Agreement.

“Security” means a security for the purposes of prevalent securities laws of Liechtenstein.

“Service Terms” means the terms of the Service established by the Company constituting a part of any Agreement concluded for the provision of the respective Service.

“Third Party” means any natural or legal person who is not a Party.

4. Amendment of General Terms and Service Terms and the Price List

a. The Company has the right to unilaterally amend the General Terms, the Service Terms and the Price List. The Company notifies the Client of amendments to the General Terms, the Service Terms and the Price List on the Website or in another manner chosen by the Company (e.g. by post, e-mail or in a national daily newspaper) no less than 15 (fifteen) calendar days before the respective amendments enter into force.

If the Client does not disagree within 14 days from the day of notification in written form (e.g. e-mail) to the amendments, it is deemed that the Client consents to the amendments and does not have any claims against the Company in connection with the amendments to the General Terms, the Service Terms and the Price List. Further the Client will be deemed to have accepted such amendments if the Client continues to use the Platform after the Client's receipt of such notice.

b. Unless it is prohibited by the Imperative Provisions, the Company has the right to unilaterally amend the General Terms, the Price List and the Service Terms without giving advance notification. In such event the Company immediately notifies the Client of the amendments on the Website or in another manner (e.g. by post, e-mail or in a national daily newspaper).

If the Client does not disagree within 14 days from the day of notification in written form (e.g. e-mail) to the amendments, these it is deemed that the Client consents to the amendments and does not have any claims against the Company in connection with the amendments to the General Terms, the Service Terms and the Price List.

5. Assurances, Guarantees and Coverage

The Client states, affirms and guarantees that:

- i. Whatever money used in purchasing the investment products on the Platform belongs exclusively to the Client, free of any lien, charge, pledge and any other encumbrance, being no direct or indirect proceeds of any illegal act or omission or product of any criminal activity.
- ii. The Client acts for himself and not as a representative or a trustee of any third person, unless he has produced, to the satisfaction of the Company, a document and/or powers of attorney enabling him to act as representative and/or trustee of any third person;
- iii. The Client agrees and understands that the Company reserves the right to refund / send back to the remitter (or beneficial owner) any instruction by the Client on having sufficient proof that these amounts are direct or indirect proceeds of any illegal act or omission or product of any criminal activity and/or belong to a third party and the Client has not produced sufficient excuse for that, and consents that the Company may reverse any or all types of previous transactions performed by the Client in any of his Accounts and terminate the Agreement. The Company reserves the right to take any legal action against the Client to cover itself upon such an event and claim any damages caused to the Company by the Client as a result of such an event.
- iv. The Client understands and accepts that all transactions in relation to investing are to be performed only through the Platform and therefore the Securities are not transferable to any other Trading Platform. In the case of termination of the Client Relationship, however, the Company will on a best effort basis support the Client to transfer the Securities. The Client guarantees the authenticity and validity of any document handed over by the Client to the Company.
- v. The Company reserves the right, at its discretion, to revoke any existing and previously accepted Power of Attorney, if any, between any Client and the Company when the Company considers such revocation to be necessary and appropriate, and may reverse any relevant transactions between them in order to restore the affected account balance.

6. Access Codes and Notifications

- a. Access Codes are the username and password generated by the Client for accessing the Platform. The Client acknowledges that the Company is unable to know whether someone other than the Client has entered, or is entering, orders using the Client's access codes. Unless otherwise specified to and agreed by the Company, the Client will not permit any third person to have access to the Client's account for any purpose. The client is also strongly advised to setup 2FA authentication.
- b. The Client agrees and states that he or she will keep the access codes in a safe place and will not reveal them to third persons. The Client will not proceed and will avoid proceeding in any action that could probably allow the irregular or unauthorized access or use of the Platform.
- c. The Client will be liable for all orders given through and under his or her Access Codes and any such orders received by the Company will be considered as received by the

Client. The Client undertakes to notify the Company immediately if it comes to his or her attention that his or her Access Codes are being used unauthorized.

d. Upon entry into the Agreement the Client communicates his or her e-mail address to the Company. The Client acknowledges that the exchange of information and notifications between the Client and the Company is electronic. The Company sends any personal information addressed to the Client via e-mail, unless a different method of communication of information has been agreed at the request of the Client. Notwithstanding the foregoing, the Company, in its sole discretion, may deliver such documents to the Client in physical form to the address the Client has provided the Company.

7. Classification of Clients

Before provision of the Service and if the Client doesn't explicitly refrain from getting advice, the Company is may be obligated to collect certain information from the Client about the Client's experience and knowledge, financial situation and investment objectives as well as other circumstances relating to the Investment Services and Securities in order to identify the Client's experience in operating in the securities market and the awareness of the financial market and the planned Investment Service and Securities, and in order to assess the suitability and relevance of the Investment Services.

On the basis of the information received the Client will be classified as retail, professional or eligible counterparty. The Client understands that retail clients are the clients whom the most extensive investor protection is ensured upon provision of the Service.

The Client is obligated to immediately notify the Company of any changes which may influence his or her classification in a certain client category. Any failure to inform the Company of such changes will result in the exclusion of liability of Salus Alpha.

Upon assessment of appropriateness the Company presumes that a professional client has the necessary knowledge and experience in connection with the Securities, Transactions and Investment Services with regard to which the Client has been classified as a professional client and the professional client is financially able to bear the risks relating to the investment products, which are in accordance with the investment objectives of the professional client.

If a retail client opts for higher classification as a professional client, the Company understands that the Client is capable of making his/her own investment decisions, capable of assessing the risks that can incur, and waives a high level of protection.

8. Account

The Client understands and agrees that to avail the Platform, the Client has to transfer monies to Bank Accounts which will be maintained by Salus Alpha SICAV. The Client also agrees to be bound by the terms and conditions of Salus Alpha SICAV's Bank Cash Accounts. The Company does not guarantee the liquidity of Salus Alpha SICAV's Banks therefore is not liable in case of bankruptcy of such Banks.

9. Money Transfer

The Client agrees to make all money transfers for his purchase of funds on the Platform either through money transfer or through his Bank's Cash Account by direct debiting. The Client agrees to maintain the minimum required amount for his purchases on his Bank's Cash Account. The Client acknowledges that he will bear all the costs of the transfer such as bank charges and administration fees.

Any money received by will be returned to the Client (if requested) in the exact way as it was received.

10. Placement and Execution of Orders

a. Placement of Orders

The Client can give Orders to the Company and the Company facilitates execution of the orders in accordance with legislation and the General Terms. The Client submits his or her Orders to the Company electronically on the Platform.

