

# New Capital Multihelvetia

Investment fund under Swiss law  
(Category “Other Funds for Traditional Investments”)

**Prospectus with integrated fund contract**

May 2022

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# PART I PROSPECTUS

This prospectus, together with the fund contract which forms an integral part thereof, the key information document or the Key Investor Information Document and the latest annual or semi-annual report (if published after the latest annual report), serves as the basis for all subscriptions of units of this fund.

Only the information contained in the prospectus, the key information document or the Key Investor Information Document or the fund contract shall be deemed to be valid.

## 1 Information about the investment fund

### 1.1 General information on the fund

New Capital Multihelvetia is an investment fund governed by Swiss law established under the "Other Funds for Traditional Investments" category of the Swiss Collective Investment Schemes Act (CISA) of 23 June 2006. The fund contract was drawn up by UBS Fund Management (Switzerland) AG as fund management company and presented to the former Swiss Federal Banking Commission with the approval of EFG Bank AG (formerly: BSI SA) in its capacity as custodian bank. The fund contract was approved by the then Swiss Federal Banking Commission for the first time in 1986.

The fund is based upon a collective investment contract (fund contract) under which the fund management company is obliged to provide investors with a stake in the fund in proportion to the fund units acquired by them and to manage this fund at its discretion and in its own name in accordance with the provisions of the law and the fund contract. The custodian bank is party to the contract in accordance with the tasks conferred upon it by law and the fund contract.

In accordance with the fund contract, the fund management company is entitled to establish, liquidate or merge unit classes at any time, subject to the agreement of the custodian bank and the approval of the supervisory authority.

The current unit classes are:

- Class "A" units are in principle offered to all investors.
- Class "M" units are offered exclusively to qualified investors within the meaning of Art. 10, para. 3, 3bis and 3ter of the Swiss Federal Act on Collective Investment Schemes (CISA).

Unit class "M" differs from unit class "A" in terms of the investors and the maximum commission (prov. 5.3 below).

The unit classes are not segmented assets. Accordingly, the possibility that a unit class may be liable for the liabilities of another unit class cannot be ruled out, even though costs as a rule may only be charged to the specific unit class benefiting from a specific service.

### 1.2 Investment objective and investment policy of the fund

#### 1.2.1 Investment objective

The investment objective of New Capital Multihelvetia is to achieve best possible total return.

#### 1.2.2 Investment policy

The investment policy of this fund is as follows:

The fund invests its assets primarily in equity paper and rights (shares, dividend-right certificates, cooperative shares, participation certificates and similar instruments) issued by companies which are either included in the Swiss Performance Index (SPI®) with gross dividends, have their registered offices or conduct the majority of their business in Switzerland or which as holding companies mainly invest in companies with their registered offices in Switzerland, as well as in other investments permitted under the fund contract.

The Swiss Performance Index (SPI®) is an index of publicly traded shares in Swiss-domiciled companies. It maintains a balanced mix of investments in the securities of large, mid and small cap listed companies (excluding investment funds) across all sectors of the economy, for which there are no restrictions on circulation.

New Capital Multihelvetia is not supported, pledged, sold or advertised by SIX Swiss Exchange and SIX Swiss Exchange does not assume any warranty of any kind (either express or implied) for the results that may be achieved through use of the SPI® (the "Index") and/or for the level of the Index at a particular time or on a particular date. SIX Swiss Exchange is not liable (whether by reason of negligence or any other conduct) for any errors which may appear in the Index and SIX Swiss Exchange is in no way responsible for alerting clients to such errors. SPI® is a registered trademark of SIX Swiss Exchange.

The fund management company may, including derivatives, invest no more than 10% of the fund's assets in securities or money market instruments issued by one and the same issuer. Notwithstanding the limit of up to 10% given above, when acquiring securities of an issuer included in the benchmark index, the fund management company may hold an overweight of up to 5 percentage points or 125% of the issuer's percentage weighting in the benchmark index. This can lead to a concentration of the fund's investments in only a few securities which make up the benchmark index, thereby creating an overall risk for the fund which exceeds that of the benchmark index (market risk). Investments must be spread over at least 12 issuers.

### 1.2.3 Collateral strategy

#### Collateral strategy for securities lending or transactions with derivative financial instruments:

Counterparty risks may occur in connection with securities lending transactions and transactions in derivative financial instruments.

These risks are minimised as follows:

#### Collateral is required to the following extent:

All loans under securities lending transactions must be collateralised in full, with the value of the collateral amounting to at least 105% of the market value of the lent securities. Individual items of collateral may also be valued at a discount. This discount is based on the volatility of the markets and the forecast liquidity of the collateral. The collateralisation of derivatives transactions is based on the relevant rules for settling such types of transaction. Derivatives transactions settled centrally are always collateralised. The extent and amount are based on the respective regulations of the central counterparty or clearing house.

For derivatives transactions not settled centrally, the fund management company or its agents may enter into mutual collateral agreements with the counterparties. The value of the collateral exchanged must always be at least equivalent to the replacement value of the derivatives transactions outstanding. Individual items of collateral may also be valued at a discount. This discount is based on the volatility of the markets and the forecast liquidity of the collateral.

#### The following types of collateral are permitted:

- Equities traded on an exchange or other market open to the public which have a high level of liquidity and are included in a benchmark index.
- ETFs in the form of securities funds, other funds for traditional investments under Swiss law or UCITS, are deemed equivalent to equities if they track an above index and replicate it physically. Swap-based, synthetically replicating ETFs are not permitted.
- Bonds, provided they are traded on a stock exchange or another market open to the public and the issuer has a first-class credit rating. No rating is required for government bonds issued by the USA, Japan, the UK, Germany or Switzerland (including federal states and cantons).
- Tradable treasury bills and notes with a government guarantee are deemed equivalent to government bonds if the government or issuer has a first-class rating or they are issued by the USA, Japan, the UK, Germany or Switzerland (including federal states and cantons).
- Money market funds, provided they comply with the SFAMA guideline or the CESR guideline for money market funds, can be redeemed on a daily basis, and the investments are of high quality or are classified as first-class by the fund management company.
- Cash collateral, provided this is in a freely convertible currency.

#### The collateral margins are defined as follows:

The following minimum discounts (% deduction from market value) apply to the collateralisation of loans under securities lending transactions:

- Listed equities and ETFs 8%
- Government bonds (including treasury bills and notes) issued or guaranteed by the US, the UK, Japan, Germany or Switzerland (including cantons and municipalities) 0%
- Other government bonds (including treasury

bills and notes)	2%
- Corporate bonds	4%
- Cash collateral, provided it is not in the fund currency	3%
- Money market funds	4%

The following minimum discounts (% deduction from market value) apply to the collateralisation of derivatives not settled centrally, provided a collateralisation agreement has been entered into with the counterparty:

- Cash	0%
- Government bonds with a residual term of up to 1 year	1–3%
- Government bonds with a residual term of 1–5 years	3–5%
- Government bonds with a residual term of 5–10 years	4–6%
- Government bonds with a residual term of more than 10 years	5–7%

#### **Cash collateral may be reinvested as follows and with the following risks:**

Sight deposits or deposits with a short notice period, government bonds with a high credit rating, money market instruments with counterparties with a high credit rating and money market funds subject to the SFAMA guideline or the CESR guideline for money market funds.

Cash collateral must always be reinvested in the same currency as the collateral is received in.

The fund management company regularly monitors the risks from reinvesting cash collateral. These investments are nevertheless subject to credit risk and the value can be impacted by fluctuations. In addition, a certain level of liquidity risk cannot be excluded.

#### 1.2.4 Material risks

The material risks of the fund are: The value of the investments in the fund is based on the respective fair value of the investments. Depending on general market trends and the performance of the stocks contained in the portfolio, the net asset value may fluctuate considerably. It cannot be excluded that the value falls over an extended period of time. There is no guarantee that investors will achieve a certain return and the units can be given back to the fund management company for a certain price.

#### 1.2.5 Use of derivatives

The fund management company may use derivatives. Even under extraordinary market circumstances, the use of these instruments may not alter the fund's investment goals or lead to a change in its investment profile. Due to the planned use of derivatives, this fund qualifies as a "simple investment fund". Commitment Approach II (extended procedure) shall be used in risk measurement.

Derivatives form part of the investment strategy and are not only used to hedge investment positions.

In connection with collective investment schemes, derivatives may be used only for currency hedging purposes, with the exception of the hedging of market, interest rate and credit risks in the case of collective investment schemes for which the risks can be determined and measured unequivocally.

Only basic forms of derivatives may be used, i.e. call or put options, credit default swaps (CDSs), swaps, and futures and forwards, as described in detail in the fund contract (cf. § 12), provided their underlying securities are permissible investments in accordance with the investment policy. The derivatives can be traded on a stock exchange or another regulated market open to the public or concluded as over-the-counter (OTC) transactions. Besides market risk, derivatives are also subject to counterparty risk, i.e. the risk that the contracting party is unable to meet its obligations and causes a financial loss as a result.

Besides credit default swaps (CDSs), all other forms of credit derivatives (e.g. total return swaps (TRSs), credit spread options (CSOs), credit linked notes (CLNs)) which can be used to transfer credit risks to third parties, so-called risk buyers, may be acquired. These risk buyers are compensated with a premium. The level of this premium depends on a number of factors including the likelihood of a loss occurring and the maximum loss; as a rule both of these factors are difficult to assess, which in turn increases the risk associated with credit derivatives. The investment fund may act as a risk buyer or seller.

The use of derivatives may result in the fund's assets being leveraged or be tantamount to a short sale. The overall investment in derivatives may reach up to 100% of the fund's net assets, taking the fund's total investment to up to 200% of its net fund assets.

### *1.3 Liquidity risk management / Information on the liquidity management process*

The fund management company ensures liquidity is managed appropriately. In order to be able to guarantee the right of the investor to redeem its units at any time (Art. 78(2) CIS), the fund management company regularly monitors the liquidity risks of the individual investments with regard to their saleability, on the one hand, and of the investment fund with regard to the servicing of redemptions, on the other. The fund management company assesses the liquidity of the investment fund on a monthly basis under various scenarios and documents these. To this end, the fund management company has defined and implemented processes that make it possible to identify, monitor and report these liquidity risks. To identify the liquidity risks of the investments and to calculate individual liquidity thresholds at investment fund level, the fund management company relies on models that have been tested in the market and verified by UBS Group specialists. The liquidity thresholds are used to monitor stress reduction scenarios at investment fund level.

