Clariden

Prospectus with integrated Fund Regulations

Aramus Fund

June 1, 2006

The Fund is an umbrella fund under Swiss law involving special risks. It may consist of various sub-funds, each of which can invest directly or indirectly in equities, following a long/short strategy. The investment risk of this Fund is not comparable with that of a securities fund. In particular, the Fund may make short sales and leverage investments up to a factor of 2. Investors' attention is expressly drawn to the risk warnings contained in the Prospectus (see 4). Investors in the Fund must be prepared and able to accept capital losses, including a total loss. However, the Fund Management Company will make every effort to reduce the risks inherent in the investment policy through diversification of investments and risk limitation strategies.

Investment Fund under Swiss Law with Special Risks ("the Investment Fund" or "the Fund")

The Aramus Fund was established by the Swiss Investment Company SIC, Dübendorf,
as Fund Management Company and Clariden Bank, Zurich,
as Custodian Bank.

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Part I – Prospectus

This Prospectus with integrated Fund Regulations and the most recent annual or semi-annual report (if published after the latest annual report) shall serve as the basis for all subscriptions of units in the Investment Fund.

Only the information contained in the Prospectus, in the Fund Regulations or in one of the documents referred to in the Prospectus shall be deemed valid.

Fund units shall be distributed by Clariden Bank and/or other distributors appointed by Clariden Bank.

Applications for Fund units may only be made using the subscription form enclosed with the current Prospectus with integrated Fund Regulations. These documents constitute a written contract pursuant to Article 35 (6) of the Swiss Federal Investment Fund Act and shall be supplemented by the most recent annual report subsequent to publication of the first annual report and by the most recent semi-annual report, if such a report has been published since the annual reporting date or the Fund's launch.

The Fund has been approved in Switzerland by the Federal Banking Commission (FBC), which is the supervisory body, and may be distributed freely in Switzerland subject to compliance with legal provisions. The Fund does not currently hold distribution licences in other countries nor does it plan to obtain any such licences.

In some jurisdictions the distribution of this Prospectus and the offer and sale of units in the Fund may be subject to restrictions. Any person who acquires this Prospectus with integrated Fund Regulations and/or the subscription form for the Fund must inform themselves about the relevant legal provisions (including tax legislation) in the jurisdictions in question, i.e. in their country of residence and country of origin.

The Fund Management Company, Custodian Bank and other distributors appointed by the Fund Management Company may refuse to accept subscriptions, particularly if they believe that the persons submitting the subscription are violating relevant legislation.

1. Information concerning the Investment Fund

1.1 Principal parties

Fund Management Company:
Swiss Investment Company SIC
Zürichstrasse 137, CH-8600 Dübendorf
Postal address: P.O. Box, CH-8022 Zurich
Phone +41 44 801 97 60
Fax +41 44 801 97 67

Custodian Bank, Paying Agent and Principal Distributor:
Clariden Bank
Claridenstrasse 26, CH-8002 Zurich
Postal address: P.O. Box, CH-8022 Zurich
Phone +41 (0) 844 844 001
Fax +41 58 205 62 56
E-mail funds@clariden.com
Website http://www.clariden.com

Investment Manager:
Clariden Bank, Zurich

Auditors:
KPMG Klynveld Peat Marwick Goerdeler S.A.
Badenerstrasse 172, CH-8004 Zurich

1.2 Additional information

Sub-funds available:
Aramus Financials Fund
Aramus Japan Fund
Aramus Europe Fund

Classes in these sub-funds:

– "A" class: distribution class; currency of account is US dollar, Euro or yen; designed for all types of investor.
– "I" class: distribution class; currency of account is US dollar, Euro or yen; designed for institutional investors.

Listing:
The units shall not be listed on the stock exchange.

Minimum investment:
Aramus Financials Fund
– "A" class: USD 10,000
– "I" class: USD 500,000
Aramus Japan Fund
– "A" class: JPY 1,000,000
– "I" class: JPY 50,000,000
Aramus Europe Fund
– "A" class: EUR 10,000
– "I" class: EUR 500,000

Subscriptions:
On a monthly basis using the attached subscription form. Subscriptions must reach the Custodian Bank by no later than 3 p.m. on the 20th calendar day of the month so that units can be issued on the last bank business day in Zurich of that month. See 5.3 for further details.

Issue price
Initial issue price: USD 1,000 or EUR 1,000 or JPY 100,000 per unit ("A" and "I" class); thereafter the issue price is set according to the net asset value per unit as at the end of each calendar month; plus an issuing commission – currently 3% for "A" class units and 0.50% for "I" class units.

Term:
The Fund and its sub-funds have been established for an unlimited period.

Accounting year:
The accounting year shall run from 1 April to 31 March; the first accounting year shall end on 31 March 2007.

Redemptions:
Redemption orders must reach the Custodian Bank by no later than 3 p.m. on the 20th calendar day of the month so that units can be redeemed on the last bank business day in Zurich of that calendar month. See 5.3 for further details. The redemption commission shall not exceed 2%.

Commissions and fees:
See 5.4 for commissions and fees payable to the Fund Management Company and the Custodian Bank.

Cost of delivering certificates:
In principle, certificates shall not be issued for units. Investors may, however, request the Custodian Bank to deliver certificates, subject to a charge of CHF 250 per investor and per issue. No certificates shall be issued for fractions of units.

Official publications:
The "Swiss Commercial Gazette" (Schweizerisches Handelsamtsblatt) and "Finanz und Wirtschaft".

Publication of prices:
In the "Neue Zürcher Zeitung".

Further information:
Further information about the Fund shall be contained in the Prospectus and the most recent audited annual report or unaudited semi-annual report. The Prospectus with integrated Fund Regulations and the annual and semi-annual reports may be obtained free of charge from the Fund Management Company, the Custodian Bank and all distributors.

Sales restrictions:
At present the Fund units are only authorized for public distribution in Switzerland and, in particular, may not be offered, sold or delivered within the USA.

Securities number / ISIN number:

	Securities no.	ISIN-no.
Segment Aramus Financials Fund "A" class:	1 949 812	CH0019498127
Sub-fund Aramus Japan Fund "A" class:	2 390 356	CH0023903567
Sub-fund Aramus Europe Fund "A" class:	2 552 437	CH0025524379
Sub-fund Aramus Financials Fund "I" class:		
Sub-fund Aramus Japan Fund "I" class:		
Sub-fund Aramus Europe Fund "I" class:		

1.3 General information concerning the Fund

Under the name 'Aramus Fund – an Investment Fund under Swiss Law with Special Risks' ("the Fund"), an investment fund under Swiss law with various sub-funds (umbrella structure) of the category "other funds with special risks", has been established pursuant to Article 2 and Article 35 (6) of the Swiss Federal Investment Fund Act of 18 March 1994 (IFA) in conjunction with Article 7 of the Investment Fund Ordinance of 19 October 1994 (IFO).

None of the Fund's sub-funds may entail risks comparable to those of securities funds. At present, the following sub-funds have been issued:
– Aramus Financials Fund
– Aramus Japan Fund
– Aramus Europe Fund.

In accordance with the Fund Regulations and with the Custodian Bank's approval the Fund Management Company may create different unit classes for each sub-fund, liquidate classes or merge them.

The sub-funds "Aramus Financials Fund" (currency of account is the US dollar (USD)) and "Aramus Japan Fund" (currency of account is the yen (JPY)) und "Aramus Europe Fund", (currency of account is the Euro (EUR)), currently contain two classes of unit:
– the "A" class, designed for all types of investor, and
– the "I" class, designed for institutional investors.

Both are distribution classes. The "I" class in a sub-fund differs from the "A" class in that the minimum investment amount is higher, the commission rates are lower, and participation is restricted to institutional investors.

See 5.2 for further information about the unit classes.

The sub-fund currency of account is the currency in which the net asset value of the units is calculated and in which the accounts are kept, but is not necessarily the base currency for the direct or indirect investments of the sub-funds.

Investors shall only hold rights to the assets and earnings of the sub-fund in which they hold units. Only the assets of the relevant sub-funds shall be used to meet the relevant liabilities. All unit classes of a sub-fund shall entitle the holder to a share in the sub-fund's undivided assets. This share may vary from one class to another according to the specific costs, dividend or income. The net asset value per unit may therefore vary from one sub-fund class to another.

The Fund shall be based upon a collective investment agreement in which the Fund Management Company undertakes to provide investors with a participation in the Fund in proportion to the units acquired by them and to manage this Fund in accordance with the provisions of the law and the Fund Regulations. The Custodian Bank shall be party to the agreement, within the scope of the tasks conferred upon it by law and the Fund Regulations.

2. Information about the Fund Management Company

2.1 Fund Management Company

The Fund management shall be entrusted to the Swiss Investment Company SIC, which has its registered office and headquarters in Dübendorf. Since its foundation in 1986 as a limited company, SIC has been active in the fund management business. As at 31 December 2005, the fully paid-up share capital of the Fund Management Company amounted to CHF 5.62 million, divided into 562 registered shares with a par value of CHF 10,000. SIC is also a wholly-owned subsidiary of Credit Suisse Group, which has its registered office in Zurich.

The Fund Management Company's Board of Directors is currently composed of the following:
– Heinz Hofmann, Chairman,
– Max Cotting, Vice-Chairman,
– Frank Ramsperger, Member,
– Alex Hinder, Member,
– Daniel Kornmann, Member.

Emil Stark and Christoph Walder make up the executive management. Emil Stark is the Executive Manager and Christoph Walder is the Deputy Manager and Compliance Officer for the Fund Management Company.

As at 31 December 2004, the Fund Management Company managed a total of 40 securities funds in Switzerland with assets totalling CHF 7.40 billion.

2.2 Delegation of investment decisions

The Fund Management Company has delegated the power to take investment decisions Clariden Bank, Zurich, which shall act as Investment Manager for the Fund and is also the Custodian Bank. The exact duties are set out in the investment management agreement concluded between the Fund Management Company and the Investment Manager and dated 7 July 2005 (with updated appendix). The Fund Management Company shall bear the cost of compensation payments to the Investment Manager. The investment management activities shall be carried out at Clariden Bank by employees in organizational units which are not responsible for the duties and exercising the rights of the Custodian Bank. The Investment Manager may seek advice from investment advisors when considering Fund investment decisions. Compensation payments to investment advisors shall be borne by the Investment Manager.

Further information about Clariden Bank is provided in 2.4 of this Prospectus.

Clariden Bank has a long and successful track record in equity fund management. At the same time, Clariden Bank has been managing alternative investments for a select circle of clients for many years, including long/short equity portfolios. The Clariden Alternative Investment Committee (AIC) monitors alternative investment products. The AIC is made up of members of the executive management, experienced client advisors, various investment specialists and representatives from Risk Management and Compliance. All members have a comprehensive knowledge and experience of financial investments, including alternative investments.

The following members of Clariden Bank shall be responsible for managing the Fund (key personnel pursuant to Article 44 (2) of the IFO and other employees):
– **Daniel Kornmann** (b. 1960). Daniel Kornmann is a member of the Boards of Directors at Aramus AG and Aramus Portfolio Ltd. In this capacity he is responsible for the continuous monitoring of investment decisions. Daniel Kornmann is Deputy Head of the Clariden Financial Products Department, and specializes in structuring investment products, risk management and selecting investment managers. Daniel Kornmann graduated from the University of Basel with a degree in Economics. He went on to obtain several post-graduate qualifications, notably in financial analysis and in the field of risk management. From 1986 to May 2000 he worked within what is now the UBS Group in various different locations, performing a wide range of roles with ever-more responsibility. His activities included financial research on banks, financial companies and corporate clients as well as counterparty analysis, corporate and structured finance and a spell as Area Risk Officer for private banks in the UBS Group. In June 2000, he joined Clariden Bank where, in addition to the positions mentioned above, he is a member of the Fund Review and Alternative Investment Product Review Committees. As a member of the Fund Review Committee he is actively involved in investment decisions relating to alternative investments.
– **Beat Wittmann** (b. 1961). Vice-Chairman of the Board of Directors of Aramus AG and Chief Investment Officer and also a member of the Board of Directors at Clariden Bank and Chairman of the Alternative Investment Committee. Beat Wittmann graduated from the University of Basel with a degree in Economics. Subsequently, he worked as an assistant to the Head of Financial Research and Asset Management at UBS in Zurich, then as a financial analyst and fund manager at UBS Asset Management in Zurich. In 1991 Mr Wittmann was responsible for setting up and managing UBS Asset Management in Luxembourg and then moved to become head of European equities at UBS Asset Management. In 1995 Mr Wittmann joined Clariden Bank and devoted himself to developing the financial product business, which has included alternative investments since 1999. In 2000 Mr Wittmann was appointed a member of the Board of Directors of Clariden Bank.
– **Frederic Methlow** (b. 1964). Mr Methlow is Executive Manager for Aramus AG. He is also respon¬sible for the investment companies within Clariden Financial Products, dealing mainly with alternative investments. Mr Methlow graduated from Vienna University of Economics and Business Administration with a PhD in Economics. He first worked as a rating analyst at Standard and Poor's in London. In 1993 he joined Commerz International Capital Management, a subsidiary of Commerzbank AG, where he worked initially as Chief Economist and then as Head of Asset Allocation. In 1996 he joined Credit Suisse, where he was responsible for strategic asset allocation for Swiss pension funds. He then worked for Credis in the field of product and market research. With the launch of FundLab, Mr Methlow took over as Head of Fund Research for Credit Suisse Private Banking. As part of the pan-European strategy, an electronic Fund Advisor Tool was developed under his leadership. In 2001 Mr Methlow took over as Head of Investment Strategy for Credit Suisse Investment Management. In 2004 Mr Methlow joined Clariden Bank, where he is responsible for investment companies in the alternative investment field, including long/short portfolios. Mr Methlow was awarded the British Investment Management Certificate in 1996.

2.3 Delegation of other ancillary duties

The Fund Management Company has entrusted the distribution and marketing of the Fund to Clariden Bank as principal distributor. The exact nature duties are set out in the agreement concluded between the Fund Management Company and the principal distributor dated21 April 2006. The cost of compensation payments to the principal distributor shall be borne by the Fund Management Company or shall be financed from the issuing commissions.

Further general information about Clariden Bank is provided in 2.4 of this Prospectus.

2.4 Information about the Custodian Bank

Clariden Bank shall act as the Custodian Bank ("the Custodian Bank"). Clariden Bank was established in 1955 as a limited company with its registered office and headquarters in Zurich. As at 31 December 2005 the fully paid-up share capital of the Custodian Bank amounted to CHF 10 million, divided into 100,000 registered shares with a par value of CHF 100. As at 31 December 2005, equity (share capital and published reserves) totalled CHF 268.115 million. The Custodian Bank's main activities are asset management and investment advisory services.

The Custodian Bank is a subsidiary of Credit Suisse Group, with registered office in Zurich, and therefore belongs to the same group of companies as the Fund Management Company.

2.5 Information about third parties

The paying agents, distributors and auditors are listed in 1.1 of this Prospectus.