The Company accepts for "execution only" such orders of the Client, which have been given in accordance with what has been agreed between the Client and the Company, formalized in accordance with the applicable standards of financial regulatory authorities and the instructions given and developed by the Company, which do not contain any inaccurate, insufficient or incorrect data, and clearly express the will of the Client.

The Company has the right to verify the Orders given by the Client via the Platform or other means of communication in the matter chosen by the Company.

The Client is obligated to provide sufficient amount of funds for the execution of the order. If sufficient amount of funds are not provided for execution of the Order, the Company shall not to execute the Order.

The Company has the right to refuse from accepting an Order for execution and from providing the Service or to suspend execution of the order or provision of the Service:

- i. if an Order given by the Client is incorrect or insufficient (incl. if not all the data necessary for and requested by the Company for execution of the Order has been submitted to the Company);
- ii. if the Company has doubts about the compliance of the Transaction with the requirements of public authorities, the Custodian and the provisions of the acts of relevant stock exchanges or securities registers;
- iii. if the Company suspects that the person giving the Order and wishing to use the Service is not authorized or the Order does not comply with the General Terms;
- iv. if the Client has not fulfilled the Company's request to submit additional data and/or documents;
- v. if the Order cannot be executed due to the market situation or other circumstances beyond the control of the Company;

- vi. if there are not enough funds on the Account for execution of the Order;
- vii. if the Company sees any other reason for it (in that event the Company gives the Client a relevant notice).

When the Services are used, the Company has the right to record any and all Orders given, and other communication taking place through telecommunication channels and other communication (incl. phone conversations) and if necessary use the respective recordings as evidence of the Orders given by the Client or other acts (incl. in legal proceedings).

Unless otherwise provided by the Imperative Provisions, the Company is not liable for:

- i. Errors, inaccuracies, insufficient data, mistakes or transmission errors contained in the Order given by the Client to the Company. The same applies to accidental repetition of the Orders. In the case of ambiguities or unclarity, the Company has the right to demand of the Client additional information and documents and to postpone the execution of the Order until the receipt thereof and until the information contained therein has been verified or to refrain from executing the Order;
- ii. The damage caused by refusal to accept the Order and to provide the Service;
- iii. The deadlines or rules established by the Client or a Third Party or for damage or loss caused by the Client or a Third Party.

b. Execution of Orders

The Company executes the Orders accepted for execution without any undue delay and on most favorable conditions for the Client as possible in accordance with the rules of best execution of Client's Orders.

If the Client has given specific instructions for execution of an Order, the Company follows only the Client's instructions upon execution of the Order, which may impede the application of the rules of best execution of the Client's Orders by the Company for attaining the best result possible.

The Client acknowledges that it may not be possible to cancel or modify an Order submitted to the Company, which has been accepted for execution by the Company. If the Company, on the basis of a respective request by the Client, cancels an Order which has been accepted for execution, the Client shall compensate the Company for any and all costs and losses incurred and suffered in connection with assuming execution and/or cancellation of the Order. The Company has the right to refuse, at its own discretion, from cancellation of an Order accepted for execution.

The Company won't be liable for any losses resulting from the execution of orders unless to the extent where this would be the result of gross negligence, deliberate omission or fraud on the part of the Company.

11. Fees and Charges

The Company's fees and charges are set out in the Fund Prospectus and KIID. Should any charges change, the Company will contact the Client at the earliest opportunity. Fees

payable on Transactions will be disclosed to the Client on the Contract Note made available after each transaction. If the Client does not object to the fees detailed in the Contract Note within 14 days of receiving it, it will be deemed that the Client has accepted these fees and waived the right to object to them in the future.

Other charges will be shown on the Client's statement. **A commission or sales fee may be charged at the time of the initial purchase for an investment as well as on each monthly savings plan order and may be deducted from the invested amount therefore lowering the size of the investment.** Investment products inherently include fees and charges, displayed on the platform, with funds commonly subject to both a management fee and, in certain instances, a performance fee.

The Levels and bases of taxation are dependent on individual circumstances and are subject to change. The Client bears the Company's costs, which arise from the acts performed in the interest of the Client (e.g. communication or postal costs, notary fees, etc.) and the costs related to the Client Relationships (e.g. costs of establishment, management, and realization of collateral, insurance or legal expenses, etc.).

The Company debits the service fees, if any, and other amounts payable, if any, in the currency of the client's account.

Unless otherwise provided by the Imperative Provisions, the Company has the right to set off its claims against the Client's claims and thereby determine the claims to be set off. Unless otherwise provided by the Imperative Provisions, the Company has the right to assign to a Third Party its claims against the Client.

12. Company's Liability

a. The Company shall conclude transactions in good faith and with due diligence but shall not be held liable for any negligence, omission or fraud by any person, firm or company from whom the Company receives instructions or orders and/or from which transactions are carried out on behalf of the Client, unless to the extent where this would be the result of gross negligence, deliberate omission or fraud on the part of the Company.

b. The Company shall not be held liable for any loss of opportunity as a result of which the value of the Client's Financial Instruments could increase or for any reduction in the value of the Client's Financial Instruments, regardless of how such decrease may arise, unless to the extent that such loss or reduction is directly due to deliberate omission or fraud by the Company or its employees.

c. If the Company incurs any claims, damages, liability, costs or expenses, which may arise in relation to the execution or as a result of the execution of the Agreement and/or in relation to the provision of the Services and/or in relation to the disposal of the Client's Financial Instruments in view of the satisfaction of any claims made by the Company or due to the non-fulfillment of any of the Client's statements and/or Orders and/or instructions contained in the Agreement it is understood that the Company bears no responsibility whatsoever and it is the Client's obligation to indemnify the Company for such.

d. The Company shall not be held liable for any loss which is the result of deceit in relation to the facts or mistaken judgment or any act done or which the Company has omitted to do, whenever it arose, unless to the extent that such deceit or act or omission is due directly to deliberate omission or fraud by the Company or its employees.

e. **The Company is only responsible for the services delivered by the Company. The Company is not part of a deposit guarantee association, it doesn't hold the Clients' money and therefore isn't liable for the Client's money.** The Clients' money invested in fund units and hence invested in securities is held by the custodian, which is subject to a deposit guarantee (see also deposit guarantee of the custodian).

