

## **ESG-AM FUND**

Investment Company with Variable Capital  
set up as public limited company under Luxembourg Law

Prospectus

October 2024

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## 1. Information for Prospective Investors

This prospectus ("Prospectus") is valid only if accompanied by the latest annual report (when first available), and also the latest semi-annual report if this was published after the latest annual report. These documents shall be deemed to form part of this Prospectus. The key investor information document (as prepared in accordance with art. 159 et seqq. of the Law of 17 December 2010 as well as any other applicable law or regulation, the "Key Investor Information Document") for the relevant Class for which a subscription application is made must be read prior to any subscription. Prospective investors shall be provided with the latest version of the Key Investor Information Document in good time before their proposed subscription of shares ("Shares") in ESG-AM FUND (the "Company"). This Prospectus does not constitute an offer or solicitation to subscribe Shares in the Company by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

Information which is not contained in this Prospectus, or in the documents mentioned herein which are available for inspection by the public, shall be deemed unauthorized and cannot be relied upon.

Prospective investors should inform themselves as to the possible tax consequences, the legal requirements and any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, holding, conversion, redemption or disposal of Shares. Further tax considerations are set out in Chapter 9, "Expenses and Taxes".

Information about distribution in various countries is set out in Chapter 22, "Distribution of Shares".

Prospective investors who are in any doubt about the contents of this Prospectus should consult their bank, broker, solicitor, accountant or other independent financial adviser.

This Prospectus may be translated into other languages. To the extent that there is any inconsistency between the English-language Prospectus and a version in another language, the English-language Prospectus shall prevail, unless stipulated otherwise by the laws of any jurisdiction in which the Shares are sold.

Investors should read and consider the risk description in Chapter 7, "Risk Factors", before investing in the Company.

Some of the Shares may be listed on the Luxembourg Stock Exchange.

MultiConcept Fund Management S.A. as the management company of the Company (the "Management Company") will not disclose any confidential information about investors unless it is required to do so by the applicable laws or regulations.

The Shares being offered hereby have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the "1933 Act"), any of the securities laws of any of the states of the United States. The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended, nor under any other US federal laws. Therefore, the Shares may not be offered or sold directly or indirectly in the United States of America, except pursuant to an exemption from the registration requirements of the 1933 Act.

Further, the board of directors of the Company (the "Board of Directors") has decided that the Shares shall not be offered or sold, directly or indirectly, to any ultimate beneficial owner that constitutes a U.S. Person. As such, the Shares may not be directly or indirectly offered or sold to or for the benefit of a "U.S. Person", which shall be defined as and include (i) a "United States Person" as described in section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), (ii) a "U.S. person" as such term is defined in Regulation S of the 1933 Act, (iii) a person that is "in the United States" as defined in Rule 202(a)(30)-1 under the U.S. Investment Advisers Act of 1940, as amended, or (iv) a person that does not qualify as a "Non-United States Person" as such term is defined in U.S. Commodities Futures Trading Commission Rule 4.7.

The Board of Directors has the right to refuse any transfer, assignment or sale of Shares in its sole discretion if the Board of Directors reasonably determines that it would result in a Prohibited Person holding Shares, either as an immediate consequence or in the future.

Any transfer of Shares may be rejected by the UCI Administrator shall not become effective until the transferee has provided the required information under the applicable know your customer and anti-money laundering rules.

The term "Prohibited Person" means any person, corporation, limited liability company, trust, partnership, estate or other corporate body, if in the sole opinion of the Management Company, the holding of Shares of the relevant Subfund may be detrimental to the interests of the existing Shareholders or of the relevant Subfund, if it may result in a breach of any law or regulation, whether Luxembourg or otherwise, or if as a result thereof the relevant Subfund or any subsidiary or investment structure (if any) may become exposed to tax or other legal, regulatory or administrative disadvantages, fines or penalties that it would not have otherwise incurred or, if as a result thereof the relevant Subfund or any subsidiary or investment structure (if any), the Management Company and/or the Company, may become required to comply with any registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply. The term "Prohibited Person" includes (i) any investor which does not meet the definition of Eligible Investors as defined for the respective Subfund in Chapter 24., "Subfunds", (if any). (ii) any U.S. Person or (iii) any person who has failed to provide any information or declaration required by the Management Company or the Company within one calendar month of being requested to do so. The term "Prohibited Person" moreover includes natural persons or entities acting, directly or indirectly, in contravention of any applicable AML/CTF Rules or who are the subject of sanctions, including those persons or entities that are included on any relevant lists maintained by the United Nations, the North Atlantic Treaty Organisation, the Organisation for Economic Cooperation and Development, the Financial Action Task Force, the U.S. Central Intelligence Agency, and the U.S. Internal Revenue Service, all as may be amended from time to time.

The Company will not accept investments by or on behalf of Prohibited Persons. No subscription for Shares may be made on behalf of Prohibited Person whether on the subscriber's own behalf or, if applicable, as an agent, trustee, representative, intermediary, nominee, or in a similar capacity on behalf of any other beneficial owner). Any subscriber must promptly notify the Company of any change in its status or the status of any underlying beneficial owner(s) with respect to its representations and warranties regarding Prohibited Person.

## 2. Company

The Company is an undertaking for collective investment in transferable securities in the legal form of a public limited company (société anonyme) qualifying as an investment company with variable capital (société d'investissement à capital variable, SICAV) subject to Part I of the Law of 17 December 2010 on undertakings for collective investment, as amended ("Law of 17 December 2010") and transposing Directive 2009/65/EC of the European Parliament and the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities. The Company is managed by the Management Company in accordance with the articles of incorporation of the Company (the "Articles of Incorporation"). The Company was established on 27 July 2022.

The Company is subject to the supervision of the Luxembourg financial regulator, the Commission de Surveillance du Secteur Financier ("CSSF").

In this capacity, the Management Company acts as investment manager and UCI administrator, and as the distributor of the Shares. The Management Company has delegated the above-mentioned tasks as follows:

Tasks relating to investment management are performed by the investment managers ("Investment Managers") described in Chapter 24, "Subfunds", and administrative tasks are performed by Credit Suisse Fund Services (Luxembourg) S.A. as UCI administrator ("UCI Administrator"). The distributors ("Distributors") described in Chapter 24, "Subfunds" are responsible for the distribution of the Shares.

The Company is registered with the Trade and Companies Register of Luxembourg (registre de commerce et des sociétés, "RCS") under number B270010. Its Articles of Incorporation have been published in the Recueil Électronique des Sociétés et Associations ("RESA") on 5 August 2022 with reference number RESA\_2022\_164.72 and filed in their consolidated, legally binding form for public reference with the RCS. All amendments of the Articles of Incorporation will be announced in accordance with Chapter 14, "Information for Shareholders" and become legally binding for all shareholders of the Company (the "Shareholders") subsequent to their

approval by the general meeting of Shareholders ("General Meeting"). The initial capital of the Company amounted to EUR 30,000 and will thereafter always correspond to the total net asset value of the Company. The minimum capital of the Company amounts to EUR 1,250,000. The capital of the Company shall be expressed in Euro.

The Company has an umbrella structure and therefore consists of at least one subfund ("Subfund"). Each Subfund represents a portfolio containing different assets and liabilities and is considered to be a separate entity in relation to the Shareholders and third parties. The rights of Shareholders and creditors concerning a Subfund or which have arisen in relation to the establishment, operation or liquidation of a Subfund are limited to the assets of that Subfund. No Subfund will be liable with its assets for the liabilities of another Subfund.

The Board of Directors may at any time establish new Subfunds with Shares having similar characteristics to the Shares in the existing Subfunds. The Board of Directors may at any time create and issue new classes ("Classes") or types of Shares within any Subfund. If the Board of Directors establishes a new Subfund and/or creates a new Class or type of Shares, the corresponding details shall be set out in this Prospectus. A new Class or type of Shares may have different features than the currently existing Classes. The terms of any offering of new Shares shall be set out in Chapter 24, "Subfunds".

The characteristics of each possible Class are further described in this Prospectus and in particular in Chapter 4, "Investment in ESG-AM FUND", and in Chapter 24, "Subfunds".

The individual Subfunds shall be denominated as indicated in Chapter 24, "Subfunds". The reference currency ("Reference Currency"), as well as the currency in which the net asset value of the Shares of a Subfund ("Net Asset Value") is expressed is also provided for in Chapter 24, "Subfunds".

Information about the performance of the individual Subfunds and Classes of the Subfunds is contained in the Key Investor Information Document.

### 3. Investment Policy

The primary objective of the Company is to provide investors with an opportunity to invest in professionally managed portfolios. The assets of the Subfunds shall be invested, in accordance with the principle of risk diversification, in transferable securities and other assets as specified in Article 41 of the Law of 17 December 2010 and set out in this Prospectus in Chapter 5, "Investment Restrictions".

**The investment objective for each Subfund is to maximize the appreciation of the assets invested. In order to achieve this, the Company shall assume a fair and reasonable degree of risk. However, in consideration of market fluctuations and other risks (see Chapter 7, "Risk Factors") there can be no guarantee that the investment objective of the relevant Subfunds will be achieved. The value of investments may go down as well as up and investors may not recover the value of their initial investment.**

#### Reference Currency

The Reference Currency is the currency in which the performance and the Net Asset Value of the Subfunds are calculated. The Reference Currencies of the relevant Subfunds are specified in Chapter 24, "Subfunds".

#### Ancillary Liquid Assets

The Subfunds may hold ancillary liquid assets in the form of bank deposits at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41 (1) of the Law of 17 December 2010 or for a period of time strictly necessary in case of unfavourable market conditions.

The holding of such ancillary liquid assets is limited to 20% of the net assets of a Subfund. Such limit may only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions or other exceptional circumstances, such breach is justified having regard to the interests of the Shareholders.

