

[<sup>l</sup>prɒfit]

PROFITFUND.COM/ GLOBALMACRO FUND

PROSPECTUS

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PROFITFUND.COM AG

Herrengasse 21 A  
Vaduz  
Principality of Liechtenstein

**[www.profitfund.com](http://www.profitfund.com)**

**Investment Fund under Liechtenstein Law of the category of  
“Investment Companies for Alternative Assets”  
Fund for investors able to take higher risks**

|                                      |  |
|--------------------------------------|--|
| <b>Fund Management:</b>              | ProfitFundCom Aktiengesellschaft   |
| <b>Board of Directors:</b>           | H.R.H. Prince Michael von Liechtenstein<br>Dr. Albert Mayer<br>Richard A. Werner<br>Rosemary A. Werner<br>Kiyoshi Goga |
| <b>Management:</b>                   | Matthias Voigt   |
| <b>Fund Management and Domicile:</b> | ProfitFundCom Aktiengesellschaft<br>Vaduz<br>Principality of Liechtenstein   |
| <b>Advisor:</b>                      | Profit Research Center Ltd.<br>Tokyo<br>Japan  |
| <b>Distributor:</b>                  | ProfitFundCom Aktiengesellschaft   |
| <b>Custodian Bank:</b>               | Liechtensteinische Landesbank AG<br>Städtle 44<br>FL-9490 Vaduz<br>Principality of Liechtenstein                       |
| <b>Paying agent:</b>                 | Liechtensteinische Landesbank AG<br>Städtle 44<br>FL-9490 Vaduz<br>Principality of Liechtenstein                       |
| <b>Auditors:</b>                     | PricewaterhouseCoopers AG<br>Neumarkt 4, Kornhausstrasse 26<br>CH-9001 St. Gallen<br>Switzerland                       |

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# PROSPECTUS

## of ProfitFundCom/ Global Macro Fund

Investment Fund under Liechtenstein Law of the category of “Investment Companies for Alternative Assets”

Fund for investors able to take higher risks.

This Prospectus, the Investment Regulations, and the last business or semi-annual report (if published after the last business report) form the basis for all subscriptions of the investment fund. Only information from the Prospectus, the Investment Regulations, or from one of the documents listed in the Prospectus are valid.

### 1 Information on the investment fund

#### 1.1 General information on the investment fund

ProfitFundCom/Global Macro Fund (hereinafter called the “Fund”) is an investment company for alternative assets (investment fund) under Liechtenstein law pursuant to the *Gesetz über Investmentunternehmen* (IUG, Act on Investment Companies) of 3 May 1996, LGBL. 1996 No. 89. The Prospectus and the Investment Regulations were prepared by ProfitFundCom AG as the Fund Management and by Verwaltungs- und Privatbank Aktiengesellschaft as the Custodian Bank, and were approved by the Office for Financial Services on 4 October 2000. On 10 October 2000, the Government of Liechtenstein granted an official licence to the investment fund. The investment company was formed on that date.

On 3 April 2003, ProfitFundCom AG, the Fund Management, together with Liechtensteinische Landesbank AG (the Depository Bank), drew up the Prospectus and the Investment Regulations in the present form. The Office for Financial Services approved this Prospectus and the Investment Regulations – with the exception of Appendix A of the Prospectus – on 24 June 2003.

The investment fund is an investment company taking the legal form of a collective trust pursuant to Art. 897 to 932 PGR (*Personen- und Gesellschaftsrecht*, Persons and Companies Act) together with the following details pursuant to Art. 1 (2) of the Ordinance dated 2 July 1996 on the Act on Investment Companies, LGBL. 1996 No. 90: The investment fund is formed without adhering to any special form. The written contents of the Prospectus and the Investment Regulations form the trust deed. A trust is formed as laid down in the Prospectus and the Investment Regulations as a collective trust with identical contents and an indefinite number of settlors (investors) who hold share participations in the trust. The investment fund is entered into the Public Register as a collective trust in analogous application of Art. 900ff PGR.

The Fund Management undertakes in the context of this collective trust to give the Investors a share in the investment fund depending on the Fund shares he has purchased and to manage the Fund pursuant to the provisions of the law and the Investment Regulations. The Custodian Bank participates in the trust depending on the tasks it has been given by the law and the Investment Regulations. The Custodian Bank keeps a register of shareholders.

The assets of the investment fund are managed by the Fund Management as separate assets in the best interests and for account of the shareholders, and they are separate from the assets of the Fund Management. All shareholders have a claim to the whole assets of the Fund pro rata to their shares. The shares exist only in the books, i.e. currently no certificates will be issued. A meeting of shareholders is not provided. By subscribing to or purchasing shares, the shareholder recognises the terms and conditions of the agreement. Heirs or other entitled parties may not demand the division or dissolution of the investment fund.

The Fund Management is authorised to dissolve the fund at any time. The investment fund must be liquidated if the net assets do not reach the minimum of two million Swiss Francs six months after the official licence has been granted at the latest. Any dissolution will be published in the investment fund's official Liechtenstein organs of publication. No shares will be issued or redeemed from the date of the resolution for dissolution. In the case of liquidation, the Fund Management will utilise the fund's assets in the best interests of the shareholders and instruct the Custodian Bank to distribute the net liquidation surplus proportionally to the shareholders.