f. The Company is not liable for the Services provided or information communicated by Third Parties via the Company or for any other acts or omissions of Third Parties, incl. for performance of any duties by Third Parties or damages and losses arising from bankruptcy or insolvency;

g. To the full extent permitted by law, neither the Company, nor any of its subsidiary or associated companies or agents shall be liable for damages or injury arising out of or in connection with the use of the Platform or its non-use including non-availability, compensatory, direct, indirect or consequential damages, loss of data, income or profit, loss of or damage to property, including without limitation loss of profits, loss or corruption of data, loss of goodwill, work stoppage, computer failure or malfunction, or interruption of business under any contract, negligence, strict liability or other theory arising out of or relating in any way to the Internet Website, site-related services, or any products or services and claims of third parties damages or injury caused by any performance, failure of performance, error, omission, interruption, deletion, defect, delay in operation or transmission, computer virus, communications line failure, theft or destruction or unauthorized access to, alteration of, or use of information, whether resulting, in whole or in part, from or relating to any of the services offered or displayed by the Company on the Platform.

h. The Parties are not liable for failure to perform a duty if it has been caused by Force majeure (including without limitation computer failure) which the Party who breached the

duty could not control and it could not be reasonably expected from the Party to preclude it from happening.

i. The Client undertakes to compensate the Company for any damage, including loss of profit, expenses incurred, penalties or revenue paid to Third Parties, which arises from infringement of the Agreement, legislation (including foreign legislation), stock exchange or securities register rules or a decision of another relevant competent body or from incomplete, misleading or false warranties and representations or information given by the Client to the Company. Termination of the Client Relationship does not terminate the Client's duty to compensate the Company for the damage and loss caused.

j. If a court of competent jurisdiction finds the Company liable for any loss, damages or expenses under this Agreement, the Company's total liability, in the aggregate and regardless of the form of action, shall (to the full extent permitted by law) not exceed the lesser of one hundred thousand Euros (EUR 100,000) or commissions generated by the Company through the Client's use of the Platform over the proceeding 3 month period prior to the point at which such loss is deemed to have occurred.

13. Duration of the Agreement and Termination

a. This Agreement shall be valid for an indefinite time period until its termination by either party.

b. The Client has the right to terminate the Agreement by giving the Company at least one month written notice, specifying the date of termination in such, on the condition that in the case of such termination, all pending transactions on behalf of the Client shall be completed. The first day of the notice period shall be deemed to be the date such notice has been received by the Company.

c. The Company may terminate the Agreement by giving the Client at least seven (7) days written notice, specifying the date of termination in such. The Company may terminate the Agreement immediately without giving seven days' notice in the following cases:

- i. Death of the Client;
- ii. Any application is made or any order is issued or a meeting is convened or a resolution is approved or any measures of bankruptcy or winding up of the Client are taken;
- iii. Such termination is required by any competent regulatory authority or body;
- iv. The Client violates any provision of the Agreement and in the Company's opinion, the Agreement cannot be implemented;
- v. The Client violates any law or regulation to which he is subject, including but not limited to, laws and regulations relating to exchange control and registration requirements;
- vi. The Client involves the Company directly or indirectly in any type of fraud.

d. The termination of the Agreement shall not in any case affect the rights which have arisen, existing commitments or any contractual provision which was intended to remain in force after the termination and in the case of termination, the Client shall pay:

- i. Any pending fee of the Company and any other amount payable to the Company;
- ii. Any charge and additional expenses incurred or to be incurred by the Company as a result of the termination of the Agreement;
- iii. Any damages which arose during the arrangement or settlement of pending obligations.

e. Upon termination of the Client Relationship, the Company shall immediately hand over to the Client the Client's documents. The Client's assets will be paid to the Client after deduction of all outstanding fees.

14. Acknowledgements of risks

Any investment involves risk. The Client acknowledges that he should not enter into any transactions unless he has fully understood all such risks and has independently determined that such transactions are appropriate for him. In this respect the Client acknowledges that:

- i. any investment in Investment Products involves substantial risks including, but not limited to, principal risk, interest rate risk, currency risk, political risk, liquidity risk, market risk and credit risk;
- ii. the price and value of interests in the Investment Products can go down as well as up. The Client may not get back the original amount invested and may lose all of his investments;
- iii. past performance is not a guide to future performance. To the extent that this Website contains any indications as to future performance, such forecasts are not a reliable indicator of future performance;
- iv. the value of investments in Investment Products may be affected by the price of underlying investments and changes in any relevant foreign exchange rates;
- v. tax assumptions may change if the law changes, and the value of tax relief (if any) will depend upon the Client's individual circumstances. The Client should consult his own tax advisers in order to understand any applicable tax consequences.

The above list of risk factors is not complete and the Client must refer to the relevant prospectus, simplified prospectus/KIID and/or other offering documents with respect to individual Investment Products.

15. Intellectual Property Rights

The Company and its subsidiaries or associated companies are the owners or the licensees of all intellectual property rights on this Website, and in the materials published on it. Those works are protected by laws and treaties around the world. All such rights are reserved. The Client may use the materials on this Website and download and reproduce them in hard copy for his own reference. Such materials may not otherwise be reproduced, distributed, stored in a data retrieval system, linked to, modified or transmitted, in any form or by any means (electronic, mechanical, photocopying, recording or otherwise) without the prior written consent of the Company. Nothing on this Website should be construed as granting any license or right in relation to any of the Company's trademarks or those of its affiliates or any third party.

16. Privacy Policy

a. User Information

The Company only collects personal data when the Client knowingly provides it to the Company. This information may include:

- i. Details Clients give to the Company for registration on the Platform and during assessing the Clients' experience and expertise to identify the classification of the Clients.
- ii. Details Clients provide while purchasing products on the Platform including all transactions details, passwords, Credit Card details.
- iii. Details of the computer system or computer network which Clients use to visit the Website and undertake any activity on the Website.

The Company adopts reasonable care and security measures to protect the Client's data from being exposed to a third party. The Information as supplied by the Client enables the Company to improve its sites and provide the Client the most user-friendly experience. The Company may also use the Client's information for research and statistical analysis with the aim of improving its services. The Company can use the Client's details to inform him about any new features, offers, services, and any other information regarding the Platform. If the Client does not wish to receive any such promotional email, he can inform the Company.

The Client understands, agrees and acknowledges that collection, storage and using of their Personal Information are for a lawful purpose connected with a function or activity of services. The Client further understands, agrees and acknowledges that their Personal Information is classified as sensitive personal information as per applicable laws and shall not be disclosed.

b. Sharing Personal Information

The Company will only disclose data outside the Company:

- i. On the consent of Client;

- ii. When it is needed by certain reputable third parties involved in running accounts and/or providing services for Clients (for example, credit reference agencies who do credit checks for us, Financial Intermediaries engaged by Clients);
- iii. In order to obtain professional advice;
- iv. When the Company or others need to investigate or prevent crime (e.g. to fraud prevention agencies);
- v. When the law permits or requires it, or any regulatory, judicial or governmental body requests or requires it;
- vi. When there is a duty to the public to reveal the information;
- vii. To the Company's subcontractors, vendors and agents to facilitate smooth functioning of the Company's functions that will ultimately benefit the Client.

c. Use of Cookies

This Platform uses cookies. Cookies collect information about the Client's use of the Platform, including things like connection speed, details of operating system, the time and duration of visit and IP address. The information collected by cookies is used for technical purposes with the aim to provide the Client with a better user experience.