#### Securities Financing Transactions and Total Return Swaps

The Company does neither use securities financing transactions as described in article 3 (11) of Regulation (EU) 2015/2365 on transparency on securities financing transactions and of reuse and amending Regulation (EU) No

648/2012, as amended, (the "SFTR") (i.e. repurchase transactions, securities lending or borrowing, buy-sell back transactions or sell-buy back transactions, margin lending transactions) nor total return swaps. If at a future point in time the Company decides to make use of such securities financing transactions, this Prospectus will be updated accordingly.

#### Use of Derivatives

In addition to direct investments, all Subfunds may acquire financial derivative instruments (such as, without being limited to, futures, forward or options) as well as swap transactions (such as, without being limited to, interest-rate swaps, but excluding total return swaps) for the purpose of hedging, the efficient management of the portfolio and implementing its investment strategy, provided due account is taken of the investment restrictions set out in the Prospectus.

Furthermore, the Subfunds may actively manage their currency exposure through the use of currency futures, currency, forwards, currency options and swap transactions (excluding total return swaps).

The risk exposure to a counterparty generated through OTC financial derivatives must be combined when calculating counterparty risk limits referred to under Chapter 5, "Investment Restrictions".

#### Management of Collateral and Collateral Policy

##### General

In the context of OTC financial derivative transactions, the Company may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Company in such case. All assets received by the Company in the context of OTC financial derivative transactions shall be considered as collateral for the purpose of this section.

##### Eligible Collateral

Collateral received by the Company may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and CSSF-Circulars issued from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

- (i) Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- (ii) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (iii) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- (iv) It should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure of 20% of the respective Subfund's Net Asset Value to any single issuer on an aggregate basis, taking into account all collateral received; deviating from the aforementioned diversification requirement, a Subfund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State of the EU, one or more of its local authorities, by any other state which is a member of the Organisation for Economic Co-operation and Development ("OECD"), by Brazil or Singapore or a public international body to which one or more Member States of the EU belong. Such Subfund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Subfund's Net Asset Value. A Subfund may accept as collateral for more than 20% of its Net Asset Value securities which are issued or guaranteed by a Member State of the EU, one or more of its local authorities, by any other state which is a member of the OECD, by Brazil or Singapore or a public international body to which one or more Member States of the EU belong;
- (v) Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process;

(vi) Where there is a title transfer, the collateral received should be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral;

(vii) It should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.

**Reinvestment of Collateral**

Non-cash collateral received by the Company may not be sold, re-invested or pledged.

Cash collateral received by the Company can only be:

- (i) placed on deposit with credit institutions which have their registered office in an EU Member State or, if their registered office is located in a third-country, are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;
- (ii) invested in high-quality government bonds; and/or
- (iii) invested in short-term money market funds as defined in the ESMA-Guidelines 2010/049 on a Common Definition of European Money Market Funds (in accordance with the opinion issued by ESMA in relation thereto on 22 August 2014 (ESMA/2014/1103).

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above.

The Subfund concerned may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Company on behalf of such Subfund to the counterparty at the conclusion of the transaction. The Subfund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Subfund.

Subject to the abovementioned conditions, collateral received by the Company may consist of:

- (i) Cash and cash equivalents, including short-term bank certificates and money market instruments;
- (ii) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope, each with a minimum rating of A+ (S&P) or A1 (Moody's);
- (iii) Bonds issued or guaranteed by issuers rated at least A- (S&P) or equivalent and offering adequate liquidity
- (iv) Shares admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD.

**Level of Collateral**

The Company will determine the required level of collateral for OTC financial derivatives transactions by reference to the applicable counterparty risk limits set out in this Prospectus and taking into account the nature and characteristics of transactions, the creditworthiness and identity of counterparties and prevailing market conditions. At least the following level of collateral will be required by the Company for the different types of transactions:

Type of Transaction	Level of collateral (in relation to volume of transaction concerned)
OTC financial derivative transactions	100%

**Haircut Policy**

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Company for each asset class based on its haircut policy. The policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress

tests carried out by the Company under normal and exceptional liquidity conditions.

According to the Company's haircut policy the following discounts will be made:

Type of Collateral	Discount
Cash and cash equivalents (only in currencies of G10 member states), including short-term bank certificates and money market instruments; a discount may be made if the currency of the collateral is different from the currency of the OTC derivative to which the collateral relates to	0% - 1%
Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope, each with a minimum rating of A+ (S&P) or A1 (Moody's)	0,5% - 5%
Bonds issued or guaranteed by issuers rated at least A- (S&P) or equivalent offering adequate liquidity	1% - 8%
Shares admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD	5% -15%

**Techniques and Instruments for Managing Credit Risk**

Subject to the investment restrictions set out below, the Company may use securities (credit linked notes) as well as techniques and instruments (credit default swaps) for the purpose of managing the credit risk of each Subfund.

**Since the assets of each Subfund are subject to normal price fluctuations, no guarantee can be given that all Subfunds will achieve their investment objective.**

**4. Investment in ESG-AM FUND**

**i. General Information on the Shares**

Within each Subfund one or more Classes may be offered which may differ in various respects, e.g. management fee, sales charge, commissions, appropriation of income, currency or regarding the intended circle of investors.

The Classes which are issued within each Subfund, in addition with the related fees and sales charges as well as the Reference Currency and/or Classes, are stated in Chapter 24, "Subfunds". A redemption fee will not be charged.

In addition, certain other fees, charges and expenses shall be paid out of the assets of the relevant Subfunds. For further information, see Chapter 9, "Expenses and Taxes".

All Shares are only available in uncertificated form and will exist exclusively as book entries.

The Shares which make up each such Class will either be capital-growth Shares or distribution Shares.

The initial issue price and initial offering date of Shares which are being issued for the first time are stated in Chapter 24, "Subfunds".

Investors may, at the discretion of the UCI Administrator, pay the subscription monies for Shares in a convertible currency other than the currency in which the relevant Class is denominated. As soon as the receipt is determined by the Depositary ("Depositary"), such subscription monies shall be automatically converted by the Depositary into the currency in which the relevant Shares are denominated. Further details are set out below in Chapter 4, "Investment in ESG-AM FUND", Section ii, "Subscription of Shares".

The Company may at any time issue, within a Subfund, one or more Classes denominated in a currency other than the Subfund's Reference Currency

("Alternate Currency Class"). The issue of each further or Alternate Currency Class is specified in Chapter 24, "Subfunds".

Where explicitly mentioned in the Subfund related part of Chapter 24, "Subfunds", the Company enters into certain currency related transactions in order to hedge the exchange rate risk between the Reference Currency of such Subfund and the currency in which Shares of such Class are designated. Any financial instruments used to implement such strategies with respect to one or more Class(es) shall be assets and liabilities of a Subfund as a whole but will be attributable to the relevant Class and the gains and losses on and the costs of the relevant financial instrument will accrue solely to the relevant Class.

Transactions will be clearly attributable to a specific Class, therefore any currency exposure of a Class may not be combined with, or offset against, that of any other Class of a Subfund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes.

Where there is more than one hedged Class in a Subfund denominated in the same currency and it is intended to hedge the foreign currency exposure of such Classes into another currency, the Subfund may aggregate the foreign exchange transactions entered into on behalf of such hedged Classes and apportion the gains/losses on and the costs of the relevant financial instruments pro rata to each such hedged Class in the relevant Subfund.

Where the Company seeks to hedge against currency fluctuations at Class level, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However, over-hedged positions will not exceed 105% of the Net Asset Value of the Class and under-hedged positions shall not fall short of 95% of the portion of the Net Asset Value of the Class which is to be hedged against currency risk. Hedged positions will be reviewed daily to ensure that over-hedged or under-hedged positions do not fall short of or exceed the permitted levels outlined above and will be rebalanced on a regular basis.

To the extent that hedging is successful for a particular Class, the performance of the Class is likely to move directionally with the performance of the underlying assets with the result that investors in that Class will not gain if the Class currency falls against the currency in which the assets of the particular Subfund are denominated.

The foreign exchange transactions in relation to share-class hedging will be executed by UBS Asset Management (Switzerland) AG, an affiliate of UBS Group, acting in its capacity as FX hedging agent for the purpose of FX hedging activities including determination of the appropriate hedging positions and placement of FX trades (the "FX Hedging Agent").

The FX Hedging Agent will take all reasonable steps available to it in order to ensure best execution. In this respect, the FX Hedging Agent may engage a single counterparty to provide agency style execution service which provides access to competitive multi-broker pricing from top-tier banks while retaining exposure only to that single counterparty.

The Net Asset Value of the Shares of the Alternate Currency Classes may not develop in the same way as that of the Classes issued in the Reference Currency.

Investors' attention is drawn to the risk factor entitled "Share Currency Designation Risk" in Chapter 7, "Risk Factors".

However, no assurance can be given that the hedging objective will be achieved.

Shares may be held through collective depositories. In such cases, Shareholders shall receive a confirmation in relation to their Shares from the depository of their choice (for example, their bank or broker), or Shares may be held by Shareholders directly in registered account kept for the Company and its Shareholders by the UCI Administrator. These Shareholders will be registered by the UCI Administrator. Shares held by a depository may be transferred to an account of the Shareholder with the UCI Administrator, or to an account with other depositories approved by the Company or – with other depositories participating in the Euroclear or Clearstream Banking System S.A. clearing systems. Conversely, Shares held in a Shareholder's account kept by the UCI Administrator may at any time be transferred to an account with a depository.

The Board of Directors may divide or merge the Shares in the interest of the Shareholders.

## ii. Subscription of Shares

Unless stated otherwise in Chapter 24, "Subfunds", Shares may be subscribed on any day on which banks are normally open for business in Luxembourg ("Banking Day") at the Net Asset Value per Share of the relevant Class of the Subfund, which is calculated on the next Valuation Day (as defined in Chapter 8, "Net Asset Value") following such Banking Day according to the method described in Chapter 8, "Net Asset Value", plus the applicable initial sales charges and any taxes. The applicable maximum sales charge levied in connection with the Company's Shares is indicated in Chapter 24, "Subfunds".