The terms and conditions of the agreement of the investment fund may be changed by the Fund Management and the Custodian Bank at any time provided that the provisions of the law are observed. Any change will be published in the official Liechtenstein organs of publication and is then legally binding upon all shareholders. Prospectus, Investment Regulations and regular reports are available free of charge from the Fund Management, the Custodian Bank, and the distributors.

## **1.2. Investment target and investment policy of the Fund**

The investment target of ProfitFundCom/Global Macro Fund is a maximum long-term increase in capital. The Fund purchases and sells in accordance with assessments of the economic and capital market situation as well as the general prospects of the investment instruments admitted by the Regulations. The assets are invested worldwide according to the principle of distribution of risks.

The Fund Management, which has sound experience in money, foreign exchange and capital markets as well as in the markets for derivative instruments connected with these, invests in agreement with an experienced investment consultant (see item 2.2. Part delegation of tasks) according to a so-called Macro-Top-Down approach. This analysis approach basically reflects the total economic development of countries, regions or whole markets and is in general not directed at specific companies. The main explanation variable of ProfitFundCom/Global Macro for macroeconomic cycles and exchange rates is the amount of credit created by the whole banking system including the central bank. The fund converts macro predictions for national markets (including foreign exchange, bond, share and raw material markets) into concrete investment strategies, which are implemented by direct purchases of shares in other fund assets, such as funds investing in stocks (shares) and fixed income securities, index funds, state funds, regional funds, foreign currency funds, real estate funds, commodity funds of funds investing in derivative products, which are related to money- and capital market instruments. Additional investments may also be purchases of shares, fixed interest rate securities of any kind, index certificates or precious metals as well as call /put options related to indices. The holding of liquid funds is possible in any convertible currencies.

ProfitFundCom/ Global Macro Fund is therefore an "investment company for alternative assets". Investment concepts with worldwide distribution of investments, with specialisation on a specific country, a region, a or a stock exchange index for one or several lines of business, or any other approach can be taken into account. The implementation of the analytic approach described in more detail above also includes the use of derivative financial instruments to hedge investments like shares, or fixed income securities or precious metals. As it is the objective of the fund to make a profit by implementing the respective results of the macroeconomic analysis approach, percentage limits to individual investment products are not expedient.

Depending on the market situation, the investment of the fund assets according to the analysis approach described above leads to a higher risk than traditional investment strategies. There is no guarantee that the investment target will be reached. The results achieved by the Fund Management so far are not necessarily an indicator for future results. Investors investing in this fund should take this into account.

Further information on investment policy and its limitation as well as the admissible investment techniques and instruments are listed in the Investment Regulations, § 6 to § 14.

## **Note on risk**

**ProfitFundCom/Global Macro Fund is an investment fund under Liechtenstein law of the category of "investment companies for alternative assets" with special risks. This is a fund for investors able to take higher risks.**

**By predicting economic cycles, the investment fund tries to invest only in markets where an upswing is expected. As a result, the fund portfolio may deviate widely from recognised reference portfolios, such as the neutral distribution of a global share benchmark index. The development of the investment fund may differ substantially from the general development of the markets. This offers the opportunity to obtain lower fluctuations in value and better developments in value than the world market. If, for example, the prediction for the economic cycle in the USA is negative, ProfitFundCom/Global Macro Fund will place a considerably low weight on US shares. If the cycle prediction is not correct, there is the risk that the development of the fund will be below the worldwide average. If the predictions are correct, value development will be above average.**

**This investment fund is potentially substantially riskier than standard security funds and should therefore be only purchased by investors who can accept above-average fluctuations in value and are able to take larger losses.**

## **1.3 Tax provisions relevant for investment companies and their shareholders**

In the principality of Liechtenstein, contractual investment funds are investment companies in the legal form of a trust. They do not have a legal personality. An investment fund is only subject to capital tax. This is 1 % p.a. for the first two million Swiss Francs of the fund assets, i.e. the net assets at the end of the business year or their value, and 0.4 % p.a. for the fund assets exceeding two million Swiss Francs. The investment fund is not subject to tax on gains and does not have to pay withholding tax / coupon tax, and in particular no clearing tax on profit distributions.

The creation of shares in an investment fund does not lead to an obligation to pay tax on issue. Investors domiciled in the Principality of Liechtenstein must report their fund shares as assets. Distributions of profits of the investment fund are revenues on assets and are not subject to income tax. The taxation of investors domiciled abroad depends on the tax rules in the investors country of domicile. Potential shareholders should inform themselves, and if necessary, take advice on the acts and ordinances and on any double taxation treaties applicable at their domicile to the subscription to as well as the purchase, the possession and the sale of shares. These comments on taxation are based on the legal situation and practice as it is currently known. Any amendments of legislation, court practice, decrees, and practice of the tax authorities are expressly reserved.

## **2. Information on the Fund Management**

### **2.1 General information on the Fund Management**

ProfitFundCom Aktiengesellschaft with domicile and main administration in Vaduz in the Principality of Liechtenstein is responsible for fund management. It was formed on 04.04.1999 for an indefinite period of time.

The amount of the subscribed capital stock of the Fund Management is currently 1 million Swiss Francs and is held by PRFT Holding Anstalt, Vaduz, with 87.5 % and by PMServices AG, Vaduz, with 12.5 %. The capital stock has been divided into shares made out to bearer and has been fully paid up.