#### *1.4 Profile of the typical investor*

The fund is appropriate for investors with a long-term horizon who are primarily seeking to achieve capital growth. Investors can accept larger fluctuations and a longer-lasting decline in the net asset value of the fund units. They are aware of the considerable risks an equity investment entails.

#### *1.5 Tax regulations relevant for the fund*

The investment fund has no legal personality in Switzerland. It is subject to neither income tax nor capital gains tax.

The fund management company may apply for a refund of all Swiss federal withholding tax levied on the fund's domestic income on behalf of the fund.

Any income and capital gains realised abroad may be subject to the relevant withholding tax deductions imposed by the country of investment. These taxes will, as far as possible, be reclaimed by the fund management company on behalf of investors resident in Switzerland under the terms of double taxation treaties or other such agreements.

The net income retained and reinvested by the investment fund is subject to Swiss federal withholding tax (tax at source) at a rate of 35%.

Investors domiciled in Switzerland may reclaim Swiss withholding tax by declaring it in their tax returns, or by submitting a separate application for a refund.

Investors domiciled outside Switzerland may reclaim Swiss withholding tax under the terms of a double taxation treaty between Switzerland and the respective investor's country of residence, provided such a treaty exists. Withholding tax cannot be reclaimed if no such treaty exists.

In addition, both income and capital gains, whether distributed or reinvested, and depending on the person who holds the units either directly or indirectly, may be subject in part or in their entirety to so-called paying agent tax (e.g. final withholding tax, European savings tax, foreign account tax, Compliance Act).

The tax information stated above is based on the current legal situation and practice. This tax information is expressly subject to changes in legislation, jurisdiction and ordinances and the practices of tax authorities.

Taxation and other tax implications for investors who hold, buy or sell fund units are defined by the tax laws and regulations in the investor's country of domicile. For information in this regard, investors should contact their tax advisor.

The investment fund has the following tax status:

International automatic exchange of information in tax matters (automatic exchange of information)

For the purposes of automatic exchange of information, this investment fund is registered with the Swiss Federal Tax Administration (FTA) as a financial institution subject to reporting as defined by the common reporting and due diligence standard set out by the Organisation for Economic Co-operation and Development (OECD) regarding information on financial accounts (Common Reporting Standard, CRS).

#### **FATCA**

The investment fund is registered with the US tax authorities as a Registered Deemed Compliant Financial Institution under a Model 2 IGA pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code (Foreign Account Tax Compliance Act, including the corresponding rulings, "FATCA").

## **2 Information on the fund management company**

### *2.1 General information on the fund management company*

The fund management company is UBS Fund Management (Switzerland) AG. The fund management company, which has its registered office in Basel, has been active in the fund business since its formation as an Aktiengesellschaft (stock corporation) in 1959.

The subscribed share capital of the fund management company amounts to CHF 1 million. The share capital is divided into registered shares and has been fully paid up. UBS Fund Management (Switzerland) AG is a wholly owned group company of UBS Group AG.

#### **Board of Directors**

Michael Kehl, Chairman

Managing Director, UBS Asset Management Switzerland AG, Zurich

Thomas Rose, Vice Chairman

Managing Director, UBS Asset Management Switzerland AG, Zurich

André Valente, Delegate

Managing Director, UBS Fund Management (Switzerland) AG, Basel

Dr Daniel Brüllmann

Managing Director, UBS Asset Management Switzerland AG, Zurich

Franz Gysin, Independent Member

Werner Strebel, Independent Member

#### **Executive Board**

André Valente, Managing Director and Delegate of the Board of Directors

Eugène Del Cioppo, Deputy Managing Director and Head of Business Development & Client Management

Urs Fäs, Head of Real Estate Funds

Christel Müller, Head of Corporate Governance & Change Management

Georg Pfister, Head of Process, Platform, Systems and Head of Finance

Thomas Reisser, Head of Compliance

Beat Schmidlin, Head of Legal Services

As at 31 December 2021, the fund management company managed a total of 392 securities funds and 8 real estate funds in Switzerland with assets totalling CHF 318,436 million.

Furthermore, the fund management company provides the following specific services:

- representation of foreign collective investment schemes
- administration services for collective investment schemes.

### *2.2 Delegation of investment decisions*

Investment decisions in respect of the fund have been delegated to EFG Asset Management (Switzerland) SA, Geneva. EFG Asset Management (Switzerland) SA, Geneva, is an asset manager of collective investment schemes approved by FINMA and as such is subject to supervision in Switzerland by the Swiss Financial Market Supervisory Authority.

EFG Asset Management (Switzerland) SA has many years of experience in asset management services and a broad knowledge of the investment markets of the fund. The precise duties involved are set out in an asset management agreement between UBS Fund Management (Switzerland) AG and EFG Asset Management (Switzerland) SA, Geneva.

### *2.3 Delegation of administration*

The administration of the fund, in particular accounting, calculation of the net asset value, tax settlement, operation of IT systems and preparation of statements of accounts, has been delegated to Northern Trust Global Services SE, Leudelange, Luxembourg, Basel

branch. The precise duties involved are set out in an agreement between the parties.

All other fund management duties and the monitoring of other delegated duties are carried out in Switzerland.

### *2.4 Exercising membership and creditors' rights*

The fund management company exercises the membership and creditors' rights associated with the investments of the managed funds independently and exclusively in the interests of investors. Upon request, the fund management company shall provide investors with details concerning the exercise of membership and creditors' rights.

Regarding existing routine business, it is up to the fund management company whether to exercise the membership and creditors' rights itself or whether to delegate them to the custodian bank or a third party, and to choose not to exercise the membership and creditors' rights.

For all other matters that could affect the long-term interests of investors, for example when exercising membership and creditors' rights accruing to the fund management company as shareholder or creditor of the custodian bank or any other related legal entity, the fund management company shall exercise the voting right itself or give clear instructions. It may use information received from the custodian bank, the asset manager, the company, consultants on voting rights or other third parties or information that has appeared in the press.

It is up to the fund management company to decide whether to waive its entitlement to exercise membership and creditors' rights.

## **3 Information on the custodian bank**

The custodian bank is EFG Bank AG, Zurich, with its head office in Switzerland.

EFG Bank AG was founded in Zurich in 1969 and today operates as a private bank in Switzerland and abroad. It offers comprehensive banking services in asset management, investment counselling and other financial areas for private and institutional clients. EFG Bank AG is part of EFG International, a Swiss private banking group with head office in Zurich. EFG International has a worldwide presence in over 30 locations. Its shares are listed on SIX Swiss Exchange. Visit [www.efginternational.com](http://www.efginternational.com) for more information.

The custodian bank may delegate the safekeeping of the fund's assets to third-party or central securities depositories in Switzerland or abroad, provided this is in the interests of proper safekeeping. In respect of financial instruments, such transfer may be made only to regulated third-party custodians and central securities depositories. This does not apply to mandatory safekeeping at a location where the transfer of safekeeping to regulated third-party custodians and central securities depositories is not possible, in particular owing to mandatory legal provisions or to the particular arrangements for the investment product in question.

Third-party and central securities depositories mean that the fund management company no longer has sole ownership of deposited securities, but only co-ownership. If the third-party or central securities depository is not subject to regulatory supervision, it is unlikely to meet the requirements for Swiss Banks. When a third-party depository is located outside of Switzerland, the legal provisions and practices of the place where the assets are held in custody shall apply.

The custodian bank shall be liable for damage or loss caused by its agents unless it is able to prove that it exercised the due diligence required in the circumstances in respect of selection, instruction, and monitoring.

The custodian bank is registered with the US tax authorities as a Participating Foreign Financial Institution pursuant to sections 1471 through 1474 of the U.S. Internal Revenue Code (Foreign Account Tax Compliance Act, including the corresponding rulings, "FATCA").

## **4 Information on third parties**

### *4.1 Paying agents*

The paying agent is EFG Bank AG, Zurich, Bleicherweg 8, 8001 Zurich.

## 4.2 Distributors

EFG Bank AG, Zurich, is responsible for the distribution activity in respect of the fund.

## 4.3 External auditors

The auditors are Ernst & Young Ltd., Basel.

## 5 Further information

### 5.1 Key data

Securities no.	Unit class "A" 277516
Securities no.	Unit class "M" 3140525
ISIN	Unit class "A" CH0002775168
ISIN	Unit class "M" CH0031405258
Listing	none; units of the fund are issued and redeemed daily
Financial year	1 January until 31 December
Term to maturity	unlimited
Accounting currency	Swiss franc (CHF)
Units	made to the bearer; units are not certificated, but are dealt with on a book-entry basis.
Appropriation of income	The net income is added annually to the assets of the respective investment fund or unit class for reinvestment. Exceptions apply to any taxes and duties levied on the reinvestment of these funds.

### 5.2 Terms for the issue and redemption of fund units

Fund units may be issued or redeemed on every bank business day (Monday to Friday). No issue or redemption will take place on Swiss public holidays (Easter, Whitsun, Christmas incl. 24 December, New Year incl. 31 December, the Swiss national holiday [1 August] etc.), or on days when the stock exchanges/markets in the fund's principal investment countries are closed, or when 50% or more of the fund's investments cannot be valued in an adequate manner, or under the exceptional circumstances defined under §17 prov. 4 of the fund contract.

Issue and redemption orders entered at the custodian bank by 4:00 p.m. (cut-off time) on a bank business day (order day) will be settled on the basis of the net asset value calculated on the following bank business day (valuation day). Earlier cut-off times may apply to the submission of orders for those orders placed with distributors in Switzerland and abroad in order to ensure that these can be forwarded on to the custodian bank in time. These cut-off times may be obtained from the respective distributors. The net asset value taken as the basis for the settlement of orders is therefore not known when the order is placed (forward pricing). It is calculated on the valuation day based on the closing prices of the order day or, if these do not reflect appropriate market values in the fund management company's view, at the latest available prices at the time of the valuation or in accordance with other recognised valuation models and principles. The fund management company is entitled to apply other generally recognised and verifiable valuation criteria in order to make an appropriate valuation of the fund's net assets if, due to extraordinary circumstances, a valuation in accordance with the regulations stated above proves to be unfeasible or inaccurate.