Unless otherwise specified in Chapter 24, "Subfunds", subscription applications must be submitted in written form to the UCI Administrator or a

Distributor, and subscription applications must be received by the UCI Administrator before 3 p.m. (Central European Time) on a Banking Day (cut-off time). Earlier cut-off times may apply for applications submitted to Distributors. Investors are advised to contact their Distributor to find out which cut-off time is applicable to them. Unless otherwise specified in Chapter 24, "Subfunds", subscription applications shall be settled before 3 p.m. (Central European Time) on the Valuation Day following the Banking Day on which receipt of the subscription application is determined by the UCI Administrator. Subscription applications received by the UCI Administrator after 3 p.m. (Central European Time) on a Banking Day shall be deemed to have been received prior to 3 p.m. (Central European Time) on the following Banking Day.

Unless otherwise specified in Chapter 24, "Subfunds", payment must be received within one Banking Day after the Valuation Day on which the issue price of such Shares was determined.

Charges to be paid due to the subscription of Shares shall accrue to the banks and other financial institutions engaged in the distribution of the Shares. Any taxes incurred on the issue of Shares shall also be charged to the investor. Subscription amounts shall be paid in the currency in which the relevant Shares are denominated or, if requested by the investor and at the sole discretion of the UCI Administrator, in another convertible currency. Payment shall be effected by bank transfer to the Company's bank accounts. Further details are set out in the subscription application form.

The Company may in the interest of the Shareholders accept transferable securities and other assets permitted by Part I of the Law of 17 December 2010 as payment for subscription ("contribution in kind"), provided, the offered transferable securities and assets correspond to the investment policy and restrictions of the relevant Subfund. Each payment of Shares in return for a contribution in kind is part of a valuation report issued by the auditor of the Company. The Board of Directors may at its sole discretion, reject all or several offered transferable securities and assets without giving reasons. All costs caused by such contribution in kind (including the costs for the valuation report, broker fees, expenses, commissions, etc.) shall be borne by the contributing investor.

The Shares shall be issued upon the receipt of the issue price with the correct value date by the Depository. Notwithstanding the above, the Company may, at its own discretion, decide that the subscription application will only be accepted once these monies are received by the Depository.

If the payment is made in a currency other than the one in which the relevant Shares are denominated, the proceeds of conversion from the currency of payment to the currency of denomination less fees and exchange commission shall be allocated to the purchase of Shares.

The minimum value or number of Shares which must be held by a Shareholder in a particular Class, if any, is set out in Chapter 24, "Subfunds". Such minimum initial investment and holding requirement may be waived in any particular case at the sole discretion of the Company.

Subscriptions of fractions of Shares shall be permitted up to three decimal places. Fractional Shares shall not be entitled to voting rights. A holding of fractional Shares shall entitle the Shareholder to proportional rights in relation to such Shares. It might occur that clearing institutions will be unable to process holdings of fractional Shares. Investors should verify whether this is the case.

The Company is entitled to refuse at its own discretion subscription applications and temporarily or permanently suspend or limit the sale of Shares. In particular, the Company, Management Company and the UCI Administrator are entitled to refuse any subscription application in whole or in part for any reason, and may in particular prohibit or limit the sale of Shares to individuals or corporate bodies in certain countries or regions if such sales might be detrimental to the Company or if a subscription in the country concerned is in contravention of applicable laws.

Further, the UCI Administrator is entitled to refuse any subscription, transfer or conversion application in whole or in part for any reason, and may in particular prohibit or limit the sale, transfer or conversion of Shares to individuals or corporate bodies in certain countries if such transaction might be detrimental to the Company or result in the Shares being held directly or indirectly by a Prohibited Person (included but not limited to any U.S. Person) or if such subscription, transfer or conversion in the relevant country is in contravention of the local applicable laws. The subscription, transfer or conversion for Shares and any future transactions shall not be processed until the information required by the UCI Administrator, included but not limited to know your customer and anti-money laundering checks, is received.

### iii. Redemption of Shares

Unless otherwise specified in Chapter 24, "Subfunds", the Company shall in principle redeem Shares on any Banking Day at the Net Asset Value per Share of the relevant Class of the Subfund (based on the calculation method as described in Chapter 8, "Net Asset Value"), calculated on the Valuation Day following such Banking Day, less any redemption charge, if applicable.

Redemption applications must be submitted to the UCI Administrator or a Distributor. Redemption applications for Shares held through a depository must be submitted to the depository concerned. Unless otherwise specified in Chapter 24, "Subfunds", redemption applications must be received by the UCI Administrator before 3 p.m. (Central European Time) on a Banking Day (cut-off time). Earlier cut-off times may apply for applications submitted to Distributors. Investors are advised to contact their Distributor to find out which cut-off time is applicable to them.

Redemption applications received by the UCI Administrator after 3 p.m. (Central European Time) on a Banking Day shall be dealt with on the following Banking Day.

If the execution of a redemption application would result in the relevant Shareholder's holding in a particular Class falling below the minimum holding requirement (if any) for that Class as set out in the relevant special section, the Company may, without further notice to the Shareholders, treat such redemption application as though it were an application for the redemption of all Shares of that Class held by the Shareholder.

Unless stated otherwise in the relevant special section, Shares shall be redeemed at the relevant Net Asset Value per Share calculated on the Valuation Day immediately following such Banking Day. Whether and to what extent the redemption price is lower or higher than the purchase price paid depends on the development of the Net Asset Value of each Class.

Redemptions of fractions of Shares shall be permitted up to three decimal places.

Payment of the redemption price of the Shares shall be made within one Banking Day following calculation of the redemption price, unless stated otherwise in Chapter 24, "Subfunds". This does not apply where specific statutory provisions, such as foreign exchange or other transfer restrictions or other circumstances beyond the Depository's control, make it impossible to transfer the redemption amount.

In the case of large redemption applications, the Company may decide to settle redemption applications once it has sold corresponding assets without undue delay. Where such a measure is necessary, and if not otherwise specified in Chapter 24, "Subfunds", all redemption applications received on the same day shall be settled at the same price.

Payment shall be made by means of remittance to a bank account or, if possible, by cash in the currency that is legal tender in the country where payment is to be made, after conversion of the amounts in question. If payment is to be made in a currency other than that the one in which the relevant Shares are denominated, the amount to be paid shall be the proceeds of conversion from the currency of denomination to the currency of payment less all fees and exchange commission.

Upon payment of the redemption price, the corresponding Share shall cease to be valid.

In exceptional circumstances, the Board of Directors may, with the prior consent of a redeeming Shareholder, satisfy a redemption request in specie by transferring underlying investments to such redeeming Shareholder. The underlying investments will be equal in value to the value of the holding to be redeemed. The nature and type of underlying investments to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Shareholders. The valuation used in respect of such transfers shall be confirmed by a special report of the Auditors, the cost of which shall be borne by the redeeming Shareholder. The Board will ensure that the transfer of assets in specie in cases of such redemptions will not be detrimental to the remaining Shareholders by pro-rating the redemption in specie as far as possible across the entire portfolio of securities. The specific costs for such redemptions in specie will be borne by the redeeming Shareholder.

If the Board of Directors discovers at any time that any beneficial owner of Shares is a Prohibited Person either alone or in conjunction with any other person, whether directly or indirectly, the Board of Directors may at its discretion and without liability, compulsorily redeem the Shares in accordance

with the rules set out in the Articles of Incorporation, and upon redemption, the Prohibited Person will cease to be the owner of those Shares. The Board of Directors may require any Shareholder to provide it with any information that it may consider necessary for the purpose of determining whether or not such owner of Shares is or will be a Prohibited Person. Further, Shareholders shall have the obligation to immediately inform the Company to the extent the ultimate beneficial owner of the Shares held by such Shareholder becomes or will become a Prohibited Person.

### iv. Conversion of Shares

Unless otherwise specified in Chapter 24, "Subfunds", Shareholders in a particular Class of a Subfund may at any time convert all or part of their Shares into Shares of the same Class of another Subfund or into Shares of another Class of the same or another Subfund, provided that the requirements for the Class into which such Shares are converted are complied with. The fee charged for such conversions shall not exceed half the initial sales charge of the Class into which the Shares are converted. Unless otherwise specified in Chapter 24, "Subfunds", conversion applications must be completed and submitted to the UCI Administrator or a Distributor. Unless otherwise specified in Chapter 24, "Subfunds", conversion applications must be received by the UCI Administrator before 3 p.m. (Central European Time) on a Banking Day (cut-off time). Earlier cut-off times may apply for applications submitted to Distributors. Investors are advised to contact their Distributor to find out which cut-off time is applicable to them.

Conversion applications received after 3 p.m. shall be dealt with on the following Banking Day. Conversion shall take place on the basis of the applicable Net Asset Value per Share calculated on the Valuation Day following the Banking Day on which receipt of the conversion application is determined by the UCI Administrator before 3 p.m. (Central European Time). Conversions of Shares will only be made on a Valuation Day, if the Net Asset Value in both relevant Classes is calculated.

Where processing an application for the conversion of Shares would result in the relevant Shareholder's holding in a particular Class falling below the minimum holding requirement for that Class set out in Chapter 24, "Subfunds", the Company may, without further notice to the Shareholder, treat such conversion application as though it were an application for the conversion of all Shares held by the Shareholder in that Class.

Where Shares denominated in one currency are converted into Shares denominated in another currency, the foreign exchange and conversion fees incurred will be taken into consideration and deducted.

### v. Suspension of the Subscription, Redemption and Conversion of Shares and/or the Calculation of the Net Asset Value

The Company may suspend the calculation of the Net Asset Value and/or the issue, redemption and conversion of Shares of a Subfund where a substantial proportion of the assets of the Subfund:

- cannot be valued because a stock exchange or market is closed on a day other than a usual public holiday, or when trading on such stock exchange or market is restricted or suspended; or
- is not freely disposable because a political, economic, military, monetary or any other event beyond the control of the Company does not permit the disposal of the Subfund's assets, or such disposal would be detrimental to the interests of Shareholders; or
- cannot be valued because of disruption to the communications network or any other reason makes a valuation impossible; or
- is not available for transactions because restrictions on foreign exchange or other types of restrictions make asset transfers impracticable or it can be objectively demonstrated that transactions cannot be effected at normal foreign exchange rates.

