

CS Investment Funds 2

Société d'investissement à capital variable

Registered office: **5, rue Jean Monnet, L-2180, Grand Duchy of Luxembourg**

R.C.S. Luxembourg B 124019

(the "**Merging UCITS**")

Notice to Shareholders:

CS Investment Funds 2– Credit Suisse (Lux) European Quality Dividend Equity Fund

(the "**Merging Sub-Fund**")

IMPORTANT:

THIS LETTER REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENT OF THIS LETTER,

YOU SHOULD SEEK INDEPENDENT PROFESSIONAL ADVICE.

22 May 2024

Dear Shareholders,

The board of directors (the "**Board of Directors**") of the Merging UCITS, has decided to merge the Merging Sub-Fund into UBS (Lux) Equity SICAV – European Income Opportunity Sustainable (EUR) (the "**Receiving Sub-Fund**"), a sub-fund of UBS (Lux) Equity SICAV, a *société d'investissement à capital variable*, formed and existing under the laws of the Grand Duchy of Luxembourg having its registered office at 33A, avenue J.F. Kennedy, L-1855, Grand Duchy of Luxembourg and registered with the RCS under number B 56386 (the "**Receiving UCITS**") in compliance with article 1(20)(a) of the law of 17 December 2010 on undertakings for collective investment as amended (the "**Merger**"). The Merger shall become effective on 28 June 2024 (the "**Effective Date**").

This notice describes the implications of the contemplated Merger. Please contact your financial advisor if you have any questions on the content of this notice. The Merger may impact your tax situation. Shareholders should contact their tax advisor for specific tax advice in relation to the Merger.

Capitalised terms not defined herein have the same meaning as in the prospectus of the Merging UCITS.

1. Background and rationale for the merger

1.1 The decision of the Board of Directors to proceed with the Merger was passed in the shareholders' interest and takes place in the context of the following rationale. Following a detailed review of the combined fund offering of each asset management division at UBS and Credit Suisse, the Merging Sub-Fund has been identified as overlapping in terms of investment objective and universe, as UBS offers a comparable product in the form of the Receiving Fund. The aim of merging the Merging Sub-Fund with the Receiving Sub-Fund is to manage the sub-funds more cost-efficiently in the interests of investors through the takeover of Credit Suisse Group AG by UBS Group AG and as part of the integration of Credit Suisse into UBS.

1.2 The Merger of the Merging Sub-Fund into the Receiving Sub-Fund will result in an overall increase of assets under management and therefore the Boards believe that the Merger is in the interest of the shareholders of the Merging Sub-Fund and the Receiving Sub-Fund, respectively.

2. Summary of the merger

2.1 The Merger shall become effective and final between the Merging Sub-Fund and the Receiving Sub-Fund and vis-à-vis third parties on the Effective Date.

2.2 On the Effective Date, all assets and liabilities of the Merging Sub-Fund will be transferred to the Receiving Sub-Fund. The Merging Sub-Fund will cease to exist as a result of the Merger and thereby will be dissolved on the Effective Date without going into liquidation.

2.3 No general meeting of Shareholders shall be convened in order to approve the Merger and Shareholders are not required to vote on the Merger.

2.4 The Shareholders holding shares of the Merging Sub-Fund on the Effective Date will automatically be issued shares of the Receiving Sub-Fund in exchange for their shares of the Merging Sub-Fund, in accordance with the relevant share exchange ratio and participate in the results of the respective Receiving Sub-Fund as from such date. Shareholders will receive a confirmation note of their holding in the Receiving Sub-Fund as soon as practicable after the Effective Date. For more detailed information please see section 5 (*Rights of Shareholders in relation to the Merger*) below.

2.5 Subscriptions and/or conversions of shares of the Merging Sub-Fund will be suspended from 22 May 2024 to 28 June 2024 in order to implement the procedures needed for the Merger in an orderly and timely manner as indicated under section 6 (*Procedural aspects*) below.

2.6 Redemptions of shares of the Merging Sub-Fund will be suspended from 24 June 2024 to 28 June 2024 in order to implement the procedures needed for the Merger in an orderly and timely manner as indicated under section 6 (*Procedural aspects*) below.

