

Actively Managed Certificate (“AMC”)

on mu AI Equity Selection Europe

End of subscription 28 March 2023

Open End | Not Listed | Private Placement

ISIN CH1234846538

Protected Cell CH1234846538, a Cell of Mahe PCC Ltd
Registration No. 69956
(as “Issuer”)

BRIEF DESCRIPTION

Actively Managed Certificates do not constitute collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes (“CISA”) and are therefore neither governed by the CISA nor subject to the supervision by the Swiss Financial Market Supervisory Authority (“FINMA”). Accordingly, holders of this product (the “Product”) do not have the benefit of the specific investor protection provided under the CISA. Holders of the Product bear the issuer’s credit risk. Furthermore, investors should be aware that AMCs have a dynamic, discretionary structure, which may result in changes to the Product terms and/or the Strategy-Components.

The Issuer was incorporated on 12 November 2021 as a Protected Cell company limited by shares under the laws of Guernsey under registration number 69956. The registered office of the Issuer is at Suite 6, Provident House, Havilland Street, St. Peter Port, Guernsey GY1 2QE.

16 March 2023

PARTIES

Issuer/Calculation Agent

Mahe PCC Ltd (a Protected Cell company incorporated with limited liability under the laws of Guernsey)

Mahe PCC Ltd is not licensed or registered in Guernsey by the Guernsey Financial Services Commission (“GFSC”) or registered or authorized by GFSC as a collective investment scheme and GFSC has not and will not approve the content or dissemination of this AMC or of any other document relating to or in connection with this AMC.

CH1234846538 Cell is a protected cell of Mahe PCC Ltd, was created for the specific purpose of issuing the AMC, and is operated and controlled by the Directors of Mahe PCC Ltd. As a matter of Guernsey law, each cell of the Issuer is a protected cell of assets and liabilities, wholly separate and distinct from any assets or liabilities of any other protected cell(s) of the Issuer or any assets or liabilities of the Issuer which are not attributable to any protected cell of the Issuer.

Paying Agent

ISP Securities AG, Switzerland

Custodian/Broker	Interactive Brokers (U.K.) Ltd, U.K.
Strategy-Manager	Marcuard Heritage AG (the "Strategy-Manager"). The Strategy-Manager is licensed as a portfolio manager by the Swiss Financial Market Supervisory Authority (FINMA) and monitored by FINcontrol Suisse AG.
Strategy Advisor	mu Capital Management AG, Switzerland

PRODUCT INFORMATION

Description	<p>This Product (hereinafter, also "Certificate", "Note" or "AMC") is an Actively Managed Certificate. The Product allows for participation in the performance of the Underlying (the "Strategy"). The Strategy reflects a notional actively managed portfolio of assets and cash, maintained by the manager (the "Strategy-Manager"). The performance of the Strategy is tracked via the calculation of the Strategy Level.</p> <p>The holders of the Product (hereinafter, "Holders of the Product", "Holders of the Certificate" or "Note Holders") have exposure to the same performance a real portfolio would have, if it was actually managed according to the Strategy. However, the Holders of the Product will not be entitled to real assets in a real portfolio and have only a claim against the Issuer on the payment of the Redemption Amount based on the Strategy-Level at the Final Valuation Date.</p>
Underlying	<p>The Underlying is a basket representing a notional, actively managed portfolio (the "Reference Portfolio") of assets including cash in the Currency of the Product (the "Strategy-Components"). The basket is selected and managed by the Strategy Manager in accordance with this termsheet ("Termsheet"), the "Investment Strategy" referred to here below as well as the investment universe (the "Investment Universe"), the guidelines (the "Strategy-Guidelines") and the investment restrictions (the "Investment Restrictions"), as per Annex 1.</p>
Investment Strategy	<p>The AMC on mu AI Equity Selection Europe is a European all-cap equity strategy. It is broadly diversified over companies, sectors and countries. The strategy follows a data-driven investment process that combines modern finance theory with machine learning. The investment model undergoes continuous improvements as the result of a rigorous research process.</p>
Reinvestment of Returns	<p>Any amounts reflecting net dividends and/or interest rates in a real portfolio consisting of the Strategy-Components will be added to the cash component of the Underlying. Any withholding taxes or similar taxes that might be charged on any of the Strategy-Components by tax authorities will not be</p>

reclaimed and will not be added to the cash component of the Underlying.