Furthermore, the Company can evaluate the level of interest in the content of the Platform and tailor it accordingly. Most browsers automatically accept cookies. The Client can set his browser options so that the Client will not receive cookies and he can also delete existing cookies from browser. However, the Client may find that some parts of the site will not function properly if he refuses cookies.

d. Protecting the Client's Privacy

To the extent that sensitive personal data is processed about the Client, the Company will employ appropriate security measures. However, the Client recognizes that their use of the Internet Website is entirely at their own risk. The Company has put its best effort into creating a secure and reliable Internet Website for its Clients. Furthermore, the entire Client's data that the Company collects, is protected against unauthorized access. To prevent unauthorized access, maintain data accuracy, and ensure correct use of information, the Company will employ reasonable security practices and procedures and current Internet security methods and technologies. However, the Company has no responsibility or liability for the security of personal information transmitted via the internet under conditions which are beyond the control of the Company.

17. Warranties and representations

Whilst the Company has taken reasonable steps to ensure the accuracy, currency, availability, correctness and completeness of the information contained on the Platform, information is provided on an "as is", "as available" basis and the Company does not give or make any warranty or representation of any kind, whether expressly or implied. The use of the Internet Websites and the Platform is at the Client's sole risk. The Company shall not be liable for any loss or damage whatsoever and howsoever arising as a result of Client's use of or reliance on the information contained on the Platform to the maximum extent permitted by law.

The Company does not represent or warrant that the Platform will be available and meet the Client's requirements, that access will be uninterrupted, that there will be no delays, failures, errors or omissions or loss of transmitted information. The Client has sole responsibility for adequate protection and back up of data and/or equipment and for undertaking reasonable and appropriate precautions to scan for computer viruses or other destructive properties.

The Company makes no representations or warranties regarding the accuracy, functionality or performance of any third party software that may be used in connection with the Platform.

18. Investment Information for US Persons

No information on Investment Funds, whether relating to an Investment Fund or otherwise, constitutes or is intended to constitute information available to or directed at US Persons. No correspondence concerning or in connection with the information on this Internet Website will be entered into with any person who is, or who is believed to be, a US Person. Investment Funds available through this Platform have not been registered under the United States Securities Act of 1933. Those Investment Funds or shares therein, may not be offered, sold, resold or delivered directly or indirectly in the United States or to, or for the account or benefit of, any US Person or to others for offering or resale in the United States or to or for any such US Person.

19. Access

This Platform is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject to any registration or licensing requirement within such jurisdiction.

20. Remedies and Waiver

The Company's rights and remedies, powers and privileges contained herein are cumulative and in addition to any rights or remedies provided by law. No failure to exercise or delay in exercising any such rights or remedies shall operate as a waiver nor shall any single or partial exercise preclude any other or further exercise.

21. Severability

Each provision of these Terms and Conditions is severable and if any provision is or becomes invalid or contravenes any applicable regulations, the remaining provisions will not be affected.

22. Assignment

The Company may assign or transfer any of its rights or obligations under this Agreement. Any attempted assignment or transfer of the Client's rights or obligations under this Agreement by the Client without the prior written consent of the Company is prohibited and shall be deemed void.

23. Links

The Company shall not be responsible for the contents of any linked website or any link contained on a linked website, or any changes or updates to such websites. The links being provided to the Clients are only for convenience, and the inclusion of any link does not imply endorsement by the Company, or its content or the sponsoring organization. By providing access to other websites, the Company is not recommending the purchase or sale of the securities issued by it nor is it an endorsement of services provided by its sponsoring organization.

24. Evidence

In the event of a dispute, all written orders and confirmations transmitted to the Company via Salus Alpha Direct as well as testimonies, facsimiles, telexes, banking documents, telephone recordings or other evidence in any form whatsoever shall serve as evidence.

25. Receipt of communications

Written communications from the Company shall be considered received in accordance with the customary duration of delivery by mail, but no later than seven (7) calendar days, if they were mailed to the last address made known to the Company. The communication shall be considered mailed if the Company is in possession of a signed copy of the communication or if the mailing is noted on a dispatch note/dispatch list or if mailing can be proven based on electronically stored protocol.

Communications from the Company via e-mail or SMS shall be considered received in the moment they were sent.

26. Complaints

A complaint is defined as an investor claim filed to recognize a right or to redress a harm. Complaints in respect of the Platform should be addressed in English or German to Complaint Officer by e-mail complain@salusalphadirect.com or via the web site under Support Form once logged in.

a. Handling of Complaints

Four main steps from the reception till the resolution of the complaint are described as follows:

- i. **Reception of the Complaint:** The Complaint Officer responsible for complaint handling may delegate the management of complaints internally to a professional. The professional records the data (*date and time of receipt, client's name, nature of the complaint*) informs the Complaint Officer and ensures that the information is entered electronically in the complaint management system. If the Complaint appears to be significant in terms of risk, reputation or financial impact for the company, the Complaint Officer escalates the complaint immediately to the Directors.
- ii. **Processing the complaint:** In general, the acknowledgment of the complaint should be made as soon as possible and no later than five days after receipt of the complaint. Acknowledgment should indicate the timescale to respond. Timescale should be no longer than four weeks. Where an answer cannot be provided within this period due to e.g. missing information, the professional shall inform the complainant of the causes of the delay and indicate the date at which the answer is likely to be achieved. The acknowledgement will also inform the complainant of the name and contact details of the Complaint Officer in charge of complaint handling.
- iii. **Analysis:** The Company may request the production of any other document or information it deems necessary for handling the request. Once all external information has been provided the professional will inform the concerned staff for collecting internal information.
- iv. **Development of a solution:** If the Complaint is not an actual Complaint or is not based on solid ground, the Complaint Officer prepares a letter explaining the reasons for which the Complaint has been considered as not valid otherwise the professional develops a solution and drafts a response to the investor. The response to the complainant will be approved and signed by the Complaint Officer responsible for complaint handling.

b. Complaint Procedure ends

- i. by the sending of a reasoned conclusion letter to the complainant
- ii. by the reaching of an amicable settlement with the complainant
- iii. in case of a complainant's written withdrawal which may occur at any time during the procedure

- iv. where the right on which the complainant is based is time-barred and where the professional claims that the time period for exercising that right has expired
- v. where the applicant does not provide the additional documents, information, explanations or positions requested by the Company within 45 days

27. Governing Law and Resolution of Disputes

The Client Relationship shall be governed by the laws of Liechtenstein, without regard to conflicts of law principles thereof. This is the case regardless of whether the Client resides or transacts business with the Company anywhere else in the world.