The net asset value of a unit of a class represents the percentage constituted by the unit class concerned of the market value of the fund assets, less all the liabilities of the investment fund allocated to the respective unit class, divided by the number of units of the relevant class in circulation. It will be rounded to two decimal places.

The issue price corresponds to the net asset value calculated on the valuation day plus any issuing commission. The issuing commission is defined under prov. 5.3 below.

The redemption price corresponds to the net asset value calculated on the valuation day, minus the redemption commission. The redemption commission is defined under prov. 5.3 below.

Incidental costs relating to the purchase and sale of investments (brokerage commissions in line with the market, commissions, duties, etc.) incurred by the fund in connection with the investment of the amount paid in or with the sale of a redeemed portion of investments corresponding to the unit will be charged to the fund's assets.

The issue and redemption prices are rounded to two decimal places. Payment will be made 3 bank business days after the order day

(value date 3 bank business days).

Units shall not take the form of actual certificates but shall exist purely as book entries.

The fund management company and the custodian bank are authorized within the scope of their distribution activities to reject subscriptions or to prohibit or limit the sale, distribution or transfer of units to natural persons or legal entities in certain countries and areas.

### 5.3 Remuneration and incidental costs

#### 5.3.1 Remuneration and incidental costs charged to the investor

(excerpt from § 18 of the fund contract)

- Issuing commission accruing to the custodian bank in Switzerland when issuing class "A" units maximum of 1.2%
- Issuing commission accruing to the custodian bank in Switzerland when issuing class "M" units maximum of 1.0%
- Redemption commission accruing to the custodian bank upon redemption of class "A" units none
- Redemption commission accruing to the custodian bank upon redemption of class "M" units none
- Unit issues and redemptions via a distributor in Switzerland and abroad
  - Issuing commission (total) maximum of 5%
  - Redemption commission none

In the event that the investment fund is dissolved, the fund management company and the custodian bank may charge investors a commission totalling 0.5%. The commission shall be halved between the fund management company and the custodian bank.

#### 5.3.2 Remuneration and incidental costs charged to the fund's assets (excerpt from § 19 of the fund contract)

- Class "A" units
  - Flat fee charged by the fund management company maximum of 2.0% p.a.
- Class "M" units
  - Flat fee charged by the fund management company maximum of 1.0% p.a.

The fee is used to cover the administration, asset management and, where applicable, the distribution activity in respect of the fund, and also to remunerate the custodian bank for the services it provides, such as the safekeeping of the fund assets, the handling of payment transactions and the performance of the other tasks listed under § 4 of the fund contract.

The flat fee charged by the fund management company is also used to pay retrocessions and/or rebates in accordance with prov. 5.3.3 of the prospectus.

A detailed breakdown of the remuneration and incidental costs not included in the flat fee is set out in § 19 of the fund contract.

The rate of the flat fee actually charged is stated in the annual and semi-annual reports.

#### 5.3.3 Payment of retrocessions and rebates

The fund management company, its agents and the custodian bank may pay retrocessions as remuneration for distribution activity in respect of fund units in or from Switzerland. This comprises all activities that are geared towards promoting the distribution activity or the transfer of fund units, such as organising roadshows, taking part in conferences and trade fairs, producing advertising material, training sales staff, etc.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution activity in respect of the investment fund.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distribution activity in respect of the collective investment schemes of the investors concerned

In respect of distribution activity in or from Switzerland, the fund management company and its agents may on request pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investor in question. Rebates are permitted provided that:

- they are paid from fees charged by the fund management company and therefore do not represent an additional charge to the fund assets;
- they are granted on the basis of objective criteria;
- all investors who meet these objective criteria and request rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the fund management company are as follows:

- the volume subscribed by the investor or the total volume held by the investor in the collective scheme or, where applicable, in the product range of the promoter;
- the amount of the fees generated by the investor;
- the investment behaviour shown by the investor (e.g. expected investment period);
- the investor's willingness to provide support in the launch phase of a collective investment scheme

At the request of the investor, the fund management company must disclose the amounts of such rebates free of charge.

#### 5.3.4 Total expense ratio

The coefficient of the entire costs charged on an ongoing basis to the fund assets (total expense ratio or TER) was:

- 2018: Unit class "A": 1.63%
- 2018: Unit class "I": 0.39%
- 2019: Unit class "A": 1.38%
- 2019: Unit class "M": 0.39%
- 2020: Unit class "A": 1.23%
- 2020: Unit class "M": 0.32%

\*beginning 2019: class "M"

#### 5.3.5 Commission-sharing agreements and soft commissions

The fund management company has not concluded commission sharing agreements

The fund management company has not concluded agreements relating to "soft commissions".

#### 5.3.6 Investments in associated collective investments

No issuing and redemption commission is charged to investments in collective investments that are managed directly or indirectly by the fund management company itself or by a company with which it is associated through common management or control or by a direct or indirect shareholding of more than 10% of the capital or votes.

#### *5.4 Publications of official notices by the investment fund*

Further information on the fund may be found in the latest annual or semi-annual report. Up-to-date information is also available on the Swiss Fund Data AG website ([www.swissfunddata.ch](http://www.swissfunddata.ch)).

The prospectus with integrated fund contract, the key information document or the Key Investor Information Document as well as the annual and semi-annual reports may be obtained free of charge from the fund management company, custodian bank and all distributors.

Notification of changes to the fund contract, a change of fund management company or custodian bank, as well as the liquidation of the fund shall be published by the fund management company on the Swiss Fund Data AG electronic platform ([www.swissfunddata.ch](http://www.swissfunddata.ch)).

Prices are published for all unit classes for each day on which fund units are issued or redeemed on website of Swiss Fund Data AG ([www.swissfunddata.ch](http://www.swissfunddata.ch)).

#### *5.5 Sales restrictions*

For the issue and redemption of units of this fund abroad, the regulations valid in the country in question shall apply.

- a) The fund is only authorised for distribution activity in Switzerland.
- b) Units of the sub-funds may not be offered, sold or delivered within the United States.  
Units of this fund may not be offered, sold or delivered to

investors who are US persons. A US person is someone who:

- (i) is a United States person within the meaning of Section 7701(a)(30) of the US Internal Revenue Code of 1986, as amended, and the Treasury Regulations enacted in the framework of the Code;
- (ii) is a US person within the meaning of Regulation S under the US Securities Act of 1933 (17 CFR § 230.902(k));
- (iii) is not a Non-United States person within the meaning of Rule 4.7 of the US Commodity Futures Trading Commission Regulations (17 CFR § 4.7(a)(1)(iv));
- (iv) resides in the United States within the meaning of Rule 202(a)(30)-1 under the US Investment Advisers Act of 1940, as amended; or
- (v) is any trust, entity or other structure formed for the purpose of allowing US persons to invest in this fund.

The fund management company and custodian bank may prohibit or restrict the sale, distribution or transfer of units to individuals or legal entities in certain countries or areas.

#### *5.6 Detailed regulations*

Further information on the fund, such as the valuation of the fund's assets, a list of all incidental costs and commissions charged to investors and the fund and the appropriation of net income, is set out in detail in the fund contract.

## PART II FUND CONTRACT

### I Basis

#### § 1 Name; name and domicile of the fund management company, custodian bank and asset manager

1. A contractually based investment fund of the type "Other Funds for Traditional Investments" (the "fund") has been established under the name of New Capital Multihelvetia in accordance with Art. 25 ff in conjunction with Art. 68 ff of the Swiss Collective Investment Schemes Act (CISA) of 23 June 2006.
2. UBS Fund Management (Switzerland) AG, with its registered office in Basel, is the fund management company.
3. EFG Bank AG, Zurich, is the custodian bank.
4. EFG Asset Management (Switzerland) SA, Geneva, is the asset manager.

### II Rights and obligations of the contracting parties

#### § 2 Fund contract

The legal relationship between the investors on the one hand and the fund management company and the custodian bank on the other shall be governed by this fund contract and the applicable provisions of Swiss legislation concerning collective investment schemes.

#### § 3 Fund management company

1. The fund management company manages the fund at its own discretion and in its own name, but for the account of the investors. In particular, it shall make all decisions relating to the issuing of units, the investments and their valuation. It calculates the net asset value, sets the issue and redemption prices of units and also determines the distribution of income. The fund management company shall exercise all rights associated with the fund.
2. The fund management company and its agents shall act in good faith and have a duty to exercise due diligence and provide information. They shall act independently and exclusively in the interests of investors. They shall take any organisational steps that may be required to ensure the proper conduct of business. They shall report on the collective investment schemes they manage and provide information on all fees and costs charged directly or indirectly to investors and on compensation received from third parties, in particular commissions, rebates and other monetary benefits.
3. The fund management company may delegate investment decisions as well as specific tasks to third parties, provided that it is in the interests of efficient management. It shall only delegate responsibilities to individuals who have the necessary skills, knowledge and experience for this activity and the required authorisation. It must carefully instruct and supervise the third parties it uses.

Investment decisions may be delegated only to asset managers who have the necessary authorisation.

The fund management company remains responsible for fulfilling its supervisory duties and safeguards the interests of investors when transferring tasks. The fund management company shall be liable for the actions of persons to whom it has transferred tasks as if they were its own actions.

4. The fund management company may, subject to the consent of the custodian bank, submit amendments to this fund contract to the supervisory authority (cf. § 27).
5. The fund management company can merge any of the funds it manages pursuant to the provisions set down under § 24, convert it to another legal form of collective investment scheme pursuant to the provisions set down under § 25, or liquidate any of the funds it manages pursuant to the provisions set down under § 26.

6. The fund management company is entitled to receive the remuneration stipulated in §§ 18 and 19. It is further entitled to be released from any liabilities assumed in the proper performance of its duties and to be reimbursed for expenses incurred in connection with such liabilities.

#### § 4 Custodian bank

1. The custodian bank shall be responsible for the safekeeping of the fund's assets. The custodian bank shall be responsible for the issue and redemption of fund units as well as payments on behalf of the fund.
2. The custodian bank and its agents shall act in good faith and have a duty to exercise due diligence and provide information. They shall act independently and exclusively in the interests of investors. They shall take any organisational steps that may be required to ensure the proper conduct of business. They shall report on the collective investment schemes they manage and provide information on all fees and costs charged directly or indirectly to investors and on compensation received from third parties, in particular commissions, rebates and other monetary benefits.