Initial Weighting of the Strategy-Components

The Strategy-Manager starts to implement the Strategy at the first possible trading day after Payment Date according to this Termsheet, the Investment Strategy, the Investment Universe, the Strategy-Guidelines and the Investment Restrictions. The Initial Strategy Components will depend on the market conditions at the time the Strategy-Manager starts to implement the Strategy.

Strategy-Level (t)

Sum of the value of each of the Strategy-Components on any trading day t, converted to the Currency of the Product at the prevailing exchange rate(s), less all costs linked to the management of the Strategy including (but not limited to) fees, expenses, hedging and transaction costs, custody fees and taxes (if any), and divided by the sum of outstanding Certificates on such trading day t, as calculated by the Calculation Agent.

Early Redemption Event

The Issuer has the right to partially or fully early redeem the Note by a cash amount ("the Partial/Full Early Redemption Amount") on any Early Payment Date. Note holders would be notified on the corresponding Early Valuation Date.

Early Payment Dates

Any day, from and including the Issue Date to and including the Maturity Date, adjusted as per the Business Day Convention.

Early Valuation Dates

Ten business days before the Early Payment Date.

Redemption Amount

On Redemption Date, the Certificates will redeem a cash amount in the Currency of the Product equal to the Strategy-Level on the Final Valuation Date, as calculated by the Calculation Agent.

The Strategy Manager, as appointed by the Issuer, is responsible for the Strategy. No party, including the Paying Agent, is therefore liable to any party for any loss in connection with the investment, nor for the performance of the Strategy. A Noteholder's entitlement is limited at all times to the Redemption Amount at Final Valuation Date. In a worst-case scenario, the Redemption Amount may be zero. Noteholders should be aware that positive performance of the Strategy cannot be guaranteed.

Prices of the Strategy-Components

The prices of the Strategy-Components used as a basis for the calculation of the Strategy-Level are calculated at the sole discretion of the Calculation Agent, based on the values provided by the Custodian or any third party source that the Calculation Agent may deem appropriate to determine the fair value of the component.

Price of the Certificate

The price of one unit of this Product on a specific trading day t is equal to Strategy-Level(t).

Selection / Adjustments / Rebalancing of the Strategy-Components

Adjustments of the Strategy-Components are actively made by the Strategy-Manager.

Termination Event

The Issuer and the Strategy Manager have the right to terminate the Product at any time (“the Termination Date”) without a specific reason, by notifying the Holders of the Certificate on the earliest possible date.

Consequences of a Termination Event

Following a Termination Event, the Certificates will redeem a cash amount in the Currency of the Product equal to the Strategy-Level on the Termination Date (“the Termination Amount”) as calculated by the Calculation Agent.

Investors should be aware that the Termination Amount may be, due to unfavourable market conditions, considerably lower than the Issue Price or the last valuation of the Product before the Termination Event.

The Issuer has the right to reduce the Termination Amount considerably (including to zero) in certain situations. This may include, but is not limited to illiquidity or insolvency of an underlying asset(s) distressed situations related to or impacting an underlying asset.

GENERAL TERMS

Structured Product Type per Swiss Derivative Map

Dynamic Tracker-Certificate (Code 1300)

Total Amount

EUR 2'000'000

Issue Size

2'000 Certificates (with reopening clause)

Issue Price

EUR 1'000

Currency

EUR

Denomination

- 1 Unit

Fees

The following fees will be deducted daily from the Strategy-Level:

- Management fee: 0.95% p.a.
- Administration fee: 0.20% p.a.