The Company may further suspend the calculation of the Net Asset Value and/or the issue, redemption and conversion of Shares of one or several Class(es) or a Subfund following or anticipating a decision to liquidate or dissolve such Class(es) or Subfund.

Investors applying for, or who have already applied for, the subscription or redemption or conversion of Shares in the relevant Subfund shall be notified of the suspension without delay so that they are given the opportunity to withdraw their application. Notice of the suspension shall be published as described in Chapter 14, "Information for Shareholders", and in the

publications listed in Chapter 24, "Subfunds" if, in the opinion of the Board of Directors, the suspension is likely to last for longer than one week.

Suspension of the calculation of the Net Asset Value of one Subfund shall not affect the calculation of the Net Asset Value of the other Subfunds if none of the above conditions apply to such other Subfunds.

#### vi. Measures to Combat Money Laundering

Pursuant to the applicable provisions of Luxembourg laws and regulations in relation to the fight against money laundering and terrorist financing ("AML/CTF"), obligations have been imposed on the Company as well as on other professionals of the financial sector to prevent the use of funds for money laundering and financing of terrorism purposes.

The Company and the Management Company will ensure their compliance with the applicable provisions of the relevant Luxembourg laws and regulations, including but not limited to the Luxembourg law of 12 November 2004 on the fight against money laundering and terrorist financing (the "2004 AML/CFT Law"), the Grand-Ducal Regulation of 1 February 2010 providing detail on certain provisions of the 2004 AML/CFT Law (the "2010 AML/CFT Regulation"), CSSF Regulation N°12-02 of 14 December 2012 on the fight against money laundering and terrorist financing ("CSSF Regulation 12-02") and relevant CSSF Circulars in the field of AML/CFT, including but not limited to CSSF Circular 18/698 on the authorization and organization of investment fund managers incorporated under Luxembourg law ("CSSF Circular 18/698", and the above collectively referred to as the "AML/CTF Rules").

In accordance with the AML/CTF Rules, the Company and the Management Company are required to apply due diligence measures on the investors (including on their ultimate beneficial owner(s)), their delegates and the assets of the Company in accordance with their respective policies and procedures put in place from time to time.

Among others, the AML/CTF Rules require a detailed verification of a prospective investor's identity. In this context, the Company and the Management Company, or the UCI Administrator or any Distributor, nominee or any other type of intermediary (as the case may be), acting under the responsibility and supervision of the Company and the Management Company will require prospective investors to provide them with any information, confirmation and documentation deemed necessary in their reasonable judgment, applying a risk-based approach, to proceed such identification.

The Company and the Management Company reserve the right to request such information as is necessary to verify the identity of a prospective or current investor. In the event of delay or failure by a prospective investor to produce any information required for verification purposes, the Company and the Management Company are entitled to refuse the application and will not be liable for any interest, costs or compensation. Similarly, when Shares are issued, they cannot be redeemed or converted until full details of registration and anti-money laundering documents have been completed.

The Company and the Management Company moreover reserve the right to reject an application, for any reason, in whole or in part in which event the application monies (if any) or any balance thereof will, to the extent permissible, be returned without unnecessary delay to the prospective investor by transfer to the prospective investor's designated account or by post at the prospective investor's risk, provided the identity of the prospective investor can be properly verified pursuant to the AML/CTF Rules. In such event, the Company and the Management Company will not be liable for any interest, costs or compensation.

In addition, the Company and the Management Company, or the UCI Administrator or any Distributor, nominee or any other type of intermediary (as the case may be), acting under the responsibility and supervision of the Company and the Management Company, may request investors to provide additional or updated identification documents from time to time pursuant to on-going client due diligence requirements under the AML/CTF Rules, and investors shall be required and accept to comply with such requests.

Failure to provide proper information, confirmation or documentation may, among others, result in (i) the rejection of subscriptions, (ii) the withholding of redemption proceeds by the Company or (iii) the withholding of outstanding dividend payments. Moreover, prospective or current investors who fail to comply with the above requirements may be subject to additional administrative or criminal sanctions under applicable laws, including but not limited to the laws of the Grand Duchy of Luxembourg. None of the Company the Management Company, the UCI Administrator or any Distributor, nominee or any other type of intermediary (as the case may be) has any liability to an

investor for delays or failure to process subscriptions, redemptions or dividend payments as a result of the investor providing no or only incomplete documentation. The Company and the Management Company moreover reserve all rights and remedies available under applicable law to ensure their compliance with the AML/CTF Rules.

Pursuant to the Luxembourg law of 13 January 2019 on the register of beneficial owners (the "RBO Law"), the Company is required to collect and make available certain information on its beneficial owner(s) (as defined in the AML/CTF Rules). Such information includes, among others, first and last name, nationality, country of residence, personal or professional address, national identification number and information on the nature and the scope of the beneficial ownership interest held by each beneficial owner in the Company. The Company is further required, among others, (i) to make such information available upon request to certain Luxembourg national authorities (including the Commission de Surveillance du Secteur Financier, the Commissariat aux Assurances, the Cellule de Renseignement Financier, Luxembourg tax and other national authorities as defined in the RBO Law) and upon motivated request of other professionals of the financial sector subject to the AML/CTF Rules, and (ii) to register such information in the central register of beneficial owners of the Grand Duchy of Luxembourg (the "RBO").

That being said, the Company or a beneficial owner may however, on a case by case basis and in accordance with the provisions of the RBO Law, formulate a motivated request with the administrator of the RBO to limit the access to the information relating to them, e.g. in cases where such access could cause a disproportionate risk to the beneficial owner, a risk of fraud, kidnapping, blackmail, extortion, harassment or intimidation towards the beneficial owner, or where the beneficial owner is a minor or otherwise incapacitated. The decision to restrict access to the RBO does, however, not apply to the Luxembourg national authorities, nor to credit instructions, financial institutions, bailiffs and notaries acting in their capacity as public officers, which can thus always consult the RBO.

In light of the above RBO Law requirements, any persons willing to invest in the Company and any beneficial owner(s) of such persons (i) are required to provide, and agree to provide, the Company and the case being the Management Company the UCI Administrator or their Distributor, nominee or any other type of intermediary (as the case may be), with the necessary information in order to allow the Company to comply with its obligations in terms of beneficial owner identification, registration and publication under the RBO Law (regardless of applicable rules regarding professional secrecy, banking secrecy, confidentiality or other similar rules or arrangements), and (ii) accept that such information will be made available among others to Luxembourg national authorities and other professionals of the financial sector as well as to the public, with certain limitations, through the RBO.

Under the RBO Law, criminal sanctions may be imposed on the Company in case of its failure to comply with the obligations to collect and make available the required information, but also on any beneficial owner(s) that fail to make all relevant necessary information available to the Company.

#### vii. Market Timing

The Company does not permit practices related to "Market Timing" (i.e. a method through which an investor systematically subscribes and redeems or converts Shares of Classes within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value). It therefore reserves the right to reject subscription and conversion applications from an investor who the Company suspects of using such practices and to take, if appropriate, the necessary measures to protect the other investors of the Company.

#### 5. Investment Restrictions

For the purpose of this Chapter, each Subfund shall be regarded as a separate UCITS within the meaning of Article 40 of the Law of 17 December 2010.

The following provisions shall apply to the investments made by each Subfund:

- 1) The Subfunds' investments may comprise only one or more of the following:
  - a) transferable securities and money market instruments admitted to or dealt in on a regulated market; for these purposes, a regulated market is any market for financial instruments within the meaning of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments as amended;