**Board of Directors:** **H.R.H. Prince Michael von Liechtenstein**, Chairman of the Management of Industrie- und Finanzkontor Etablissement, Vaduz

**Dr. Albert Mayer**, member of the Management of Industrie- und Finanzkontor Etablissement, Vaduz

**Richard A. Werner**, Managing Director and Chief Strategist of Profit Research Center Ltd., Tokyo

**Rosemary A. Werner**, Operations Manager of Profit Research Center Ltd., Tokyo

**Kiyoshi Goga**, Portfolio Manager of Profit Research Center Ltd., Tokyo

**Management:** **Matthias Voigt**, Head of Financial Services of Industrie- und Finanzkontor Etablissement, Vaduz

## **2.2 Part delegation of tasks**

- a) The Fund Management has appointed Profit Research Center Ltd., Tokyo, as investment consultants without authority to take decisions. Profit Research Center Ltd., Tokyo, was formed in 1998 and specialises in national economic analysis and in consulting services to institutional and public facilities on fixed assets. Their General Manager, Mr Richard A. Werner, has a high-level education and long-standing experience in analysis and investment consulting. The exact terms of the contract are laid down in the consulting agreement concluded between the Fund Management and Profit Research Center Ltd. on 17 August 2000.
- b) The net inventory value with all connected activities as well as accounting has been delegated to Global Fund Services Aktiengesellschaft, Städtle 17, FL-9490 Vaduz. The precise execution of this task is regulated by the administration contract concluded between the Fund Management and Global Fund Services Aktiengesellschaft.

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

Liechtensteinische Landesbank (LLB) AG, Vaduz, acts as the Depository Bank. The bank was founded in the year 1861 as an independent institution of the public law and on 4 January 1993 was transformed into a private joint stock company (Aktiengesellschaft). According to the law, the State of Liechtenstein owns at least 51% of stock and voting rights in the Landesbank. Furthermore, the State of Liechtenstein guarantees the deposited savings accounts as well as its transferable notes/bonds, should the means of the Landesbank prove insufficient. Since its founding, the Landesbank has been headquartered in Vaduz.

The main activities of the Bank lie in the areas of investment advisory and asset management services, as well as the credit business. At the end of 2002, the effective own capital of the LLB parent firm amounted to CHF 1.5 billion. The Landesbank is integrated into the Principality thanks to a broad network of branch offices and owns subsidiary firms at home and abroad.

## **4. Information on third parties**

### **4.1 Paying Agent**

The Paying Agent is Liechtensteinische Landesbank AG, Städtle 44, 9490 Vaduz.

### **4.2 Distributor**

Distribution will be performed by ProfitFundCom Aktiengesellschaft, Herrengasse 21 A, FL-9490 Vaduz.

### **4.3 Auditors**

PricewaterhouseCoopers AG, Neumarkt 4, Kornhausstrasse 26, 9001 St. Gallen, was appointed as Audit Authority. This firm is licensed according to the regulations of the Law of 3 May 1996 on Investment Corporations (IUG), LGBL 1996 Nr. 89.

## **5. Further information**

### **5.1 Notes**

|                               |   |
|-------------------------------|---|
| Fund                          | ProfitFundCom/Global Macro Fund           |
| Securities number             | (CH) 1.148.315                            |
| Quotation                     | none                                      |
| Financial year                | 01.01. - 31.12.                           |
| 1 <sup>st</sup> business year | date of formation – 31.12.2001 (extended) |
| Term                          | indefinite                                |
| Currency                      | US Dollars                                |
| Subdivision                   | USD 1.000.--                              |
| Dividend                      | reinvested                                |
| Lump-sum remuneration         | 1.50 % (maximum)                          |
| Redemption fee                | 0.25 %                                    |
| Issue surcharge               | 3.00 % (maximum)                          |

Performance fee pursuant to § 17 of the Investment Regulations.

The Fund Management may at any time go public with the investment fund at a recognised stock exchange.

### **5.2. Conditions for the issuing and redemption of fund shares**

#### **5.2.1. Net inventory value**

The Fund Management calculates the net inventory value of a share for the Fund once a week in accordance with the terms and conditions of the agreement, that is on Tuesday (date of valuation), on the basis of the latest known prices. If the valuation day is a Liechtenstein banking holiday, the calculation is performed on the next Liechtenstein banking workday.

The net inventory value of a share is expressed in the currency of the investment fund and is calculated by dividing the net assets of the fund by the number of the shares in circulation. The net assets are the difference between the total credits and the total liabilities of the investment fund.

The assets of the fund are valued as follows:

- a) Shares officially quoted at a stock exchange or another regulated market are valued at the last available price.
- b) Securities whose prices are not inline with market conditions as well as all other admissible assets (including securities not officially quoted at a stock exchange or a regulated market) are valued at the probable price of realisation, determined in good faith by the Fund Management or under its supervision.
- c) Liquid funds are valued on the basis of their nominal value plus any accrued interest.
- d) For the Fund, the values expressed in a different currency than that of the Fund are converted into the Fund currency at the mean exchange rate between the sale and purchase price in Liechtenstein, or if the currency is not available in Liechtenstein, on the market most representative for that currency.

The Fund Management may apply other adequate principles of valuation for the fund assets if using the above-mentioned criteria seems impossible or not expedient as a result of uncommon events.

In the case of massive applications for redemption, the Fund Management may value the shares on the basis of the prices at which the necessary sales of securities are carried out. In that case, the same method of calculation is used for simultaneous applications for issue and redemption.