Any disputes between the Parties are subject to resolution by way of negotiations between the Parties. The complaint shall be filed in writing by the Client to the Company. The complaint shall refer to the circumstances and the documents on the basis of which the complaint is filed. The Company will review the complaint and notify its decision to Client. If the Parties fail to come to an agreement, the dispute is resolved by the out-of-court dispute settlement body for financial services in Liechtenstein.

Any court dispute between the Parties is resolved in a court of the location of the Company's Headquarter in Liechtenstein unless agreed otherwise by the Parties or otherwise provided by the Imperative Provisions.

28. Client's Declaration

The Client solemnly declares that:

- i. He has read and agrees to these terms and conditions and other agreements including the account opening documents if any, the relevant fees and costs, general risk disclosure, client categorization, conflict of interests policy, order execution policy and any other document provided by the Company relevant to the Client.
- ii. He agrees to direct advertising either by phone or personal representation, facsimile, automatic calls, email or other phone, electronic or digital means by the Company.
- iii. He is over 18 and to the best of his knowledge and belief, the information provided in Investor's Questionnaire, and any other documentation supplied in connection with the application form which the Client is obligated to fulfill during the online registration is correct, complete and not misleading and he will inform the Company of any changes to the details or information entered in the Investor's Questionnaire.
- iv. Any loss or damage or penalties or legal costs or otherwise suffered by the Company due to violation of the present declaration resulted by false and or misleading information provided by the Client or unsubstantiated declarations made herein, are subjected to full indemnification by the Client towards the Company.
- v. He has chosen the investment amount, taking his total financial circumstances into consideration which he considers reasonable under such circumstances.

Additional information on transactions with financial instruments (Supplement to the General Terms and Conditions)

1. Best execution Principles of Salus Alpha for client transactions

a. Scope

The principles of Salus Alpha for the execution of orders apply to the execution of orders that are carried out by the management company for the clients.

b. Selection criteria

As determined in legal provisions, we are obliged to execute the orders of our clients in such a way that we achieve the best possible result for our clients on a permanent and consistent basis.

Salus Alpha makes the selection decision based on the following criteria, whereby each criterion is weighed by the consideration of characteristics of the order and concerned financial instruments:

- Likelihood of full execution and settlement
- Speed of the full execution and settlement
- Security of processing
- Extent and nature of the order
- Market conditions
- Costs associated with the execution of the order
- Any other costs relevant to the execution of the order

c. Weighting of the selection criteria

The selection criteria are principally weighed under the consideration of the specific characteristics of the order.

The security of the transaction enjoys the highest priority among all orders. Other relevant aspects and special market situations may lead to a different weighting.

d. Execution venues

When selecting the execution venues contained in these principles of Salus Alpha, execution venues were taken into account, where the concerned financial instruments are traded in considerable extent.

In determining client interest Salus Alpha will primarily consider the total consideration and in this context the achievable rate at the selected execution venue as well as any additional costs evolving through the use of intermediaries in individual cases.

The best execution venue for the purchase or sale of a financial instrument is determined by the underlying standard way of completion. If the depositary keeping the custody account differs from the type of custody applicable at the execution venue, corresponding client instructions have to be issued. Costs that result from the account transfer can be charged to the client.

The selection of execution venues is differentiated according to the following classes of financial instruments:

- i. **Securities** - Exchange-traded securities are usually executed at the main exchange. In case of lack of market liquidity, non-exchange-traded securities, or other reasons, the execution transaction will be carried out by bank trading, another financial services provider or the issuer.
- ii. **Certificates** - Orders concerning certificates are executed on an exchange if applicable. In case of insufficient market liquidity or other reasons, the execution transaction will be carried out by bank trading, with the concerning issuer or with another trading counterparty, that is offering the conclusion of transactions for the relevant securities ("Market Maker").
- iii. **Funds** - According to law the purchase and sale of fund units in a fund from its transfer agent - as is the case here - is exempt from the execution regime.

e. Instructions

The client may issue Salus Alpha with instructions at which execution venues his order is to be executed. Instructions from a client always take precedence. Insofar as the client issues instructions to Salus Alpha, he acknowledges that Salus Alpha is not obliged to execute the order in accordance with these principles of execution of client transactions. Salus Alpha will not draw any further particular attention to this.

f. Broker Selection

If Salus Alpha is not connected directly to a selected stock exchange, Salus Alpha will forward the order for execution to a bank or a suitable security services company (broker).

g. Revision

The efficiency of execution is continuously monitored by our trading software and regularly registered in reports.

h. Final provisions

If it is not possible to assign financial instruments unequivocally to a particular class of security, execution is performed at the respective home stock exchange or at the issuer.

If, due to trading circumstances, technical restrictions at the time of placing the order or force majeure, Salus Alpha cannot execute an order at an execution venue compliant with the aforementioned principles, the order may also be brought for execution at another execution venue while safeguarding the interests of the Client. If the execution venues selected by Salus Alpha as suitable alternatives are likewise not available, Salus Alpha shall execute the client's order at its own discretion while safeguarding the interests of the client. If so, a client instruction with regard to the execution venues could be necessary.

2. Management of potential conflicts of interest

As an investment firm we are trying to safeguard the interests of our clients, group companies and employees and to align these interests. In the course of providing high-quality investment services to numerous clients, though, conflicts of interest can never be entirely avoided. Therefore, we will inform you about the measures Salus Alpha takes to manage potential conflicts of interest:

Conflicts of interest may arise between

- our company
- other group companies
- the executive board
- our employees
- our tied agents or
- other persons connected to us
- and our clients.

Conflicts of interests may arise if Salus Alpha or a person directly or indirectly linked by control to it

- Stands to profit or avoids a loss, to the detriment of a client
- Has an interest in the outcome of a service provided to a client, which is different from a client's interest in that outcome
- Receives from a person other than a client an inducement in relation to a service provided to a client, other than the standard commission or fee for that service.

To avoid that inappropriate influence in advice, execution, asset management or financial analysis, we and our staff have committed to high ethical standards. We expect at any time care and honesty, lawful and professional conduct, adherence to market standards and in particular attention to the customers interests.