- b) transferable securities and money market instruments dealt in on another market in a Member State which is regulated, operates regularly and is recognized and open to the public;
- c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-Member State of the European Union or dealt in on another market in a non-Member State of the European Union which is regulated, operates regularly and is recognized and open to the public, and is established in a country in Europe, America, Asia, Africa or Oceania;
- d) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on stock exchanges or markets as per paragraphs a), b) or c) above and provided such admission takes place within one year of issue;
- e) units or Shares of undertakings for collective investment in transferable securities authorized according to Directive 2009/65/EC ("UCITS") and/or other undertakings for collective investment within the meaning of Article 1, paragraph 2, points a) and b) of Directive 2009/65/EC ("UCI"), whether or not established in a Member State, provided that:
- these other UCIs are authorised under laws which provide that they are subject to supervision considered by the supervisory authority responsible for the Company, to be equivalent to that required by EU Community law and that cooperation between the supervisory authorities is sufficiently ensured,
  - the level of protection for share-/unitholders of the other UCIs is equivalent to that provided for share-/unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC,
  - the business activities of the other UCIs are reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
  - the UCITS or other UCIs whose units/shares are to be acquired, may not, pursuant to their management regulations or instruments of incorporation, invest more than 10% of their total net assets in units/shares of other UCITS or other UCIs;
- f) deposits with a credit institution which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the supervisory authority responsible for the Company, as equivalent to those laid down in EU law;
- g) financial derivative instruments, including equivalent cash-settled instruments which are dealt in on a regulated market referred to under paragraphs a), b) and c) above and/or financial derivative instruments which are dealt in over-the-counter ("OTC derivatives"), provided that:
- the underlying consists of instruments within the meaning of Article 41, paragraph (1) of the Law of 17 December 2010, financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to its investment objectives,
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the supervisory authority responsible for the Company, and
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;
- h) money market instruments other than those dealt in on a regulated market and which are normally traded on the money market and are liquid, and whose value can be precisely determined at any time, provided the issuer or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that these investments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in case of a federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
  - issued by an undertaking any securities of which are dealt in on regulated markets referred to in paragraphs a), b) or c) above, or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU Community law, or issued or guaranteed by an establishment that is subject to and complies with supervisory rules considered by the supervisory authority responsible for the Company, to be at least as stringent as those required by EU Community law, or
  - issued by other bodies belonging to the categories approved by the supervisory authority responsible for the Company, provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent of this paragraph h) and provided that the issuer is a company whose capital and reserves amount to at least ten million euro (EUR 10,000,000) and which presents and publishes its annual financial statements in accordance with the fourth Directive 78/660/EEC or is an entity, which within a group of companies comprising one or several listed companies, is dedicated to the financing of the group, or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- 2) The Subfunds shall not, however, invest more than 10% of their total net assets in transferable securities or money market instruments other than those referred to in section 1).
- 3) The Subfunds may hold ancillary liquid assets in different currencies.
- The Management Company applies a risk management process which enables it to monitor and measure at any time the risk of the investment positions and their contribution to the overall risk profile of the portfolio and a process for accurate and independent assessment of the value of OTC derivatives.
- Each Subfund may, for the purpose of (i) hedging, (ii) efficient portfolio management and/or (iii) implementing its investment strategy, use all financial derivative instruments within the limits laid down by Part I of the Law of 17 December 2010, with the exception of securities financing transactions in the meaning of the SFTR and total return swaps.
- The global exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.
- As part of its investment policy and within the limits laid down in section 4) paragraph e), each Subfund may invest in financial derivative instruments, provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in section 4). If a Subfund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in section 4). When a transferable security or a money market instrument embeds a derivative instrument, the derivative instrument shall be taken into account when complying with the requirements of this section.
- The global exposure may be calculated through the commitment approach or the Value-at-Risk (VaR) methodology as specified for each Subfund in Chapter 24, "Subfunds".
- The standard commitment approach calculation converts the financial derivative position into the market value of an equivalent position in the underlying asset of that derivative. When calculating global exposure using the commitment approach, the Company may benefit from the effects of netting and hedging arrangements.
- VaR provides a measure of the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level. The Law of 17 December 2010 provides for a confidence level of 99% with a time horizon of one month.
- Unless otherwise specified in Chapter 24, each Subfund shall ensure that its global exposure to financial derivative instruments computed on a commitment basis does not exceed 100% of its total net assets or that the global exposure computed based on a VaR method does not exceed either (i) 200% of the reference portfolio (benchmark) or (ii) 20% of the total net assets.

The risk management of the Management Company supervises the compliance of these provision in accordance with the requirements of applicable circulars or regulations issued by the CSSF or any other European authority authorized to issue related regulation or technical standards.

- 4) a) No more than 10% of the total net assets of each Subfund may be invested in transferable securities or money market instruments issued by the same issuer. In addition, the total value of transferable securities and money market instruments issued by those issuers in which the Subfund invests more than 5% of its total net assets, shall not exceed 40% of the value of its total net asset. No Subfund may invest more than 20% of its total net assets in deposits made with the same body. The risk exposure to a counterparty of a Subfund in an OTC derivative transaction may not exceed the following percentages:
- 10% of total net assets if the counterparty is a credit institution referred to in Chapter 5, “Investment Restrictions”, section 1) paragraph f), or
  - 5% of total net assets in other cases.
- b) The 40% limit specified in section 4) paragraph a) is not applicable to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision. Irrespective of the limits specified in section 4) paragraph a), each Subfund shall not combine, where this would lead to investing more than 20% of its total net assets in a single body, any of the following:
- investments in transferable securities or money market instruments issued by that body, or
  - deposits made with that body, or
  - exposures arising from OTC derivatives transactions undertaken with that body.
- c) The limit of 10% stipulated in section 4) paragraph a) is raised to a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State, by its public local authorities, by a non-Member State or by public international bodies to which one or more Member States belong.
- d) The 10% limit stipulated in section 4) paragraph a) is raised to 25% for bonds issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of those bonds must be invested in accordance with the legal requirements in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest. If a Subfund invests more than 5% of its total net assets in bonds referred to in this paragraph which are issued by a single issuer, the total value of these investments may not exceed 80% of the Subfund’s total net assets.
- e) The transferable securities and money market instruments referred to in paragraphs c) and d) of this section 4) shall not be taken into account for the purpose of applying the limit of 40% referred to under paragraph a) of this section. The limits specified under paragraphs a), b), c) and d) shall not be combined; thus investments in transferable securities or money market instruments issued by the same issuer or in deposits or derivative instruments made with this body carried out in accordance with paragraphs a), b), c) and d) shall not exceed in total 35% of a Subfund’s total net assets. Companies which belong to the same group for the purposes of the preparation of consolidated financial statements in accordance with Directive 83/349/EEC as amended or restated or in accordance with internationally recognized accounting rules, shall be regarded as a single issuer for the purpose of calculating the investment limits specified in the present section 4). A Subfund may cumulatively invest up to a limit of 20% of its total net assets in transferable securities and money market instruments within the same group.
- f) **The limit of 10% stipulated in section 4) paragraph a) is raised to 100% if the transferable securities and money market instruments involved are issued or guaranteed by a Member State, one or more of its local authorities, by any other state which is a member of the Organisation for Economic Cooperation and Development (“OECD”), by Hong Kong, a member state of the G20, Singapore or by a public international body to which one or more Member States of the European Union belong. In such case, the Subfund concerned must hold securities or money market instruments from at least six different issues, and the securities or money market instruments of any single issue shall not exceed 30% of the Subfund’s total assets.**
- g) Without prejudice to the limits laid down in section 6), the limits laid down in the present section 4) are raised to a maximum of 20% for investments in Shares and/or debt securities issued by the same body, when the aim of the Subfund’s investment policy is to replicate the composition of a certain stock or debt securities index which is recognized by the supervisory authority responsible for the Company, on the following basis:
- the composition of the index is sufficiently diversified,
  - the index represents an adequate benchmark for the market to which it relates,
  - it is published in an appropriate manner.
- The aforementioned limit of 20% may be raised to a maximum of 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.
- 5) The Company will not invest more than 10% of the total net assets of any Subfund in units/shares of other UCITS and/or in other UCIs (“Target Funds”) pursuant to section 1) paragraph e), unless otherwise specified in the investment policy applicable to a Subfund as described in Chapter 24, “Subfunds”.
- Where a higher limit as 10% is specified in Chapter 24, “Subfunds”, the following restrictions shall apply:
- No more than 20% of a Subfund’s total net assets may be invested in units/shares of a single UCITS or other UCI. For the purpose of application of this investment limit, each compartment of a UCITS or other UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.
  - Investments made in units/shares of UCI other than UCITS may not in aggregate exceed 30% of the Subfund’s total net assets.
- Where a Subfund invests in units/shares of other UCITS and/or other UCI that are managed, directly or by delegation, by the same management company or by any other company with which the Company is linked by common management or control, or by a direct or indirect holding of more than 10% of the capital or votes (“Affiliated Funds”), the Company or the other company may not charge subscription or redemption fees on account of the Subfund’s investment in the units/shares of such Affiliated Funds.
- 6) a) The Company’s assets may not be invested in securities carrying voting rights which enable the Company to exercise significant influence over the management of an issuer.
- b) Moreover, the Company and each Subfund may acquire no more than
- 10% of the non-voting Shares of the same issuer;
  - 10% of the debt securities of the same issuer;
  - 25% of the Units/Shares of the same UCITS or other UCI;
  - 10% of the money market instruments of any single issuer.
- In the last three cases, the restriction shall not apply if the gross amount of bonds or money market instruments, or the net amount of the instruments in issue cannot be calculated at the time of acquisition.
- c) The restrictions set out under paragraphs a) and b) shall not apply to:
- transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities,
  - transferable securities and money market instruments issued or guaranteed by a non-Member State of the European Union,
  - transferable securities and money market instruments issued by public international bodies to which one or more Member States of the European Union belong,
  - Shares held by the Company in the capital of a company which is incorporated in a non-Member State of the European Union and which invests its assets mainly in securities of issuing

bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Company can invest in the securities of issuing bodies of that State. This derogation, however, shall apply only if in its investment policy the company from the non-Member State of the European Union complies with the limits stipulated in section 4, paragraphs a) to e), section 5, and section 6 paragraphs a) and b).

- 7) The Company may not borrow any money for any Subfund except for:
  - a) the purchase of foreign currency using a back-to-back loan
  - b) an amount equivalent to not more than 10% of the Subfund's total net assets and borrowed on a temporary basis.
- 8) The Company may not grant loans or act as guarantor for third parties.
- 9) The Company may not invest its assets directly in real estate, precious metals or certificates representing precious metals and goods.
- 10) The Company may not carry out uncovered sales of transferable securities and money market instruments or other financial instruments referred to in section 1), paragraph e), g) and h).
- 11)
  - a) In relation to borrowing conducted within the limitations set out in the Prospectus, the Company may pledge or assign the assets of the Subfund concerned as collateral.
  - b) Furthermore, the Company may pledge or assign the assets of the Subfund concerned as collateral to counterparties of transactions involving OTC derivatives or financial derivative instruments which are dealt in on a regulated market referred to under paragraphs a), b) and c) of number 1) above in order to secure the payment and performance by such Subfund of its obligations to the relevant counterparty. To the extent counterparties require the provision of collateral exceeding the value of the risk to be covered by collateral or the overcollateralization is caused by other circumstances (e.g. performance of the assets posted as collateral or provisions of customary framework documentation), such (excess) collateral may – also in respect of non-cash collateral – be exposed to the counterparty risk of such counterparty and may only have a mere unsecured claim in respect of such assets.
- 12) If provided for in Chapter 24, "Subfunds", such Subfund may under the conditions set out under article 181 (8) of the Law of 17 December 2010, subscribe, acquire and/or hold Shares to be issued or issued by one or more other Subfunds without the Company being subject to the requirements of the Luxembourg law of 10 August 1915 on commercial companies, as amended, with respect to subscription, acquisition and/or the holding of its own shares.