They shall disclose all charges and fees incurred directly or indirectly by investors and the appropriation of such charges and fees. They shall notify investors of compensation for the distribution of collective investment schemes in the form of commissions, brokerage fees and other soft commissions in a full, truthful, and comprehensible manner.

3. The custodian bank shall be responsible for account and safekeeping account management on behalf of the investment fund, but shall not have independent access to its assets.
4. The custodian bank shall ensure that, in the case of transactions relating to the assets of the investment fund, the countervalue is transferred within the usual time limit. It shall notify the fund management company if the countervalue is not remitted within the usual time limit and, where possible, requests reimbursement for the asset item concerned from the counterparty.
5. The custodian bank shall keep the required records and accounts in such manner that it shall, at all times, be able to distinguish between the assets held in safekeeping for the individual investment funds.

In relation to assets that cannot be taken into safekeeping, the custodian bank shall verify ownership by the fund management company, and keep a record thereof.

6. The custodian bank may transfer the safekeeping of the fund assets to third-party custodians and central securities depositories in Switzerland or abroad, provided this is in the interests of proper safekeeping. The custodian bank shall verify and monitor that the third-party custodian or central securities depository it appoints:
  - a) possesses an appropriate organizational structure, financial guarantees and the specialist qualifications required given the nature and complexity of the assets entrusted to it;
  - b) is subject to regular external audits, thereby ensuring that it possesses the financial instruments;
  - c) holds the assets received from the custodian bank in safekeeping in such a manner that by means of regular portfolio comparisons they can, at all times, be clearly identified as belonging to the fund assets;
  - d) complies with the provisions applicable to the custodian bank with respect to the performance of the tasks delegated to it and the avoidance of conflicts of interest.

The custodian bank shall be liable for damage or loss caused by its agents unless it is able to prove that it exercised the due diligence required in the circumstances in respect of selection, instruction, and monitoring. The prospectus contains information on the risks associated with the transfer of safekeeping to third-party custodians and central securities depositories.

In respect of financial instruments, the transfer of safekeeping in the sense of the previous paragraph may be made only to regulated third-party custodians and central securities depositories. This does not apply to mandatory safekeeping at a location where the transfer of safekeeping



to regulated third-party custodians and central securities depositories is not possible, in particular owing to mandatory legal provisions or to the particular arrangements for the investment product in question. Investors must be informed in the prospectus of safekeeping with non-regulated third-party custodians or central securities depositories.

7. The custodian bank shall ensure that the fund management company complies with the law and the fund contract. It shall verify that the calculation of the net asset value and of the issue and redemption prices of the units, as well as the investment decisions, are in compliance with the law and the fund contract, and that income is appropriated in accordance with the fund contract. The custodian bank shall not be responsible for the choice of investments which the fund management company makes in accordance with the investment regulations.
8. The custodian bank shall be entitled to receive the fees stipulated in §§18 and 19 shall further be entitled to be exempt from any liabilities which may have arisen in the course of the proper execution of its duties, and to be reimbursed for expenses incurred in connection with such liabilities.
9. The custodian bank shall not be responsible for the safekeeping of the assets of the target funds in which this fund invests, unless this task has been delegated to it.

## § 5 Investors

1. There are no restrictions in terms of investor eligibility. Restrictions are possible for individual classes in accordance with § 6 prov.4. The fund management company shall ensure together with the custodian bank that the investors meet the requirements in respect of investor eligibility.
2. Upon execution of the contract and remittance of a cash payment, the investor shall acquire a claim against the fund management company for an interest in the fund's assets and income. This claim is evidenced in the form of units.
3. Investors are only obliged to remit payment for the units of the fund subscribed by them. Investors shall not be held personally liable in respect of the liabilities of the fund.
4. Investors may at any time request that the fund management company supply them with information regarding the basis on which the net asset value per unit is calculated. The fund management company shall also supply further information regarding specific transactions it has carried out, such as the exercise of membership and creditors' rights or risk management, to any investor claiming an interest in such matters at any time. Investors shall be entitled to submit an application to the court having jurisdiction in the domicile of the fund management company for the external auditors, or another entity with appropriate expertise, to investigate and report on any facts or circumstances for which disclosure is required.
5. Investors shall be entitled to terminate the fund contract at any time and request payment in respect of units held in the fund in cash.
6. Upon request, the investors are obliged to provide the fund management company and/or the custodian bank and its agents with documentary proof that they meet/continue to meet the legal and contractual requirements necessary to be able to participate in the investment fund or a unit class. In addition, they are obliged to immediately notify the fund management company, the custodian bank and its agents if they no longer meet these requirements (see § 6 prov. 6).
7. The investment fund or a unit class may be subject to a "soft closing", whereby investors may not subscribe to units if the fund management company believes the closing is necessary to protect the interests of existing investors. In reference to this investment fund or unit class, the soft closing shall apply to new subscriptions or switches into the investment fund or unit class, but not to redemptions, transfers or switches out of the investment fund or unit class. The investment fund or unit class may be subject to a soft closing without notifying the investors.
8. An investor's units must be compulsorily redeemed at the prevailing redemption price by the fund management company in collaboration with the custodian bank if (see § 6 prov. 6):
  - a) this is required to safeguard the reputation of the financial centre, notably in relation to combating money laundering;
  - b) the investor no longer meets the legal or contractual requirements to participate in this fund.
9. In addition, an investor's units may be compulsorily redeemed at the prevailing redemption price by the fund management

company in collaboration with the custodian bank if (see § 6 prov. 6):

- a) the investor's participation in the fund may materially affect the economic interests of the other investors, particularly if their participation may result in tax disadvantages for the fund in Switzerland or abroad;
- b) investors have acquired or hold units in breach of the provisions of domestic or foreign legislation or provisions of this fund contract or prospectus applicable to them;
- c) the economic interests of investors are affected, particularly in cases in which individual investors attempt to acquire benefits for their portfolio by systematically subscribing and immediately thereafter redeeming units, exploiting time differences between the setting of closing prices and the valuation of the fund's assets (market timing).

## § 6 Units and unit classes

1. The fund management company may, subject to the approval of the custodian bank and the supervisory authority, create different unit classes, or merge or liquidate unit classes. All unit classes shall be entitled to a share in the undivided assets of the fund, which are not segmented. This share may vary due to class-specific costs charged or distributions or on account of class-specific income, and the net asset value per unit may therefore vary from class to class. Any class-specific costs charged shall be met by the aggregate assets of the fund.
2. The creation, liquidation or merger of unit classes shall be announced in the official publication specified for the fund. Only mergers of unit classes shall be deemed to constitute an amendment to the fund contract pursuant to § 27.
3. The various unit classes may, in particular, differ in terms of cost structure, reference currency, currency hedging, distribution or reinvestment of income, minimum investments and investor group.

Commissions and costs shall only be charged to unit classes that benefit from the services they cover. Costs which cannot be unequivocally attributed to a particular unit class shall be charged to the individual unit classes in proportion to their share of the fund's assets.
4. At the moment, there exist the following unit classes :
  - a) "A"

Class "A" units are in principle offered to all investors.
  - b) "M"

Class "M" units are offered to qualified investors within the meaning of Art. 10, para. 3, 3bis and 3ter of the Swiss Federal Act on Collective Investment Schemes (CISA) of 23 June 2006.

Unit class "M" differs from unit class "A" in terms of the commission and the investors.
5. Units shall not take the form of actual certificates but shall exist purely as book entries. The investor shall not be entitled to request the issue of a registered or bearer unit certificate.
6. The fund management company and custodian bank are obliged to ask investors who no longer meet the requirements to either invest in a unit class to redeem their units within 30 calendar days pursuant to § 17, to transfer them to an individual who does meet the stated requirements or to convert the units into another class whose requirements they do meet. If the investor fails to comply with this demand, the fund management company must, together with the custodian bank and its agents, carry out a compulsory transfer into another unit class of this fund or, where this is not feasible, a compulsory redemption of the affected units pursuant to § 5 prov. 8.

### III Investment policy guidelines

#### A Investment principles

##### § 7 Compliance with investment guidelines

1. In selecting individual investments the fund management company must adhere to the principle of balanced risk diversification and must observe the percentage limits defined below. These relate to fund assets at market values and are to be observed at all times.
2. If the limits are exceeded due to changes in the market, the investments must be restored to the permitted level within a reasonable period of time, taking due account of the investors' interests. If limits in connection with derivatives pursuant to § 12 below are exceeded through a change in the delta, the permitted levels must be restored within three bank business days at the latest, taking due account of the investors' interests.

##### § 8 Investment policy

1. The fund management company may invest the assets of this fund in the following investments. The risks associated with these investments shall be disclosed in the prospectus.

- a) Securities, i.e. securities issued on a large scale and in un-certificated rights with a similar function (uncertified stock) which are listed on a stock exchange or traded on another regulated market open to the public and which embody an equity or a debt security right or the right to acquire such securities and rights via subscription or exchange, such as warrants;

Investments in securities from new issues shall only be permitted if they are intended for admission to a stock exchange or other regulated market open to the public under the terms of issue. If such investments have not been admitted to a stock exchange or other regulated market open to the public within one year of purchase, the securities shall be sold within one month or included under the restrictions set out in prov. 1. g).

- b) Derivatives, if (i) they are based on underlying financial instruments in the form of securities as specified in a), derivatives as specified in b), structured products as specified in c), units in collective investments as specified in d), money market instruments under e) or financial indices, interest rates, exchange rates, loans, currencies or similar and (ii) the underlying securities are permitted investments under the fund contract. Derivatives are traded either on a stock exchange or another regulated market open to the public, or OTC.

- c) Structured products, if (i) the underlyings are securities as defined in a); derivatives as defined in b); structured products as defined in c); units in collective investment schemes as defined in d); money market instruments as defined in e); financial indices, interest rates, exchange rates, credits or currencies; and (ii) the underlyings are permitted as investments under the fund contract. Structured products are either traded on an exchange or other regulated market open to the public, or are traded OTC;

OTC transactions shall only be permitted if (i) the counterparty is a financial intermediary specialising in this type of transaction and subject to supervision, and (ii) the OTC derivatives are tradable daily or may be submitted to the issuers for redemption at any time. In addition, the valuations of such instruments must be reliable and transparent. The use of derivatives shall be subject to the provisions of § 12.