2.7 Other procedural aspects of the Merger are set out in section 6 (*Procedural aspects*) below.

2.8 The Merger has been authorised by the *Commission de Surveillance du Secteur Financier* (the "CSSF").

2.9 The timetable below summarises the key steps of the Merger (*).

Notice Period	From 22 May 2024 to 24 June 2024
Suspension Period of subscription and conversion of shares of the Merging Sub-Fund	From 22 May 2024 to 28 June 2024

	(last cut-off for Subscriptions: 21 May 2024, 3 p.m.)
Suspension Period of redemption of shares of the Merging Sub-Fund	From 24 June 2024 to 28 June 2024 (last cut-off for Redemptions: 21 June 2024, 3 p.m.)
Final NAV Date	27 June 2024
Effective Date	28 June 2024
Date of calculation of the exchange ratio	on the Effective Date using the NAVs as of the Final NAV Date

* or such later time and date as may be determined by the Boards and notified to shareholders in the Merging Sub-Fund in writing, upon (i) authorisation of the Merger by the *Commission de Surveillance du Secteur Financier* (“**CSSF**”), (ii) completion of the thirty (30) calendar days prior notice period, as applicable, and additional five (5) working days, and (iii) registration of the Receiving Sub-Fund in all EU Member States where the Merged Sub-Fund is distributed or registered for distribution. In the event that the Boards approve a later Effective Date, they may also make such consequential adjustments to the other elements in this timetable as they consider appropriate.

The Receiving Sub-Fund is not and will not be authorised for registration and / or solicitation in South Africa and as such, investors previously benefiting from the Section 65 regulatory approval status will no longer benefit from such regulatory approval status.

3. Impact of the merger on Shareholders of the Merging Sub-Fund

The main characteristics of the Receiving Sub-Fund, as described in the prospectus of the Receiving UCITS and in the key information document in accordance with Packaged Retailed Investments and Insurance Products Regulation (“**KID**”) of the Receiving Sub-Fund and of the Merging Sub-Fund as described in the prospectus of the Merging UCITS and in the KID of the Merging Sub-Fund are similar and will remain the same after the Effective Date.

Shareholders of the Merging Sub-Fund should carefully read the description of the Receiving Sub-Fund in the prospectus of the Receiving UCITS and in the KID of the Receiving Sub-Fund before making any decision in relation to the Merger.

The investment manager of the Merging Sub-Fund, Credit Suisse Asset Management (Schweiz) AG, in agreement with the investment managers of the Receiving Sub-Fund, UBS Asset Management (UK) Ltd, London and UBS Switzerland AG, Zurich, with the aim to ensure the transferring portfolio is in line with the investment strategy of the Receiving Sub-Fund, will sell most of the underlying assets within the period during which all subscriptions, conversion and redemptions of shares of the Merging Sub-Fund will be suspended (from 24 June 2024 to 28 June 2024). During this period, the investment rules and restrictions will be waived. The Merging Sub-Fund’ portfolio will be partially liquidated, and the resulting cash and any remaining assets transferred to the Receiving Sub-Fund on the Effective Date.

You should be aware that as your personal data (as defined in Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data) will be processed by the Receiving UCITS and UBS Fund Management (Luxembourg) S.A., including their delegates,

in accordance with their data protection notice (see <https://www.ubs.com/global/en/legal/privacy/luxembourg.html>).

3.1 Investment objective and policy

Merging Sub-Fund	Receiving Sub-Fund
<p>Investment Objective The objective of the Subfund is to achieve the highest possible return in the respective Reference Currency, while taking due account of the principle of risk diversification, the security of the capital invested, and the liquidity of the assets.</p> <p>The Subfund invests in a broadly diversified equity portfolio which can be expected to generate an above-average dividend yield.</p> <p>This Subfund aims to outperform the return of the MSCI Europe (NR) in EUR benchmark. The Subfund is actively managed. The benchmark has been selected because it is representative of the investment universe of the Subfund and it is therefore an appropriate performance comparator. The majority of the Subfund's equity securities will not necessarily be components of or have weightings derived from the benchmark. The Investment Manager will use its discretion to significantly deviate the weighting of certain components of the benchmark and to significantly invest in companies or sectors not included in the benchmark in order to take advantage of specific investment opportunities. It is thus expected that the performance of the Subfund will significantly deviate from the benchmark.</p> <p>Investment Principles At least two-thirds of the Subfund's assets are invested in equities and other equity-type securities and rights (American depository receipts [ADRs], global depository receipts, profit-sharing certificates, participation certificates, dividend rights certificates, etc.) of companies which are domiciled in or carry out the bulk of their business activities in Europe (including Eastern Europe). The Subfund may also invest in emerging countries and developing markets. For the purpose of this Subfund, Eastern European countries are defined as the nations of Central and Eastern Europe, including Russia and Turkey.</p>	<p>The actively managed sub-fund mainly invests in shares and other equity interests of large-cap companies that are domiciled or chiefly active in Europe. In addition, the sub-fund may also invest directly or indirectly in European small and/or mid caps. In accordance with Point 5 of the investment principles "Special techniques and instruments with securities and money market instruments as underlying assets", the sub-fund is also permitted to use index futures to manage its market exposure.</p> <p>Sub-fund investments focus on long-term themes and/or trends that the portfolio manager considers attractive. These aspects can comprise any sectors, countries and company capitalisations. These trends may relate to the global growth in population, an ageing population or increasing urbanisation, for instance.</p> <p>The sub-fund's investment strategy aims to generate above-average returns on equity investments compared to the performance of European equity markets. Returns on equity investments may stem from dividends, call option premia and other sources.</p>