During the first six (6) months following official authorization of a Subfund in Luxembourg, the restrictions set out in sections 4) and 5) above need not be complied with, provided that the principle of risk diversification is observed.

If the limits referred to above are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, the Company shall as a matter of priority remedy that situation, taking due account of the interests of the Shareholders.

The Company is entitled to issue, at any time, further investment restrictions, in the interests of the Shareholders, if such restrictions are necessary to comply with the legislation and regulations in those countries in which Shares are or will be offered for sale.

## 6) Sustainability

Sustainability related disclosures required under article 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended from time to time, (the "SFDR") are set out in the Subfund specific section of Chapter 24, "Subfunds". Such disclosures are based on the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of "do no significant harm", specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports, as amended by Commission Delegated Regulation (EU)

2023/363 of 31 October 2022 amending and correcting the regulatory and technical standards laid down in Delegated Regulation (EU) 2022/1288 as regards the content and presentation of information in relation to disclosures in pre-contractual documents and periodic reports for financial products investing in environmentally sustainable economic activities (the "RTS").

## 7. Risk Factors

**Prospective investors should consider the following risk factors before investing in the Company. However, the risk factors set out below do not purport to be an exhaustive list of risks related to investments in the Company. Prospective investors should read the entire Prospectus, and where appropriate consult with their legal, tax and Investment Managers, in particular regarding the tax consequences of subscribing, holding, converting, redeeming or otherwise disposing of Shares under the law of their country of citizenship, residence or domicile (further details are set out in Chapter 9, "Expenses and Taxes"). Investors should be aware that the investments of the Company are subject to market fluctuations and other risks associated with investments in transferable securities and other financial instruments. The value of the investments and the resulting income may go up or down and it is possible that investors will not recoup the amount originally invested in the Company, including the risk of loss of the entire amount invested. There is no assurance that the investment objective of a particular Subfund will be achieved or that any increase in the value of the assets will occur. Past performance is not a reliable indicator of future results.**

The Net Asset Value of a Subfund may vary as a result of fluctuations in the value of the underlying assets and the resulting income. Investors are reminded that in certain circumstances their right to redeem Shares may be suspended.

Depending on the currency of the investor's domicile, exchange-rate fluctuations may adversely affect the value of an investment in one or more of the Subfunds. Moreover, in the case of an Alternate Currency Class in which the currency risk is not hedged, the result of the associated foreign exchange transactions may have a negative influence on the performance of the corresponding Class.

### Sanctions Risk

Certain countries or designated persons or entities may, from time to time, be subject to sanctions and other restrictive measures imposed by states or supranational authorities (for example, but not limited to, the European Union or the United Nations), or their agencies (collectively, "Sanctions").

Sanctions may be imposed among others on foreign governments, state-owned enterprises, sovereign wealth funds, specified companies or economic sectors, as well as non-state actors or designated persons associated with any of the foregoing. Sanctions may take different forms, including but not limited to trade embargoes, prohibitions or restrictions to conduct trade or provide services to targeted countries or entities, as well as seizures, asset freezes and/or the prohibition to provide or receive funds, goods or services to or from designated persons.

Sanctions may adversely affect companies or economic sectors in which the Company, or any of its Subfunds, may from time to time invest. The Company could experience, among others, a decrease in value of securities of any issuer due to the imposition of Sanctions, whether directed towards such issuer, an economic sector in which such issuer is active, other companies or entities with which such issuer conducts business, or towards the financial system of a certain country. Because of Sanctions, the Company may be forced to sell certain securities at unattractive prices, at inopportune moments and/or in unfavourable circumstances where it may not have done so in the absence of Sanctions. Even though the Company will make reasonable efforts, acting in the best interest of the investors, to sell such securities under optimal conditions, such forced sales could potentially result in losses for the Subfunds concerned. Depending on the circumstances, such losses could be considerable. The Company may also experience adverse consequences due to an asset freeze or other restrictive measures directed at other companies, including but not limited to any entity that serves as a counterparty to derivatives, or as a sub-custodian, paying agent or other service provider to the Company or any of its Subfunds. The imposition of Sanctions may require the Company to sell securities, terminate ongoing agreements, lose access to certain markets or essential market infrastructure, cause some or all of a

Subfund's assets to become unavailable, freeze cash or other assets belonging to the Company and/or adversely affect the cash flows associated with any investment or transaction.

The Company, the Management Company, the Depositary, the Investment Manager and any other members from the UBS Group (collectively, the "Fund Parties") are required to comply with all applicable sanctions laws and regulations in the countries in which the Fund Parties conduct business (recognizing that certain of the sanctions regimes have implications for cross-border or foreign activities) and will implement the necessary policies and procedures to this effect (collectively, "Sanctions Policies"). The Shareholders should note these Sanctions Policies will be developed by the Fund Parties in their discretion and best judgment and may involve protective or preventive measures that go beyond the strict requirements of applicable laws and regulations imposing any Sanctions, which may further negatively impact the investment of the Fund.

#### **Market Risk**

Market risk is a general risk which may affect all investments to the effect that the value of a particular investment could change in a way that is detrimental to the Company's interests. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

#### **Interest Rate Risk**

Subfunds investing in fixed income securities may fall in value due to fluctuations in interest rates. Generally, the value of fixed income securities rises when interest rates fall. Conversely, when interest rates rise, the value of fixed income securities can generally be expected to decrease. Long term fixed income securities will normally have more price volatility than short term fixed income securities.

#### **Foreign Exchange Risk**

The Subfunds' investments may be made in other currencies than the relevant Reference Currency and therefore be subject to currency fluctuations, which may affect the Net Asset Value of the relevant Subfunds favorably or unfavorably.

Currencies of certain countries may be volatile and therefore may affect the value of securities denominated in such currencies. If the currency in which an investment is denominated appreciates against the Reference Currency of the relevant Subfund, the value of the investment will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the investment.

The Subfunds may enter into hedging transactions on currencies to protect against a decline in the value of investments denominated in currencies other than the Reference Currency, and against any increase in the cost of investments denominated in currencies other than the Reference Currency. However, there is no guarantee that the hedging will be successfully achieved. Although it is the policy of the Company to hedge the currency exposure of Subfunds against their respective Reference Currencies, hedging transactions may not always be possible and currency risks cannot therefore be excluded.

#### **Share Currency Designation Risk**

A Class of a Subfund may be designated in a currency other than the Reference Currency of the Subfund and/or the designated currencies in which the Subfund's assets are denominated. Redemption proceeds and any distributions to Shareholders will normally be made in the currency of denomination of the relevant Class. Changes in the exchange rate between the Reference Currency and such designated currency or changes in the exchange rate between the designated currencies in which the Subfund's assets are denominated and the designated currency of a Class may lead to a depreciation of the value of such Shares as expressed in the designated currency. If specifically mentioned in the Subfund related part of Chapter 24, "Subfunds", the Company will try to hedge this risk. Investors should be aware that this strategy may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Reference Currency of the Subfund and/or the currency/currencies in which the assets of the respective Subfund are denominated. In such circumstances, Shareholders of the relevant Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the costs of the relevant assets. Assets used to implement such strategies shall be assets/liabilities of the Subfund as a whole. However, the gains/losses on, and the costs of, the relevant assets will accrue solely to the relevant Class.

#### **Credit Risk**

Subfunds investing in fixed income securities are subject to the risk that issuers may not make payments on such securities. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity. Subfunds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

#### **Counterparty Risk**

In accordance with its investment objective and policy, a Subfund may trade 'over-the-counter' (OTC) financial derivative instruments such as non-exchange traded futures and options, forwards, swaps or contracts for difference. OTC derivatives are instruments specifically tailored to the needs of an individual investor that enable the user to structure precisely its exposure to a given position. Such instruments are not afforded the same protections as may be available to investors trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. The counterparty to a particular OTC derivative transaction will generally be the specific entity involved in the transaction rather than a recognised exchange clearing house. In these circumstances the Subfund will be exposed to the risk that the counterparty will not settle the transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. This could result in substantial losses to the Subfund.

Participants in OTC markets are typically not subject to the credit evaluation and regulatory oversight to which members of 'exchange-based' markets are subject. Unless otherwise indicated in the Prospectus for a specific Subfund, the Company will not be restricted from dealing with any particular counterparties. The Company's evaluation of the creditworthiness of its counterparties may not prove sufficient. The lack of a complete and foolproof evaluation of the financial capabilities of the counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses.

The Company may select counterparties located in various jurisdictions. Such local counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Subfund and its assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize the effect of their insolvency on the Subfund and its assets. Shareholders should assume that the insolvency of any counterparty would generally result in a loss to the Subfund, which could be material.

If there is a default by the counterparty to a transaction, the Company will under most normal circumstances have contractual remedies and in some cases collateral pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays and costs. If one or more OTC counterparties were to become insolvent or the subject of liquidation proceedings, the recovery of securities and other assets under OTC derivatives may be delayed and the securities and other assets recovered by the Company may have declined in value.

Regardless of the measures that the Company may implement to reduce counterparty credit risk there can be no assurance that a counterparty will not default or that the Subfund will not sustain losses on the transactions as a result. Such counterparty risk is accentuated for contracts with longer maturities or where the Subfund has concentrated its transactions with a single or small group of counterparties.

#### **EU Bank Recovery and Resolution Directive**

Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (the "BRRD") was published in the Official Journal of the European Union on June 12, 2014 and entered into force on July 2, 2014. The stated aim of the BRRD is to provide resolution authorities, including the relevant Luxembourg resolution authority, with common tools and powers to address banking crises pre-

emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses.

In accordance with the BRRD and relevant implementing laws, national prudential supervisory authorities can assert certain powers over credit institutions and certain investment firms which are failing or are likely to fail and where normal insolvency would cause financial instability. These powers comprise write-down, conversion, transfer, modification, or suspension powers existing from time to time under, and exercised in compliance with any laws, regulations, rules or requirements in effect in the relevant EU Member State relating to the implementation of BRRD (the "Bank Resolution Tools").