- da) Units of other collective investments (target funds) under Swiss law of the "securities fund" type,
- db) Units of target funds under Swiss law of the "other funds for traditional investments" type,
- dc) Units of target funds under Swiss law of the "other funds for alternative investments" type,
- dd) Units of target funds under Swiss law of the "real estate fund" type,
- de) Units of undertakings for collective investment in transferable securities (UCITS), which correspond to Directive 85/611/EEC of 20 December 1985 (UCITS I) and 2001/107/EC or 2001/108/EC of 21 January 2002 (UCITS III),

- df) Units of undertakings for collective investment (UCIs) which correspond to an "other fund for traditional investments" under Swiss law and which are subject to supervision equivalent to that in Switzerland,

- dg) Units of undertakings for collective investment (UCIs) which correspond to an "other fund for alternative investments" under Swiss law and which are subject to supervision equivalent to that in Switzerland.

Investments in target funds pursuant to ltr dc, dd and dg in total may not exceed 10%.

The fund management company may not acquire any funds of funds (funds whose fund contracts or articles of association permit investments of more than 49% in other collective investments).

The fund management company may subject to § 19 acquire units of target funds that are managed directly or indirectly by itself or by a company with which it is affiliated through common management or control or by a direct or indirect shareholding of more than 10% of the capital or votes.

- e) Money market instruments which are fungible and capable of being valued at any time and which are traded on a stock exchange or other regulated market open to the public; money market instruments which are not traded on a stock exchange or other regulated market open to the public may only be acquired where the issue or issuer is subject to the provisions governing creditor and investor protection and the money market instruments are issued or guaranteed by issuers pursuant to Art. 74 para. 2 of the Swiss Collective Investment Schemes Ordinance (CISO).

- f) Sight or time deposits with a maturity not exceeding twelve months with banks domiciled in Switzerland or in a member state of the European Union or in another country provided that the bank in such country is subject to supervision equivalent to the supervision in Switzerland.

- g) Investments other than the investments specified in a) to f) above not exceeding 10% of the fund's assets in aggregate. The following are not permitted: (i) direct investments in precious metals, precious metal certificates, commodities and commodities certificates and (ii) real short selling of all kinds.

In managing the fund assets, the fund management company takes as its benchmark a reference index which is representative of the Swiss equity market; this benchmark shall be defined and explained in the prospectus.

2. a) After deducting liquid assets, the fund management company shall invest at least two-thirds of the fund's assets in:

- aa) equity paper and rights (shares, dividend-right certificates, cooperative shares, participation certificates and similar instruments) issued by companies which are included in the benchmark, have their registered office in Switzerland or conduct the majority of their business in Switzerland or, as holding companies, mainly invest in companies which have their registered office in Switzerland.

- ab) units of other collective investments that according to their documentation invest their assets in accordance with the guidelines of this fund or parts thereof.

- ac) derivatives (including warrants) on the investments mentioned above.

- ad) structured products denominated in Swiss francs (CHF) such as certificates from domestic issuers on the above investments.

For investments in other collective investments pursuant to ab) above and in structured products pursuant to ad) above, the fund management company will ensure that on a consolidated basis at least two-thirds of total fund assets are invested in the investments noted under aa) above.

- b) Following the deduction of liquid assets, the fund management company may also invest up to one-third of the fund's assets in:
- equity paper and rights (shares, dividend-right certificates, cooperative shares, participation certificates and similar instruments) issued by companies which do not meet the requirements noted in prov. 2 ltr aa in relation to the location of their registered office or the majority of their business activity
  - bonds, convertible bonds, convertible notes, warrant issues and notes denominated in Swiss francs (CHF), as well as other fixed-income or floating-rate debt paper and rights issued by domestic private borrowers and borrowers under public law
  - money market instruments denominated in Swiss francs (CHF) issued by domestic issuers
  - derivatives (including warrants) on the investments mentioned above
  - units in other collective investments that do not meet the requirements stated in prov. 2 ltr. ab.
- c) In addition, the fund management company must comply with the investment restriction below, which relates to the fund assets following the deduction of liquid assets:
- no more than 49% in other collective investments.

3. The fund management company ensures liquidity is managed appropriately. Detailed information is contained in the prospectus.

### § 9 Liquid assets

The fund management company may also hold liquid assets in an appropriate amount in the fund's accounting currency and in any other currency in which investments are permitted. Liquid assets comprise bank deposits and claims from securities repurchase agreements at sight or on demand with maturities of up to twelve months.

## B Investment techniques and instruments

### § 10 Securities lending

1. The fund management company may lend all types of securities which are listed on an exchange or are traded on another regulated market open to the public. However, securities that have been taken over as part of a reverse repo transaction may not be lent.
2. The fund management company may lend the securities to a borrower in its own name and for its own account ("principal transaction"), or may appoint an intermediary to make the securities available to a borrower either indirectly in a fiduciary capacity ("agent transaction") or directly ("finder transaction").
3. The fund management company shall enter into securities lending transactions only with first-class borrowers or agents subject to supervision specialising in transactions of this type, such as banks, brokers and insurance companies, as well as recognised central counterparties and central custodians subject to supervision which can guarantee the proper execution of the securities lending transactions.
4. If the fund management company must observe a period of notice (which may not exceed seven bank business days) before it may again legally repossess the securities lent, it may not lend more than 50% of a particular security eligible for lending. However, if the borrower or the intermediary provides the fund management company with a contractual assurance that the latter may legally repossess the securities lent on the same or next bank business day, the fund management company may lend its entire holdings of a particular security eligible for lending.
5. The fund management company shall conclude an agreement with the borrower or intermediary whereby the latter shall pledge or transfer collateral in order to secure the restitution of securities in favour of the fund management company in accordance with Art. 51 Collective Investment Schemes Ordinance issued by the Swiss Financial Market Supervisory Authority (FINMA). The value of the collateral must be adequate and at all times be equal to at least 105% of the market value of the securities lent. The issuer of the collateral must have a good credit rating and the collateral may not have been issued by the counterparty or a company that is part of or dependent on the group of the counterparty. The collateral must be highly liquid, traded at a

transparent price on a stock exchange or another regulated market open to the public, and valued on at least each stock exchange trading day. In managing the collateral, the fund management company/its agents must fulfil the duties and requirements pursuant to Art. 52 CISO-FINMA. In particular, they must adequately diversify the collateral in terms of countries, markets and issuers; in this respect, the collateral is deemed to be adequately diversified if the collateral held by an individual issuer amounts to no more than 20% of the net asset value. Exceptions may apply pursuant to Art. 83 CISO for publicly guaranteed or issued assets. Furthermore, the fund management company/its agents must be able to obtain at any time the power of disposal over the collateral received in the event of a default by the counterparty without having to involve the counterparty or obtain its consent. The collateral received must be held with the custodian bank. The collateral received may be held on behalf of the fund management company with a regulated third-party custodian provided the ownership of the collateral is not transferred and the third-party custodian is independent of the counterparty.

6. The borrower or intermediary is responsible for ensuring the prompt, unconditional payment of any income accruing during the securities lending period, for asserting other financial rights and for reimbursement of securities of the same type, amount and quality such that the contractual terms are complied with.
7. The custodian bank shall ensure that the securities lending transactions are conducted in a secure manner and that the contractual terms are complied with, specifically in respect of collateral requirements. For the duration of the lending transactions it shall also be responsible for the administrative duties assigned to it under the custody regulations and for asserting all rights pertaining to the securities lent, unless they have been assigned in line with the applicable framework agreement.
8. The prospectus contains further information on the collateral strategy.

### § 11 Securities repurchase agreements

1. The fund management company may enter into securities repurchase agreements ("repos") for the fund's account. Securities repurchase agreements can be concluded as either repos or reverse repos.

A repo is a legal transaction in which one party (lender) temporarily transfers ownership of securities in return for payment to another party (borrower); the borrower undertakes to reimburse securities of the same type, quantity and quality as well any income accrued throughout the course of the repurchase agreement to the lender upon maturity. The lender bears the price risk of the securities throughout the course of the repurchase agreement.

From the perspective of the counterparty (borrower), a repo is a reverse repo. Reverse repos are an instrument used by the fund management company to invest cash, whereby it buys securities and at the same time agrees to reimburse securities of the same type, amount and quality as well any income accrued throughout the course of the repurchase agreement.

2. The fund management company may conclude repo transactions with a counterparty in its own name and for its own account ("principal transaction") or may instruct an intermediary to conclude repo transactions with a counterparty either indirectly in a fiduciary capacity ("agent transaction") or directly ("finder transaction").
3. The fund management company shall conclude repo transactions only with first-class counterparties and intermediaries subject to supervision specialising in transactions of this type, such as banks, brokers and insurance companies or recognised central counterparties and central custodians subject to supervision which can ensure the proper execution of the repo transactions.
4. The custodian bank shall ensure that the repo transactions are conducted in a secure manner and that the contractual terms are complied with. It shall ensure that fluctuations in the value of securities used in the repo transactions are compensated daily in cash or securities (mark-to-market). It is also responsible for the administrative duties assigned to it under the custody account regulations during the

period in which repo transactions are carried out and for asserting all rights pertaining to the securities used in the repo transactions unless they have been assigned in line with the applicable framework agreement.

