

Teaser



## Trade Finance Fund TFF

AIF - Alternative Investment Fund  
for qualified & professional Investors



# Trade Finance Fund TFF

## Facts & Figures

Fund Manager:	NSF Wealth Management Trust reg.
Promotor	Dr. Reto Mebes
Fund Administrator:	CAIAC Fund Management AG
Custodian:	Bank Frick & Co. AG
Auditor:	ReviTrust Grant Thornton Ltd.
Fund Type:	AIF (Alternative Investment Fund)
Currency:	EUR and CHF
Initial Price:	EUR 100 and CHF 100
Minimum Investment:	equivalent EUR 100'000
NAV Calculation:	30.06. and 31.12.
Subscriptions:	Half yearly
Redemptions:	Half yearly
Distribution:	accumulating
Target yield after costs:	10.0% p.a.
Management Fee:	0.2% p.a.
Max. Fees for Administration	0.2% p.a. min. CHF 25'000 + CHF 2'500 each class
Max. Subscription Fee:	up to 3.0%
Redemption Fee	None
ISIN	EUR LI0346615235 CHF LI0346615318

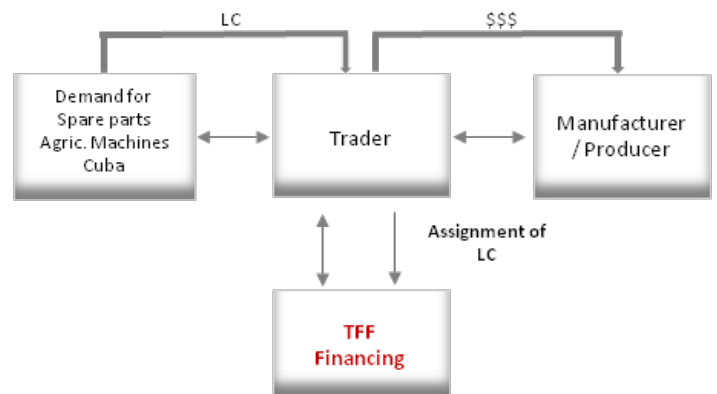
## Investment Strategy

The aim of the fund is to achieve a positive, stable and superior risk-adjusted return through capital growth. The fund invests indirectly via a special purpose vehicle in bridge financing of trade transactions through financing of holding companies. These holding companies buy outstanding trade related debits which are, due to their geographical position or political barriers or absence of decent financing opportunities not or only partially financed by banks. Only critically needed consumer goods for civil use are in the scope of TFF. TFF therefore helps to avoid further shortage of strategic goods supplied to the civil population.

## Trade Financing

Trade finance relates to the process of financing certain activities related to commerce and international trade. Trade finance includes such activities as lending, issuing letters of credit, factoring, export credit and insurance.

Trade Financing may not necessarily indicate a lack of funds or liquidity on the buyer's part. It is mainly used where there is limited access to bank financing and to protect against the unique risks present in international trade, such as currency fluctuations and political instability.

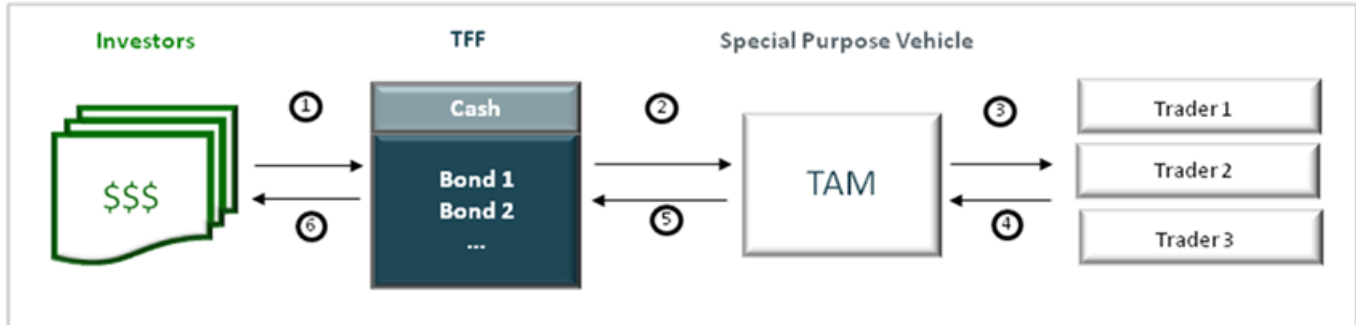


## Your Benefits

- Trade financing creates a big opportunity for international investors to get above average returns whilst helping small and medium-sized companies to expand their export & production
- Positive diversification effect in any portfolio due to low correlation to bond and equity markets
- Volatility of interest rate markets has unlike bonds no impact on the performance. No negative performance during rising interest rates
- Timing of investment is of no relevance due to the expected constant growth profile of the fund

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## Investment Process



- (1) Investors subscribe to the fund and receive shares of the fund
- (2) The fund invests in bonds of the special purpose vehicle (SPV)
- (3) TAM invests the proceeds at their discretion within the given term structure and guidelines
- (4) Repayment of principle and interest to TAM
- (5) Repayment of principle and interest to TFF
- (6) The NAV of the fund reflects the growth of the fund

## Implementation

- The fund invests indirectly in bridge financing of trade transactions through financing of holding companies
- Irrevocable letter of credits issued by renowned banks are by far the most common security. Alternatively enforceable promissory notes/bills of exchange can be accepted as well in some cases
- TFF/TAM only deals with renowned trade agents and focusing on strategic products assigned to buyers in key industries
- Transaction checks are based on the following criterias:
  - Potential of interest yield above average
  - High diversification through financing different industries in various markets, products and geopolitical regions with a maximum period of 18 months
  - Entire or partially collateralisation of the financing and the returns

## Risks

The investments underlie the following two major risks:

- **Credit Risk / Risk of Default:** Irrevocable letter of credits issued by renowned banks are used for collateral/security. In 20 years of trade financing the team has experienced late payments but never a default. Nevertheless, there is no guarantee for the future. Anyhow the SPV will provide a first line of defense as the fund is only impacted if the SPV cannot repay interest or principle on an outstanding bond. However late payments can eat up all profits of the trader as well as his own capital invested. Therefore TFF/TAM will only accept deals with a max duration of 18 months and a decent capital contribution by the trader.
- **Currency Exchange Rate Risk:** All trades are done in EUR. Therefore the traders bear all of the currency risk within a specific deal. Potentially TFF/TAM will hedge the currency risk if seen as too high.

## Fund Manager

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**Negele Sele Frommelt & Partner** provides since 1988 trust services, asset management, investment advisory and Family Office services

### **NSF Wealth Management Trust reg.**

- Independent, licensed wealth management company
- Regulated by the Liechtenstein Financial Market Authority
- Range of Services:
  - Active investment advisory
  - Portfolio management
  - Investment fund management.

More information: [www.nsfpartner.li](http://www.nsfpartner.li)



## Custodian

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### **Bank Frick & Co. AG**

- Founded in December 1998 by Kuno Frick senior and is owned by his family foundation
- Bank Frick is active in modern wealth management and provides a range of advisory services. As well it specializes in fund development and fund administration
- Bank Frick is a member of the Liechtenstein Bankers Association (LBA) and of the Deposit Guarantee and Investor Protection Foundation of the LBA. They operate as a fully licensed universal bank. Supervision of all Liechtenstein banks is conducted by the Liechtenstein Financial Market Authority (FMA)
- Comprehensive services as a universal bank:
  - Private banking
  - Asset management
  - Fund services
  - Trust services

## Your contact

Asset Manager

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