The use of any such Bank Resolution Tools may affect or restrain the ability of counterparties subject to BRRD to honour their obligations towards the Subfunds, thereby exposing the Subfunds to potential losses.

The exercise of Bank Resolution Tools against investors of a Subfund may also lead to the mandatory sale of part of the assets of these investors, including their Shares in that Subfund. Accordingly, there is a risk that a Subfund may experience reduced or even insufficient liquidity because of such an unusually high volume of redemption requests. In such case the Company may not be able to pay redemption proceeds within the time period stated in this Prospectus.

Furthermore, exercising certain Bank Resolution Tools in respect of a particular type of securities may, under certain circumstances, trigger a drying-up of liquidity in specific securities markets, thereby causing potential liquidity problems for the Subfunds.

#### **Liquidity Risk**

There is a risk that the Company will suffer liquidity issues because of unusual market conditions, an unusually high volume of redemption requests or other reasons. In such case the Company may not be able to pay redemption proceeds within the time period stated in this Prospectus.

#### **Management Risk**

The Company is actively managed and therefore the Subfunds may be subject to management risks. The Company will apply its investment strategy (including investment techniques and risk analysis) when making investment decisions for the Subfunds, however no assurance can be given that the investment decision will achieve the desired results. The Company may in certain cases decide not to use investment techniques, such as derivative instruments, or, they may not be available, even under market conditions where their use could be beneficial for the relevant Subfund.

#### **Investment Risk**

##### ***Investments in Equities***

The risks associated with investments in equity (and equity-type) securities include in particular significant fluctuations in market prices, adverse issuer or market information and the subordinate status of equity compared to debt securities issued by the same company.

Investors should also consider the risk attached to fluctuations in exchange rates, possible imposition of exchange controls and other restrictions.

##### ***Investments in Fixed Income Securities***

Investments in securities of issuers from different countries and denominated in different currencies offer potential benefits not available from investments solely in securities of issuers from a single country, but also involve certain significant risks that are not typically associated with investing in the securities of issuers located in a single country. Among the risks involved are fluctuations in interest rates as well as fluctuations in currency exchange rates (as further described above under section "Interest Rate Risk" and "Foreign Exchange Risk") and the possible imposition of exchange control regulations or other laws or restrictions applicable to such investments. A decline in the value of a particular currency in comparison with the Reference Currency of the Subfund would reduce the value of certain portfolio securities that are denominated in such a currency.

An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, may fluctuate independently of each other.

As the Net Asset Value of a Subfund is calculated in its Reference Currency, the performance of investments denominated in a currency other than the

Reference Currency will depend on the strength of such currency against the Reference Currency and on the interest rate environment in the country issuing the currency. In the absence of other events that could otherwise affect the value of non-Reference Currency investments (such as a change in the political climate or an issuer's credit quality), an increase in the value of the non-Reference Currency can generally be expected to increase the value of a Subfund's non-Reference Currency investments in terms of the Reference Currency.

The Subfunds may invest in investment grade debt securities. Investment grade debt securities are assigned ratings within the top rating categories by rating agencies on the basis of the creditworthiness or risk of default. Rating agencies review, from time to time, such assigned ratings and debt securities may therefore be downgraded in rating if economic circumstances impact the relevant debt securities issue. Moreover, the Subfunds may invest in debt instruments in the non investment grade sector (high yield debt securities). Compared to investment grade debt securities, high yield debt securities are generally lower-rated securities and will usually offer higher yields to compensate for the reduced creditworthiness or increased risk of default attached to these debt instruments.

##### ***Investments in Warrants***

The leveraged effect of investments in warrants and the volatility of warrant prices make the risks attached to investments in warrants higher than in the case of investment in equities. Because of the volatility of warrants, the volatility of the share price of any Subfund investing in warrants may potentially increase.

##### ***Investments in Convertible Bonds***

A convertible security is generally a debt obligation, preferred stock or other security that pays interest or dividends and may be converted by the holder within a specified period of time into common stock at a specified conversion price. The value of convertible securities may rise and fall with the market value of the underlying stock or, like a debt security, vary with changes in interest rates and the credit quality of the issuer. A convertible security tends to perform more like a stock when the underlying stock price is high relative to the conversion price (because more of the security's value resides in the option to convert) and more like a debt security when the underlying stock price is low relative to the conversion price (because the option to convert is less valuable). Because its value can be influenced by many different factors, a convertible security is not as sensitive to interest rate changes as a similar non-convertible debt security, and generally has less potential for gain or loss than the underlying stock.

##### ***Investments in Subordinated Bonds***

Subordinated bonds are treated at a disadvantage compared to more senior bonds when it comes to repayment in the event of insolvency or liquidation. These bonds are thus subject to a higher risk than senior bonds due to their subordination.

##### ***Investments in CoCos***

CoCos are debt instruments convertible into equity if a pre-specified trigger event occurs. Many of the larger financial institutions have lately embraced the use of CoCos as a cost effective way of meeting the level of going-concern capital required by Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (the "CRR") in addition to the Common Equity Tier 1 capital as defined in the CRR (the "CET1"). The CRR allows a financial institution to issue Additional Tier 1 ("AT1") securities in non-CET1 capital but in the form of CoCos. To qualify as AT1s the CoCos need to be able to be written down or converted into equity when a certain trigger CET1 is reached or when the relevant regulatory authority deems the issuer being non-viable under the Bank Recovery and Resolution Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014.

Investors should fully understand and consider the risks of CoCos.

##### **Valuation Risk**

To correctly value the instruments the Subfund needs to evaluate the probability of activating the trigger, the extent and probability of any losses upon trigger conversion (not only from write-downs of their principal value but also from unfavourably timed conversion to equity) and the likelihood of cancellation of coupons. These risks may be highly challenging to model. Though certain risk factors are transparent, e.g., trigger level, coupon frequency, leverage, credit spread of the issuer, and rating of instrument, if any, other factors are discretionary or difficult to estimate, e.g. individual

regulatory requirements relating to the capital buffer, the issuers' future capital position, issuers' behaviour in relation to coupon payments on AT1 CoCos, and any risks of contagion. Importantly, as one descends down the capital structure to sub-investment grade where the majority of CoCos sit, the level of precision in estimating value when compared to more highly rated instruments, deteriorates.

#### Capital structure inversion risk

Contrary to classic capital hierarchy, CoCo investors may suffer a loss of capital when equity holders do not. In certain scenarios, holders of CoCos will suffer losses ahead of equity holders, e.g., when a high trigger principal write-down CoCo is activated. This cuts against the normal order of capital structure hierarchy where equity holders are expected to suffer the first loss. This is less likely with a low trigger CoCo when equity holders will already have suffered loss. Moreover, high trigger Tier 2 CoCos may suffer losses not at the point of gone concern but conceivably in advance of lower trigger AT1s and equity.

#### Trigger risk

In the event that (i) the issuer falls below pre-determined capital ratio threshold levels or (ii) at the request of a financial regulator with supervisory authority causing Cocos to convert into equity or to be permanently written down. In the first case, the trigger event calculations may also be affected by changes in applicable accounting rules, the accounting policies of the issuer or its group and the application of these policies. In the event of a security being converted to equity, investors may suffer a loss depending on the conversion rate. Were the securities to be written down, the principal may be fully lost with no payment to be recovered. Some Cocos may be written back up to par over time, but the issuer may be under no obligation to fully do so. Following a trigger event, losses may not reflect the waterfall of subordination and in some circumstances Cocos bond holders may suffer losses prior to investors in the same financial institution holding equity or bonds ranking pari passu or junior to the Cocos instruments. Independent from the trigger risk, a financial regulator with supervisory authority may at any time deem the issuer to have reached a point of non-viability, meaning that public intervention would be needed to keep the issuer out of bankruptcy, causing losses across the capital structure for equity and bondholders alike. Under these circumstances Cocos bondholders would suffer losses in line with the subordination of the Cocos host instrument.

#### Coupon cancellation risk

Cocos issued in Additional Tier 1 format give the issuer an option to cancel any payment of interest any time at its sole discretion. In addition, the issuer may be required by the regulator to cancel the coming interest payments. Coupon cancellation will also be a subject of issuer breaching a certain capital ratio threshold. Any cancellation of interest represents a forgone coupon payment and will not be reimbursed, in case the issuer decides to resume interest payments at a later stage.

#### Unknown risk

The structure of the investments in Cocos is innovative and has not been fully tested as of today.

#### Liquidity risk

CoCos may entail a liquidity risk, meaning that under certain conditions it may be difficult to sell them. If the relevant market for a specific CoCo is illiquid, it may not be possible to liquidate a position at all or at an acceptable price. This risk generally increases the more likely it gets that the pre-specified trigger event of a given CoCo occurs.

#### Call extension risk

Redemption rights of CoCos' holders depend on the CoCos' issuer's competent authority approval

#### Extension risk

As there may be no incentive, in the form of a coupon step-up, for the issuer to redeem the securities issued, this would cause the securities' duration to lengthen and to expose investors to higher interest rate risk.

#### Yield/ Valuation risk

CoCos may have an attractive yield which may be viewed as a complexity premium.

#### Net Asset Value

Finally, when CoCos are written down, the Net Asset Value of the Company may significantly decrease.

#### **Investments in Target Funds**

Investors should note that investments in Target Funds may incur the same costs both at the Subfund level and at the level of the Target Funds. Furthermore, the value of the units or shares in the Target Funds may be affected by currency fluctuations, currency exchange transactions, tax regulations (including the levying of withholding tax) and any other economic or political factors or changes in the countries in which the Target Fund is invested, along with the risks associated with exposure to the emerging markets.

The investment of the Subfunds' assets in units or shares of Target Funds entails a risk that the redemption of the units or shares may be subject to restrictions, with the consequence that such investments may be less liquid than other types of investment.