3. Information concerning the Investment Fund

3.1 Aramus Fund sub-funds: investment objectives

3.1.1 Sub-fund Aramus Financials Fund: investment objective

The main investment objective of this sub-fund is to achieve long-term growth by investing in a portfolio of equities from companies worldwide, with a focus on the financial sector. The sub-fund may invest in derivative financial instruments which are based directly or indirectly on equities, as opposed to direct investments. The sub-fund may also invest indirectly in other investment funds or investment schemes. To generate income in both rising and falling equity markets, the sub-fund may sell short or use derivatives or borrowing to achieve leverage and increase the portfolio's earnings potential. The portfolio may focus on certain branches of the financial sector or individual regions. Continual global diversification is not necessary. The sub-fund is likely to invest primarily in shares issued by North American, European or Japanese companies. Investments in companies from emerging market countries shall only be made for diversification purposes.

3.1.2 Sub-fund Aramus Japan Fund: investment objective

The main investment objective of this sub-fund is to achieve long-term growth by investing in a portfolio of equities with a focus on Japanese companies. The sub-fund may invest in derivative financial instruments which are based directly or indirectly on equities, as opposed to direct investments. The sub-fund may also invest indirectly in other investment funds or investment schemes. To generate income in both rising and falling equity markets, the sub-fund may sell short or use derivatives or borrowing to achieve leverage and increase the portfolio's earnings potential. Indirect investments in private equity shall only be made for diversification purposes. The sub-fund shall pursue an active trading policy. Investments may be made in companies of different sizes and from different sectors. The portfolio composition may experience short-term changes. The aim is to achieve a limited correlation with the leading broad-based Japanese equity indices.

3.1.3 Sub-fund Aramus Europe Fund: investment objective

The main investment objective of this sub-fund is to achieve long-term growth by investing in a portfolio of equities with a focus on European companies. The sub-fund may invest in derivative financial instruments which are based directly or indirectly on equities, as opposed to direct investments. The sub-fund may also invest indirectly in other investment funds or investment schemes. To generate income in both rising and falling equity markets, the sub-fund may sell short or use derivatives or borrowing to achieve leverage and increase the portfolio's earnings potential. Indirect investments in private equity shall only be made for diversification purposes. The sub-fund shall pursue an active trading policy. Investments may be made in companies of different sizes and from different sectors. The portfolio composition may experience short-term changes. The aim is to achieve a limited correlation with the leading broad-based European equity indices.

3.2 Difference between traditional and alternative investment funds

Alternative equity funds, such as the Aramus Financials Fund, differ from traditional equity funds not in the type of investments (equities and equity-based derivative financial instruments) but in the fact that, unlike traditional equity funds, in which the purchase of securities is financed from the fund's own funds (long positions), alternative funds may make short sales and are entitled to use derivatives or borrowing to achieve leverage.

3.3 Aramus Fund sub-funds: investment policies

3.3.1 Specific provisions of the Aramus Financials Fund investment policy

To achieve the investment objective set out in 3.1.1, the sub-fund assets shall be invested in the following instruments:

a) Equity securities and uncertificated securities (shares, bonus shares, participation certificates, etc.) issued by companies worldwide, including companies from emerging market countries, with investments primarily in companies operating in the financial sector. For the purpose of this subparagraph the financial sector refers to companies which are active primarily in banking, leasing, insurance, brokerage, asset management and investment advisory services, building savings and mortgage loan business and finance-related information technology. In addition, investments may be made in companies with activities related to the financial sector or which carry out financial transactions, without this being their primary area of activity.
b) Convertible and warrant bonds based on investments pursuant to a).
c) Index certificates and index baskets based directly or indirectly on investments pursuant to a), the value of which is derived from the price of the underlying assets or from reference rates.
d) Other derivative financial instruments based directly or indirectly on investments pursuant to a), including volatility certificates.
e) Units or shares in open-ended investment funds or other open-ended collective investment undertakings with a similar function and which invest their assets in investments pursuant to a) to d).
f) Units or shares of closed-end investment funds or other closed-end collective investment undertakings with a similar function, including exchange-traded funds, investment or holding companies anywhere in the world, and which invest their assets in accordance with a) to d).
g) ga) Units or shares in open-ended investment funds or other open-ended collective investment undertakings with a similar function,
   gb) Units or shares in closed-end investment funds or other closed-end collective investment undertakings with a similar function, including investment and holding companies, from anywhere in the world,
   and which invest primarily in companies pursuant to a) and which are not traded on a stock exchange or any other regulated market open to the public (private equity).

The investments described in a), c), d) and f) (the latter only insofar as they are index-linked investments), may, subject to the provisions of the Fund Regulations, be sold short or transactions in derivative financial instruments effected which are the financial equivalent of a short sale or leveraged investments.

At least two-thirds of the sub-fund assets (not including short-term liquid assets) shall be invested directly or indirectly in financial sector securities and uncertificated securities as defined in a). Up to one-third of the sub-fund assets may be invested directly or indirectly in convertible or warrant bonds as per b) and in securities and uncertificated securities for companies which operate in the financial sector or carry out financial transactions, but not as their primary business.

The Fund Management Company shall ensure that where investments are made through other investment funds and/or investment schemes, these upper and lower limits are adhered to for the fund as a whole.

3.3.2 Specific provisions of the Aramus Japan Fund investment policy

To achieve the investment objective set out in 3.1.2, the sub-fund assets shall be invested in the following instruments:

a) Equity securities and uncertificated securities (shares, bonus shares, participation certificates, etc.) issued by companies worldwide, with investments focusing mainly on Japanese companies in accordance with the provisions below.
b) Convertible and warrant bonds based on investments pursuant to a).
c) Index certificates and index baskets based directly or indirectly on investments pursuant to a), the value of which is derived from the price of the underlying assets or from reference rates.
d) Other derivative financial instruments based directly or indirectly on investments pursuant to a), including volatility certificates.
e) Units or shares in open-ended investment funds or other open-ended collective investment undertakings with a similar function and which invest their assets in investments pursuant to a) to d).
f) Units or shares of closed-end investment funds or other closed-end collective investment undertakings with a similar function, including exchange-traded funds, investment or holding companies anywhere in the world, and which invest their assets in accordance with a) to d).
g) ga) Units or shares in open-ended investment funds or other open-ended collective investment undertakings with a similar function,
   gb) Units or shares in closed-end investment funds or other closed-end collective investment undertakings with a similar function, including investment and holding companies, from anywhere in the world,
   and which invest primarily in companies pursuant to a) and which are not traded on a stock exchange or any other regulated market open to the public (private equity).

"Japanese companies" refers to companies domiciled in Japan or companies domiciled in another country which conduct most of their business in Japan or holding companies which have most of their shareholdings in companies domiciled in Japan.

The investments described in a), c), d) and f) (the latter only insofar as they are index-linked investments), may, subject to the provisions of the Fund Regulations, be sold short or transactions in derivative financial instruments effected which are the financial equivalent of a short sale or leveraged investments.

At least two-thirds of the sub-fund assets (not including short-term liquid assets) shall be invested directly or indirectly in equity securities and uncertificated securities of Japanese companies. Up to one-third of the sub-fund assets may be invested directly or indirectly in convertible or warrant bonds pursuant to b) or in securities and uncertificated securities issued by companies worldwide which operate in Japan, but not on a scale large enough for them to be regarded as "Japanese companies" as described above.

The Fund Management Company shall ensure that where investments are made through other investment funds and/or investment schemes, these upper and lower limits are adhered to for the sub-fund as a whole.

3.3.3 Specific provisions of the Aramus Europe Fund investment policy

To achieve the investment objective set out in 3.1.2, the sub-fund assets shall be invested in the following instruments:

a) Equity securities and uncertificated securities (shares, bonus shares, participation certificates, etc.) issued by companies worldwide, with investments focusing mainly on European companies in accordance with the provisions below.
b) Convertible and warrant bonds based on investments pursuant to a).
c) Index certificates and index baskets based directly or indirectly on investments pursuant to a), the value of which is derived from the price of the underlying assets or from reference rates.
d) Other derivative financial instruments based directly or indirectly on investments pursuant to a), including volatility certificates.
e) Units or shares in open-ended investment funds or other open-ended collective investment undertakings with a similar function and which invest their assets in investments pursuant to a) to d).
f) Units or shares of closed-end investment funds or other closed-end collective investment undertakings with a similar function, including exchange-traded funds, investment or holding companies anywhere in the world, and which invest their assets in accordance with a) to d).
g) ga) Units or shares in open-ended investment funds or other open-ended collective investment undertakings with a similar function,
   gb) Units or shares in closed-end investment funds or other closed-end collective investment undertakings with a similar function, including investment and holding companies, from anywhere in the world,

   and which invest primarily in companies pursuant to a) and which are not traded on a stock exchange or any other regulated market open to the public (private equity).

"European companies" refers to companies domiciled in a European country or companies domiciled in another country which conduct most of their business in Europe or holding companies which have most of their shareholdings in companies domiciled in a European country.

The investments described in a), c), d) and f) (the latter only insofar as they are index-linked investments), may, subject to the provisions of the Fund Regulations, be sold short or transactions in derivative financial instruments effected which are the financial equivalent of a short sale or leveraged investments.

At least two-thirds of the sub-fund assets (not including short-term liquid assets) shall be invested directly or indirectly in equity securities and uncertificated securities of European companies. Up to one-third of the sub-fund assets may be invested directly or indirectly in convertible or warrant bonds pursuant to b) or in equity securities and uncertificated securities issued by companies worldwide which operate in Europe, but not on a scale large enough for them to be regarded as "European companies" as described above.

The Fund Management Company shall ensure that where investments are made through other investment funds and/or investment schemes, these upper and lower limits are adhered to for the sub-fund as a whole.

3.3.4 Common provisions of the Aramus Financials Fund, Aramus Japan Fund and Aramus Europe Fund investment policies

3.3.4.1 Short-term liquid assets

In addition, the Fund may place sight or time deposits (up to 12 months) with banks in Switzerland or abroad, including fiduciary deposits with banks outside Switzerland (where the Custodian Bank shall make the investments in its fiduciary capacity and at the Fund's risk) and money market instruments in the Fund's currency of account and all investment currencies. There may be a higher proportion of short-term liquid assets if it appears inopportune to invest in accordance with 3.3.1, 3.3.2 or 3.3.3 or in order to cover liabilities arising from derivative financial instruments as per §12 of the Fund Regulations.

Money market instruments shall be considered equivalent to debt securities and uncertificated debt securities traded on a stock exchange or any other regulated market open to the public and where the final maturity does not exceed 12 months. Money market instruments may not exceed 30% of the sub-fund assets.

3.3.4.2 Investment techniques and instruments, granting loans, taking up and granting loans, pledging a sub-fund's assets, securities lending

To implement the investment policy, the Fund Management Company may employ derivative financial instruments as part of the investment policy and to hedge currency risks. In doing so, the Fund Management Company may sell derivatives short or execute transactions in derivatives which are equivalent to short selling, in accordance with the Fund Regulations. Both standardized and non-standardized (customized) derivative financial instruments may be used. It may effect transactions in derivative financial instruments as a counterparty on a stock exchange, on any other regulated market open to the public or directly with a bank or financial institution specializing in such business (OTC transactions).

The Fund Management Company may also use credit derivatives to hedge the credit risks associated with a sub-fund's money market and/or bond portfolio. As complex derivatives, credit derivatives are similar in nature to other OTC derivatives. However, in addition to counterparty and market risk, credit derivatives also entail specific risks related to the high concentration of market players, the valuation difficulties and ongoing legal uncertainty. The Fund Management Company shall endeavour to minimize these risks by taking appropriate measures. Nevertheless, legal disputes over the extent to which underlying risks are hedged may occur in individual cases. If it transpires that the risks were not hedged after all, the Investment Fund may incur an additional loss.

The Fund Management Company may also lend securities in connection with short sales.

The Fund Management Company shall not be authorized to grant loans for the account of the Fund. The Fund Management Company may borrow money for investment purposes and to meet redemption requests. Borrowings may not exceed 50% of the sub-fund's net assets.

The Fund Management Company may secure a sub-fund's assets as a pledge or collateral against liabilities relating to derivative financial instruments and/or against borrowings as described in the previous paragraph and/or against securities lending. However, neither the Fund Management Company nor the Custodian Bank may secure more than 50% of the sub-fund assets as a pledge or collateral.

The Fund Management Company may borrow any securities held by a sub-fund and carry out repurchase transactions. See §§11 and 12 of the Fund Regulations for further details.

3.3.5 Investment restrictions of the Aramus Fund sub-funds

The investment restrictions are set out in §§15 and 16 of the Fund Regulations. The following are given by way of example:

a) The entire risk exposure of all sub-fund investments may not exceed 200% of its net assets.
b) See §15 (3) of the Fund Regulations for details of the sub-fund's long and short exposure for individual investments and investment types.
c) The overall exposure of a party (net long/short positions pursuant to the Fund Regulations netting provisions) may not exceed the following percentages of the net sub-fund assets:
   ca) no more than 10% of a sub-fund's assets may be invested in the assets of one issuer or borrower;
   cb) the 10% limit in ca) shall increase to 30% in the case of the Custodian Bank;
   cc) the 10% limit in ca) shall increase to 20% in the case of derivatives issuers and counterparties with a rating of at least "A-", "A3" (for contract or instrument terms exceeding 12 months), "P-1", "A-1" (for terms equal to or less than 12 months), an equivalent agency rating or, in the absence of a rating, if the Fund Management Company rates the party as being of equal quality;
   cd) the 10% limit in ca) shall increase to 35% where the assets are money-market instruments issued or guaranteed by a state or a public corporation under the OECD or a public international organization to which Switzerland or a European Union Member State belongs;
   ce) the 10% limit in ca) shall increase to 20% for investments as defined in 3.3.1, 3.3.2 and 3.3.3 c), e) and f).
d) In the case of umbrella funds each individual sub-fund (sub-fund) shall be deemed an investment fund for the purposes of ca) and ce).
e) Total indirect investments pursuant to 3.3.1, 3.3.2 and 3.3.3 e), f) and g) must not make up more than 30% of the sub-fund assets.

f) Total indirect investments pursuant to 3.3.1, 3.3.2 and 3.3.3 e), f) and g) must not make up more than 20% of the sub-fund assets.
g) Total indirect investments pursuant to 3.3.1, 3.3.2 and 3.3.3 e), f) and g) must not make up more than 10% of the sub-fund assets.
h) Total indirect investments pursuant to 3.3.1, 3.3.2 and 3.3.3 f) may not be leveraged unless they are index-linked investment funds or collective investment undertakings with a similar function.
i) Indirect investments pursuant to 3.3.1, 3.3.2 and 3.3.3 e), f) and g) may only be made in investment funds and/or other collective investment undertakings where the investments are not leveraged above the permitted maximum for collective securities investment undertakings as defined by the relevant European Union directives.
j) Total investments in convertible and warrant bonds pursuant to 3.3.1, 3.3.2 and 3.3.3 b) must not make up more than 30% of the sub-fund assets.
k) Investments in funds of funds shall not be permitted.
l) In addition to OECD member states, pursuant to cd) the following issuers and/or guarantors shall be permitted: European Union (EU), Council of Europe, Eurofinanz, International Bank for Reconstruction and Development (World Bank), European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, Nordic Development Bank, Asian Development Bank, African Development Bank.
m) If the liabilities are guaranteed by an issuer and/or counterparty and by a guarantor, the guarantor may also be taken into account when assessing the total exposure, if the guarantor has a better rating.
n) The Fund Management Company may not, for the account of the Fund:
   na) acquire more than 30% of the outstanding units (shares) of any other open-ended investment fund or open-ended collective investment undertaking with a similar function;
   nb) acquire more than 20% of the outstanding units (shares) of any other closed-end investment fund or closed-end collective investment undertaking with a similar function;
   nc) acquire equity conferring more than 20% of the voting rights or sufficient equity to exert a significant influence over an issuer's executive management. This restriction is subject to the exceptions allowed by the supervisory authorities.