### **5.2.2 Sale of shares**

Following the initial issue, shares are issued on the basis of subscription orders arriving with the Fund Management or the Custodian Bank until the day before the next valuation day (Tuesday), 12.00 hours local time (Vaduz), at the issue price equalling the net inventory value plus issue commission.. During the initial issue, shares for at least USD 1.000.-- must be purchased. The Fund Management reserves the right to accept smaller subscriptions, too. During the issuing of shares, the net value per share is rounded to the next smallest currency unit. The issue price must be paid within the next three banking days after the valuation day; however, the Fund Management may extend that term to a maximum of five days if the three day term turns out to be too short.

The issue commission is 3 % of the net inventory value per share. Furthermore, the investor will be charged with any taxes or state charges payable upon issue.

Shares in the investment fund can be purchased (subject to approval) from the Custodian Bank and from the Distributor. The shares will be immediately transferred to the investors in the books upon payment of the full purchase price. In the framework of its distribution activities, the Fund Management may at its discretion reject applications for purchase, or preliminarily or permanently suspend the sale of shares to individuals or legal entities in certain countries or regions. The Fund Management may also take back shares held by shareholders who are excluded from the purchase or possession of shares. Pursuant to the Act dated 22 May 1996 on Professional Diligence in the Acceptance of Assets (*Sorgfaltspflichtgesetz*, Diligence Act) the subscriber of shares must be identified by the institution accepting the subscription.

### **5.2.3. Redemption of shares**

Basically, the Fund Management redeems shares of the investment fund on the valuation day at the redemption price. Applications for redemption submitted with the Fund Management or the Custodian Bank until the day before the next valuation day until 12.00 hours local time (Vaduz) at the latest will be settled at the net inventory value calculated on the valuation day (Tuesday). It therefore depends on the development of the net inventory value if the redemption price is higher or lower than the issue price paid by the investor. Since an adequate quota of liquid funds in the fund assets must be provided, fund shares will be paid out under normal circumstances within five banking days after the calculation of the redemption price, unless remittance into the country in which the redemption has been applied for turns out to be impossible due to legal provisions such as limitations on foreign exchange or payments, or due to other circumstances outside the control of the deposit bank. A fee of 0.25 % of the net inventory value will be charged per share for the redemption of shares. The redemption fee is added to the fund assets.

In the case of massive applications for redemption, the Custodian Bank and the Fund Management may decide not to settle an application for redemption before corresponding assets of the investment fund have been sold without unnecessary delay. The delayed applications for redemption shall then be treated with priority.

When the redemption price has been paid, the corresponding share expires.

### **5.3 Publications of the investment fund**

Further information on the investment fund are included in the latest business or semi-annual report. The Prospectus with integrated Investment Regulations and the business or semi-annual report are available free of charge from the Fund Management, the Custodian Bank, and from all Distributors.

If there is an amendment to the Regulation, a change in the Fund Management or the Custodian Bank, or if the investment fund is liquidated, this is published by the Fund Management in the organs of publication listed in the Investment Regulations (cf. § 21).

Prices are published on each valuation day on which fund shares are issued or redeemed (but at least twice a month) in the daily or weekly newspapers listed in the Investment Regulations (cf. § 21).

### **5.4 Restrictions on sale**

As a result of US laws, shares of this investment fund must not be offered or sold in the United States of America.

### **5.5 Provisions in detail**

All further information on the investment fund, such as the valuation of the fund 's assets, the listing of all fees charged to the investment fund, and the allocation of the profits, are laid down in detail in the Investment Regulations (cf. §§ 15, 17, 19).

[<sup>1</sup>prɒfit]

PROFITFUND.COM/ GLOBAL MACRO FUND

INVESTMENT REGULATIONS

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PROFITFUND.COM AG

Herrengasse 21 A  
Vaduz  
Principality of Liechtenstein

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# INVESTMENT REGULATIONS

## I. FUND NAME; FIRM NAME AND DOMICILE OF FUND MANAGEMENT AND CUSTODIAN BANK

### § 1

1. Under the designation ProfitFundCom/Global Macro Fund there is an investment company for alternative assets (investment fund) within the meaning of Art. 2 in connection with Art. 26 of the Act on Investment Companies (*Gesetz über Investmentunternehmen* (IUG)) dated 3 May 1996, LGBl. 1996 No. 89 in connection with Art. 1 and 6 of the Ordinance on the Act on Investment Companies (*Verordnung zum Gesetz über Investmentunternehmen*) dated 2 July 1996, LGBl. 1996 No. 90.
2. The investment fund is managed by ProfitFundCom Aktiengesellschaft, Vaduz, as fund management.
3. The fund assets are kept by Liechtensteinische Landesbank AG, Vaduz, as the Custodian Bank.

## II. POWERS AND DUTIES OF THE PARTIES

### A Collective trust

#### § 2

The legal relations between the Investors on the one hand and the Fund Management and Custodian Bank on the other hand are regulated by these investment Regulations and the relevant provisions of the law.

The investment fund is an investment company taking the legal form of a trust pursuant to Art. 897 to 932 PGR (*Personen- und Gesellschaftsrecht*, Persons and Companies Act) together with the following details pursuant to Art. 1 (2) of the Ordinance dated 2 July 1996 on the Act on Investment Companies, LGBl. 1996 No. 90: the investment fund is formed without adhering to any special form. The written contents of the Prospectus and the Investment Regulations form the trust deed. A trust is formed as laid down in the Prospectus and the Investment Regulations as a collective trust with identical contents and an indefinite number of settlors (Investors) who hold share participations in the trust. The investment fund is entered into the Public Register as a collective trust in analogous application of Art. 900 et sqq. PGR.