Shareholders are advised to read the prospectus of the Receiving UCITS and the KID of the Receiving Sub-Fund for a full description of the Receiving Sub-Fund's investment objective and policy.

3.2 Further features

	Merging Sub-Fund	Receiving Sub-Fund
Classification under Regulation (EU) 2019/2088 ("SFDR") disclosure	The Subfund qualifies as a financial product under Art. 8.(1) of SFDR.	This sub-fund promotes environmental and/or social characteristics and complies with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR")
Global exposure	The global exposure of the Subfund is calculated on the basis of the commitment approach.	Global risk calculation method: Relative VaR approach Expected range of leverage: 0-2

Accounting year end	The accounting year of the Company ends on May 31 of each year.	31 May
Central Administration	Credit Suisse Fund Services (Luxembourg) S.A.	Northern Trust Global Services SE
Depository	Credit Suisse (Luxembourg) S.A.	UBS Europe SE, Luxembourg Branch
Management Company	Credit Suisse Fund Management S.A.	UBS Fund Management (Luxembourg) S.A.
Portfolio Manager	Credit Suisse Asset Management (Schweiz) AG	UBS Asset Management (UK) Ltd, London UBS Switzerland AG, Zurich
Performance fee	N.A.	N.A.
Benchmark	MSCI Europe (NR) in EUR	MSCI Europe (net dividends reinvested)

3.3 Profile of typical investor

Merging Sub-Fund	Receiving Sub-Fund
<p>Investor Profile</p> <p>The Subfund is suitable for investors with high risk tolerance and a long-term view who wish to invest in a broadly diversified portfolio of equity securities within Europe.</p>	<p>Profile of the typical investor</p> <p>The sub-funds are suitable investments for private and institutional investors who wish to invest in a diversified equity portfolio and are prepared to assume the risks associated with investments in equities.</p>

3.4 Classes of shares and currency

- I. The reference currency of the Merging Sub-Fund and the Receiving Sub-Fund is EUR
- II. The table below shows the active share classes of the Merging Sub-Fund including their currencies, the corresponding share classes of the Receiving Sub-Fund and the ISIN numbers of the corresponding share classes in the Receiving Sub-Fund.

Share Class of the Merging Sub-Fund and ISIN		Corresponding Share Class of the Receiving Sub-Fund and ISIN	
A	LU0439729285	P-dist (to be launched)	LU2793224366
B	LU0439729368	P-acc	LU2464499610
BH CHF	LU0603361998	(CHF hedged) P-acc	LU2464499883
CB EUR	LU1546464428	P-acc	LU2464499610
DB	LU0439729442	I-A1-acc (to be launched)	LU2793224010
EB	LU0445923476	I-A1-acc (to be launched)	LU2793224010
IB	LU0439729798	K-1-Acc (to be launched)	LU2793224101

Share Class of the Merging Sub-Fund and ISIN		Corresponding Share Class of the Receiving Sub-Fund and ISIN	
IBH CHF	LU0439729954	(CHF hedged) K1-acc (to be launched)	LU2793224283
UA	LU1144416861	Q-dist	LU2530439541
UB	LU1144416945	Q-acc	LU2464499701
UBH CHF	LU1144417083	(CHF hedged) Q-acc	LU2464499966

3.5 Synthetic risk indicator as per most recent PRIIPs KID

The synthetic risk indicator for all the classes of shares in each of the Merging Sub-Fund and the Receiving Sub-Fund is 4.