5. The fund management company may use all types of securities which are listed on an exchange or are traded on another regulated market open to the public. However, securities that were taken over as part of a reverse repo transaction may not be used for repos.
6. If the fund management company must observe a period of notice (which may not exceed seven bank business days) before it may again legally repossess the securities used in the repo transaction, it may not use for repos more than 50% of its holdings of a particular security eligible for repos. However, if the counterparty or the intermediary provides the fund management company with a contractual assurance that the latter may legally repossess the securities used in the repo transaction on the same or the next bank business day, the fund management company may use its entire holdings of a particular security eligible for repo transactions.
7. Engaging in repo transactions is deemed to be taking up a loan pursuant to § 13, unless the money received is used to acquire securities of the same type, quality, credit rating and maturity in conjunction with the conclusion of a reverse repo.
8. With regard to reverse repos, the fund management company may only acquire securities in accordance with Art. 51 CISO-FINMA. The issuer of the collateral must have a good credit rating and the collateral may not have been issued by the counterparty or a company that is part of or dependent on the group of the counterparty. The collateral must be highly liquid, traded at a transparent price on a stock exchange or another regulated market open to the public, and valued on at least each stock exchange trading day. In managing the collateral, the fund management company/its agents must fulfil the duties and requirements pursuant to Art. 52 CISO-FINMA. In particular, they must adequately diversify the collateral in terms of countries, markets and issuers; in this respect, the collateral is deemed to be adequately diversified if the collateral held by an individual issuer amounts to no more than 20% of the net asset value. Exceptions may apply pursuant to Art. 83 CISO for publicly guaranteed or issued assets. Furthermore, the fund management company/its agents must be able to obtain at any time the power of disposal over the collateral received in the event of a default by the counterparty without having to involve the counterparty or obtain its consent. The collateral received must be held with the custodian bank. The collateral received may be held on behalf of the fund management company with a regulated third-party custodian provided the ownership of the collateral is not transferred and the third-party custodian is independent of the counterparty.
9. Claims arising from reverse repos are deemed to be liquid assets pursuant to § 9 and not loan extensions pursuant to § 13.
10. The prospectus contains further information on the collateral strategy.

## § 12 Derivatives

1. The fund management company may use derivatives. It shall ensure that the effect of such derivatives does not alter the investment objectives as stated in this fund contract or prospectus or the fund's investment profile even in exceptional market circumstances.

In addition, the securities underlying the derivatives must be permitted investments under this fund contract.

In connection with collective investment schemes, derivatives may be used only for currency hedging purposes, with the exception of the hedging of market, interest rate and credit risks in the case of collective investment schemes for which the risks can be determined and measured unequivocally.

2. Commitment approach II shall be used for the measurement of risk. Accordingly, the aggregate derivatives-related investments of this fund may not exceed 100% of its net assets and the total investments may not exceed 200% of its net assets. Given the possibility of temporary borrowing not exceeding 25% of the fund's net assets, as described in § 13 prov. 2, the fund's total investments may amount to a maximum of 225% of its net assets. The total investments shall be determined in accordance with Art. 35 CISO-FINMA.
3. The fund management company may in particular use basic forms of derivatives such as call or put options where the value on expiration has a linear dependence on the positive or

negative difference between the market value of the underlying and the strike price and is zero if the difference has the opposite sign (+ or -), credit default swaps (CDSs), swaps with non-path dependent payoffs which have a linear dependence on the value of the underlying or an absolute value and futures and forwards whose value has a linear dependence on the underlying. The fund management company may also use combinations of basic forms of derivatives.

4. a) Offsetting positions in derivatives of the same underlying as well as offsetting positions in derivatives and in investments in the same underlying may be netted with one another irrespective of when the derivatives expire if the derivative transaction was concluded for the sole purpose of eliminating the risks associated with the derivatives or investments acquired, whereby the material risks are not ignored and the conversion amount of the derivative is determined pursuant to Art. 35 CISO-FINMA.  
b) If the derivatives in hedging transactions do not relate to the same underlying as the asset to be hedged, for offsetting to take place the requirements that derivative transactions may not be based on an investment strategy that aims to make profits must be met in addition to the rules under a). Furthermore, the use of the derivative must result in a demonstrable reduction of risk; the risks of the derivative must be offset; the derivatives, underlyings or assets to be offset must relate to the same class of financial instrument; and the hedging strategy must be effective even in exceptional market conditions.  
c) Where interest rate derivatives are predominantly used, the amount to be offset against the total exposure from derivatives can be calculated using internationally recognized duration-netting rules, provided the rules result in the risk profile of the investment fund being correctly determined, the material risks are taken into account, the application of these rules does not result in a unjustifiable leverage effect, no interest rate arbitrage strategies are pursued and the leverage effect of the investment fund is not increased through the application of these rules or investments in short-term positions.  
d) Derivatives used purely for the purposes of hedging foreign currency risks and that do not result in a leverage effect or contain additional market risks may be offset when calculating the total exposure from derivatives without having to meet the requirements pursuant to b).  
e) Payment obligations arising from derivatives must be covered at all times with cash or cash equivalents, debt securities and rights, or equities, which are traded on a stock exchange or other regulated market open to the public in accordance with the legislation concerning collective investment schemes.  
f) If the fund management company assumes an obligation to physically deliver an underlying asset with a derivative, the derivative must be covered with the corresponding underlyings or with other assets if the assets and the underlyings are highly liquid and can be acquired or sold at any time in the case of delivery being demanded. The fund management company must have unrestricted access to these underlyings or investments at all times.
5. The fund management company may use both standardised and non-standardised derivatives. It may engage in derivatives transactions on a stock exchange or other regulated market open to the public or in OTC (over-the-counter) trading.
6. a) The fund management company may only engage in OTC transactions with financial intermediaries subject to supervision, which specialise in these transactions and can ensure proper execution. If the counterparty is not the custodian bank, the counterparty or its guarantor must have a high credit rating.  
b) An OTC derivative financial instrument must be subject to reliable and verifiable valuation on a daily basis and it must be possible to sell, liquidate or close out the

derivative with an opposite transaction at market value at any time.

- c) If no market prices are available for an OTC derivative, the price must at all times be verifiable using recognised and appropriate valuation models on the basis of the market value of the underlying securities from which the derivative is derived. Before concluding a transaction based on such derivatives, the fund management company must obtain specific quotes from at least two counterparties and conclude the transaction with the counterparty offering the most favourable quote. Deviations from this provision are permitted for reasons of risk diversification or if other elements of the transaction such as the counterparty's credit rating or service offering make another quote appear altogether more favourable for investors. In addition, in exceptional cases the decision may be made not to obtain quotes from at least two potential counterparties if this is in the best interests of investors. The reasons for this as well as the transaction concluded and the price set must be clearly documented.
  - d) When conducting OTC transactions, the fund management company/its agents may accept only collateral that meets the requirements of Art. 51 CISO-FINMA. The issuer of the collateral must have a good credit rating and the collateral may not have been issued by the counterparty or a company that is part of or dependent on the group of the counterparty. The collateral must be highly liquid, traded at a transparent price on a stock exchange or another regulated market open to the public, and valued on at least each stock exchange trading day. In managing the collateral, the fund management company/its agents must fulfil the duties and requirements pursuant to Art. 52 CISO-FINMA. In particular, they must adequately diversify the collateral in terms of countries, markets and issuers; in this respect, the collateral is deemed to be adequately diversified if the collateral held by an individual issuer amounts to no more than 20% of the net asset value. Exceptions may apply pursuant to Art. 83 CISO for publicly guaranteed or issued assets. Furthermore, the fund management company/its agents must be able to obtain at any time the power of disposal over the collateral received in the event of a default by the counterparty without having to involve the counterparty or obtain its consent. The collateral received must be held with the custodian bank. The collateral received may be held on behalf of the fund management company with a regulated third-party custodian provided the ownership of the collateral is not transferred and the third-party custodian is independent of the counterparty.
7. Due account must be taken of the derivatives prescribed in the legislation concerning collective investment schemes when complying with statutory and contractual investment restrictions (maximum and minimum limits).
  8. The prospectus has further details on:
    - the implications of derivatives within the investment strategy;
    - the effect of using derivatives on the fund's risk profile;
    - the counterparty risks associated with derivatives;
    - the higher volatility arising from the use of derivatives and the increased total investment (leverage);
    - credit derivatives;
    - the collateral strategy.

### § 13 Borrowing and lending

1. The fund management company may not grant loans for the fund's account. Securities lending transactions according to § 10 and repurchase agreements as reverse repos according to § 11 are not deemed to be credit extensions within the meaning of this paragraph.
2. The fund management company may take up credits for an amount of up to 25% of net fund assets. Repurchase agreements as repos according to § 11 are deemed to be credit extensions within the meaning of this paragraph, unless the money received is used as part of an arbitrage transaction to acquire securities of the same type, quality, rating and maturity in conjunction with the conclusion of a reverse repo.

### § 14 Encumbrance of the fund's assets

1. The fund management company may not pledge or transfer by way of security more than 60% of net fund assets with respect to the fund.
2. The fund's assets may not be encumbered with guarantees. An exposure-increasing credit derivative is not deemed to be a guarantee within the meaning of this paragraph.

### C Investment restrictions

#### § 15 Risk diversification

1. The following are to be included in the risk diversification provisions:
  - a) investments pursuant to § 8 with the exception of index-based derivatives as long as the index is sufficiently diversified, representative of the market which it covers and published in an appropriate manner;
  - b) liquid assets pursuant to § 9;
  - c) claims against counterparties from OTC transactions.
2. Companies that make up a group according to international accounting standards are viewed as a single issuer.
  - a) The fund management company may, including derivatives and structured products, invest no more than 10% of the fund's assets in securities or money market instruments issued by one and the same issuer.
  - b) Notwithstanding ltr. a), when acquiring securities of an issuer included in the benchmark index, the fund management company may hold an overweight of up to 5 percentage points or 125% of the issuer's percentage weighting in the benchmark index.
  - c) This can lead to a concentration of the fund's investments in only a few securities which make up the benchmark index, thereby creating an overall risk for the fund which
  - d) The fund management company may not invest more than 20% of the fund assets in sight or time deposits at one and the same bank. This restriction includes both liquid assets pursuant to § 9 and deposits held with banks pursuant to § 8.
3. The fund management company may not invest more than 5% of fund assets in OTC transactions of one and the same counterparty. Should the counterparty be a bank with its headquarters in Switzerland or in a member state of the European Union or in another country in which it is subject to supervision equivalent to the supervision in Switzerland, this restriction is increased to 10% of fund assets.