### B The Fund Management

#### § 3

1. The Fund Management manages the investment fund independently and in its own name for account of the Investors. It decides in particular on the issuing of shares and the distribution of profits, and asserts any rights connected with the investment fund. Global Fund Services Aktiengesellschaft, Vaduz, calculates the net inventory value and determines the issue and redemption price.

2. In the case of extraordinary circumstance within the meaning of § 16, the Fund Management may preliminarily and as an exception delay the redemption of shares in the best interests of all shareholders.
3. The Fund Management and its agents shall safeguard the interests of the Investors exclusively.
4. The Fund Management may delegate the investment decisions and other part tasks as long as this is in the best interests of adequate management. It shall be responsible for acts of its agents just like for its own actions.
5. Together with the Custodian Bank, the Fund Management may apply for an amendment of these Investment Regulations with the Office for Financial Services.
6. The Fund Management is entitled to the remunerations provided in § 17, to being released from the liabilities it has entered in correct fulfilment of the collective trust, and to the reimbursement of expenses it has incurred in fulfilling these liabilities. There is no personal liability of Investors; the claims shall be settled from the investment fund.
7. Changes to the Management staff of the Fund Management must be approved by the competent authorities and the Custodian Bank and must be publicly communicated to the Investors.

## **C The Custodian Bank**

### **§ 4**

1. The Custodian Bank keeps the fund assets in the framework of a deposit as usual in the banking business.
2. The Custodian Bank and its agents shall safeguard the interest of the Investors exclusively.
3. The Custodian Bank may have the assets kept by third parties in Liechtenstein and abroad. This, however, does not affect its liability.
4. The Custodian Bank takes care that the Fund Management observes the law and the Investment Regulations, in particular as regards the investment decisions, the calculation of the value of shares, and the allocation of the profits. The Custodian Bank is not responsible for the investments selected.
5. The Custodian Bank performs the issuing and redemption of fund shares as well as the handling of payments for the investment fund. The Custodian Bank shall keep a share register.
6. The Custodian Bank is entitled to the remunerations provided in § 17, to being released from the liabilities it has entered in correct fulfilment of the collective trust, and to the reimbursement of expenses it has incurred in fulfilling these liabilities. There is no personal liability of Investors; the claims shall be settled from the investment fund.
7. The Custodian Bank shall also ensure that
  - a) the sale, the redemption, the conversion, and the cancellation of shares performed on account of the fund or by the Fund Management are in accordance with the law and the terms and conditions of the agreement;
  - b) the calculation of the value of the shares is performed in accordance with the law and the terms and conditions of the agreement;

- c) all instructions of the Fund Management are carried out, except when they contradict the law or the terms and conditions of the agreement;
- d) with transactions referring to fund assets, consideration is as agreed.

## **D. The Investor**

### **§ 5**

1. By his payment, the Investor obtains claims against the investment company (the Fund Management) for participation in the assets and the income of the investment company.
2. The Investor may at any time terminate the collective trust by demanding payment of his share in cash unless these Investment Regulations provide exceptions.
3. No certificates are issued for the shares as a matter of principle; the shares are kept in the books.
4. The Investor will at any time receive from the Fund Management the necessary information on the basis for the calculation of the issue and redemption prices of the shares. He has a right to receive information on major transactions and may apply to the Office for Financial Services for an investigation of specific facts.
5. Should these Investment Regulations be amended or if it is intended to change the Fund Management or the Custodian Bank, the Investor is entitled to redeem his shares after the respective changes have been published.

## **III. GUIDELINES ON INVESTMENT POLICY**

### **A Compliance with the investment rules**

#### **§ 6**

1. The investment policy is based on an analysis of credit creation (see also item 1.2 Investment target and investment policy of the Fund) worldwide. This results in macroeconomic Top-Down predictions on economic cycles and therefore the financial markets as well as foreign exchange and raw material markets worldwide. It is the objective of this Fund to implement these macro analyses with corresponding investment strategies. In order to meet this objective, the Fund may basically invest in all markets and in instruments of any kind.
2. Nevertheless, the Fund Management observes the percentages and guidelines listed below when selecting investments in the sense of a balanced distribution of risk. These refer to the fund assets at market prices and must be complied with at all times.
3. If the actual figures rise above or fall below the limits as a result of changes on the market or changes of the fund assets, or changes to the fund assets, the investments must be returned to admissible levels - keeping in mind the interests of the investors - within an adequate period of time.

## **B Admissible investments**

### **§ 7**

1. The assets are invested worldwide following the principle of the distribution of risk. It may be invested in securities traded at a stock exchange or a regulated market open to the public, but also in other securities. Investment instruments are mainly investment funds in any construction. Additional investments may also be traditional shares, fixed interests, securities, mortgage debentures, convertible bonds, precious metals or index certificates. Furthermore, the fund may hold cash reserves or fixed interest securities in all currencies with leading banks and invest them in money market instruments. In order to implement the macro analysis approach efficiently, the use of derivative financial instruments is provided, in particular in hedging of foreign exchange risks. Furthermore, it is possible to buy call/ put options related to different market indices.
2. The investment fund shares to be purchased are selected mainly under the aspect of the investment concept of the respective investment company, its costs structure and size, as well as its development so far under criteria such as performance, volatility and correlation to benchmarks. Investment concepts with a worldwide distribution of risk, with specialisation on a country, a region or a stock exchange index in one or several lines of business, or on the basis of any other concept may be considered.