Performance Fee

- 15.00% above the relative performance of the Benchmark with a relative High Watermark
- Benchmark Morningstar Developed Europe NR EUR Index

	See Annex 2 for more details on Performance Fee Entitlement, Performance Fee Calculation and Performance Fee Observation Dates.
Broker Fee Schedule	See Annex 2.
Payment Date / Issue Date	31 March 2023, being the date on which the Products are issued, and the Issue Price is paid.
Final Valuation Date	Termination Date
Redemption Date	The Redemption Amount shall be due to Noteholders on the tenth business day after the Final Valuation Date.
Settlement	Cash settlement.
Exchange Rate	Applicable Exchange Rates (if any) for conversion of any amount into the relevant settlement currency for the purposes of determining the Strategy-Level or the Redemption Amount, may be sourced from the Custodian (if applicable), or from public sources like Bloomberg (BFIX), Reuters, Telekurs, etc. Relevant is the rate at the time or near the time of the determination of the Strategy-Level or the Redemption Amount.
Minimum Trade Size	10 Certificate(s) and multiples of 1 Certificate(s) thereafter
Valoren	123484653
ISIN	CH1234846538
Listing	Not listed
Business Day Convention	Following
Secondary Market	Daily secondary market trading orders are received and processed on a best effort basis, with a bid offer spread of 1% under normal market conditions. Acceptance of an order cannot be guaranteed and is subject to, amongst other things, sufficient liquidity. Orders must be placed with the Paying Agent before 14:30 CET for same day trading. Orders after 14:30 CET will be executed on the next trading day. On Secondary Market transactions, additional transaction fees may apply and are charged to the Strategy-Level.
Clearance Institution / Clearing Code	SIX SIS AG / ISP 116441

MISCELLENEOUS

Selling Restrictions	Russian Federation, Belarus, Canada, United Kingdom, Guernsey, United States of America, US Persons.
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Under no circumstances may the product be distributed to any sanctioned person, entity or country identified by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury of the United Kingdom, Bailiwick of Guernsey sanctions regime, Swiss sanctions framework implemented by SECO or other relevant sanctions authority.

In and from Switzerland the Product can only be offered or sold to institutional and professional clients pursuant to the Swiss Financial Services Act.

The Product shall be distributed only by way of private placement; public distribution is not permitted. The Product may not be issued to more than 50 investors. For jurisdiction-specific tax and any regulatory considerations, investors should consult their independent advisors.

Product Representation

Products to be represented by Intermediated Securities (Bucheffekten)

United States IRC Section 871(m)

Out of scope

Applicable Law / Place of Jurisdiction

Swiss Law under exclusion of the Swiss Private International Law Act and of the CISG / City of Zurich

Risks

Regarding investments in the Product, there are several kinds of risks, inter alia:

- the market, credit and liquidity risk with respect to the Strategy-Components
- the counterparty risk with respect to the Issuer
- the currency risk with respect to the Strategy-Components which are not denominated in the Currency of the Product (if any)
- the risk of sub-optimal adjustments of the Strategy-Components by the Strategy-Manager.

In a worst-case scenario, Holders of the Product may lose their total investment.

Limitation of Transferability

The Certificate can only be sold back to the Issuer.

Tax Treatment in Switzerland

For individuals holding the Product for private investment purposes with tax domicile in Switzerland the portion of income realised on the underlying Strategy-Level attributable to their respective portion in the underlying Strategy-Level will be subject to Swiss income taxes on an annual basis (by financial year end) or upon redemption. Gains and losses realised on the Strategy-Level as well as gains and losses derived from the sale of the Product should be considered as income tax-free private capital gains and non-tax-deductible private capital losses respectively.

The Product is not subject to the Swiss withholding tax. The Product may be subject to Swiss stamp duty of up to 0.15% on the primary as well as the secondary market. There is no Swiss stamp duty upon redemption of the Product. For Swiss paying agents, payments under the Product are not subject to the EU savings tax.

Investors and other interested parties are advised to consult their tax advisors to determine the special tax consequences of the purchase, ownership or disposition of the Product before any commitment/investment is made.

Common Depository

SIX SIS AG

ANNEX 1

It is the sole responsibility of the Strategy-Manager to ensure that the Strategy and the Strategy Components as well as the investments correspond to the Investment Universe, the Strategy-Guidelines, and the Investment Restrictions. Neither the Issuer, nor the Paying Agent, nor the Custodian, nor the Calculation Agent, nor any other involved party apart from the Strategy-Manager carries out any supervision in that regard.

The Strategy Manager, acting on behalf of the Issuer, is not obliged to invest according to the Strategy, e.g. it can invest in assets other than the Strategy-Components. However, the investor is still entitled to receive the Redemption Amount as outlined in this Termsheet independent of the returns of the investments of the Issuer.