3.6 Distribution policy

Share Class of the Merging Sub-Fund	Distribution policy	Corresponding Share Class of the Receiving Sub-Fund	Distribution policy
A	Distributing	P-dist (to be launched)	Distributing
B	Accumulating	P-acc	Accumulating
BH CHF	Accumulating	(CHF hedged) P-acc	Accumulating
CB EUR	Accumulating	P-acc	Accumulating
DB	Accumulating	I-A1-acc (to be launched)	Accumulating
EB	Accumulating	I-A1-acc (to be launched)	Accumulating
IB	Accumulating	K-1-acc (to be launched)	Accumulating
IBH CHF	Accumulating	(CHF hedged) K1-acc (to be launched)	Accumulating
UA	Distributing	Q-dist	Distributing
UB	Accumulating	Q-acc	Accumulating
UBH CHF	Accumulating	(CHF hedged) Q-acc	Accumulating

3.7 Fees and expenses

Share Class Fees of the Merging Sub-Fund	Share Class Fees of the Receiving Sub-Fund
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	Entry costs	Ongoing costs	Performance fees		Entry costs	Ongoing costs	Performance fees
A	5%	1.88%	n/a	P-dist*	5%	1.69%	n/a
B	5%	1.88%	n/a	P-acc	5%	1.68%	n/a
BH CHF	5%	1.96%	n/a	(CHF hedged) P-acc	5%	1.72%	n/a
CB EUR	5%	2.58%	n/a	P-acc	5%	1.68%	n/a
DB	n/a	0.12%	n/a	I-A1-acc*	5%	0.84%	n/a
EB	3%	0.74%	n/a	I-A1-acc*	5%	0.84%	n/a
IB	3%	0.98%	n/a	K-1-acc*	5%	1.03%	n/a
IBH CHF	3%	1.06%	n/a	(CHF hedged) K1-acc*	5%	1.06%	n/a
UA	5%	1.23%	n/a	Q-dist	5%	0.88%	n/a
UB	5%	1.23%	n/a	Q-acc	5%	0.88%	n/a
UBH CHF	5%	1.31%	n/a	(CHF hedged) Q-acc	5%	0.93%	n/a

* Ongoing costs for newly launched share classes are based on good faith estimates and may differ after the classes are launched.

3.8 ISIN Codes

Please note that the ISIN Codes of the shares you hold in the Merging Sub-Fund as a result of the Merger will change. Details of the codes are given above under Sub-Section 3.4.

4. Criteria for valuation of assets and liabilities

For the purpose of calculating the relevant share exchange ratio, the rules laid down in the Articles of Association and the prospectus of the Merging UCITS for the calculation of the net asset value will apply to determine the value of the assets and liabilities of the Merging Sub-Fund.

5. Rights of Shareholders in relation to the merger

Shareholders of the Merging Sub-Fund holding shares in the Merging Sub-Fund on the Effective Date will automatically be issued, in exchange for their shares in the Merging Sub-Fund, a number of shares of the corresponding share classes of the Receiving Sub-Fund equivalent to the number of shares held in the relevant share class of the Merging Sub-Fund multiplied by the relevant share exchange ratio which shall be calculated for each class of shares on the basis of its respective net asset value as of 27 June 2024. In case the application of the share exchange ratio does not lead to the issuance of full shares, the Shareholders of the Merging Sub-Fund will receive fractions of shares up to three decimal points within the Receiving Sub-Fund.

No subscription fee will be levied within the Receiving Sub-Fund as a result of the Merger.

Shareholders of the Merging Sub-Fund will acquire rights as Shareholders of the Receiving Sub-Fund from the Effective Date and will thus participate in any increase or decrease in the net asset value of the corresponding Receiving Sub-Fund.

Shareholders of the Merging Sub-Fund not agreeing with the Merger are given the possibility to request the redemption of their shares of the Merging Sub-Fund at the applicable net asset value,

without any redemption charges (other than charges retained by the Merging Sub-Fund to meet disinvestment costs) during at least 30 calendar days following the date of the present notice.

Any accrued income, dividends, and income receivables will be included in the calculation of the net asset value of the Merging Sub-Fund and will be transferred into the Receiving Sub-Fund as part of the Merger.

6. **Procedural aspects**

6.1 No shareholder vote required

No shareholder vote is required in order to carry out the Merger. Shareholders of the Merging Sub-Fund not agreeing with the Merger may request the redemption of their shares as stated under section 5 (*Rights of Shareholders in relation to the Merger*) above until the 20 June 2024, 3 p.m. included.