In particular, shares of the following investment companies may be purchased (in regard of the criteria mentioned in § 7 point 2) financial market funds; securities funds investing (according to their terms and conditions or articles), mainly in interest-bearing securities (bond funds), mainly in shares (investment funds for shares), or mainly in shares and interest-bearing securities (mixed security funds); foreign currency funds, index funds reflecting the corresponding indices of stock exchanges, raw materials or other markets; short-long funds, which implement derivative concepts to reduce risk; and in real estate funds. Investments in other funds under the same fund management are also permitted.

## **C Liquid funds**

### **§ 8**

The Fund Management may hold liquid funds in all currencies. Liquid funds are bank credit balances at sight and tied up for periods of up to twelve months in all freely convertible currencies. The investment of liquid funds must always serve to optimise the investment result and to minimise risks.

## **D. Investment techniques and investment instruments**

### **§ 9**

**Securities Lending.** The investment fund may lend investments to third parties. However, such operations may only be for a maximum of 30 calendar days, and the value of the lent securities may only reach 50 % of the fund assets. These limitations do not apply if the investment fund is authorised to terminate the lending agreement at any time and may then dispose of the lent titles immediately. The lending must be secured by the pledging of securities or fixed-interest investments, and the rights for distributions or any voting powers must be reserved to the investment fund. The investment fund does lending business only with first-class borrowers such as banks, broker companies, insurance companies, and renowned securities clearing organisations which guarantee an impeccable conduct of transactions, and it shall enter into a standardised framework agreement with each borrower.

The rules for securities lending apply as stated in Annex 4 to the Ordinance dated 2 July 1996, LGBl. 1996 No. 90 on the Act on Investment Companies (IUG) dated 3 May 1996, LGBl. 1996 No. 89.

## **Taking and granting of loans**

### **§ 10**

The Fund Management and the Custodian Bank must not grant loans for the account of the investment fund. The lending of securities is not regarded as granting a credit within the meaning of this section. The investment fund may only take term loans as an exception and if this is in the best interests of the Investors. This includes compliance with applications for redemption if the sale of securities seems unfavourable and against the interests of the shareholders. The loan must not exceed 10 % of the net assets.

## **Encumbrance of the fund assets**

### **§ 11**

1. The assets of the investment fund must not be pledged, except for admissible loans and for transactions with derivative financial instruments.
2. It is not permitted to encumber the fund assets with sureties.

## **Derivative financial instruments**

### **§ 12**

1. The use of derivative financial instruments is only permissible within the framework of the regular management of the assets of the Fund or for the hedging of investment risks. Selling short is not permissible (cf, §14 lit. 2). Options, futures, forward exchange transactions, interest rate swaps and currency swaps are considered as derivative financial instruments.
2. The instruments must directly or indirectly concern securities or value rights within the intendment of §7 whereby these securities or value rights must likewise take account of the restrictions under §13 below.
3. These instruments must be traded on a stock exchange or on another regulated market open to the public.
4. The Fund Management may also conclude forward exchange transactions, interest rate swaps and currency swaps with a bank or financial institute if the latter specializes in deals of this nature and, if need be, has a minimum rating as required by the Office for Financial Services.
5. The risks resulting or to be expected from such use must be covered by assets of the Investment Fund.
6. The Fund Management may cover standard securities belonging to the Fund and not yet bound by a deal in derivative financial instruments and exclusively for this purpose sell call options and futures, buy put options and make use of forward exchange transactions, interest rate swaps and currency swaps.
7. For investment purposes, the Fund Management may buy call options and futures and sell put options. Up to settlement, the countervalue, calculated at the exercise price, of the call options purchased and put options sold or the contract values of the futures purchased must be continuously covered by liquid funds.
8. The following restrictions apply to the individual transactions with derivative financial instruments:
  - a) When the Fund Management buys call options or sells put options on shares, only standard securities that may be purchased by reason of these Investment Regulations may be considered for such option deals. The contract value of such option deals is to be included in the risk distribution limits specified in §13 of the Investment Regulations.

- b) When the Fund Management sells call options and futures or buys put options on stock indices, there must be a large measure of correlation between the composition of the stock index on the one hand and the standard securities to be covered on the other. The contract value of the above-mentioned hedging deals may not exceed 100% of the market value of the standard securities to be covered at the time the contract is concluded.
  - c) When the Fund Management buys call options and futures or sells put options on stock indices, the acquisition of the shares and of the participation papers or rights contained in the index must be permissible according to §7.
  - d) When the Fund Management sells call options and futures, buys put options on interest rate weapons or uses interest rate swaps, the currency of the contract must agree with that of the standard securities to be covered. The contract value of the above-mentioned hedging deals may not exceed 100% of the market value of the standard securities to be covered at the time the contract is concluded. The necessary attention is to be paid to the duration here.
  - e) When the Fund Management buys call options and futures or sells put options on interest rate weapons, the investment in the contract currency concerned must be permissible according to §7.
9. The contract value of all hedging deals may not exceed 100% of the assets of the Fund at the time the contract is concluded.
10. To cover currency risks, the Fund Management may sell call options and futures on foreign exchange, buy put options on foreign exchange and make use of forward exchange transactions. Fundamentally, the currency of the contract must agree with that of the standard securities to be covered. Transactions via a third currency (cross-hedges) are exceptionally permissible in the form of futures or forward exchange transactions if the same purpose is achieved as with a direct hedge and no additional costs in all are involved in comparison with the latter. The contract value of these deals may not exceed 100% of the market value of the standard securities to be covered at the time the contract is concluded.