See 4.2 e) for information about emerging market countries.

3.4 Investment activity of the Aramus Fund sub-funds

3.4.1 Investment activity of Aramus Financials Fund

The sub-fund invests in the sectors and sub-sectors set out in 3.1.1 and 3.3.1, and has a global investment universe. As most major financial companies are currently based in the USA, Europe and Japan, a high concentration of investments in these regions is to be expected. The Investment Manager may commission the services of investment advisors specializing in individual sub-sectors. The investments shall be selected using a bottom-up approach, whereby promising companies are identified irrespective of sector. The sector weighting is therefore a result of the selection process, as opposed to asset allocation targets.

When selecting securities, companies from a particular sector or sub-sector shall be ranked as high-quality, medium-quality and low-quality firms. Investments shall only made in low-quality firms if there is good reason to believe that there is no risk of a short-term total loss.

The Investment Manager may increase a particular security's weighting in the portfolio by leveraging through borrowing or using derivative financial instruments. Short sales and derivative transactions which are tantamount to short sales shall be made where the Investment Manager considers a security is very likely to lose value. Short positions may also be used to hedge long positions. The research process shall be built on a good knowledge of the company under review. At least one of the following preconditions must be met before investing in a company:

– the management considers shareholder value a high and clear priority;
– the market's profit expectations are seen as too low;
– given the general market situation, the quality of the individual company has been underestimated;
– the market's profit expectations are too low due to conservative valuation policies;
– the share price essentially tracks the core business unit performance and ignores promising growth areas;
– a company has a geographic or product-specific monopoly which makes it an attractive candidate for acquisition.

If one or more of the following features are present, then the company is a potential sell or short sell candidate:

– shareholder value is not a priority or only low priority for the management;
– the market's profit expectations are considered too high;
– given the general market situation, the quality of the individual company is overrated;
– the market's profit expectations are too high due to bullish valuation policies;
– the share price is based on an overestimation of the value of individual business units;
– the risks associated with specific divisions have been underestimated;
– there are more attractive alternative investments.

3.4.2 Investment activity of Aramus Japan Fund and Aramus Europe Fund

The sub-funds may invest in companies from all economic sectors and of all sizes. Investments shall be selected using short- and long-term criteria and a bottom-up approach, without aiming to reflect the performance of leading Japanese or European stock market indices (Nikkei or Topix for Japan or EuroStoxx for Europe). At times, investments may be restricted to a comparatively small number of companies and sectors. The sub-funds should usually have a limited correlation to these country or regional indices. A structured investment process shall be used to identify promising companies, irrespective of sector. The sector weighting is therefore a result of the selection process, as opposed to asset allocation targets. Shares may also be selected on the basis of short-term factors, including specific circumstances (restructuring measures, IPO's etc.) and also momentum strategy criteria. The momentum strategy is based on the observation that equities and sectors with strong earnings growth, above-expectations earnings and/or strong price performance frequently outperform other equities or sectors in the short term – independent of their underlying value. Where investments are made on the basis of short-term considerations, the portfolio composition may also experience short-term changes.

The Investment Manager may increase a particular security's weighting in the portfolio by leveraging through borrowing or using derivative financial instruments. Short sales and derivative transactions which are tantamount to short sales shall be made where the Investment Manager considers a security is very likely to lose value. Short positions may also be used to hedge long positions. The combination of these financial instruments and the chosen investment approach should allow positive medium- and long-term returns even when the market trend is unfavourable.

The positions shall be monitored continuously, with particular attention paid to positions acquired on the strength of short-term considerations. Potential losses shall be limited by restricting orders and using derivative financial instruments.

4. Risk factors

4.1 Risks and risk monitoring

The Investment Manager considers risk management one of the main functions of the investment process. The Investment Manager therefore aims to minimize the risks inherent in a sub-fund's investment policy and investment profile. This shall be achieved by constructing a risk-optimized portfolio and strictly monitoring the individual investment risks as well as the overall sub-fund risk.

Nevertheless, in exceptional cases there may be a significant or total loss on individual investments. Even careful analysis and the use of advanced risk management systems cannot guarantee complete immunity from risk.

4.2 Market risks

Investments in the sub-funds' investment universe shall be subject to market fluctuations. These may be significant in periods of high volatility. Some of the investment strategies employed are complex and are generally subject to a greater uncertainty and higher risks than traditional equity funds. The sub-funds may be exposed to the following risks (the list is not exhaustive):

a) **Leverage:** The Fund Management Company shall be authorized to take up loans for additional investments and to use derivative financial instruments for leverage. If the income from the investments exceeds the interest payable on the loan, the assets of the corresponding sub-fund will increase more rapidly than in the absence of borrowing leverage. Conversely, if prices fall, the sub-fund's assets will experience a disproportionately greater decline. Using derivatives to provide leverage means that an incorrect assessment of the situation or low market liquidity in the underlying securities could hit sub-fund returns.
b) **Short sales:** The Fund Management Company shall be authorized to make short sales or carry out derivatives transactions which are tantamount to short sales. Theoretically, short sales entail unlimited downside risk, as there is no limit to the potential increase in the underlying value up to the expiry date. The Fund Management Company shall seek to limit this risk through a balanced diversification of the sub-fund's investments and through risk-minimizing strategies.
c) **Liquidity risk:** The liquidity of individual financial instruments can be quite low. In certain circumstances, this can make it very difficult for the Fund Management Company to sell a position. In addition, in exceptional cases, listed financial instruments can be de-listed. The liquidity risk is limited in that the Fund Management Company seeks to invest most of the sub-fund's assets in relatively liquid instruments and markets.

d) **General market risk:** The sub-funds invest in equity markets worldwide. Political uncertainty, currency restrictions, changes in the law and tax regulations can have an adverse effect on the value of the Fund's individual investments and the income they generate. The Fund Management Company shall seek to limit market risk by investing primarily in leading international markets.

e) **Emerging markets:** In the case of individual sub-funds, the Fund Management Company may invest a portion of the sub-fund's assets in equities of companies from emerging market countries. Emerging market countries are states which are in the process of economic development but have yet to reach the level of the industrialized countries of Western Europe, North America or Japan. Emerging Markets countries also comprise Eastern European countries. At present, most emerging market countries are in Asia, Eastern Europe, South America and the Mediterranean; they include Argentina, Brazil, Bulgaria, China, Croatia, the Czech Republic, Egypt, Hungary, India, Indonesia, Malaysia, Mexico, Morocco, Pakistan, the Philippines, Poland, Romania, Russia, Slovakia, Slovenia, South Africa, Thailand, Turkey and Ukraine. The list of emerging market countries is subject to change. The political, legal and economic situation of emerging market countries is generally less stable than in industrialized states and may be subject to rapid and unforeseen changes. Various developments may have a negative impact on the situation for foreign investors such as the Fund, such as changes to tax regulations, the introduction of withholding tax on interest or dividend income, the introduction of capital transfer restrictions and currency depreciation or devaluation. The price of emerging market investments tends to be particularly dependent on assessments of the company's economic position and general economic and political events in the relevant emerging market country. For equities listed on a recognized stock exchange or traded on any other regulated market in an emerging market country, it is important to remember that these stock exchanges or markets do not enjoy the same level of organization, transparency and liquidity as their counterparts in more developed countries.

f) **Currency risk:** The Fund's sub-funds invest worldwide in instruments denominated in various currencies. Every investment in a currency other than the Fund's currency of account is exposed to currency risk. The Fund Management Company may hedge investments which are not denominated in the currency of account against such risks. The Fund Management Company does not plan to systematically hedge against currency risk but to do so on a case-by-case basis.

g) **Concentration of investments/risk distribution:** The Fund Management Company shall make every effort to create a diversified fund portfolio by investing in securities from a range of issuers. The Fund's sub-funds may be invested in individual economic sectors, or equally investments may focus on individual sub-sectors and individual regions. If the selected investment strategy fails to meet expectations, this investment approach may increase the potential for losses.

h) **Private Equity investments:** Private Equity investments are participations in companies that are not listed or are not regularly traded. These companies are usually start-ups or companies in a growth phase and which are due to be floated (pre-IPO stocks) or sold as part of a trade sale in the medium term, generating a considerable profit. These companies are often at a critical stage of development. The risks associated with private equity investments are therefore considerable. Any economic downturn tends to hit private equity companies harder because they tend to have a limited equity capital base. Lack of or limited investment liquidity is a further complication. If at all viable, short-term investment disposals tend to be linked to massive drops in intrinsic value. The risks associated with individual private equity investments may be minimized by investing in risk-spreading private equity funds or private equity investment companies.

The Fund's sub-funds shall be structured in such a way that the Fund is suitable for a medium-to-long-term investment and is recommended only for investors who are prepared and able to absorb significant losses. The Fund is not suitable for investors who want or need rapid access to the invested capital. The sub-funds do not constitute a money market investment and therefore may not be used as a replacement for money market investments.

The Fund Management Company recommends that investors view investments in the Fund as a long-term commitment, that they only invest part of their assets in sub-funds and do not finance this investment through borrowing.

4.3 Risk management

Risk management plays a central role in the management of each of the Fund's sub-funds. The portfolio risks shall be monitored continuously. To this end it may be divided into sub-portfolios if necessary. The sub-fund portfolio shall be tested periodically for risk resistance so as to better understand the performance of a sub-fund's assets in uncertain market conditions. A value-at-risk (VAR) calculation shall be used, which simulates the maximum portfolio loss in a worst-case scenario.

The use of advanced risk management systems cannot ensure a complete immunity from risk. There is therefore no guarantee that the investment objective will be achieved.

4.4 Operational risk

The Investment Manager's activities rely on the availability of the data delivery and communications systems used by the Manager and other parties involved in the investment process. If these systems become temporarily unavailable or completely fail or if trading in investments held by the Fund is discontinued or suspended due to technical or political problems, there is a danger that risk management may not be implemented fully, if at all. As a result, the Fund may be exposed to substantial and unforeseeable risks and losses.

4.5 Counterparty risk

Counterparty risk refers to the likelihood of the debtor, a counterparty to a pending transaction or the issuer or guarantor of a share or derivative defaulting. If any of these parties defaults, the investment exposed to this counterparty risk will be lost to the Fund either in part or in full. This risk must be taken into account when selecting borrowers, counterparties, issuers or guarantors. Ratings by leading rating agencies shall be used to assess an issuer's creditworthiness. The Fund's risk limitation provisions demand high quality derivatives and counterparties where these account for more than 10% of the risk exposure of a sub-fund's assets. A higher limit shall apply for the Custodian Bank.

4.6 Conflicts of Interest

The Investment Manager may work for other clients; no material conflicts of interest are anticipated. The Investment Manager shall be required to report any conflicts of interest to the Fund Management Company, which shall then take decisions. The Fund Management Company shall receive a performance-related commission pursuant to §20 (2) of the Fund Regulations. Performance-related commission may act as an incentive to take excessive risks.

5. Further information

5.1 Tax provisions applicable to the Fund

Investment funds have no legal personality in Switzerland. They are not subject to tax on income or capital gains. However, payments made by the Fund shall be subject to Swiss federal withholding tax (35% on income from movable capital assets). Capital gains realized by the Fund on the sale of assets shall not be subject to withholding tax, provided they are paid via a separate coupon or are listed separately in the statement sent to investors.

The Fund may apply for a refund of all Swiss federal withholding tax deducted from the Fund's domestic income. Income and capital gains realized abroad may be subject to withholding tax deductions in the country of investment. Where possible, the Fund shall reclaim these taxes on behalf of investors resident in Switzerland under the terms of double taxation treaties or other such agreements.

Investors resident in Switzerland may reclaim the withholding tax deducted through their tax return or by submitting a separate application for a refund.

Investors resident abroad ("foreign investors") may reclaim any withholding tax deducted under the terms of the double taxation agreement signed between Switzerland and the country in which they are resident. In the absence of any such agreement, the withholding tax may not be reclaimed.

The Fund Management Company shall seek to generate at least 80% of the sub-fund's taxable income from foreign sources, although this cannot be guaranteed. If this condition is met, income from a Swiss investment fund may be distributed to foreign investors free of withholding tax, upon presentation of a bank statement (affidavit) from a Swiss or foreign bank. The affidavit shall contain confirmation from a custodian bank that the foreign investor's units are held in a securities account at the bank at the time the income is due, that the unitholder is the beneficial owner, and that income generated by the units is credited to the unitholder's account. If withholding tax is deducted from this type of fund, the foreign investor may submit a claim for a refund under Swiss law directly to the Swiss Federal Tax Administration in Berne. Withholding tax shall always be deducted on coupons presented to the paying agents for collection (cash transactions).

Under Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income, income and capital gains from investments which generate interest as defined in the directive and **paid to natural persons resident in a European Union Member State** ("EU investors") by a paying agent resident in a Member State shall be subject to EU savings tax. Each Member State may choose whether to apply a reporting or a retention procedure. If a retention procedure is selected, investors may apply for the tax to be reported rather than retained. Using a tax deduction certificate, investors may request that this be offset against their income tax in their country of residence.

Third countries, including Switzerland, have been applying EU savings tax since 1 July 2005 on the basis of international agreements. The paying agents resident in these states deduct tax on those investments which fall within the scope of Directive 2003/48/EC. Potential investors who are resident in a European Union Member State should request additional information about the situation from the institution where they make their investments.

Under the agreement between the European Union and Switzerland concerning the equivalent measures relating to Council Directive 2003/48/EC on the taxation of interest income (the Agreement), Swiss investment funds which are not exempt from withholding tax on presentation of a bank declaration (affidavit) and are therefore subject to withholding tax are not subject to EU savings tax. However, where there is an exemption – which should be possible – funds are subject to EU savings tax (irrespective of whether withholding tax has been deducted).

Even if a fund or a sub-fund is theoretically subject to EU savings tax as described above, it will not necessarily be subject to EU savings tax. If the interest realized by a sub-fund is below a certain threshold, it will not be subject to EU savings taxation (the de minimis rule). Article 6 of Directive 2003/48/EC establishes the details, and can be summarized as follows:

- Funds or sub-funds which invest up to 15% of their assets directly or indirectly in debt instruments whose income is subject to EU savings tax shall not be liable for EU savings tax on payments or income from the sale, refund or redemption of fund units.
- Funds or sub-funds which invest more than 15% but less than 40% of their assets directly or indirectly in debt instruments with income subject to EU savings tax shall only be liable for EU savings tax on payments but not on the income from the sale, refund or redemption of fund units. The 40% threshold shall be lowered to 25% from 1 January 2011.