If the claims arising from OTC transactions are hedged using collateral in the form of liquid assets in accordance with Art. 50-55 CISO-FINMA.
4. Investments, deposits and claims pursuant to the above prov. 3 to 5 of the same issuer or borrower may not, in total, exceed 30% of the fund assets.
5. Investments according to prov. 3 above from the same group of companies may not in total exceed 30% of the fund assets.
6. The fund management company may invest up to 20% of the fund assets in units of the same target fund.
7. The fund management company may not acquire participation rights which in total represent more than 10% of voting rights or which would enable the fund management company to exert a significant influence on an issuer's management.
8. The fund management company may not acquire for the fund's assets more than 10% of the non-voting equity, debt and/or money market instruments of a single issuer or more than 25% of the units of other collective investments. These restrictions do not apply if at the time of acquisition the gross amount of debt instruments, money market instruments or the units of other collective investments cannot be calculated.
9. The limits stipulated in prov. 9 and 10 do not apply if the securities and money market instruments are issued or guaranteed by a state or public-law institution within the OECD or by international organisations with public-law

character to which Switzerland or a member state of the European Union belongs.

#### **IV Calculation of net asset value as well as issue and redemption of units**

##### **§ 16 Calculation of net asset value**

1. The fund's net asset value and the proportion of assets of the individual classes (percentages) are calculated in Swiss franc (CHF) at the market value at the end of the financial year and for each day on which units are issued or redeemed. The fund's assets will not be valued on days when the stock exchanges of the main investment countries of the fund are closed (e.g. bank or stock market holidays).
2. Investments listed on a stock exchange or traded on another regulated market open to the public shall be valued at the current prices paid on the main market. Other investments or investments for which no current market price is available shall be valued at the price likely to be obtained if a sale were conducted with proper care at the time of the valuation. In such cases the fund management company shall use appropriate and recognised valuation models and principles to determine the market value.
3. Open-end collective investments are valued using their redemption price or net asset value. If they are listed on a stock exchange or traded on another regulated market open to the public, the fund management company may value them pursuant to prov. 2.
4. The value of money market instruments which are not listed on a stock exchange or traded on another regulated market open to the public is calculated as follows: The valuation price of such investments is based on the yield curve concerned. The valuation based on the yield curve reflects two components: the interest rate and the spread. The following principles are applied in this case: The subsequent interest rates for the residual term are interpolated for each money market instrument. The interest rate calculated in this manner is then converted into a market price by adding a spread that reflects the underlying borrower's credit rating. This spread is adjusted in the event of a significant change in the borrower's credit rating.
5. Bank deposits shall be valued using their exposure amount plus accrued interest. In the event of significant changes in market conditions or the credit rating, the valuation basis for bank deposits on demand shall be adjusted in line with the new conditions.
6. The net asset value of a unit of a class represents the percentage constituted by the unit class concerned of the market value of the fund assets, less all the liabilities of the investment fund allocated to the respective unit class, divided by the number of units of the relevant class in circulation. It will be rounded to CHF 0.01.
7. The percentages of the market value of the net fund assets (fund assets less liabilities) which are to be attributed to the respective unit classes are determined for the first time with the initial issue of several unit classes (if they are issued simultaneously) or the initial issue of an additional unit class on the basis of the inflows to the fund for each unit class. The percentage will be recalculated if one of the following events occurs:
  - a) upon the issue and redemption of units;
  - b) on the cut-off date for distributions provided (i) such distributions accrue only to individual unit classes (distribution classes) or provided (ii) the distributions of various unit classes as a percentage of the respective net asset value differ or provided (iii) different commission or cost charges accrue on the distributions of various unit classes as a percentage of the distribution;
  - c) for the calculation of the net asset value, in terms of the allocation of liabilities (including costs and commissions which are due or have accrued) to the various unit classes, provided the liabilities of the various unit classes vary as percentages of their respective net asset values, namely if (i) different commission rates are applied for the different unit classes or if (ii) class-specific cost charges arise;
  - d) for the calculation of net asset value, in terms of the allocation of income or investment income to the various unit classes, provided the income or investment income accrues from transactions which were carried out in the interest of

one unit class or in the interest of several unit classes, but not in proportion to their share of net fund assets.

##### **§ 17 Issue and redemption of units**

1. Subscription or redemption orders for units will be accepted on the order day up to a specific time mentioned in the prospectus. The price used for the issue and redemption of units is calculated at the earliest on the bank business day (valuation day) following the order day (forward pricing). The prospectus governs the details.
2. The issue and redemption prices of units shall be based on the net asset value per unit as defined in § 16 calculated on the valuation day in conjunction with the closing prices of the previous day. In the case of unit issues, an issuing commission may be added to the net asset value pursuant to § 18. In the case of unit redemptions, a redemption commission may be deducted from the net asset value pursuant to § 18.

Incidental costs relating to the purchase and sale of investments (namely, brokerage commissions in line with the market, commissions, taxes, duties) incurred by the fund in connection with the investment of the amount paid in or with the sale of a redeemed portion of investments corresponding to the unit will be charged to the fund's assets.
3. The fund management company can suspend the issue of units at any time and can also reject applications for unit subscriptions or conversions.
4. The fund management company may temporarily and by way of exception suspend the redemption of fund units in the interest of all investors if:
  - a) a market which is the basis for the valuation of a significant proportion of the fund's assets is closed, or if trading on such a market is limited or suspended;
  - b) a political, economic, military, monetary or other emergency occurs;
  - c) owing to exchange controls or restrictions on other asset transfers, the fund is no longer able to transact its business;
  - d) large-scale unit redemptions take place that could significantly affect the interests of the remaining investors.
5. The fund management company shall immediately apprise the independent external auditors and the supervisory authority of any decision to suspend redemptions. It shall also notify the investors in an appropriate manner.
6. No units shall be issued as long as the redemption of units is suspended for the reasons stipulated under prov. 4 ltr. a) to c).

#### **V Remuneration and incidental costs**

##### **§ 18 Remuneration and incidental costs charged to investors**

1. Upon the issue of units, investors may be charged an issuing commission accruing to the fund management company, the custodian bank and/or distributors in Switzerland and abroad, which in total shall not exceed 5% of the net asset value. The current maximum applicable rate is stated in the prospectus.
2. When units are redeemed, investors can be charged a redemption commission accruing to the fund management company, the custodian bank and/or distributors in Switzerland and abroad, which in total shall not exceed 2% of the net asset value. The current maximum applicable rate is stated in the prospectus.
3. In the event that the investment fund is dissolved, the fund management company and the custodian bank may charge investors a commission totalling 0.5%. The commission shall be halved between the fund management company and the custodian bank.

##### **§ 19 Remuneration and incidental costs charged to the fund's assets**

1. For the administration, asset management and distribution activity in respect of the fund, and all tasks of the custodian bank such as the safekeeping of the fund assets, the handling of the fund's payment transactions and the

performance of the other tasks listed under § 4, the fund management company will charge the investment fund a flat-rate commission or commission calculated as a percentage on the basis of the fund's net assets in accordance with the information below, which shall be charged to the fund's assets pro rata temporis each time the net asset value is calculated, and paid out at the end of the relevant quarter (flat fee):

In addition, it is used to remunerate the following third-party services:

In addition, retrocessions and/or discounts are paid from the fund management company's flat fee in accordance with prov. 5.3.3 of the prospectus.

Class "A" units

Flat fee charged by the fund management company maximum 2.0% p.a.

Class "M" units

Flat fee charged by the fund management company maximum 1.0% p.a.

The actual rate applying to the flat fee is stated in the annual and semi-annual reports.

2. The following fees and incidental costs of the fund management company and the custodian bank are not included in the flat fee and will be charged additionally to the fund assets:
  - a) costs for the purchase and sale of the investments, specifically standard brokerage fees, commissions, taxes, and duties;
  - b) the supervisory authority's fees in relation to the establishment, amendment, liquidation or merger of the fund or any sub-funds;
  - c) the supervisory authority's annual fees;
  - d) the audit firm's fees for annual auditing, as well as certification in the case of establishment, amendments, liquidation or mergers of the fund or any sub-funds;
  - e) fees for legal and tax advisors in connection with the establishment, amendment, liquidation or merger of the fund or any sub-funds, as well as generally upholding the interests of the fund and its investors;
  - f) costs associated with publishing the fund's net asset value and all costs of notices to investors, including translation costs, that do not pertain to mistakes made by the fund management company;
  - g) the cost of printing legal documents and the annual and semi-annual fund reports;
  - h) costs for the translation of the prospectuses with integrated fund contracts as well as the annual and semi-annual reports of the fund;
  - i) the cost of registering the fund with a foreign supervisory authority, including commissions charged by the foreign supervisory authority, translation costs and remuneration paid to the authorised representative or paying agent in the country in question;
  - j) costs relating to the exercising of voting rights or creditors' rights by the fund, including the cost of fees paid to external advisors;
  - k) costs and fees relating to intellectual property registered in the name of the fund or with rights of use for the fund;
  - l) all costs incurred though any extraordinary steps taken to safeguard the interests of investors by the fund management company, asset manager of collective investment schemes or custodian bank.
  - m) Third-party costs (e.g. attorneys' fees and custodian bank fees) arising from participation in class actions in the interest of investors may be charged to the assets of the fund by the fund management company. The fund management company may also charge all documented administrative costs, provided these can be proven and are reported and included in the disclosure of the fund's TER.
3. The costs according to prov. 2 a) are directly added to the cost value or deducted from the sales value.
4. The fund management company and its agents may, in accordance with the provisions of the prospectus, pay retrocessions as

remuneration for distribution activity in respect of fund units, and rebates to reduce the fees or costs incurred by the investor and charged to the fund.

5. Taking any retrocessions and rebates into account, the management fee of the target funds in which investments are made may not exceed 2.5%. The maximum rate of the management fee of the target funds in which investments are made, taking any retrocessions and rebates into account, must be disclosed in the annual report
6. If the fund management company invests in units of other collective investments managed directly or indirectly by itself or by a company with which it is affiliated through common management or control or by a material direct or indirect shareholding ("affiliated target fund"), it may not charge any issuing or redemption commission of affiliated target funds to the fund.

## **VI Financial statements and audits**

### **§ 20 Financial statements**

1. The fund's accounting currency is the Swiss franc (CHF).
2. The financial year shall run from 1 January to 31 December.
3. The fund management company shall publish a revised annual report for the fund within four months of the closing of the financial year.
4. The fund management company shall publish a semi-annual report for the fund within two months of the close of the first half of the financial year.
5. The foregoing shall be subject to the investor's right to obtain information in accordance with § 5 prov. 3.