## **E. Limitations to the distribution of investments**

### **§ 13**

Furthermore, the Fund Management shall observe the following limitations to the distribution of investments in pursuing the above-mentioned investment policy:

- a.) The investment company will not invest more than 30 % of the fund assets in shares of the same issuer.
- b.) The investment company will not invest more than 40 % of the fund assets in liquid funds with the same bank.
- c.) The investment company may not hold more than 50 % of all issued shares of any single issuer.
- d.) The investment company must not invest in real estate. Mortgage debentures (including Japanese *teito shoken* debentures and so-called "mortgage-backed securities") are not defined as real estate for this purpose. Investment in real estate funds are permitted.
- e.) The contract value on all hedging deals may not exceed 100 % of the assets of the fund at the time the contract is concluded.

If the limits set in a), b), c), d), and e) are exceeded as a result of fluctuations in value, the Fund Management must clear this situation as a priority matter, keeping in mind the interests of the shareholders.

## **F. Further limitations to investments**

### **§ 14**

1. The fund must not invest in individual commodities or commodity contracts.
2. Short selling on behalf of the fund is not permitted.
3. The investment fund must not participate in firm underwriting of securities and other debt titles.
4. The investment fund must not enter into purchases, sales or lending transactions whose counterparty is the Fund Management company, the Custodian Bank or affiliated companies, or directors or large shareholders of these companies. A large shareholder is defined as someone holding 10 % or more of all outstanding shares of the respective company.
5. The Fund Management may at any time determine additional limitations to investments if these are necessary in order to comply with the laws and regulations of the countries in which the shares of the investment funds are offered and sold.

## **IV. VALUATION OF THE FUND ASSETS AND THE FUND SHARES AND CALCULATION OF PRICES FOR THE ISSUING AND REDEMPTION OF FUND SHARES**

### **Valuation of the Fund assets and the Fund shares**

#### **§ 15**

1. The assets of the Investment Fund are calculated at market prices as of the end of the business year as well as for each day on which shares are issued or redeemed. If that day is a Liechtenstein banking holiday, the calculation will be carried out on the following Liechtenstein banking day.
2. With investments that are quoted or traded on a regulated market open to the public, the market value is equal to the quoted value. In all other cases, the market value of an object or right is the price that would probably be obtained in a careful sale at the time of the valuation.
3. The inventory value of a share results from the market value of the fund assets minus any liabilities, divided by the number of current shares.

### **Issuing and redemption of fund shares**

#### **§ 16**

1. Shares are issued and redeemed every week on Wednesday.
2. The issue price of the shares equals the inventory value per share calculated pursuant to § 15 (3) at the time of issuing, plus an issuing commission and minus any redemption commission pursuant to § 17.

3. The ancillary costs for the purchase and sale of the investments (market-conformal broker's commissions, fees, duties etc.) are charged to the fund assets.
4. The issuing and redemption prices are rounded to the next smallest currency unit.
5. The Fund Management may preliminarily and as an exception delay the redemption of shares in the best interests of all investors if the following extraordinary circumstance apply:
  - a) If a market that forms the basis for the valuation of a substantial part of the fund assets has been closed or if trading on such a market has been limited or suspended;
  - b) If there are political, economic, military, monetary or other emergencies;
  - c) if transactions become impossible for the investment fund as a result of limitations to foreign exchange traffic or limitations to other transfers of assets.

The Fund Management will immediately inform the Department for Financial Services, the Auditors, and the Investors of the delay in a suitable way.

6. No shares will be issued as long as the redemption of shares is suspended.
7. The Fund Management company may turn down applications to purchase shares or refuse to redeem shares from Investors. Furthermore, it may preliminarily or permanently exclude certain persons or companies from the purchase of shares. This, however, only to an extent that seems necessary for safeguarding the interests of the shareholders.

## **Remuneration**

### **§ 17**

For the management and administration of the Fund, the Fund Management will charge an annual lump-sum remuneration in the maximum amount of 1.5 % of the average inventory value of the fund assets, which will be invoiced pro rata temporis as of the end of each quarter. The lump-sum remuneration applicable at a given time is evident from the Prospectus and from the business and semi-annual reports. In this, the Fund Management also bears the costs of the Custodian Bank for the safekeeping of the securities as well as any costs that might result from an administration agreement, and also:

- a) the capital tax to be paid on the fund assets
- b) the supervision fee
- c) the costs for the printing of the business and semi-annual reports
- d) the costs for the publication of the notices made by the investment fund to the Investors in the organs of publication
- e) the charges incurred with any quotation of the investment fund or with the distribution licence in Liechtenstein or abroad.

The costs for the Auditors' remuneration will be charged separately.

For covering the costs caused by the placement of the shares, the Fund Management levies a maximum issuing commission of 3% upon the issuing of shares, calculated from the inventory value of the newly issued shares. The applicable issuing commission is evident from the Prospectus and from the business and semi-annual reports.