The sub-funds currently available (the Aramus Financials Fund, the Aramus Japan Fund and the Aramus Europe Fund) shall invest a minimum of two-thirds of their assets directly or indirectly in equities. It therefore appears likely that they will at least benefit from the 40% de minimis rule, although this cannot be guaranteed.

The rules on EU savings tax shall apply where a Swiss paying agent is involved. If the paying agent is located in another country linked to the EU savings taxation system, different regulations may apply.

Taxation and other tax implications for any investors who buy, hold or sell fund units depend on the tax legislation in the investor's tax domicile. The tax retention (EU savings tax) is the exception; it is based on the corresponding EU directive or national regulations based on international agreements (see above). Potential investors should seek information – and advice if necessary – on the laws and provisions which apply to the subscription, purchase, ownership and sale of units in their country of residence or the country where the paying agent is based.

The tax information provided above is based on current Swiss legislation and published case-law. Legislation, court rulings and tax authority ordinances and practices are all subject to change. This particularly (but not exclusively) applies to the regulations concerning tax retention under the EU Savings Tax Directive.

5.2 Further information about the individual unit classes

In the "I" class, institutional investors shall be understood to be Swiss and foreign banks, securities dealers, occupational and private pension institutions, fund management companies, collective investment undertakings, private insurance companies, holding, investment, finance or operating companies and all public bodies which have their own financial department employing qualified personnel. Where banks, securities dealers and other comparable institutional investors hold units for the account of their clients, they shall not be deemed institutional investors in this context. The Custodian Bank decides whether the conditions for membership are met.

At any time, unitholders may apply to exchange their units for units in another class of the same sub-fund on the basis of the net asset value of the two classes provided they meet the conditions for holding units in the new class.

If the participation conditions are not met or after redeeming units the minimum "I" class investment is not present, the investors shall lose their right to participate in the relevant sub-fund unit class.

The Fund Management Company, the Custodian Bank or any other company administering the custody account shall be entitled to require "I" class investors to prove that they meet or still meet the conditions. Investors who do not provide proof may be asked to exchange their units within 30 days and free of charge for "A" class units in the same sub-fund, or to redeem their units or transfer them to another unitholder who meets the conditions or, if the investor does not meet the minimum investment requirement, to increase the investment accordingly. If the investor does not comply with this request or does not issue any instructions, the Fund Management Company may, in cooperation with the Custodian Bank, unilaterally exchange the "I" class units for "A" class units in the same sub-fund or redeem the units.

5.3 Conditions for issuing and redeeming units of the sub-funds Aramus Financials Fund, Aramus Japan Fund and Aramus Europe Fund

Units shall be issued or redeemed on the last bank business day of each month in Zurich ("issue date" or "redemption date").

No units shall be issued or redeemed in exceptional circumstances pursuant to §18 (5) of the Fund Regulations.

Subscriptions may be made on a monthly basis using the attached subscription form. Subscription forms must reach the Custodian Bank by no later than 3 p.m. on the 20th calendar day of the current calendar month in order to take effect on the issue date of the same calendar month. Subscriptions received by the Custodian Bank after this time shall be processed for the next issue date. Settlement takes place once the net asset value of the subscribed unit class has been calculated: generally within fifteen bank business days of the relevant issue date.

The applicable net asset value is not known at the time of subscription: it shall be calculated on the issue date.

Redemption requests must reach the Custodian Bank by no later than 3 p.m. on the 20th calendar day of the current calendar month in order to take effect on the redemption date of the current calendar month. Any request received by the Custodian Bank after this time shall be processed on the net redemption date. The redemption price shall normally be paid not later than the fifteen bank business days after the redemption date.

The applicable net asset value is not known at the time of submitting the redemption request: it shall be calculated on the redemption date.

The net asset value of a unit in any class shall be determined by its share of the sub-fund's assets, minus all the liabilities related to that class, divided by the number of units in circulation in the class. It shall be rounded up or down to the nearest 1/100 of the currency of account.

The issue price shall be determined by the net asset value per unit calculated on the issue date plus the issuing commission, which is currently 3% for "A" class units and 0.5% for "I" class units. The issue price shall be rounded up to the nearest 1/100 of the currency of account.

The redemption price shall be determined by the net asset value per unit calculated on the redemption date minus the redemption commission, which shall not exceed 2% for "A" and "I" class units. The redemption price shall be rounded down to the nearest 1/100 of the currency of account.

Where Fund units are issued in conjunction with redemptions of other Fund units or redemptions of units or shares of another open-ended collective investment undertaking promoted by Clariden Bank, Zurich, the issuing commission may not exceed 1.50% and no redemption commission shall be charged, provided the subscriber can demonstrate to the Fund Management Company, the Custodian Bank or their authorized representatives that this is the case.

As a rule, no certificates shall be issued for units but they shall be entered in the accounts. However, investors may request the Custodian Bank to deliver a unit certificate made out to bearer. The Custodian Bank shall charge the investor the commission indicated in 5.4 for issuing the certificate. Fractional units shall be issued down to 1/1000 of a unit. No certificates shall be issued for fractions of units.

If unit certificates have been delivered, these must be returned together with the redemption request.

Any taxes and duties imposed by certain countries on the issue and redemption of fund units shall be payable by the investor. The issue and redemption of fund units is not subject to any issuing tax or stamp duty under current Swiss legislation.

Ancillary costs for the purchase and sale of investments (standard market brokerage fees, commissions, duties, etc.) incurred when investing the sum paid in or when selling the assets corresponding to the units to be redeemed shall be charged to the relevant sub-fund's assets.

5.4 Commissions and fees

Commissions and fees charged to investors (extract from §19 of the Fund Regulations)

- Issuing commission payable to the Fund Management Company, Custodian Bank and/or distributors: currently 3% for "A" class units and 0.50% for "I" class units.
- Redemption commission payable to the Fund Management Company, Custodian Bank and/or distributors: not more than 2% for "A" and "I" class units.
- At present an issuing commission of 1.50% is levied on "A" class units and 0.50% on "I" class units issued in conjunction with the redemption of other Fund units or with the redemption of units or shares in other open-ended collective investment undertakings promoted by Clariden Bank, Zurich. In this case no redemption commission shall be charged.
- Cost of delivering unit certificates per delivery and investor: CHF 250 (or equivalent in the base currency of the relevant class, plus VAT for deliveries within Switzerland).
- Collection commission for the presentation of physical coupons: 2% of the gross payment; minimum CHF 50 (or equivalent in the currency of account).
- Commission on the payment of liquidation proceeds if the Investment Fund or a unit class is dissolved: 0.50% of the gross amount paid out.

Commissions and fees charged to the sub-fund (extract from §§20 and 35A/B/C of the Fund Regulations):

- Maximum annual commission of 2.50% on "A" class units and 1.75% on "I" class units, payable to the Fund Management Company for the management, asset management and distribution of the Fund and to the Custodian Bank for the safe custody of the sub-fund's assets, providing payment services and performing the other Custodian Bank duties described in §4 of the Fund Regulations.
- Performance fee: At present, no performance fee pursuant to §§35A/B/C of the Fund Regulations shall be charged. Any plans to charge such a fee shall be announced at least three months in advance by a one-off publication in the Fund's official publications. Information must also be added to the Prospectus explaining relevant details and providing sample calculations. Under §§35A/B/C the Fund may charge a maximum performance fee of 20%.
- Maximum commission of 0.25% shall be paid to the Custodian Bank for paying out the annual income.

If the Fund Management Company acquires units in other investment funds which are directly or indirectly managed by a company with which it is associated via joint management, control or a direct or indirect stake in excess of 10% of the capital or voting rights ("related Target Fund"), no commission pursuant to §20 (1) and (2) of the Fund Regulations may be charged to the sub-fund in respect of such investments. In addition, the related Target Fund may not charge any issuing or redemption commissions, unless they benefit the Target Fund's assets.

For Target Funds in which the sub-fund may invest, substantial commissions and fees are regularly incurred that are also effectively borne by indirect investors such as the investors in the Fund. Target Funds are frequently paid performance fees in addition to the fixed management fee. In the case of related Target Funds, the provisions of the previous paragraph apply. Any reductions in commissions, retrocessions, compensation payments for distribution services, etc. due in respect of investments in other investment funds made on the Fund's behalf shall only benefit the sub-fund's assets.

The Fund Management Company may use the management commission as follows:

	"A" class	"I" class
Maximum for Fund management	0.450%	0.450%
Maximum for asset management	1.850%	1.625%
Maximum for Fund distribution (including advertising and marketing)	1.000%	0.100%
Maximum compensation payment to the Custodian Bank	0.450%	0.450%
Maximum total	**2.500%**	**1.750%**

Out of the distribution component, the Fund Management may pay retrocessions to the following institutional investors which hold the fund units on behalf of third-party beneficial owners:

- Life insurance companies
- Pension funds and other pension institutions
- Investment foundations
- Swiss fund management companies
- Foreign fund management companies
- Investment companies.

The Fund Management Company may also pay retainer fees to the following distributors and distribution partners:

- approved distributors
- fund management companies, banks, securities dealers, the Swiss Post Office and insurance companies
- Distribution partners who place funds units exclusively with institutional investors with a professional treasury
- Asset managers.

Fee-sharing agreements and pecuniary benefits ("soft commissions"):

- There are no fee-sharing agreements.
- The Fund Management Company and the Investment Manager have not concluded any agreements on retrocessions as soft commissions.

The rates set out in the schedule of maximum commissions in §20 of the Fund Regulations shall be included in the annual and semi-annual reports.

In addition, the fees indicated in §20 of the Fund Regulations may be charged to the Fund.

5.5 Fund publications

Further information about the Fund may be found in the most recent annual or semi-annual report.

The Prospectus with integrated Fund Regulations and the annual and semi-annual reports may be obtained free of charge from the Fund Management Company, the Custodian Bank and all distributors.

Notice of changes to the Fund Regulations, a change in the Fund Management Company or Custodian Bank, or the liquidation of the Fund shall be published by the Fund Management Company in the Swiss Commercial Gazette (Schweizerische Handelsamtsblatt – SHAB) and Finanz und Wirtschaft (FuW).

Prices shall be published monthly in the Neue Zürcher Zeitung (NZZ).

5.6 Additional information

Information on how the unit issue and redemption prices are calculated and additional information about the individual Target Fund in which the Fund invests may be obtained free of charge from the Fund Management Company. If the investor can demonstrate a legitimate reason for requiring more detailed information on specific transactions in recent years, the Fund Management Company must provide that information.

5.7 Sales restrictions

The relevant national legal provisions shall apply if fund units are sold abroad. Units in the Fund are not authorized for distribution or public sale outside Switzerland. It should be noted that they have not been registered under the United States Securities Act of 1933 and may not be offered, sold, resold or delivered directly or indirectly within the United States of America or to citizens or residents of the United States, or to corporations or other legal entities established or administered under US law, except in connection with transactions that comply with the Act. In this document, "United States" refers to the United States of America, all its constituent states, territories and possessions as well as all territories under US legal jurisdiction. United States citizens resident outside the United States are entitled to become beneficial owners of units in this Fund in accordance with Regulation 5 of the Securities Act Release No. 33-6863 (2 May 1990).

5.8 Detailed regulations

Further detailed information about the Investment Fund, such as the valuation of a sub-funds' assets, a list of all commissions and fees charged to the sub-funds, and the appropriation of any profits may be found in the Fund Regulations (see Part II, §§17, 19, 20 and 23).

6. Glossary

Broker
A dealer undertaking stock market transactions on behalf of and for the account of the Target Fund (securities dealer).

Closed-ended
A company which has no obligation to redeem its units (shares) at their net asset value.

Coupon
A certificate attached to equity and fixed-income securities. The bank pays dividends and interest payable on presentation of the coupon.

Custodian Bank
Bank responsible for the safekeeping of a Swiss investment fund's assets, for issuing and redeeming units and handling the investment fund's payment transactions. The custodian bank also ensures that the fund complies with the legal investment requirements and the fund's regulations.

Credit rating
Assessment of the ability of a borrower or counterparty to meet its payment obligations.

Class
Division of a sub-fund into different classes with different characteristics (investor sub-fund, distribution and/or reinvestment of income, etc.).

Convertible bond
Bond which the bearer is entitled to exchange under certain conditions for an agreed number of company shares.

Correlation
Relationship between two or more statistical variables, e.g. between the performance of a portfolio and an index.

Delta
Delta indicates by the difference in the value of a warrant if the underlying price changes by one unit, assuming all other factors remain unchanged. For calls, delta is a value between 0 and 1, for puts a value between 0 and -1. The minus sign indicates that the put option will fall in value when the underlying price rises.

Derivatives or derivative financial instruments
Financial contracts, the price or value is dependent on an underlying price. Underlyings can be equities, bonds, foreign currencies, commodities, other derivative financial instruments, reference rates (such as interest rates or exchange rates) or indices. Derivatives may be options, futures, forward contracts or swaps.

Distributor
The Fund Management Company, Custodian Bank and other parties authorized to sell fund units and hold the appropriate licence.

Diversification
The distribution of investments between different currencies, countries, sectors, investment instruments, securities, etc.

FBC
Federal Banking Commission; Switzerland's supervisory authority for banks, investment funds, securities dealers and stock exchanges.

Fund Management Company
Manages investment funds for the account of investors independently and in its own name (see IFA Article 11 (1)).

Fund of funds
Investment fund which invests in units of other Swiss and foreign investment funds.

Futures
Standardized forward transactions traded on a stock exchange. Depending on the underlying instruments, a distinction is made between commodity futures and financial futures.

IFA
Swiss Federal Investment Fund Act of 18 March 1994.

IFO
Investment Fund Ordinance of 19 October 1994.

Investment companies
Investment undertakings under company law which manage their assets, and therefore indirectly the assets of their shareholders.

Leverage
The use of borrowed money to purchase long or short positions or derivative financial instruments.

Long position
Purchase of securities where the buyer does not cover (close out) the position by selling the same securities. The position's value therefore increases if the securities price rises.

Momentum strategy
The momentum strategy is based on the observation that equities and sectors or markets with strong earnings growth, above-expectations earnings and/or strong price performance (known as positive momentum) frequently show a relative outperformance in the short term – irrespective of their fundamental value in comparison with other equities or sectors.

Net asset value
Total value of the sub-fund's assets as at a certain date, minus all liabilities and fees.

Open-ended
The investor may terminate the participation on certain dates or at any time. The investment fund or a third party shall be required to redeem or repurchase units at their net asset value.

Option
The right – but not an obligation – to buy (call) or sell (put) a fixed number of a specific underlying instrument at a predetermined price within an agreed period.

Outperformance
Exceeding the investment result (performance) of a comparable investment or benchmark.

Performance fee
Performance-related commission.

Private equity
Investment in companies which are not traded on a stock exchange or any other regulated market open to the public.

Securities
Bulk-issue securities and uncertificated securities with a similar function which are traded on a stock exchange or any other regulated market open to the public.

Short sale
See 'Short positions'.

Sub-fund
Individual fund within an umbrella fund.

Short position
Sale of securities which the vendor does not possess without covering (closing out) the position by buying the same securities. A (negative) securities position which increases in value if the securities price falls.

Swaps
Agreement to exchange future payment streams, such as interest (interest rate swap), currencies (currency swap), other securities positions and/or liabilities, or a combination thereof. Swaps are derivative financial instruments.