In order to counteract to the outset of certain conflicts of interest, we have taken the following measures among other things:

- Application of a compliance system in our company to identify, prevent and manage potential conflicts of interest and - if necessary - to take appropriate measures;
- Internal guidelines concerning giving and receiving, as well as the disclosure of inducements;
- Definition of areas of confidentiality in the company (to restrict the flow of information) and restricted access to these.

Conflicts of interest may also arise due to the fact that the Salus Alpha exclusively distributes products from affiliates: an overview of similar products on the market is not offered by us. Each customer is expressly referred to this fact and can make his decision based on this information. In those cases where conflicts of interest are unavoidable, we will disclose the concerned conflict of interest to the client or potential client, so that the customer can make an informed decision.

At your request, we will provide you with more details on these principles on how to deal with potential conflicts of interest. These guidelines for dealing with conflicts of interest and the deriving measures are regularly adjusted as needed.

3. Declaration of inducements

Only Salus Alpha products are distributed on Salus Alpha Direct. Conflicts of interest resulting from receiving inducements are therefore impossible.

III. General information about Salus Alpha Financial Services (Europe) GmbH and its services

Dear Client,

we would like to provide you with the following information about us, our products and services.

1. Information about Salus Alpha Financial Services (Europe) GmbH

Salus Alpha Financial Services (Europe) GmbH having its registered office at Industriestrasse 56, 9491 Ruggell, Liechtenstein, registration number FL-0002.339.405-5, acting as a tied agent of Salus Alpha Capital Ltd (together “the Company”), who is licensed to provide Investment services to Retail, Professional and institutional Clients by the financial Authority in Liechtenstein (www.fma-li.li). The company ensures that it presents sufficient guarantees for the proper fulfillment of its obligations towards the investors who utilize its services and ensures that investors at all time, retain the ability to invest directly in Salus Alpha SICAV without using other services. The Company renders following services:

- i. Broker business opportunities for the acquisition or sale of certain financial instruments as Execution Only

Salus Alpha Direct is the Platform operated by Salus Alpha Financial Services (Europe) GmbH. Salus Alpha Direct (the “Platform”) provides an opportunity for investors to purchase Salus Alpha’s investment funds online. The Platform will provide the services as described in the below clause “Scope of services”.

Board of Directors:

Mag. Oliver Prock (Director)

Contact information:

Salus Alpha Financial Services (Europe) GmbH

Address: Industriestrasse 56, 9491 Ruggell, Liechtenstein

Phone: + 423 3990329

Fax: + 423 3990398

E-mail: office@salusalphadirect.com

Internet: www.salusalphadirect.com

Business hours:

Salus Alpha Financial Services (Europe) GmbH can be contacted from Monday to Friday through from 8:30 a.m. to 6:00 p.m., except public holidays and bank holidays in Liechtenstein.

2. Communication

Your communication with Salus Alpha Financial Services (Europe) GmbH:

You can contact us personally at our offices by E-mail and in writing (by letter).

Our services are available in the following languages: English and German.

Client orders may be sent to us exclusively electronically via the Salus Alpha direct platform.

3. Products and services

The Platform enables Clients to purchase Salus Alpha Funds online either in form of a one time purchase or in form of a savings plan (Pension Plan).

The Platform offers the possibility to purchase Salus Alpha Funds without advice given by the Platform i.e. "Execution only".

Every Client will be provided with all necessary documents including the Prospectus and KIID of the Fund Units he intends to purchase on the Platform.

4. Execution venues

The execution venues utilized by our company for carrying out client transactions are comprehensively detailed in our Best Execution Policy. This policy forms a crucial part of our commitment to ensuring that client transactions in financial instruments are executed in the most favorable terms. You can find detailed information about these execution venues, along with our methodologies and practices for ensuring best execution, in this document included as part of our additional information on transactions with financial instruments.

It is important for clients to understand how we select execution venues and the principles we adhere to in order to achieve the best possible result on a consistent basis. Our Best Execution Policy is designed to provide transparency and clarity on these processes. Clients are encouraged to review this policy to fully understand how their transactions will be managed and executed.

5. Charges

All charges incurred by you are included in our Prices and Services List.

6. Partners of Salus Alpha Financial Services (Europe) GmbH

In providing our services and distributing our products, we may make use of service providers as banks, custodians, agents and asset managers. Such parties are bound by contract and must possess the relevant approvals and permits in their country of domicile. It may be that these partners receive commission for acting as agents and supporting the distribution of our products.

7. Dealing with conflicts of interest

Salus Alpha Financial Services (Europe) GmbH itself and all its employees provide their services honestly, fairly and professionally and in the interests of the client. In the event that nevertheless conflicts of interest should occur between the Bank, its management, the employees, tied agents or other parties associated directly or indirectly (through control) with the Bank and you, Salus Alpha Financial Services (Europe) GmbH has taken precautions that such conflicts do not impact on your client's interests. Please find the details of this on the enclosed information sheet (Additional information on transactions with financial instruments).

Further information on our services and products is included in individual prospectuses which are available to our clients.

IV. Prices & Services List

Asset Management

Salus Alpha <i>direct</i> Asset Management	not offered
Managed Accounts	see website / PRIIP KID

Investment advice

Salus Alpha <i>direct</i> Investment advice	not offered
Salus Alpha <i>direct</i> Financial/Provision concepts	not offered

Securities, financial instruments, FX Transactions

Salus Alpha <i>direct</i> Funds	
Subscription fee	see website /prospectus/ PRIIP KID
Redemption fee	see website /prospectus/ PRIIP KID
Savings Plan	see Subscription fee
FX Conversions	displayed at time of trade

Other Services

Sending of account information via e-mail	free of charge
Sending of account information via Mail	
Monthly	10 EUR
Quarterly	10 EUR
Sending of a duplicate	10 EUR

For product ongoing charges please refer to the relevant PRIIP KID and the prospectus.

Third Party fees, if any, are not included and depend on the selected counterparty and are charged on a one to one pass through basis.

V. Information on payment process

SEPA (Single Euro Payments Area) Direct Debit scheme

The area of validity includes all countries of the EU-27, the EWR Countries (Norway, Island and Liechtenstein), Switzerland and Monaco. By using IBAN and BIC, direct debits in EURO can be executed (among usage of national regulations and procedures) also cross-border wise.

Since 2014 all national regulations and procedures (direct debits or direct debits by deposit of a direct debt order) will be replaced with the SEPA Direct Debit Core scheme.

Salus Alpha *direct* offers SEPA direct debit scheme as well.