6.2 Suspensions in dealings

In order to implement the procedures needed for the Merger in an orderly and timely manner, the Board of Directors has decided that (i) subscriptions for and conversions of shares of the Merging Sub-Fund will no longer be accepted or processed from 22 May 2024 to 28 June 2024, and (ii) that redemption of shares of the Merging Sub-Fund will no longer be accepted or processed from 24 June 2024 to 28 June 2024.

6.3 Confirmation of merger

Each shareholder in the Merging Sub-Fund will receive a notification confirming (i) that the Merger has been carried out and (ii) the number of shares of the corresponding class of shares of the Receiving Sub-Fund that they hold after the Merger.

6.4 Approval by competent authorities

The Merger has been authorised by the CSSF which is the competent authority supervising the Merging UCITS in Luxembourg.

7. **Costs of the merger**

The legal, advisory or administrative costs and expenses (excluding potential transaction costs on the merged portfolio) associated with the preparation and completion of the Merger will be borne by UBS Asset Management Switzerland AG and will not impact either the Merging Sub-Fund or the Receiving Sub-Fund. The auditor's fees in connection with the Merger as well will be borne by the Merging Sub-Fund. In addition, and to protect the interests of the investors of the Receiving Sub-Fund, the swing pricing principle described in the Section "Net asset value, issue, redemption and conversion price" of the prospectus of the Receiving Sub-Fund will be applied on a pro rata basis on any cash portion of the assets to be merged into the Receiving Sub-Fund, provided that it exceeds the threshold as defined for the Receiving Sub-Fund.

8. **Taxation**

The Merger of the Merging Sub-Fund into the Receiving Sub-Fund may have tax consequences for Shareholders. Shareholders should consult their professional advisers about the consequences of this Merger on their individual tax position.

9. Additional information

9.1 Merger reports

PricewaterhouseCoopers, *Société cooperative*, 2, rue Gerhard Mercator, L-2182 Luxembourg, Grand Duchy of Luxembourg, the authorised auditor of the Merging UCITS in respect of the Merger, will prepare reports on the Merger which shall include a validation of the following items:

- a) the criteria adopted for valuation of the assets and/or liabilities for the purposes of calculating the share exchange ratio;
- b) the calculation method for determining the share exchange ratio; and
- c) the final share exchange ratio.

The merger report regarding items a) to c) above shall be made available at the registered office of the Merging UCITS on request and free of charge to the Shareholders of the Merging Sub-Fund and the CSSF.

9.2 Processing of investor personal data

Investor personal data (as defined in Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "GDPR")) are being processed by the Receiving UCITS and UBS Fund Management (Luxembourg) S.A., including their delegates, in accordance with their data protection notice (see <https://www.ubs.com/global/en/legal/privacy/luxembourg.html>)

9.3 Additional documents available

- a) the common draft terms of the merger drawn-up by the Board of Directors containing detailed information on the Merger, including the calculation method of the share exchange ratio. The following documents are available to the Shareholders of the Merging Sub-Fund at the registered office of the Merging UCITS on request and free of charge as from 22 May 2024:
- b) a statement by the depositary bank of the Merging UCITS confirming that they have verified compliance of the Common Draft Terms of the Merger with the terms of the law of 17 December 2010 on undertakings for collective investment and the Articles of Association;
- c) the prospectus of the Receiving UCITS; and
- d) the KID of the Merging Sub-Fund and the Receiving Sub-Fund. The Board of Directors draws the attention of the Shareholders of the Merging Sub-Fund to the importance of

Please contact your financial adviser or the registered office of the Merging UCITS if you have questions regarding this matter.

Yours faithfully,
the Merger.

The Board of Directors

Luxembourg and Basle, 22 May 2024 | The Company

The Prospectus, the PRIIPs KID (Packaged Retail and Insurance-based Investment Products Key Information Document), the Articles of Association and the annual and semi-annual reports relating to the Company may be obtained or ordered free of charge from the Paying Agent in Switzerland, Credit Suisse (Schweiz) AG, Paradeplatz 8, CH-Zurich and from the Representative in Switzerland UBS Fund Management (Switzerland) AG.

The domicile of the collective investment scheme is Luxembourg.

CS Investment Funds 2
5, rue Jean Monnet
L-2180 Luxembourg

Representative in Switzerland:
UBS Fund Management (Switzerland) AG
Aeschenvorstadt 1
CH-4051 Basel

24.035RS

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