Target Fund
Swiss or foreign fund in which another fund invests. Any kind of open-ended or closed-ended investment fund or collective investment undertaking traded on a stock exchange or any other regulated market open to the public, in particular contractual investment funds, investment companies, SICAVs, SICAFs, unit trusts and limited partnerships.

Unit
A claim against the Fund Management Company for a proportion of the Investment Fund's assets and income.

Underlying instrument
A security or reference rate underlying a derivative financial instrument.

Unit trusts
Investment funds legally structured as trusts.

Volatility
Measurement of fluctuations in the price of a given investment over a certain period. Frequently expressed as "standard deviation".

Part II – Fund Regulations

I. Basic information

§1 Fund name, name and registered office of Fund Management Company and Custodian Bank

1. Under the name of **Aramus Fund** – Investment fund under Swiss law with special risks", an investment fund made up of several sub-funds (umbrella structure) and classified in the "other funds with special risks" category (the "Investment Fund" or "Fund"), has been established pursuant to Articles 2 and 35 (6) of the Swiss Federal Investment Fund Act of 18 March 1994 (IFA) and Article 7 of the Investment Fund Ordinance (IFO) of 19 October 1994. Additional provisions for each sub-fund shall be established in a Special Section as an Appendix to the Fund Regulations. The General Section and the additional provisions in the Special Section together constitute the Fund Regulations of this Investment Fund.
   The Fund currently contains the following sub-funds:
   - Aramus Financials Fund
   - Aramus Japan Fund
   - Aramus Europe Fund.
2. The Investment Fund shall be managed by the Swiss Investment Company SIC, with registered office in Dübendorf, as the Fund Management Company.
3. The safe custody of the Fund's assets shall be entrusted to Clariden Bank, with registered office in Zurich, as the Custodian Bank.

II. Rights and obligations of the contracting parties

§2 Collective investment agreement

The legal relationship between the investor on the one hand and the Fund Management Company and Custodian Bank on the other shall be governed by these Fund Regulations and the applicable legal provisions, in particular those concerning the collective investment agreement pursuant to Article 6 ff. of the IFA.

§3 Fund Management Company

1. The Fund Management Company shall manage the Fund on a discretionary basis and in its own name, but for the account of the investors. In particular, it shall make all decisions relating to the issuing of fund units, the investments and the amount of liquid assets held. When selecting investments for individual sub-funds, each decision shall be made in line with selection and monitoring procedures developed to meet the sub-fund's requirements and described in the Prospectus. It shall calculate the net asset value, set the issue and redemption prices and determine the profit distribution. The Fund Management Company shall exercise all rights relating to the Fund.
2. The Fund Management Company and its representatives shall act solely in the interests of the investors.
3. The Fund Management Company may temporarily suspend the redemption of units in the interest of all investors under exceptional circumstances pursuant to §18 (5).
4. The Fund Management Company may delegate investment decisions and other specific tasks for all or individual sub-funds, provided that such delegation is legal and in accordance with proper portfolio management. In particular, the Fund Management Company may delegate investment decisions for all or individual sub-funds to the Custodian Bank, provided such activities are carried out at the Custodian Bank by employees in organizational units which are not responsible for the duties and exercising the rights of the Custodian Bank. The Fund Management Company shall be liable for the actions of its representatives as if they were its own actions.
5. The Fund Management Company and Custodian Bank may submit a joint application to the supervisory authority to amend these Fund Regulations or to create additional sub-funds.
6. The Fund Management Company may merge the Investment Fund with other investment funds or sub-funds in accordance with the provisions of §26 or liquidate the Investment Fund or individual sub-funds in accordance with the provisions of §27.
7. The Fund Management Company may manage all or parts of the assets of different investment funds and/or sub-funds jointly (pooling) if they are managed by the same Fund Management Company and the assets are held in safekeeping by the same Custodian Bank. Investors shall not incur any additional costs as a result. Pooling shall not create liabilities between the investment funds or sub-funds involved. The Fund Management Company may assign the pooled investments to the individual investment funds or sub-funds at any time. The pool does not form a separate body of assets in its own right.
8. The Fund Management Company shall be entitled to the commissions stipulated in §§19 and 20. It shall also be exempt from liabilities arising from the proper execution of the collective investment agreement and entitled to be reimbursed for expenses incurred in connection with any such liabilities.

§4 Custodian Bank

1. The Custodian Bank shall be responsible for the safekeeping of the Fund's assets.
2. The Custodian Bank and its representatives shall act exclusively in the interests of the investors.
3. The Custodian Bank may delegate the safekeeping of sub-fund assets to third parties in Switzerland or abroad. This in no way affects the Custodian Bank's own liability. In the case of fiduciary investments, the performance and transfer risk shall be borne by the relevant sub-fund assets as stipulated in the fiduciary agreement.
4. Where the sub-fund assets are invested in units of other investment funds or in open-ended or closed-ended collective investment undertakings with a similar function ("Target Fund"), the relevant Target Fund shall be responsible for custody of their assets. The Custodian Bank shall not be liable for the safe custody of the assets of the individual Target Fund.
5. The Custodian Bank shall ensure that the Fund Management Company and any persons appointed by the latter to perform specific tasks comply with the law and the Fund Regulations, specifically with regard to investment decisions, calculating unit values and the appropriation of profits. The investment decisions of Target Fund in which the Fund may invest shall not be subject to this provision. The Custodian Bank shall not be responsible for individual investment decisions made by the Fund Management Company within the scope of the investment guidelines.
6. The Custodian Bank shall issue and redeem Fund units and make all payments on behalf of the Fund.
7. The Custodian Bank shall be entitled to the commissions stipulated in §§19 and 20. It shall also be exempt from liabilities arising from the proper execution of the collective investment agreement and entitled to be reimbursed for expenses incurred in connection with such liabilities.
8. The Custodian Bank shall not be liable for the safekeeping of the Target Fund's assets in which this Investment Fund invests unless it has been appointed to do so.

§5 The investor

1. By entering into a written agreement (subscription form) and remitting a payment to the Fund, the investor shall acquire claims against the Fund Management Company for an interest in the Fund's assets and income. The claims of the investor shall be evidenced by units in a unit class of a sub-fund. Investors shall only be entitled to a share in the assets and the income of the relevant sub-fund class. Only the individual sub-fund shall be liable for the obligations of that particular sub-fund.
2. The investor shall only be required to pay into the Investment Fund the subscription value of the relevant fund units. The investor shall not be personally liable for Fund liabilities.
3. The investor may terminate the collective investment agreement subject to the notice period set out in §18 (2). If unit certificates have been issued, they must be returned together with the redemption request.
4. The Fund Management Company shall provide the investor with information about the basis for calculating the Fund unit issue and redemption prices and with additional information about the individual Target Fund at any time. If the investor can demonstrate a legitimate reason for requiring more detailed information about specific transactions in the past, the Fund Management Company must provide that information.

§6 Units and unit classes

1. The Fund Management Company may create different unit classes for each sub-fund and liquidate or merge classes. The various classes shall be identified by means of an addendum to their name, e.g. "A" class or "I" class. All unit classes in a sub-fund shall entitle the holder to a share in the undivided sub-fund assets, which may not be sub-divided. This share may vary owing to class-specific fees, distributions or class-specific income and the net asset value per unit may therefore vary from one class to another. The individual classes and their characteristics are set out in the Special Section for each sub-fund.
2. The units of the corresponding sub-fund and classes shall be allocated and issued immediately on receipt of the subscription price by the Custodian Bank.
3. Each sub-fund shall contain the number of unit classes listed in the Special Section.
4. With the agreement of the Custodian Bank, the Fund Management Company may create additional unit classes at any time. This requires an amendment to the corresponding provisions of the Special Section of the Fund Regulations.
5. As a rule, no certificates shall be issued for units but they shall be entered in the accounts. However, investors may request a unit certificate made out to bearer for a fee. No certificates shall be issued for fractions of units.
6. The Prospectus shall specify whether fractional units shall be issued and in which sizes.
7. The Fund Management Company shall be entitled to instruct investors who no longer meet the conditions for holding units in a specific unit class to return those units within 30 calendar days pursuant to §18, or to trans-

fer them to a person who meets the conditions, or to exchange them for units in another class of the same sub-fund where they do meet the conditions. If the investor does not comply with this instruction, the Fund Management Company may in cooperation with the Custodian Bank unilaterally exchange the units for units in another class of the same sub-fund or, if this is not possible, may redeem the units in question.

III. Investment policy guidelines

A. Investment principles

§7 Compliance with investment requirements

1. In selecting the individual investments for a sub-fund, the Fund Management Company shall adhere to the principle of risk diversification and comply with the percentage limits below. These limits relate to the total assets of the relevant sub-fund at market value and must always be respected from six months after the payment date for the first sub-fund issue.
2. If the thresholds are exceeded or not met as a result of changes in the market or in the assets of the relevant sub-fund, the investments must be returned to the permitted level within a rea¬sonable time, while taking due account of the investors' best interests.

§8 Investment objective and policy

1. The investment objective of each sub-fund shall be set out in the Special Section.
   In order to generate income in both rising and falling markets, the sub-funds may sell short or increase the earnings potential by leveraging the portfolio using derivatives or borrowing. The risks associated with the investments of all the Fund's sub-funds are therefore not comparable with those associated with securities funds. For this reason the Fund belongs to the category of "other funds with special risks". The special risks associated with the Fund's investments shall be disclosed in the Prospectus and explained in detail.
2. In order to achieve the investment objective, the assets of the individual sub-funds may be invested in the following instruments:
   a) Equity securities and uncertificated securities (shares, bonus shares, participation certificates, etc.) issued by companies worldwide, including companies from emerging market countries. The Special Section shall indicate the investment focus for each sub-fund (e.g. economic sector);
   b) Convertible and warrant bonds for investments pursuant to a);
   c) Index certificates and index baskets based directly or indirectly on investments pursuant to a), the value of which is derived from the price of the underlying assets or reference rates;
   d) Other derivative financial instruments which are based directly or indirectly on investments pursuant to a), including volatility certificates;
   e) Units or shares in open-ended investment funds or other open-ended collective investment undertakings with a similar function which invest their assets in accordance with a) to d);
   f) Units or shares in closed-ended investment funds or other closed-ended collective investment undertakings with a similar function, including exchange-traded funds, investment companies and holding companies from anywhere in the world which invest their assets in accordance with a) to d).
   g) ga) Units or shares in open-ended investment funds or other open-ended collective investment undertakings with a similar function,
      gb) Units or shares in closed-end investment funds or other closed-end collective investment undertakings with a similar function, including investment and holding companies, from anywhere in the world, and which invest in accordance with a) in companies which are not traded on a stock exchange or any other regulated market open to the public (private equity).

   Investments pursuant to a), b), c) and gb) must be traded on a stock exchange or other regulated market open to the public, subject to the provisions of 7 and 8.
   The Special Section may exclude or restrict some of the aforementioned investments with regard to individual sub-funds.
3. The investments pursuant to 2 a), c), d) and f) may, subject to §§15 and 16, be sold short or derivatives transactions may be effected which are the financial equivalent of a short sale, or the investments may be leveraged.
4. Units or shares in open-ended investment funds or other open-ended collective investment undertakings as per 2 e) and ga) shall include units (or shares) in investment funds established under the relevant national law, which may or may not be authorized for commercial distribution in Switzerland, which are denominated in any freely convertible currency and which are not subject to any restrictions with regard to redemption or repurchase payments. The investment undertakings may or may not be subject to supervision in their country of origin. If the investment undertaking is subject to supervision, this may not be deemed "equivalent" by the Swiss supervisory authority under Article 45 (2) of the IFA. The units or shares must be periodically redeemed or repurchased on the basis of their intrinsic value.
   Units or shares in closed-ended investment funds or other closed-ended collective investment undertakings with a similar function as per 2 f) and gb) shall include units or shares in investment funds or investment undertakings which are established under national law, and which may or may not be authorized for commercial distribution in Switzerland and are denominated in any freely convertible currency. Most closed-ended investment funds or undertakings are not subject to supervision in their country of origin. If the investment fund or undertaking is subject to supervision in the country of origin, this may not be deemed "equivalent" by the Swiss supervisory authorities under Article 45 (2) of the IFA.
5. The legal form of the investment undertakings in 2 e), f) and g) is irrelevant. They may take the form of contractual investment funds, investment companies, unit trusts or limited partnerships.
6. The Fund Management Company may acquire units (or shares) in open-ended investment funds or other similar open-ended collective investment undertakings either through subscriptions or through secondary market purchases and may redeem or sell units (or shares) on the secondary market.
7. The Fund Management Company may invest a maximum of 10% of the net sub-fund assets in securities and uncertificated securities which are not traded on a stock exchange or any other regulated market open to the public and which are not money-market instruments or derivatives but are equivalent in nature to securities, are negotiable and transferable and where the value can be determined each time the units are issued or redeemed. Open-ended investment funds and non-standardized and OTC-traded derivatives pursuant to §12 (3) shall not be subject to this 10% limit.
8. Securities from new issues, where the terms and conditions foresee listing on a stock exchange or other regulated market open to the public and within a maximum of one year, shall be deemed equivalent to securities traded on a stock exchange or any other regulated market. If the securities are not approved for listing within this period, the restrictions set out in 7 shall apply or the securities must be sold within one month.
9. The Fund Management Company may invest in units of other investment funds which are managed or promoted by the Fund Management Company or by a company related to it or the Custodian Bank ("related Target Fund"), subject to the provisions of §20 (6).

§9 Short-term liquid assets

In addition, the Fund may place sight or time deposits (up to 12 months) with banks in Switzerland or abroad, including fiduciary deposits with banks outside Switzerland (the Custodian Bank shall make the investments in a fiduciary capacity and at the Fund's risk) and money market instruments in the Fund's currency of account and all other investment currencies. A higher proportion of short-term liquid assets may be held if it appears inopportune to invest in accordance with §8 or in order to cover liabilities arising from derivative financial instruments pursuant to §12.

Money market instruments shall be considered equivalent to debt securities and uncertificated debt securities traded on a stock exchange or any other regulated market open to the public and where the final maturity does not exceed 12 months. Money market instruments may not exceed 30% of the sub-fund assets.

B. Investment techniques and instruments

§10 Securities lending

1. The Fund Management Company may lend all types of securities which are traded on a stock exchange or any other regulated market open to the public. However, securities which are held as underlying instruments for derivatives or which have been acquired as part of a reverse repo may not be lent.
2. The Fund Management Company may lend the securities to a borrower ("principal transaction") or instruct an intermediary to make them available to a borrower either as a fiduciary agent acting either as an indirect representative ("agent transaction") or as a direct representative ("finder transaction").
3. The Fund Management Company may only enter into securities lending transactions with blue-chip borrowers and/or intermediaries specializing in this type of business, such as banks, brokers, insurance companies and recognized securities clearing organizations, which can guarantee proper securities lending transactions.
4. Where the Fund Management Company is required to observe a notice period of no more than 10 bank business days before it may legally dispose of the securities lent, it may not lend more than 50% of the total securities holding (individual security type) eligible for securities lending and the actual securities lending transaction may not exceed 30 calendar days. If, on the other hand, the contract with the borrower or intermediary expressly states that the Fund Management Company may legally dis-

pose of the securities lent on the same or the following bank business day, it may lend the entire securities holding (individual security) which is eligible for securities lending. In this case, there shall be no time limit for the securities lending transaction.