### **§ 21 Audits**

The external auditors shall each year examine whether the fund management company and the custodian bank have acted in compliance with the legal and contractual provisions as well as with the code of professional ethics of the Asset Management Association Switzerland. The annual report shall contain a short report by the external auditors on the published annual financial statements.

## **VII Appropriation of net income**

### **§ 22**

1. The net income generated by the investment fund shall be added to the fund assets each year per unit class for reinvestment within no more than four months of the close of the financial year. The fund management company may make additional interim distributions from the income. This remains subject to any taxes and duties levied on the reinvestment.
2. Capital gains realized from the sale of property and rights may be distributed by the fund management company or may be retained for reinvestment.

## **VIII Publications of official notices by the investment fund**

### **§ 23**

1. Official notices regarding the fund shall be published in the print or electronic media specified in the prospectus. A change to the official publication must be specified in the official publication.
2. The official publication for the fund shall in particular include notices regarding any material amendments to the fund contract in summary form, indicating the locations where the full wording of such amendments may be obtained free of charge, any change of fund management company and/or custodian bank, the creation, liquidation or merger of unit classes and the dissolution of the fund. Any amendments required by law which do not affect the interests of investors or only concern matters of form may be exempted from the duty of disclosure subject to the approval of the supervisory authority.
3. Each time units are issued or redeemed, the fund management company shall publish the issue and redemption

prices and the net asset value together with the footnote “excluding commission” for all unit classes in the print or electronic media specified in the prospectus. The prices shall be published at least twice per month. The weeks and weekdays on which such prices shall be published shall be specified in the prospectus.

4. The prospectus including the fund contract, the key information document or the Key Investor Information Document and the current annual and semi-annual reports may be obtained free of charge from the fund management company, the custodian bank and from all distributors.

## **IX Restructuring and dissolution**

### **§ 24 Merger**

1. Subject to the agreement of the custodian bank, the fund management company may merge funds by transferring the assets and liabilities of the fund(s) being acquired to the acquiring fund. The investors of the fund being acquired shall receive the corresponding number of units in the acquiring fund. The fund being acquired shall be dissolved without liquidation when the merger takes place, and the fund contract of the acquiring fund shall also apply to the fund being acquired.
2. Funds may only be merged if:
  - a) the applicable fund contracts provide for such merger;
  - b) they are managed by the same fund management company;
  - c) the following provisions of the applicable fund contracts are essentially identical with regard to:
    - investment policy, investment techniques, risk diversification and the risks associated with the investment from the sale of assets and rights
    - appropriation of net income and capital gains
    - the type, value and method of calculating any remuneration, issue and redemption commission and incidental costs relating to the purchase and sale of investments (brokerage, fees, duties) which may be charged to the fund's assets or the investors
    - the conditions of redemption
    - the duration of the contract and requirements for dissolution;
  - d) the valuation of the affected funds' assets, the calculation of the exchange ratio and the transfer of assets and liabilities must take place on the same day;
  - e) no costs may be incurred by the fund or the investors.This remains subject to the provisions of § 19 prov. 2 regarding mergers.
3. If it is anticipated that the merger shall take more than one day, the supervisory authority may authorise a temporary suspension of unit redemptions for the funds concerned.
4. The fund management company must submit the proposed merger together with the merger schedule to the supervisory authority for review at least one month before the planned publication of the intended changes to the fund contract. The merger schedule must contain information on the reasons for the merger, the investment policies of the funds involved and any differences between the acquiring fund and the fund being acquired, the calculation of the exchange ratio, any differences with regard to remuneration and any tax implications for the funds, as well as a statement from the audit firm responsible in accordance with the legislation on collective investment schemes.
5. The fund management company shall publish a notice of the proposed amendments to the fund contract in accordance with § 23 prov. 2 and the proposed merger together with the merger schedule and plan at least two months before the definitive planned date in the official publication of the funds in question. Such notice shall advise investors that they may lodge an objection to the proposed amendments to the fund contract with the supervisory authority within 30 days of the last notice, or request redemption of their units in cash.
6. The external auditors must check immediately that the merger is being carried out correctly, and shall submit a report containing their comments in this regard to the fund management company and the supervisory authority.

7. The fund management company shall notify the supervisory authority that the merger has been completed and publish a notice to this effect, together with a statement from the external auditors confirming that the merger was executed correctly and the exchange ratio without delay in the official publication of the funds involved.
8. The fund management company must make reference to the merger in the next annual report of the acquiring fund and in its semi-annual report if published prior to the annual report. Unless the merger falls on the final day of the normal financial year, an audited closing statement must be produced for the fund(s) being acquired.

### **§ 25 Conversion into another legal form**

1. The fund management company may, with the consent of the custodian bank, convert investment funds into sub-funds of a SICAV under Swiss law, whereby the assets and liabilities of the converted investment fund(s) are transferred to the investor sub-fund of a SICAV at the time of conversion. The investors of the converted investment fund will receive units of the investor sub-fund of the SICAV with a corresponding value. On the day of conversion, the converted investment fund will be dissolved without liquidation, and the investment regulations of the SICAV will apply to the investors of the converted investment fund who will become investors of the SICAV's investor sub-fund.
2. The investment fund may only be converted into a sub-fund of a SICAV if:
  - a) The fund contract provides for this, and this is explicitly stated in the SICAV's investment regulations;
  - b) The investment fund and the sub-fund are managed by the same fund management company;
  - c) The fund contract and the investment regulations of the SICAV are consistent with respect to the following provisions:
    - the investment policy (including liquidity), the investment techniques (securities lending, repurchase and reverse repurchase agreements and financial derivatives), borrowing and lending, pledging of collective investment assets, risk distribution and investment risks, the type of collective investment scheme, the investor base, the unit/share classes and the calculation of the net asset value,
    - the use of net proceeds and gains on disposal from the sale of items and rights,
    - the appropriation of net income and reporting,
    - the nature, amount and calculation of all remuneration, issue and redemption discounts and incidental costs for the acquisition and disposal of investments (brokerage fees, duties and taxes) that may be charged to the fund assets or to the SICAV, the investors or the shareholders, subject to incidental costs specific to the legal form of the SICAV,
    - the issuing and redemption conditions,
    - the term of the contract or the SICAV,
    - the publication medium;
  - d) The valuation of the assets of the collective investment schemes involved, the calculation of the exchange ratio, and the transfer of the assets and liabilities must take place on the same day;
  - e) No costs may be incurred by the investment fund or the SICAV or by the investors or shareholders.
3. FINMA may approve the suspension of the redemption for a certain period of time if it is foreseeable that the conversion will take longer than one day.
4. The fund management company must submit to FINMA for review the planned amendments to the fund contract and the planned conversion, together with the conversion plan, prior to the planned publication. The conversion plan must contain information on the reasons for the conversion, the investment policy of the collective investment schemes concerned, any differences between the converted fund and the SICAV's sub-fund, the calculation of the exchange ratio, any differences with regard to remuneration, any tax implications for the collective investment schemes, and an opinion from the external auditor of the investment fund.
5. The fund management company will publish any amendments to the fund contract pursuant to § 23 para. 2 and the planned conversion and the planned date in



connection with the conversion plan at least two months before the date specified by it in the publication of the converted investment fund. In this notice, the fund management company must inform the investors that they may lodge objections to the proposed changes to the fund contract with the supervisory authority, or request redemption of their units in cash, within 30 days of publication or notice.

6. The auditor of the investment fund or the SICAV (if different) will verify the proper execution of the conversion and report thereon to the fund manager, the SICAV and FINMA.
7. The fund management company will immediately notify FINMA of the completion of the conversion and forward to FINMA the auditor's confirmation regarding the proper execution of the transaction and the conversion report in the publication medium of the investment funds involved.
8. The fund management company or the SICAV shall mention the conversion in the next annual report of the investment fund or the SICAV, and in any semi-annual report published before this date.

## **§ 26 Life of the fund and dissolution**

1. The fund has been established for an indefinite period.
2. The fund management company or custodian bank may dissolve the fund by terminating the fund contract, without regard for any notice period.
3. The fund may be dissolved by order of the supervisory authority, for example if the fund does not have assets of at least five million Swiss francs (or the equivalent) no later than one year after its launch, or a longer period specified by the supervisory authority at the request of the custodian bank and the fund management company.
4. The fund management company shall notify the supervisory authority of such dissolution immediately and publish a notice to this effect in the official publication for the fund.
5. Upon termination of the fund contract, the fund management company may liquidate the fund forthwith. If the supervisory authority ordered the dissolution of the fund, the fund must be liquidated immediately. The custodian bank shall be responsible for paying the liquidation proceeds to the investors. If the liquidation proceedings are protracted, payment may be made in instalments. Prior to the final payment, the fund management company must obtain authorisation from the supervisory authority.

## **X Amendment to the fund contract**

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### **§ 27**

If any amendments are made to this fund contract, or in the event of a proposed merger of unit classes or change of fund management company or custodian bank, the investors may lodge objections with the supervisory authority within 30 days of the notice published. In the publication, the fund management company must inform the investors about which amendments to the fund contract are covered by FINMA's verification and check for compliance with the law. In the event of any amendment to the fund contract, (including merger of unit classes), investors may also request redemption of their units in cash subject to the period stipulated in this contract. The foregoing shall be subject to the amendments described in § 23 prov. 2 which are exempted from the duty of disclosure subject to the approval of the supervisory authority.

## **XI Applicable law and place of jurisdiction**

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### **§ 28**

1. The fund shall be governed by Swiss law and in particular the Swiss Collective Investment Schemes Act of 23 June 2006, the Swiss Collective Investment Schemes Ordinance of 22 November 2006 and the Collective Investment Schemes Ordinance issued by FINMA of 27 August 2014.  
The place of jurisdiction shall be the domicile of the fund management company.
2. The German version shall be binding for the interpretation of the fund contract.
3. This fund contract shall take effect on 13 May 2022 and shall replace the fund contract dated 1 January 2020.

5. When approving the fund contract, FINMA verifies only the provisions pursuant to Art. 35a para. 1 let. a–g CISO and ensures their compliance with the law.

Fund management company: UBS Fund Management (Switzerland) AG, Basel

Custodian bank: EFG Bank AG, Zurich