The Fund Management may levy a redemption commission in the maximum amount of 0.25 % for the benefit of the investment fund when redeeming shares. The commission applicable at a given time is evident from the Prospectus and from the business and semi-annual reports.

The costs incurred in the investment of the fund assets (purchase and sale of investments) (domestic and foreign market-conformal broker's fees, charges, and taxes) are charged to the investment fund by the Fund Management / the Custodian Bank, as are costs for necessary extraordinary dispositions.

The Fund Management is entitled to a result-oriented additional remuneration depending on the fund assets' increase in value due to prices in accordance with the table below:

| <b>from</b>   | <b>To</b> | <b>performance fee</b> |
|---------------|-----------|------------------------|
| 0.0%          | 10%       | 0%                     |
| more than 10% | 20%       | 10%                    |
| more than 20% |           | 15%                    |

The principle of high water mark is used as a basis for calculation. If the Fund suffers losses in value, the performance fee will only be charged after the loss has been compensated. Any performance fee is charged at the end of the business year.

**RENDERING OF ACCOUNT**  
**§ 18**

1. The business year lasts from 1 January until 31 December, the first business year will be closed as of 31 December 2001. The calculation unit of the investment fund is the United States Dollar.
2. Within four months from the closing of the business year, the fund management shall publish a business report of the investment fund.
3. The Investors' right to receive information as laid down in § 5 (4) remains reserved.
4. Every year, the Auditors shall examine whether the Fund Management and the Custodian Bank have complied with the provisions of the Investment Regulations and the Act on Investment Companies (IUG) as well as the corresponding ordinance. A short report of the Auditors on the published annual accounts shall be included in the business report.
5. Within two months from the closing of the first half of the business year, the fund management shall publish a semi-annual report.

**VI. ALLOCATION OF PROFITS**  
**§ 19**

1. Following the completion of the annual accounts, the Fund Management determines if and to what extent distributions will be made from the net investment revenues and the realised increases in value minus the realised reductions in value and minus the costs of the investment fund.
2. Currently, the Fund Management has no intention to make any such distributions.
3. The net profits of the investment fund are added to the fund assets for re-investment.

## **VII. INSTITUTIONS WHERE THE PROSPECTUS WITH INVESTMENT REGULATIONS AND THE BUSINESS AND SEMI-ANNUAL REPORTS ARE AVAILABLE**

### **§ 20**

The Prospectus and the Investment Regulations as well as the current business and semi-annual reports are available free of charge from the Fund Management, from the Custodian Bank, and from all Distributors.

## **VIII. PUBLICATIONS OF THE INVESTMENT FUND**

### **§ 21**

1. The organ of publication of the investment fund is the newspaper "Liechtensteiner Volksblatt".
2. The organs of publication are in particular used to publish amendments to the Regulations, changes in the Fund Management and/or the Custodian Bank as well as to announce the liquidation of the investment fund.
3. The Fund Management publishes the issue and redemption prices and the inventory value with the note "plus commissions" together in the mentioned organs of publication and after each issuing and redemption of shares. The prices must be published at least twice per month.

## **IX. TERM OF THE INVESTMENT FUND AND REASONS FOR DISSOLUTION**

### **§ 22**

1. The investment fund exists for an indefinite period of time.
2. The Fund Management or the Custodian Bank may cause the dissolution of the investment fund by terminating the collective trust on one month's notice. The investment fund is dissolved if the question of succession cannot be solved during that time. The Fund Management announces the dissolution in the organs of publication.
3. After the collective trust has been terminated, the Fund Management may immediately liquidate the assets of the investment fund. The payment of the liquidation surplus to the Investors is up to the Custodian Bank. Should liquidation require a longer period of time, the revenues may be paid out in instalments. The Fund Management must inform the Office for Financial Services before making the final payment.

## **X. LIMITATION**

### **§ 23**

1. Any claims of Investors to the Fund Management or to the Custodian Bank are subject to limitation after ten years from the date of the event which forms the basis of such claims.

## **XI. GOVERNING LAW, VENUE**

### **§ 24**

The investment fund is subject to Liechtenstein law, in particular the Act on Investment Companies (*Gesetz über Investmentunternehmen* dated 3 May 1996 (IUG), LGBl. 1996 No. 89). The venue shall be the domicile of the Fund Management. The Fund Management and the Custodian Bank may also subject themselves to the jurisdiction of the countries where shares of ProfitFundCom / Global Macro Fund are offered and/or sold. Therefore, the Investors may also assert their claims (of whatever kind) in the respective country. The parties may mutually agree that the selected law shall apply.

Liechtenstein has entered into enforcement treaties only with Switzerland and Austria. The enforcement of any claims by foreign files and documents from other countries is not ensured by international treaties.

1. The German wording is authoritative for the interpretation of the Investment Regulations.
2. This Prospectus with Investment Regulations was approved by the Office for Financial Services, Vaduz, on 4 October 2000.
3. This Prospectus with Investment Regulations enters into force on 10 October 2000 from the date the licence has been granted.

These Investment Regulations and the Prospectus have been approved by the Office for Financial Services, Vaduz, on 24 June 2003 and replace the Investment Regulations and the Prospectus of October 2000. The Government of the Principality of Liechtenstein has granted the investment fund license on 10 October 2000. This is the date of foundation of the investment fund.

Vaduz, 1 July 2003

The Fund Management: ProfitFundCom Aktiengesellschaft, Vaduz

The Custodian Bank: Liechtensteinische Landesbank AG, Vaduz