5. The Fund Management Company shall agree with the borrower or intermediary that the latter shall pledge or transfer the ownership of securities to the Fund Management Company as collateral to guarantee its right to reclaim securities of the same type, quantity and value as those lent. At all times the collateral value must be at least 105% of the market value of the securities lent. In addition, the borrower or intermediary shall be liable for the punctual and full reimbursement of all securities-related income payable during the lending period and for exercising any other related rights.
6. The Custodian Bank shall ensure that securities lending transactions are carried out securely and in compliance with the contractual provisions and, in particular, shall monitor compliance with the collateral requirements. Throughout the securities lending transactions, the Custodian Bank shall continue to perform its custodial duties pursuant to the custody regulations and to assert all rights in respect of the securities lent.
7. The Fund Management Company may also borrow securities in connection with short sales (see §§8 and 15).

§11 Repurchase agreements

1. The Fund Management Company may enter into repurchase agreements for the account of the Investment Fund. Repurchase agreements may either be straight repurchase agreements ("repos") or reverse repurchase agreements ("reverse repos").
   In a repo, the Fund Management Company shall sell securities from the Fund's assets in order to raise capital and, at the same time, shall agree to repurchase securities of the same type, number and value at some specified or unspecified future date.
   From the counterparty's point of view, every repo is a reverse repo. In a reverse repo, the Fund Management Company shall buy securities as an investment and at the same time shall agree to sell back securities of the same type, number and value at some specified or unspecified future date.
2. The Fund Management Company may enter into repurchase agreements directly with a counterparty (principal transaction) or instruct an intermediary to enter into repurchase agreements with a counterparty as a fiduciary agent acting either as an indirect representative (agent transaction) or as a direct representative (finder transaction).
3. The Fund Management Company may only enter into repurchase transactions with blue-chip counterparties or intermediaries specializing in this type of business, such as banks, brokers, insurance companies and recognized securities clearing organizations, which can be relied upon to ensure that the repurchase transactions are executed correctly.
4. The Custodian Bank shall ensure that repurchase transactions are processed securely and in conformity with its contractual obligations. It shall ensure that changes in the value of securities that are the subject of repurchase agreements are adjusted in cash or securities (mark to market) on a daily basis and shall continue to carry out its administrative duties pursuant to the custody regulations throughout the duration of the repurchase transactions and to exercise all rights in respect of the securities that are the subject of repurchase transactions.
5. As part of a repo, the Fund Management Company may sell all types of securities listed on a stock exchange or traded on any other regulated market open to the public. However, securities which are held as underlying instruments in connection with derivatives, or which have been lent, or been acquired through reverse repos may not be sold.
6. Where the Fund Management Company has to observe a notice period of no more than 10 bank business days before it may legally dispose of the securities used in the repurchase agreement, it may not lend more than 50% of the total securities holding (individual security) which is eligible for repurchase transactions and the actual securities repurchase transaction may not exceed 30 calendar days. If, on the other hand, the contract with the counterparty and/or intermediary states that the Fund Management Company may legally dispose of the securities used in the repurchase agreement on the same or the following bank business day, it may use the entire security holding (individual security) which is eligible for securities repurchase transactions. In this case there shall be no limit for the repurchase transaction.
7. Repos shall be deemed borrowings pursuant to §13, unless the funds received are used to acquire securities of the same type, number, credit rating and maturity in conjunction with a reverse repo transaction.
8. For reverse repos, the Fund Management Company may only acquire fixed-interest or floating-rate securities which are issued or guaranteed by the Swiss Confederation, cantons or municipalities or by issuers with the minimum rating prescribed by the supervisory authority.
9. Claims arising from reverse repos shall be deemed liquid assets in accordance with §9 and not loans pursuant to §13.

§12 Derivative financial instruments

1. The Fund Management Company may actively use derivative financial instruments within the framework of the Fund's investment policy and for the purpose of hedging currency risks. In accordance with §8, the Fund Management Company may therefore sell derivatives short or effect transactions in derivatives which are tantamount to short sales. §15 defines the extent to which the Fund Management Company may enter into obligations in respect of derivative financial instruments.
2. Investment restrictions must also be adhered to in such a way as to take account of any derivatives used (see §15 Risk diversification and risk limitation).
3. The Fund Management Company may use standardized and non-standardized (customized) derivatives. It may enter into transactions involving derivative financial instruments on a stock exchange or any other regulated market open to the public or OTC (over the counter).
4. The Fund Management Company may only effect OTC transactions with banks or financial institutions that are specialized in this particular field and can be relied upon to ensure that the transactions are executed correctly. If the counterparty is not the Custodian Bank, the counterparty must have the minimum rating prescribed by the supervisory authority.
5. If no market price is available for an OTC derivative financial instrument, it must always be possible to determine the price at the time of the purchase and sale and on each valuation date in a transparent way and the price must be derived from the market price of the underlying instruments using recognised and appropriate valuation models. In addition, before a transaction is concluded, firm offers must be obtained from at least two possible counterparties and the best in terms of credit rating, risk distribution and the range of services offered by the counterparty shall be accepted. Details of the transaction and pricing must be documented.
6. The Fund Management Company may use basic derivatives such as call options, put options, futures, swaps, credit default swaps (CDS), total return swaps, foreign exchange forward transactions and forward rate agreements. The Fund Management Company may also use combinations of basic derivatives, derivative financial instruments whose economic function cannot be described by reference to a basic derivative type (exotic derivatives), and structured products.
7. The Fund Management Company may only use derivatives in connection with the investments defined in §8 (2) e), f) and g) for the purpose of hedging currency risks and provided the said investments are not index-linked investment funds or collective investment undertakings with a similar function. For hedging purposes, the Fund Management Company may also sell currency call options and futures, buy currency put options and use foreign exchange forwards and swaps. The currency of the hedging transaction must correspond to the underlying instrument. Currency hedges via third currencies (cross hedges) shall be permissible only if they achieve the same objectives as a direct hedge without incurring any additional expenses. At the time the agreement is concluded, the contractual value of the hedge transaction should not exceed the market value of the underlying instruments.
8. The Fund Management Company may use credit derivatives to manage the credit risks associated with a sub-fund's bond and/or money market portfolio. It may use credit derivatives to reduce hedging risks (transfer of credit risks to a counterparty). However, the Fund Management Company may also add risk by taking out credit derivatives. If the Fund Management Company uses credit derivatives, the reference borrowers of those credit derivatives must have outstanding securities, debt securities or uncertificated instruments which are traded on a stock exchange or any other regulated market open to the public. The use of credit-linked notes for investment purposes is permissible if the associated credit derivative complies with these Regulations.
9. The provisions above apply to each sub-fund of the Investment Fund.

§13 Borrowing and granting loans

1. The Fund Management Company shall not be permitted to grant loans for the account of the Investment Fund. For the purposes of this paragraph, securities lending as per §10 and reverse repos as per §11 shall not be deemed loans.
2. The Fund Management Company may take up loans for investment purposes and also to meet redemption requests. These loans shall not exceed 50% of the sub-fund assets and must be subject to standard market terms and conditions. Repurchase agreements as per §11 are considered borrowing.

§14 Charges to sub-fund assets

1. The Fund Management Company may secure a sub-fund's assets as a pledge or collateral for against liabilities in respect of derivatives pursuant to §12 and/or against loans pursuant to §13 (2) and/or to guarantee liabilities in respect of securities lending as per §10 (7). However, neither the Fund Management Company nor the Custodian Bank may secure more than 50% of the sub-fund assets as a pledge or collateral.
2. A sub-fund's assets may not be pledged as guarantees.

C. Investment restrictions

§15 Risk diversification and risk limitation

1. The following definitions apply to the risk diversification and risk limitation parameters:
   a) Derivatives exposure shall be calculated in accordance with §17 (7).
   b) The long risk exposure of an individual (direct or indirect) investment is the sum of the market values of the long positions in question (positive) or of the (positive) risk exposure of the relevant derivatives positions with positive risk exposure (long derivatives positions with a positive delta or short derivatives positions with a negative delta), minus any (negative) market values of any short positions or the (negative) risk exposure of any derivatives positions with negative risk exposure (long derivatives positions with a negative delta or short derivatives positions with a positive delta) in the same investment.
   c) The long risk exposure of several or all (direct or indirect) investments is the sum of the risk exposure of the individual investments pursuant to b).
   d) The short risk exposure of an individual (direct or indirect) investment is the sum of the market values of the short positions (negative) or of the (negative) risk exposure of the relevant derivatives positions with negative risk exposure (long derivatives positions with a negative delta or short derivatives positions with a positive delta), minus any (positive) market values of long positions or the (positive) risk exposure of any derivatives positions with positive risk exposure (long derivatives positions with a positive delta or short derivatives positions with a negative delta) in the same investment.
   e) The short risk exposure of several or all (direct or indirect) sub-fund investments is the sum of the risk exposure of the individual investments pursuant to d).
   f) The net risk exposure of a sub-fund investment type pursuant to 3 below is the balance of the corresponding long risk exposure and the short risk exposure.
   g) The overall risk exposure of all sub-fund investments is the sum of the long risk exposure and the total short risk exposure for all investments, as defined in b) and d).
   h) A sub-fund's total exposure to a counterparty comprises all liabilities in respect of:
      ha) securities, uncertificated securities, money market instruments and other debt and securities instruments;
      hb) liquid assets not held by the Custodian Bank;
      hc) derivative financial instruments (including warrants, certificates and baskets);
      hd) currency transactions or derivatives transactions.
2. The Fund Management Company shall comply with the following general investment restrictions for each sub-fund:
   Overall risk exposure of all investments:
   a) The overall risk exposure of all investments may not exceed 200% of the net sub-fund assets.
   b) The overall long risk exposure of all investments may not exceed 200% of the net sub-fund assets.
   c) The overall short risk exposure of all investments may not exceed 150% of the net sub-fund assets.
3. The Fund Management Company shall comply with the following specific investment restrictions for each sub-fund with regard to individual investment types:
   a) risk exposure of securities and other securities instruments of a single issuer:
      aa) the net risk exposure in securities and other securities instruments of a single issuer (direct or indirect investments) may not exceed +10% of the net sub-fund assets and not fall below -5% of the net sub-fund assets, subject to ab);
      ab) in the case of securities and other securities instruments of a single issuer in an emerging market state, the maximum shall be +5% of the net sub-fund assets and the minimum shall be -2.5% of the net sub-fund assets.

      The term of "emerging markets" is defined in the Prospectus.
   b) Risk exposure of all securities and other securities instruments from emerging markets:
      The net risk exposure of all securities and other securities instruments may not exceed +10% of the net sub-fund assets and not fall below -5% of the net sub-fund assets.
   c) Short-term liquid sub-fund assets:
      The long risk exposure of short-term liquid assets may not exceed +100% of the net sub-fund assets.
4. The overall sub-fund exposure to a counterparty (net long/short positions pursuant to k)) may not exceed the following percentages of the net sub-fund assets (groups of companies under international accounting rules shall be considered a single counterparty):
   a) No more than 10% of a sub-fund's assets may be invested in the assets of one issuer or borrower;
   b) The 10% limit in a) shall be increased to 30% in the case of the Custodian Bank;
   c) The 10% limit in a) shall be raised to 20% for derivatives issuers or counterparties with a rating of at least "A-", "A3" (for contract or instrument terms exceeding 12 months) or "P-1", "A-1" (if the term is equal to or less than 12 months") or an equivalent rating agency or if, in the absence of a rating, the Fund Management Company rates the party as being of equal quality.
   d) The 10% limit in a) shall be increased to 35% if the securities are money-market instruments issued or guaranteed by a state or a public corporation under the OECD or a public international organization, to which Switzerland or a European Union Member State belongs.
   e) The 10% limit in a) shall be increased to 35% if the securities are investments as defined in §8 (2) c), e) and f);
   f) In the case of umbrella funds each individual sub-fund shall be deemed an investment fund pursuant to a) and e);
   g) In addition to OECD states, the following issuers or guarantors pursuant to d) shall be permitted: European Union (EU), Council of Europe, Eurofinanz, International Bank for Reconstruction and Development (World Bank), European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, Nordic Development Bank, Asian Development Bank, African Development Bank;
   h) If the liabilities are guaranteed by an issuer and/or counterparty and by a guarantor, the guarantor may also be taken into account when assessing the total exposure, if the guarantor has a better rating;
   i) The Fund Management Company may not, for the account of a sub-fund:
      ia) acquire more than 30% of the outstanding units (shares) in any other open-ended investment fund or open-ended collective investment undertaking with a similar function;
      ib) acquire more than 20% of the outstanding units (shares) in any other closed-ended investment fund or closed-ended collective investment undertaking with a similar function;
      ic) acquire securities conferring more than 20% of the voting rights or sufficient to exert a significant influence over an issuer's executive management, subject to the exceptions allowed by the supervisory authorities.
   j) If a counterparty's or guarantor's rating falls below the minimum rating, any open positions shall be closed out within a reasonable time, while taking due account of the investors' best interests.
   k) The positive and negative replacement values of derivatives contracts with the same counterparty may be netted, subject to the contractual and legal requirements for netting. Claims against a central clearing agent for a stock exchange or any other regulated market open to the public and arising from derivatives contracts should not be included if (i) these are subject to appropriate supervisory control and (ii) the contracts and collateral are subject to daily valuation at market rates with daily margin adjustment.

§16 Further investment restrictions

1. a) Total indirect investments as defined in §8 (2) e), f) and g) may not exceed 30% of the sub-fund assets;
   b) Total indirect investments as defined in §8 (2) f) and g) may not exceed 20% of the sub-fund assets;
   c) Total indirect investments as defined in §8 (2) g) may not exceed 10% of the sub-fund assets;
   d) Indirect investments as defined in §8 (2) f) may not be leveraged unless they are index-linked investment funds or collective investment undertakings with a similar function;
   e) Indirect investments as defined in §8 (2) e), f) and g) may only be made in investment funds and/or other collective investment undertakings where investments are not leveraged to an extent which significantly exceeds the permitted amount for collective securities investment undertakings as defined by the relevant directives of the European Union.
2. Total investments in convertible and warrant bonds as defined in §8 (2) b) may not exceed 30% of the sub-fund assets.
3. Investments in funds of funds shall not be permitted.
4. Derivative financial instruments issued by companies related to the Fund Management Company or the Custodian Bank may be acquired for the sub-funds. Investments in derivative financial instruments issued by the Custodian Bank shall not be permitted.

IV. Valuation of the sub-fund's assets and units and calculating issue and redemption prices for fund units

§17 Valuation of the sub-fund's assets and units

1. The value of a sub-fund's assets and the portion held by the individual sub-fund classes shall be calculated in the sub-fund's currency of account at the current market value at the end of the accounting year and on every

day on which units of this Fund are issued or redeemed ("issue date" or "redemption date"). The relevant calculation date and any notice periods shall be set out for each sub-fund in the Special Section of these Fund Regulations.