For all SEPA direct debits, an electronically signed mandate is required. By electronically signing the Mandate, the Debtor authorizes the Creditor (Salus Alpha SICAV), to debit the account of the Debtor in accordance with the instruction of the Creditor. At the same time, the Debtor authorizes his financial institution to process such debit orders. To identify each Mandate precisely, all direct debits include always the mandate reference number and the Creditor-ID (Unique Creditor Identifier – UCI, Identification number of the creditor).

Short description - SEPA direct debit scheme (Direct Debit CORE):

Usage

For Private and Corporate clients

Information obligation

For all recurrent debits, the Creditor (Salus Alpha SICAV) is obliged to inform the Debtor about an upcoming debit with regard to the amount and due date prior to the due date.

Due dates

After receiving the electronically signed Mandate from the Debtor, the Creditor starts the process for the collection. Due dates are calculated upon Inter-Bank Business days and depend whether the direct debits are on/off or recurrent. The request for collection must be received by the Debtors bank for all on/off or first direct debits and all recurrent direct debits 2 Inter-Bank Business days prior.

Mandate

The Mandate is an agreement between the Creditor and the Debtor. For each Mandate, the debtor receives from the creditor a unique Identification (Mandate reference number). The Mandate needs to be electronically instructed by the debtor.

VI. Information about EU savings tax

The EU savings tax directive is effective since 1 July 2005. While other EU Member States have an automated information exchange, Luxembourg, Belgium and Austria have chosen to introduce a withholding tax on savings income in the form of interest instead.

The withholding tax rate is 15% on any interest distributed for the first three years since the date the law has come into effect in Luxembourg. This increased on 1 January 2008 to 20% for the following 3 years and after that is declared to be 35%. It is applied to interest payments as defined in the directive to individuals resident in the EU who are beneficial owners of the income.

Your account is organized so that the withholding tax, as far as it applies, is deducted at the source. Your financial privacy is maintained during this process. The withholding tax is collected and anonymously transferred to the Luxembourg tax authorities. Clients can deduct the full amount of the withholding tax in their tax return.

This procedure is considered standard, though you may also make use of the exchange of information. If you do so, you must authorize us to provide information to the competent tax authorities. This authorization to exchange information is valid, until revoked, for all interest paid to you as beneficiary owner by us. If you choose this procedure you have to fill out and sign an authorization.

In some cases, a client may be exempted from the withholding tax upon presentation of a certificate of exemption. Certificates of exemption are issued by national tax authorities for individual securities or for certain account numbers. The certificates are valid for a maximum of three years.

VII. General information about investments in securities, financial instruments

1. Stock risks

Definition

Shares are securities evidencing an interest held in an enterprise (public limited company). The principal rights of shareholders are participating in the company's profits as well as the right to vote in the shareholders' meeting. (Exception: preferred stock)

Return

The yield on equity investments is composed of dividend payments as well as price gains or losses and cannot be predicted with certainty. The dividend is the distribution of earnings to shareholders as decided at the shareholders' meeting. The dividend amount is expressed either as an absolute amount per share or as a percentage of the nominal value of the stock. The yield obtained from the dividend in relation to the share price is called dividend yield. In general, it is considerably lower than the dividend indicated as a percentage of the nominal value.

The greater part of earnings from equity investments is usually achieved from the stock's performance/price trend (see price risk).

Price risk

Stocks are usually traded on a public exchange. As a rule, prices are established daily on the basis of supply and demand. Investments in stocks may lead to considerable losses.

In general, the price of a stock depends on the business trend of the respective company as well as the general economic and political setting. Besides, irrational factors (investor sentiment, public opinion) may also influence the share price trend and thus the return on an investment.

If an issuer becomes insolvent, the employed capital may be lost.

Credit risk

As a shareholder, you hold an interest in a company. Consequently, your investments may be rendered worthless in particular by the company's insolvency.

Liquidity risk

Tradability may be limited in the case of shares with a narrow market (especially stocks quoted in the "Unregulated Market, over-the-counter trade).

If a stock is quoted in several stock exchanges, that may lead to differences in its negotiability on different international stock exchanges (e.g., quotation of an American stock in Frankfurt).

Stock trading

Stocks are traded on a public exchange and sometimes over-the-counter. In the case of stock exchange trading, the relevant stock exchange rules (trading lots, order types, contract settlement, etc.) must be observed. If a share is quoted at different stock exchanges in different currencies (e.g. a US stock quoted in Euros at the Frankfurt Stock Exchange) it also entails an exchange rate risk.

When purchasing a stock in a foreign exchange, please bear in mind that foreign exchanges always charge “third-party fees” that accrue in addition to the bank’s usual fees, which are included in the respective fee model. Furthermore, fees can contain taxes, for example stamp duty.

2. Risks in bonds / debentures / securitized notes

Definition

Bonds (= debentures, notes) are securities that obligate the issuer (= debtor) to pay the bondholder (= creditor, buyer) interest on the capital invested and to repay the principal amount according to the bond terms. Besides such bonds in the strict sense of the term, there are also debentures that differ significantly from the above-mentioned characteristics and the description given below. We refer the reader in particular to the debentures described in the “Structured Products” section. Especially in that area, it is not the designation as a bond or debenture that is decisive for the product-specific risks but rather the specific structure of the product.

Return

The bond yield is composed of the interest on the capital and any difference between the purchase price and the price achieved upon sale/redemption of the bond.

Consequently, the return can only be determined in advance if the bond is held until maturity. With variable interest rates, the return cannot be specified in advance. For the sake of comparison, an annual yield (based on the assumption of bullet repayment) is calculated in line with international standards. Bond yields which are significantly above the generally customary level should always be questioned, with an increased credit risk being a possible reason.

The price achieved when selling a bond prior to redemption (market price) is not known in advance. Consequently, the return may be higher or lower than the yield calculated initially. In addition, transaction costs, if any, must be deducted from the overall return

Credit risk

There is always the risk that the debtor is unable to pay all or part of his obligations, e.g. in the case of the debtor’s insolvency. The credit standing of the debtor must therefore be considered in an investment decision.

Credit ratings (assessment of the creditworthiness of organizations) issued by independent rating agencies provide some guidance in this respect. The highest creditworthiness is “AAA” (e.g. for government bonds). In the case of low ratings (e.g. “B” or “C”), the risk of default (credit risk) is higher but by way of compensation the instruments generally pay a higher interest rate (risk premium). Investments with a rating comparable to BBB or higher are generally referred to as “investment grade”.

Price risk

If a bond is kept until maturity, the investor will receive the redemption price as stated in the bond terms. Please note the risk of early calling-in by the issuer, to the extent permitted by the terms and conditions of the issue.

If a bond is sold prior to maturity, the investor will receive the current market price. This price is regulated by supply and demand, which is also subject to the current interest rate level. For instance, the price of fixed-rate securities will fall if the interest on bonds with comparable maturities rises. Conversely, bonds will gain in value if the interest on bonds with comparable maturities falls.