Investment Universe

The Investment Universe consists of the following asset / asset classes and represents the basis for the selection, adjustment and rebalancing of the Strategy-Components by the Strategy-Manager. The Investment Universe may be amended by the Strategy-Manager at any time and in its sole discretion.

Asset class	Range allocation (% of total portfolio value)	Permitted instruments
Equities	Min 0% - Max 100%	<ul style="list-style-type: none"> • Exchange traded stocks • Derivatives on listed equities and global indices • Exchange traded funds (ETFs), mutual funds, structured products
FX	Min 0% - Max 100%	<ul style="list-style-type: none"> • Futures and options of all currency pairs • Cash in any currency different than the Product Currency
Cash	Min 0% - Max 49%	Cash in the Product currency.

Strategy Guidelines

The Strategy-Components are selected, adjusted and rebalanced by the Strategy-Manager in accordance with the following guidelines (the "Strategy-Guidelines"):

1. Full investment target (> 98% invested on average), short term market exposure can be hedged through derivatives
2. Minimum of 50 single stock positions.
3. Maximum weight of a single stock position: 5%.
4. Leverage is allowed to hedge secondary market trades

Investment Restrictions

The following Investment Restrictions are applicable for the Strategy-Manager:

- no short-selling of individual stocks.
- derivatives only for hedging purposes (incl. currencies) or maintaining full exposure to the equity market.
- Long positions in US dividend paying stocks

ANNEX 2

Broker Fees

Average Broker Transaction Fee: According to the website of Interactive Brokers.

Performance Fee

High Watermark

Applicable. For the first Performance Fee Observation Date ($t=1$) which is the third business day after the Issue Date, the High Watermark is equal to one (1.0). Thereafter, the High Watermark is measured against the Return Ratio defined as:

$$Return\ Ratio(t) = \frac{\left(\frac{Strategy\ Level(t)}{Strategy\ Level(1)}\right)}{\left(\frac{Benchmark\ Level(t)}{Benchmark\ Level(1)}\right)}$$

If the Return Ratio (t) on the Performance Fee Observation Date (t) is higher than the previous High Watermark, the High Watermark is set to the Return Ratio calculated using the Strategy Level (t) after deduction of the performance fee.

Benchmark

Morningstar Developed Europe NR EUR Index

Bloomberg Ticker: MSDVEURN Index

Benchmark Level (Issue Date):

Benchmark-Level

The closing price of the Benchmark as calculated by Morningstar and published under the following page:

<https://indexes.morningstar.com/our-indexes/details/morningstar-developed-markets-europe-FS0000AQEM?currency=EUR&variant=NR&tab=overview>

If a market disruption event take place that delay the publication of the Benchmark Level, the Issuer has the right to delay the calculation of the Strategy-Level until the Benchmark is available or calculate the Strategy-Level without the Performance Fee.

Performance Fee Entitlement

A Performance Fee is paid to the Strategy Manager if the Return Ratio with respect to the High Watermark on the relevant Performance Fee Observation Date is positive, ie

$$\left(\frac{Return\ Ratio(t)}{HighWatermark} - 1\right) > 0.0$$

Performance Fee Calculation

Performance Fee Amount is equal to:

$$Strategy\ Level(t - 1) \times \left(\left(\frac{Return\ Ratio(t)}{HighWatermark} - 1 \right) \right) \\ \times Performance\ Fee$$

where

- Strategy Level(t-1) is the value of the Certificate on the Performance Fee Observation Date (t-1)
- Return Ratio (t) is the value calculated on the Performance Fee Observation Date (t), before deduction of the Performance Fee
- High Watermark is the highest level of the Return Ratio on any of the previous Performance Fee Observation Dates (i<t).

The Performance Fee Amount cannot be a negative number. The Performance Fee Amount will be capped at 1.5% of the Strategy-Level(t) before deducting the performance fee.

Performance Fee Observation Dates

Daily, from and including the third business day after the Issue Date to and including the Final Valuation Date.

Performance Fee Release Dates

Quarterly on the last business day of March, June, September and December, from and including the Issue Date to and including the Final Valuation Date.

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