2. Investments traded on a stock exchange or any other market open to the public shall be valued on the basis of the current prices paid in the main market. Other assets, rights or investments for which no current price is available shall be valued on the basis of the price likely to be obtained through judicious sale at the time of the valuation. The Fund Management Company shall use appropriate and recognized valuation models and principles to calculate the relevant market value.
3. The value of money market instruments shall be determined as follows: money market instruments may be valued at the net cost plus accrued interest or using the amortized cost valuation method (accrual method). If the value is calculated on an amortized cost basis, the portfolio shall be assessed on a weekly basis to determine whether there is any difference between the net asset value calculated using market prices and the net asset value determined using the amortized cost valuation method. If there is a significant difference between the two, appropriate corrective measures shall be taken, including (if necessary) calculating the net asset value on the basis of available market prices.
4. Open-ended investment funds or other open-ended collective investment undertakings with a similar function shall be valued at their net asset value as notified to the Fund Management Company on the Target Fund valuation date by the Custodian Bank, administrator, transfer agent or any other authorized company. Any redemption commission charged shall be deducted from the net asset value.
5. In accordance with §6 (1), the net asset value per unit of a class is the market value of the assets in the respective sub-fund class, minus any sub-fund liabilities attributable to the class, divided by the number of units in circulation in the class. It shall be rounded to the nearest 1/100 of the currency of account or the base currency, if different.
6. The share of the market value of a sub-fund's net assets (total assets minus liabilities) for each unit class shall be determined on the basis of the payments into the sub-fund for each unit class when multiple classes are first issued (if launched simultaneously) or when an additional class is first issued. The share shall then be re-calculated in the following cases:
   a) when units are issued and redeemed;
   b) on the distribution date, where (i) such distributions apply only to certain classes (distribution classes), or (ii) the distributions calculated as a percentage of the respective net asset values differ from class to class, or (iii) different rates of commission or fees apply to distributions for the different classes;
   c) if, when calculating the net asset value in the context of assigning liabilities (including fees and commissions accrued or payable) to the various classes, the liabilities assigned to the different classes as a percentage of the respective net asset values, and in particular (i) if different commission rates apply to different classes, or (ii) if there are class-specific fees for currency conversions or currency hedge transactions;
   d) when calculating the net asset value for the purpose of assigning income or capital gains to the various classes, for the income or capital gains from transactions (e.g. currency hedges) effected only in the interests of one or more classes but which were not made in proportion to the share of the Fund's total assets accounted for by that class or those classes.
7. When complying with the limits prescribed by law and the Fund Regulations – specifically the risk diversification requirements – derivatives and the associated risk exposure shall be factored in as follows:
   a) Futures and forwards or swaps purchased (receivables) – as the product of the number of contracts (positive) and the contract value (positive).
   b) Futures and forwards or swaps sold (payables) – as the product of the number of contracts (negative) and the contract value (positive).
   c) Call options purchased – as the product of the number of contracts (positive), the contract value (positive) and delta (positive).
   d) Call options sold – as the product of the number of contracts (negative), the contract value (positive) and delta (positive).
   e) Put options purchased – as the product of the number of contracts (positive), the contract value (positive) and delta (negative).
   f) Put options sold – as the product of the number of contracts (negative), the contract value (positive) and delta (negative).

   If an investment restriction is exceeded or not met due to a change in the delta, the situation should be redressed within one bank business day.

§18 Issue and redemption of Fund units

1. Subscriptions for the current calendar month shall be accepted at any time before the deadline on the 20th calendar day of that month stipulated in the Prospectus. The unit issue price for all classes shall be the net asset value per unit calculated as per §17 on the issue date (last bank business day of that month), plus any issuing commission as per §19 (1).
2. Redemption requests for a class unit must reach the Custodian Bank by no later than the deadline on the 20th calendar day of the month stipulated in the Prospectus in order to take effect on the redemption date (last bank business day) of that calendar month. The redemption price per unit of each class shall be the net asset value per unit calculated as per §17 on the redemption date minus any redemption commission as per §19 (1).
3. Ancillary costs for buying and selling investments (standard market brokerage fees, commissions, duties, etc.) in connection with the investment of the sum paid by the investor or when selling the portion of the investment corresponding to the redemption request shall be debited from the assets of the corresponding sub-fund.
4. The Fund Management Company may temporarily suspend or permanently terminate the issuing of units of any sub-fund or class, if demand exceeds supply (market liquidity) and consequently the investment objective cannot be attained.
5. The Fund Management Company may temporarily suspend the redemption of sub-fund units in the interest of all investors under the following exceptional circumstances:
   a) if a market which is used for the valuation of a significant portion of the sub-fund assets closes, or if trading in the market is suspended or restricted;
   b) in political, economic, military, monetary or other emergencies;
   c) if transactions are impossible due to foreign currency restrictions or restrictions affecting other Fund transfers;
   d) if so many redemption requests are submitted that they may adversely affect the interests of the other investors;

   The Fund Management Company shall immediately inform the statutory auditors and the supervisory authority of any such decision.
6. While redemptions have been suspended pursuant to 5 a) to c), no new units shall be issued.

V. Commissions and fees

§19 Commission and fees charged to investors

1. Investors may be charged an issuing commission for units issued payable to the Fund Management Company, the Custodian Bank and/or distributors in Switzerland and abroad, not exceeding 5% of the total net asset value, and for the redemption of units a redemption commission not exceeding 2% of the net asset value. Where units in this Fund are issued in conjunction with the redemption of other Fund units or the redemption of units or shares in any other open-ended collective investment undertakings promoted by Clariden Bank, Zurich, the issuing commission may not exceed 2.5% and no redemption commission shall be charged, provided the applicant can demonstrate to the Fund Management Company, the Custodian Bank or their authorized representatives that this is the case.
2. If an investor requests delivery of a unit certificate (see §6 (5)), the Custodian Bank shall levy maximum fee of CHF 250 (or the equivalent in the unit's base currency) per delivery and per investor, plus any applicable taxes and duties.
3. If coupons (which have been detached from a certificate delivered to the unitholder) are physically presented for collection at the Custodian Bank or another Fund paying agent, the Custodian Bank or paying agent shall also be entitled to charge the person presenting the coupon a collection commission not exceeding 2% of the gross payment, but a minimum of CHF 50 (or the equivalent in the unit's base currency) per collection.
4. If the Investment Fund is liquidated, the Custodian Bank shall charge unit holders a commission of 0.5% of the amount paid out for distributing the liquidation proceeds.
5. The rates established in the schedule of maximum commission rates in this §19 shall be published in the current Prospectus.

§20 Commissions and fees charged to the sub-fund assets

1. For the management, asset management and distribution of the Investment Fund and for compensation payments to the Custodian Bank for the safe custody of the sub-fund assets, the provision of payment services for the Investment Fund and the other tasks performed by the Custodian Bank indicated in §4, the Fund Management Company shall charge the Fund a management fee not exceeding 2.5% per annum of the net asset value of the sub-fund. The Special Section shall contain information about the maximum management fee for each sub-fund class. The management fee shall be calculated on the basis of the net asset value and paid to the Fund Management Company monthly. The Fund Management Company shall be responsible for compensation payments to the Custodian Bank for the tasks it performs pursuant to this clause. The Fund Management Company shall bear the cost of compensation payments to the Investment Manager.

   The Fund Management Company shall disclose the intended use of the management commission for each sub-fund or unit class broken down into components (management, asset management, distribution and compensation payments to the Custodian Bank) in the Prospectus; the

total may not exceed the management commission rate by more than 50%. The management commission shall always represent the upper limit for charges to the corresponding sub-fund or unit class.
The Fund Management Company shall disclose in the Prospectus any retrocessions to investors and/or retainer fees paid to distributors.

2. In addition, in accordance with the provisions of the Special Section of the Fund Regulations, the Fund Management Company may also charge a performance-related commission ("performance fee") for a sub-fund. The performance fee shall be calculated on an annualized basis on every issue and redemption date and reserves set aside for this amount and charged to the net sub-fund assets at the rates and under the conditions below. At the end of Fund's accounting year, the performance fee owing shall be paid to the Fund Management Company.
The performance fee shall be calculated separately for unit classes with different commission rates, base currencies or net asset values.
The performance fee shall be subject to the "high watermark principle". The Fund Management Company shall only be entitled to a performance fee if the net asset value per unit is above the high watermark.
For the first performance fee, the high watermark shall correspond to the initial issue price or the net asset value per unit of a class at the beginning of the calculation period. If the net asset value per unit is above the high watermark on the last valuation date of any subsequent accounting year, the high watermark shall be increased to the net asset value per unit before deduction of the performance fee on the last valuation date of that accounting year. Otherwise, the high watermark shall remain unchanged. The Fund Management Company shall therefore only be entitled to a performance fee once any decline in net asset value per unit has been made good.
For distributions, the high watermark and the base net asset value shall be adjusted in accordance with the total distribution.
The maximum performance fee for each sub-fund shall be set out in the Special Section.
3. For payment of the annual income to the unitholders, the Custodian Bank shall charge the Investment Fund a maximum commission of 0.25% of the gross distribution.
4. The Fund Management Company and Custodian Bank shall also be entitled to be reimbursed for the following costs incurred in the execution of the collective investment agreement:
   a) annual fees charged by the Swiss supervisory authority;
   b) the cost of printing and translating the Fund's annual and semi-annual reports;
   c) the cost of publishing the prices in the press and feeding the data into electronic media and price tracking systems;
   d) the cost of publishing notices to investors in the Investment Fund's official publications;
   e) auditors' fee for statutory audits;
   f) the cost of any other extraordinary measures, including legal advice, undertaken in the investors' interests.
5. The Fund's sub-funds shall also bear all ancillary costs for buying and selling investments (standard market brokerage fees, commissions and duties) incurred in the course of managing a sub-fund's assets. These costs shall be deducted directly from the purchase or sale price of the investments in question.
6. If the Fund Management Company acquires units in other investment funds which are directly or indirectly managed by a company with which it is associated via joint management, control or a direct or indirect stake in excess of 10% of the capital or voting rights (related Target Fund), no commission pursuant to 1 and 2 may be charged to a sub-fund's assets in respect of such investments. The related Target Fund may not charge any issue or redemption commissions, unless they benefit the assets of a Target Fund sub-fund.
7. Target Funds regularly incur substantial commissions and costs that are also partially borne by indirect investors such as the investors in the Fund. Target Funds are frequently paid performance fees in addition to the fixed management fee. Any reductions in commissions, retrocessions, distribution service remuneration payments, etc. due in respect of investments made for the Fund's account in other investment funds shall be credited exclusively to the sub-fund's assets. Such reductions tend to be rare in the case of hedge funds and usually no reductions, retrocessions or compensation are paid to related Target Funds.
8. The following fees may also be charged to the Fund's assets:
   a) standard bank charges in connection with the safekeeping of assets by third parties;
   b) any taxes and stamp duties levied on a sub-fund's assets, its income and expenses.
9. The rates established in the schedule of maximum commissions pursuant to this §20 shall be published in the annual and semi-annual reports.

VI. Financial statements and audits

§21 Financial statements

1. The Investment Fund's accounting year shall run from 1 April to 31 March. The first accounting year end and the base currency of each sub-fund shall be listed in the Special Section.
2. The Fund Management Company shall publish an annual report for the Investment Fund within four months of the end of the accounting year.
3. Within two months of the end of the first half of the accounting year, the Fund Management Company shall publish an unaudited semi-annual report.
4. In the report section of the annual and semi-annual reports the Fund Management Company shall provide specific information about the performance of the investment strategy and the value of any investments which are difficult to value.
5. The investor's right to obtain information under §5 (4) applies notwithstanding.

§22 Audit

The independent auditors shall determine annually whether the Fund Management Company and Custodian Bank have complied with the Fund Regulations, the IFA and the Code of Conduct of the Swiss Funds Association (SFA). The Fund's annual report shall contain a short report by the independent auditors on the published annual financial statements.

VII. Application of net income

§23

1. The net income for each class shall be paid out to investors once a year by the end of May in the currency of account of that sub-fund. The date on which the first distribution shall be made for each sub-fund shall be listed in the Special Section. The Fund Management Company reserves the right to establish accumulation classes in the future.
2. Up to 30% of the net income may be carried forward to the new account. The Fund Management Company may also elect not to make a distribution if the total available income amounts to less than one unit of the base currency per unit of a class.
3. Capital gains realized on the sale of assets and rights may be distributed by the Fund Management Company at its discretion or be retained for reinvestment.

VIII. Locations where the Prospectus, Fund Regulations and the annual and semi-annual reports shall be available and may be obtained

§24

The Prospectus with integrated Fund Regulations and the annual and semi-annual reports may be inspected at the premises of and obtained free of charge from the Fund Management Company, the registered office and Swiss branches of the Custodian Bank and all distributors and paying agents.

IX. Investment Fund official publications

§25

1. The Investment Fund's official publications shall be the "Swiss Commercial Gazette" (Schweizerisches Handelsamtsblatt) and "Finanz und Wirtschaft". The Fund Management Company may also publish announcements to investors in other newspapers, journals and/or electronic media.
2. In particular, details of changes to the Fund Regulations, a change of Fund Management Company and/or Custodian Bank or liquidation of the Fund shall be published in the official publications.
3. The Fund Management Company shall publish the issue and redemption prices or the net asset value of all classes together with the reference "plus commission" or "minus commission" monthly in the "Neue Zürcher Zeitung". The Fund Management Company may also publish the prices in other newspapers, journals and/or electronic media.

X. Merger and liquidation of investment funds

§26 Requirements and procedure for mergers

1. With the Custodian Bank's approval, the Fund Management Company may merge investment funds or sub-funds by transferring the assets and liabilities of the old investment fund or sub-funds to the new fund on the merger date. Investors in the old fund or sub-fund shall be given the corresponding number of units in the new fund or sub-fund. On the merger date, the old fund or sub-fund shall be dissolved without being liquidated and the Fund Regulations of the new fund or sub-fund shall then also apply to the old fund or sub-fund.
2. Investment funds or sub-funds may only be merged if:
   a) they are managed by the same Fund Management Company and their assets are held for safekeeping with the same Custodian Bank;
   b) they basically pursue the same investment policy;

c) they follow the same basic procedures in respect of:
   – application of the net income and capital gains from the sale of assets and rights,
   – nature and calculation of all fees payable to the Fund Management Company and the Custodian Bank, including issue and redemption commissions and other commissions or permitted expenses claims,
   – the official publications and format for notices concerning the funds,
   – the term of the investment fund and the notice period for the Fund Management Company and Custodian Bank,
   – the investor's right to redeem units;

d) the assets of the investment fund or sub-funds concerned shall be valued, the exchange ratio calculated and the assets and liabilities transferred on the same day.