A change in the issuer's creditworthiness may also affect the market price of a bond.

In the case of variable-interest bonds whose interest rate is indexed to the capital market rates, the risk of the interest being or becoming flat is considerably higher than with bonds whose interest rate depends on the money market rates.

The degree of change in the price of a bond in response to a change in the interest level is described by the indicator "duration". The duration depends on the bond's residual time to maturity. The bigger the duration, the greater the impact of changes of the general interest rate on the price, whether in a positive or negative direction.

Liquidity risk

The tradability of bonds depends on several factors, e.g. issuing volume, remaining time to maturity, stock market rules and market conditions. Bonds which are difficult to sell or cannot be sold at all must be held until maturity.

Bond trading

Bonds are traded on a stock exchange or over-the-counter. Your bank will quote buying and selling rates for certain bonds upon request. There is no entitlement to negotiability, however.

In the case of bonds that are also traded on the stock market, the prices formed on the exchange may differ considerably from the off-the-market quotations. The risk of weak trading may be restricted by adding a limit on the order.

Supplementary capital bonds

These are special subordinated bonds issued by banks. Interest payment can only be made if the bank has posted sufficient net profit for the year (before movement of reserves). Repayment of the capital prior to liquidation is subject to prorated deduction of the net loss accruing throughout the term of the supplementary capital bond.

Subordinated bank bonds

In case of the debtor's liquidation or insolvency, the investor will receive money only after all other, non-subordinated liabilities of the bond debtor have been settled. It is not possible to offset the claims to repayment arising out of the subordinated bond against the bond issuer's claims.

3. Investment fund risks

a. Investment funds

General

Certificates of participation in domestic investment funds (investment fund certificates) are securities which evidence joint ownership in an investment fund. Investment funds invest the funds provided by investors in accordance with the principle of risk diversification. The three basic types of investment funds are bond funds, stock funds as well as mixed funds, investing both in bonds and stocks. Funds may invest in domestic and/or foreign securities.

The range of investment of domestic investment funds includes not only securities but also money market instruments, liquid financial investments, derivative products and investment fund shares. Investment funds may invest in foreign and domestic securities.

Moreover, funds are subdivided into investment funds (which pay dividends), growth funds (which do not pay dividends), and “funds of funds”. Unlike investment funds, growth funds do not pay out dividends but rather reinvest them in the fund. Funds of funds invest in other domestic and/or foreign funds. Guaranty funds are subject to a binding commitment by a guarantor commissioned by the fund with respect to distributions of dividends for a certain period, repayment of principal, or performance.

Return

The return on investment fund certificates is composed of the annual distributions (provided they are not distributing and non-accumulative funds) and the trend in the value of the certificates. It cannot be established in advance. The trend in value depends on the investment policy specified in the fund terms, as well as the market trends of the individual securities held by the fund. Depending on the composition of a fund’s portfolio, the relevant risk warning notices for bonds, stocks or warrants must be taken into account.

Price/rating risk

Investment fund certificates can normally be returned at any time at the repurchase price. Under exceptional circumstances, the repurchase of certificates can be temporarily suspended until the sale of fund assets and the receipt of sales proceeds. Please go to Salus Alpha direct to inform you about any fees charged and the execution date of your buy and sell orders. The term of an investment fund depends on the fund conditions and is usually unlimited. Please keep in mind that investment fund certificates, unlike bonds, are not normally redeemed and, consequently, do not carry a fixed redemption price. The risk of investment fund certificates depends, as already mentioned, on the fund’s stated investment objectives and the market trends. A loss cannot be ruled out. Although investment fund certificates can normally be returned at any time, they are instruments designed for investments over a prolonged period of time.

Like stocks, funds can be traded on exchanges. The prices that arise on the exchange in question may differ from the redemption price. In that regard please see the information on risks related to stocks.

Tax considerations

The fiscal treatment of investment fund distributions and capital gains varies according to the type of investment fund and according to the investors domicile. If in doubt of the taxation please consult your personal tax advisor.

b. Exchange Traded Funds

Exchange Traded Funds (ETFs) are fund shares that are traded like stocks on a stock exchange. An ETF generally forms a basket of securities (e.g., a basket of stocks) that reflects the composition of an index i.e. that tracks the index in one certificate by means of the securities contained in the index and their current weighting, so that ETFs are often referred to as “index stocks”.

Return

The return depends on the price trend of the underlying securities in the securities basket.

Risk

The risk depends on the underlying securities in the security basket.

4. Risks in futures and forwards

With (individual) forwards (e.g. forward rate agreements), you make a firm commitment to buy and pay for or to sell and deliver a specific asset (e.g. foreign currency) at a specified time or within a specified period of time at a set price or to maintain or pay a fixed interest rate for a specific period of time.

The inherent risk in this type of investment is that, in the case of hedging transactions, you could acquire or sell the underlying asset at a (much) more favorable price upon expiry and, in the case of open transactions, you may have to acquire or sell at (much) less favorable terms or have to put up more margin to compensate for higher or lower interest rates. Furthermore, if the value (price) of the underlying asset (e.g. foreign currency, bonds, interest rates, etc.) does not develop according to your expectations, your potential loss can be many times that of the original capital employed (margin) due to having to put up more margin and buying or delivery obligations.

The same generally applies to futures, which – because they are standardized – can, however, be traded and therefore sold. Closing a futures position can, in certain markets and in the case of unusually large orders, lead to noticeable and unfavorable price fluctuations.

5. Option risks

When you buy an option, you are acquiring a limited right to buy (call) or sell (put) the underlying asset (e.g. securities, foreign currency, etc.) at a fixed (strike) price or (as with interest rate options) a claim to cash settlement calculated based on the positive difference between the strike and market price at the time the option is exercised.

The value (price) of an option depends on the strike price, performance and volatility of the underlying asset, the maturity, interest rate structure (financing costs) and the market situation. Your employed capital (option premium) can thus become absolutely worthless by the end of the maturity.

By writing an option, you assume the obligation of honoring the rights of the option buyer. If the value (price) of the underlying asset does not develop in line with your expectations, your potential loss can be unlimited.

Please bear in mind that there are various styles of and terms for exercising options: There is the American type, which can be exercised during the entire maturity, and the European type, which is only exercised at the end of the maturity, plus the different conditions for subscription, delivery and cash settlement.

Option rights that are not exercised within the stipulated time period expire at the end of the exercise period worthless. It is the investor's responsibility to keep a record of the expiration dates and give notice for execution of his rights.

Ruggell, October 2024