3. At least one month prior to the planned publication date, the Fund Management Company shall submit the proposed amendments to the Regulations and details of the intended merger, together with the merger plan, to the supervisory authority for review. The merger plan should contain detailed information about the reasons for the merger, the investment policy of the investment funds or sub-funds concerned and any differences between the new and old investment fund or sub-funds, the calculation of the exchange ratio, any differences in fees, the tax implications for the investment fund or sub-fund, and the opinion of the Fund's statutory auditors.
4. The Fund Management Company shall publish the intended amendments to the Regulations and the intended merger and timetable, together with the merger plan, twice in the official Investment Funds or sub-fund publications at least two months before the merger date. The Fund Management Company should draw the investors' attention to the fact that they have 30 days from the date of the second publication in which to lodge any objections with the supervisory body or to request the redemption of their units in accordance with the Fund Regulations.
5. The Investment Fund or sub-funds and investors shall not incur any costs as a result of the merger.
6. The auditors shall immediately check that the merger is carried out in an orderly manner and provide confirmation to this effect in a report to the Fund Management Company and supervisory authority.
7. The Fund Management Company shall make an immediate announcement in the official publications of the investment funds concerned that the merger has been completed, that the auditors have confirmed that the merger has been carried out in an orderly manner and stating the exchange ratio.
8. The Fund Management Company shall mention the merger in the new fund's next annual report and in the next semi-annual report if this is published first. An audited final report should be drawn up for the old fund if the merger takes place at a date other than the ordinary year-end.

§27 Life of the Fund and reasons for liquidation by the Fund Management and Custodian Bank

1. The Investment Fund shall be established for an indefinite period.
2. Either the Fund Management Company or Custodian Bank may liquidate the Fund or a sub-fund by terminating the collective investment agreement subject to one month's notice. The Fund Management Company shall announce the liquidation in the official publications.
3. Once the collective investment agreement has been terminated, the Fund Management Company may liquidate the assets of the Investment Fund or the sub-fund(s) concerned immediately. The payment of the liquidation proceeds to investors is the responsibility of the Custodian Bank. If the liquidation takes a long time, the proceeds may be distributed in instalments. The Fund Management Company must obtain authorization from the supervisory body prior to the final payment.

XI. Changes to the Fund Regulations, change of Fund Management Company or Custodian Bank

§28

If changes are made to these Fund Regulations or if there are plans to change the Fund Management Company or Custodian Bank, investors may lodge objections with the supervisory authority within 30 days from the last relevant notice published or request redemption of their units in cash.

XII. Applicable law and jurisdiction

§29

1. The Fund shall be subject to Swiss law, in particular the Swiss Federal Investment Fund Act of 18 March 1994.
   The place of jurisdiction shall be determined by the location of the registered office of the Fund Management Company. The Fund Management Company and the Custodian Bank reserve the right to recognize the jurisdiction of countries in which Fund units are publicly distributed.
2. The German version shall be binding for the interpretation of the Fund Regulations.
3. The present Fund Regulations consist of a General Section and a Special Section. They were first approved by the Swiss Federal Banking Commission on 11 October 2004. The present version was approved on 1 June 2006 and shall enter into force on 1 June 2006.

Special Section A – Aramus Financials Fund

§30A Sub-fund

A sub-fund with the name "Aramus Financials Fund" ("the Financials Sub-fund") shall be established as part of the Aramus Investment Fund.

§31A Unit classes

The Financials Sub-fund currently includes two unit classes:

- the "A" class, designed for all types of investor;
- the "I" class, designed for institutional investors.

Both are distribution classes. The "I" class differs from the "A" class in that it has a higher minimum investment amount and lower commission rates, and in that participation is restricted to institutional investors. The minimum investment amount for each class shall be listed in the Prospectus. In the "I" class, institutional investors shall be understood to be: Swiss and foreign banks, securities dealers, occupational and private pension funds, fund managers and management companies, collective investment undertakings, private insurance companies, holding, investment, finance or operating companies and all public bodies with a finance department employing qualified personnel. Where banks, securities dealers and other comparable institutional investors hold units for the account of their clients, they shall not be deemed institutional investors in this context. The Custodian Bank shall decide whether the conditions for membership are met.

The Fund Management Company reserves the right, with the approval of the Custodian Bank, to establish additional classes.

§32A Supplement to the investment objective and investment policy

1. The main investment objective of the Financials Sub-fund is to achieve long-term growth by investing in a portfolio of securities issued by companies worldwide, with a focus on the financial sector. In place of direct investments the sub-fund may invest in derivative financial instruments which are based directly or indirectly on securities. The sub-fund may also invest indirectly in other investment funds or investment undertakings. To generate income in an environment of both rising and falling share prices, the sub-fund may sell short or increase the earnings potential by leveraging the portfolio using derivatives or borrowing.
2. The portfolio may focus on certain branches in the financial sector and individual regions. Continual global diversification is not necessary. Investments in companies from emerging market countries shall only be made for diversification purposes.
3. At least two-thirds of the sub-fund assets (not including short-term liquid assets) shall be invested directly or indirectly in equity securities and uncertificated securities issued by companies active in the financial sector as defined by §8 (2) a). Up to one-third of the sub-fund assets may be invested directly or indirectly in convertible or warrant bonds as per §8 (2) b) or in securities and uncertificated securities issued by companies which operate in the financial sector or carry out financial transactions, but where this is not their primary area of activity.
4. Investments in other currencies may be hedged against the currency of account. The Fund Management Company does not intend to systematically hedge transactions of this kind but only under special circumstances.

§33A Currency of account

The Financial Sub-fund's currency of account shall be the US dollar.

§34A End of accounting year

The first sub-fund accounting year shall end on 31 March 2007. A semi-annual report shall be produced as at 30 September 2006.

§35A Commissions

1. The management fee pursuant to §20 (1) of the General Section shall not exceed 2.5% per annum for the "A" class and 1.75% per annum for the "I" class.
2. The maximum total performance fee for the units of all classes of this sub-fund shall be 20% per annum. The Prospectus shall indicate whether a performance fee may be charged.

This Special Section A shall form part of the Regulations first approved by the Swiss Federal Banking Commission on 11 October 2004, which consist of the General Section and Special Sections A , B and C. The present version was approved on 26 August 2005 and shall enter into force on 26 August 2005.

Special Section B – Aramus Japan Fund

§30B Sub-fund

A sub-fund with the name "Aramus Japan Fund" ("the Japan Sub-fund") shall be established as part of the Aramus Investment Fund.

§31B Unit classes

The Japan Sub-fund currently includes two unit classes:

- the "A" class, designed for all types of investor;
- the "I" class, designed for institutional investors.

Both are distribution classes. The "I" class differs from the "A" class in that it has a higher minimum investment amount and lower commission rates, and in that participation is restricted to institutional investors. The minimum investment amount for each class shall be listed in the Prospectus. In the "I" class, institutional investors shall be understood to be: Swiss and foreign banks, securities dealers, occupational and private pension funds, fund managers and management companies, collective investment undertakings, private insurance companies, holding, investment, finance or operating companies and all public bodies with a finance department employing qualified personnel. Where banks, securities dealers and other comparable institutional investors hold units for the account of their clients, they shall not be deemed institutional investors in this context. The Custodian Bank shall decide whether the conditions for membership are met.

The Fund Management Company reserves the right, with the approval of the Custodian Bank, to establish additional classes.

§32B Supplement to the investment objective and investment policy

1. The main investment objective of the Japan Sub-fund is to achieve long-term growth by investing in a securities portfolio focusing on Japanese companies. In place of direct investments the sub-fund may invest in derivative financial instruments which are based directly or indirectly on securities. The sub-fund may also invest indirectly in other investment funds or investment undertakings.
   To generate income in an environment of both rising and falling share prices, the sub-fund may sell short or increase the earnings potential by leveraging the portfolio using derivatives or borrowing. Indirect investments in private equity shall only be made for diversification purposes.
2. The Japan Sub-fund shall pursue an active trading policy. Investments may be made in companies of different sizes and from different sectors. The portfolio composition may experience short-term changes. The aim is to achieve a limited correlation with the leading broad-based Japanese equity indices.
3. At least two-thirds of the sub-fund assets (not including short-term liquid assets) shall be invested directly or indirectly in equity securities and uncertificated securities, as defined by §8 (2) a) of the General Section and issued by Japanese companies. Up to one third of the sub-fund assets may be invested directly or indirectly in convertible or warrant bonds as per §8 (2) b) of the General Section as well as in equity securities and uncertificated securities issued by companies worldwide which operate in Japan but not on a scale large enough for them to be regarded as "Japanese companies" as described below.
   The Fund Management Company shall ensure that where investments are made through other investment funds and/or investment undertakings the foregoing minimum or maximum proportions are adhered to on a consolidated basis. "Japanese companies" is taken to mean companies domiciled in Japan or companies domiciled in another country which conduct most of their business in Japan or which as holding companies have most of their shareholdings in companies domiciled in Japan.
4. Investments in other currencies may be hedged against the Japan Sub-fund's currency of account. The Fund Management Company does not intend to systematically hedge transactions of this kind but only under special circumstances.

§33B Currency of account

The Japan Sub-fund's currency of account shall be the Japanese yen.

§34B End of accounting year

The first sub-fund accounting year shall end on 31 March 2007. A semi-annual report shall be produced as at 30 September 2006.

§35B Commissions

1. The management fee pursuant to §20 (1) of the General Section shall not exceed 2.5% per annum for the "A" class and 1.75% per annum for the "I" class.
2. The maximum total performance fee for the units of all classes of this sub-fund shall be 20% per annum. The Prospectus shall indicate whether a performance fee may be charged.

§36B Initial distribution

The first distribution of the sub-fund shall be paid out in May 2007.

This Special Section B shall form part of the Regulations first approved by the Swiss Federal Banking Commission on 11 October 2004, which consist of the General Section and Special Sections A , B and C. The present version was approved on 23 December 2005 and shall enter into force on 23 December 2005.

Special Section C – Aramus Europe Fund

§30C Sub-fund

A sub-fund with the name "Aramus Europe Fund" ("the Europe sub-fund") shall be established as part of the Aramus Investment Fund.

§31C Unit classes

The Europe Sub-fund currently includes two unit classes:
– the "A" class, designed for all types of investor;
– the "I" class, designed for institutional investors.

Both are distribution classes. The "I" class differs from the "A" class in that it has a higher minimum investment amount and lower commission rates, and in that participation is restricted to institutional investors. The minimum investment amount for each class shall be listed in the Prospectus. In the "I" class, institutional investors shall be understood to be: Swiss and foreign banks, securities dealers, occupational and private pension funds, fund managers and management companies, collective investment undertakings, private insurance companies, holding, investment, finance or operating companies and all public bodies with a finance department employing qualified personnel. Where banks, securities dealers and other comparable institutional investors hold units for the account of their clients, they shall not be deemed institutional investors in this context. The Custodian Bank shall decide whether the conditions for membership are met.

The Fund Management Company reserves the right, with the approval of the Custodian Bank, to establish additional classes.

§32C Supplement to the investment objective and investment policy

1. The main investment objective of the Europe Sub-fund is to achieve long-term growth by investing in a securities portfolio focusing on European companies. In place of direct investments the sub-fund may invest in derivative financial instruments which are based directly or indirectly on securities. The sub-fund may also invest indirectly in other investment funds or investment undertakings.
   To generate income in an environment of both rising and falling share prices, the sub-fund may sell short or increase the earnings potential by leveraging the portfolio using derivatives or borrowing. Indirect investments in private equity shall only be made for diversification purposes.
2. The Europe Sub-fund shall pursue an active trading policy. Investments may be made in companies of different sizes and from different sectors. The portfolio composition may experience short-term changes. The aim is to achieve only a limited correlation with the leading broad-based European equity indices.
3. At least two-thirds of the sub-fund assets (not including short-term liquid assets) shall be invested directly or indirectly in equity securities and uncertificated securities, as defined by §8 (2) a) of the General Section and issued by European companies. Up to one third of the sub-fund assets may be invested directly or indirectly in convertible or warrant bonds as per §8 (2) b) of the General Section as well as in equity securities and uncertificated securities issued by companies worldwide which operate in Europe but not on a scale large enough for them to be regarded as "European companies" as described below.
   The Fund Management Company shall ensure that where investments are made through other investment funds and/or investment undertakings the foregoing minimum or maximum proportions are adhered to on a consolidated basis.
   "European companies" is taken to mean companies domiciled in a European country or companies domiciled in another country which conduct most of their business in Europe or which as holding companies have most of their shareholdings in companies domiciled in Japan.
4. Investments in other currencies may be hedged against the Japan Sub-fund's currency of account. The Fund Management Company does not intend to systematically hedge transactions of this kind but only under special circumstances.

§33C Currency of account

The Europe Sub-fund's currency of account shall be the European EURO.

§34C End of accounting year

The first sub-fund accounting year shall end on 31 March 2007. A semi-annual report shall be produced as at 30 September 2006.

§35C Commissions

1. The management fee pursuant to §20 (1) of the General Section shall not exceed 2.50% per annum for the "A" class and 1.75% per annum for the "I" class.
2. The maximum total performance fee for the units of all classes of this sub-fund shall be 20% per annum. The Prospectus shall indicate whether a performance fee may be charged.

§36C Initial distribution

The first distribution of the sub-fund shall be paid out in May 2007.

This Special Section C shall form part of the Regulations first approved by the Swiss Federal Banking Commission on 11 October 2004, which consist of the General Section and Special Sections A , B and C. The present version was approved on 1 June 2006 and shall enter into force on 1 June 2006.

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Part III – Subscription Form
Aramus Fund

currently containing the segments:
Aramus Financials Fund
Aramus Japan Fund
Aramus Europe Fund

Investment fund under Swiss law with special risks

The fund is an umbrella investment fund under Swiss law with special risks and can incorporate several segments. Each segment can make investments in shares either directly or indirectly according to a 'long / short strategy'. The investment risk of this fund is not comparable with that of securities funds: specifically, the fund can make short sales and investments can be subject to a leverage effect of up to 2. Investors are expressly referred to the risk indications contained in the Prospectus (No. 4). Investors in this fund must be prepared and in a position to accept capital losses, including the total loss of their investment. The fund management company will however make every effort to minimise the risks inherent in its investment policy by diversifying its investments and strategies.

Please issue units / shares to me / us at the prices set out in the fund regulations and the current Prospectus

Amount	Number of shares	Name of investment segment	Security Numbers	
			Swiss Valor	ISIN
USD ________	________	Aramus Financials Fund "A" Class	1 949 812	CH0019498127
USD ________	________	Aramus Financials Fund "I" Class		
YEN ________	________	Aramus Japan Fund "A" Class	2 390 356	CH0023903567
YEN ________	________	Aramus Japan Fund "I" Class		
EUR ________	________	Aramus Europe Fund "A" Class	2 552 437	CH0025524379
EUR ________	________	Aramus Europe Fund "I" Class		

Payment: ☐ Debit of my / our account no. ________________________

☐ By transfer (bank / postal order)

Securities: ☐ Clariden Bank securities custody account no. ________________________

☐ Deliver to (charge payable)* ________________________

☐ Hold for me (charge payable)
* In the case of deliveries the number of units / shares is rounded down to the nearest whole unit and the balance is reimbursed

I/We hereby declare:
– that I / we have noted the contents of the Prospectus with integrated fund regulations and am / are in agreement therewith;
– **that I / we have been informed of the special risks associated with the fund and understand the consequences of these special risks.**

I / we hereby authorise you to accept subsequent subscriptions from me / us or my/our authorised agents by telephone or in writing without any need to draw my/our attention once again to the special risks associated with this fund.

Last name / first name: ________________________

Address: ________________________

Place / date: ________________________

Signature: ________________________

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