#### **Use of Derivatives**

While the use of financial derivative instruments can be beneficial, financial derivative instruments also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments.

Derivatives are highly specialized financial instruments. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without there being any opportunity to observe the performance of the derivative under all possible market conditions.

If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

Since many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, rate or index may result in a loss substantially greater than the amount invested in the derivative itself.

The other risks associated with the use of derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Many derivatives are complex and are often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Company. Consequently, the Company's use of derivatives may not always be an effective means of, and sometimes could be counterproductive to, furthering the Company's investment objectives.

Derivative instruments also carry the risk that a loss may be sustained by the Company as a result of the failure of the counterparty to a derivative to comply with the terms of the contract (as further described under "Counterparty Risk" above). The default risk for exchange-traded derivatives is generally less than for privately negotiated derivatives, since the clearing house, which is the issuer or counterparty to each exchange-traded derivative, provides a guarantee of performance. In addition, the use of credit derivatives (credit default swaps, credit linked notes) carries the risk of a loss arising for the Company if one of the entities underlying the credit derivative defaults.

Moreover, OTC derivatives may bear liquidity risks. The counterparties with which the Company effects transactions might cease making markets or quoting prices in certain of the instruments. In such cases, the Company might not be in a position to enter into a desired transaction in currencies, credit default swaps or to enter into an offsetting transaction with respect to an open position which might adversely affect its performance. Unlike exchange-traded derivatives, forward, spot and option contracts on currencies do not provide the Management Company with the possibility to offset the Company's obligations through an equal and opposite transaction. Therefore, through entering into forward, spot or options contracts, the Company may be required, and must be able, to perform its obligations under these contracts.

The use of derivative instruments may or may not achieve its intended objective.

#### **Investments in Hedge Fund Indices**

In addition to the risks entailed in traditional investments (such as market, credit and liquidity risks), investments in hedge fund indices entail a number of specific risks that are set out below.

The hedge funds underlying the respective index, as well as their strategies, are distinguished from traditional investments primarily by the fact that their investment strategy may involve the short sale of securities and, on the other hand, by using borrowings and derivatives, a leverage effect may be achieved. The leverage effect entails that the value of a fund's assets increases faster if capital gains arising from investments financed by borrowing exceed the related costs, notably the interest on borrowed monies and premiums payable

on derivative instruments. A fall in prices, however, causes a faster decrease in the value of the Company's assets. The use of derivative instruments, and in particular of short selling, can in extreme cases lead to a total loss in value. Most of the hedge funds underlying the respective index were established in countries in which the legal framework, and in particular the supervision by the authorities, either does not exist or does not correspond to the standards applied in western Europe or other comparable countries. The success of hedge funds depends in particular on the competence of the fund managers and the suitability of the infrastructure available to them.

#### **Investments in Commodity and Real Estate Indices**

Investments in products and/or techniques providing an exposure to commodity, hedge fund and real estate indices differ from traditional investments and entail additional risk potential (e.g. they are subject to greater price fluctuations). When included in a broadly diversified portfolio, however, investments in products and/or techniques providing an exposure to commodity and real estate indices generally show only a low correlation to traditional investments.

#### **Investments in Illiquid Assets**

The Company may invest up to 10% of the total net assets of each Subfund in transferable securities or money market instruments which are not traded on stock exchanges or regulated markets. It may therefore be the case that the Company cannot readily sell such securities. Moreover, there may be contractual restrictions on the resale of such securities. In addition, the Company may under certain circumstances trade futures contracts or options thereon. Such instruments may also be subject to illiquidity in certain situations when, for example, market activity decreases, or when a daily fluctuation limit has been reached. Most futures exchanges restrict the fluctuations in future contract prices during a single day by regulations referred to as "daily limits". During a single trading day no trades may be executed at prices above or below these daily limits. When the price of a futures contract has increased or decreased to the limit, positions can neither be purchased nor compensated. Futures prices have occasionally moved outside the daily limit for several consecutive days with little or no trading. Similar occurrences may prevent the Company from promptly liquidating unfavourable positions and therefore result in losses.

For the purpose of calculating the Net Asset Value, certain instruments, which are not listed on an exchange, for which there is limited liquidity, will be valued based upon the average price taken from at least two major primary dealers. These prices may affect the price at which Shares are redeemed or purchased. There is no guarantee that in the event of a sale of such instruments the price thus calculated can be achieved.

#### **Investments in Asset Backed Securities and Mortgage Backed Securities**

The Subfunds may have exposure to asset backed securities („ABS“) and mortgage backed securities („MBS“). ABS and MBS are debt securities issued by a special purpose vehicle (SPV) with the aim to pass through of liabilities of third parties other than the parent company of the issuer. Such securities are secured by an asset pool (mortgages in the case of MBS and various types of assets in the case of ABS). Compared to other traditional fixed income securities such as corporate or government issued bonds, the obligations associated with these securities may be subject to greater counterparty, liquidity and interest rate risks as well as other types of risks, such as reinvestment risk (arising from included termination rights, prepayment options), credit risks on the underlying assets and advance repayments of principal resulting in a lower total return (especially, if repayment of the debt is not concurrent with redemption of the assets underlying the claims).

ABS and MBS assets may be highly illiquid and therefore prone to substantial price volatility.

#### **Small to medium-sized Companies**

A number of Subfunds may invest primarily in small and mid-cap companies. Investing in the securities of smaller, lesser-known companies involves greater risk and the possibility of greater price volatility due to the less certain growth prospects of smaller firms, the lower degree of liquidity of the markets for such stocks and the greater sensitivity of smaller companies to changing market conditions.

#### **Hedged Share Class Risk**

The hedging strategy applied to hedged Classes may vary from one Subfund to another. Each Subfund will apply a hedging strategy which aims to reduce

currency risk between the Reference Currency of the respective Subfund and the nominal currency of the hedged Class while taking various practical considerations into account. The hedging strategy aims to reduce, however may not totally eliminate, currency exposure.

Investors should note that there is no segregation of liabilities between the individual Classes within a Subfund. Hence, there is a risk that under certain circumstances, hedging transactions in relation to a hedged Class could result in liabilities affecting the Net Asset Value of the other Classes of the same Subfund. In such case assets of other Classes of such Subfund may be used to cover the liabilities incurred by the hedged Class.

#### **Clearing and Settlement Procedures**

Different markets also have different clearing and settlement procedures. Delays in settlement may result in a portion of the assets of a Subfund remaining temporarily uninvested and no return is earned thereon. The inability of the Company to make intended security purchases due to settlement problems could cause a Subfund to miss attractive investment opportunities. The inability to dispose of portfolio securities due to settlement problems could result either in losses to a Subfund due to subsequent declines in value of the portfolio security or, if a Subfund has entered into a contract to sell the security, could result in possible liability to the purchaser.

#### **Investment Countries**

The issuers of fixed income securities and the companies, the Shares of which are purchased, are generally subject to different accounting, auditing and financial reporting standards in the different countries of the world. The volume of trading, volatility of prices and liquidity of issuers may vary from one market or country to another. In addition, the level of government supervision and regulation of securities exchanges, securities dealers and listed and unlisted companies is different throughout the world. The laws and regulations of some countries may restrict the Company's ability to invest in securities of certain issuers located in those countries.

#### **Concentration on certain Countries/Regions**

Where a Subfund restricts itself to investing in securities of issuers located in a particular country or countries, such concentration will expose the Subfund to the risk of adverse social, political or economic events which may occur in that country or countries.

The risk increases if the country in question is an emerging market. Investments in these Subfunds are exposed to the risks which have been described; these may be exacerbated by the special factors pertaining to this emerging market.

#### **Investments in Emerging Market Countries**

Investors should note that certain Subfunds may invest in less developed or emerging markets. Investing in emerging markets may carry a higher risk than investing in developed markets.

The securities markets of less developed or emerging markets are generally smaller, less developed, less liquid and more volatile than the securities markets of developed markets. In addition, there may be a higher than usual risk of political, economic, social and religious instability and adverse changes in government regulations and laws in less developed or emerging markets, which could affect the investments in those countries. The assets of Subfunds investing in such markets, as well as the income derived from the Subfund, may also be effected unfavourably by fluctuations in currency rates and exchange control and tax regulations and consequently the Net Asset Value of Shares of these Subfunds may be subject to significant volatility. Also, there might be restrictions on the repatriation of the capital invested.

Some of these markets may not be subject to accounting, auditing and financial reporting standards and practices comparable to those of more developed countries and the securities markets of such markets may be subject to unexpected closure. In addition, there may be less government supervision, legal regulation and less well defined tax laws and procedures than in countries with more developed securities markets.

Moreover, settlement systems in emerging markets may be less well organised than in developed markets. Thus, there may be a risk that settlement may be delayed and that cash or securities of the concerned Subfunds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank through

whom the relevant transaction is effected might result in a loss being suffered by the Subfunds investing in emerging market securities.

It must also be borne in mind that companies are selected regardless of their market capitalization (micro, small, mid, large caps), sector or geographical location. This may lead to a concentration in geographical or sector terms.

Subscriptions in the relevant Subfunds are thus only suitable for investors who are fully aware of, and able to bear, the risks related to this type of investment.

#### Industry/Sector Risk

The Subfunds may invest in specific industries or sectors or a group of related industries. These industries or sectors may, however, be affected by market or economic factors, which could have a major effect on the value of the Subfunds' investments.

#### Taxation

The proceeds from the sale of securities in some markets or the receipt of any dividends and other income may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities in that market, including taxation levied by withholding at source.

It is possible that the tax law (and/or the current interpretation of the law) as well as the practice in countries, into which the Subfunds invest or may invest in the future, might change. As a result, the Company could become subject to additional taxation in such countries that is not anticipated either at the date of this Prospectus or when investments are made, valued or disposed of.

#### FATCA

Capitalized terms used in this section have the meaning as set forth in the Luxembourg amended law dated 24 July 2015 (the "FATCA Law") unless provided otherwise herein.

The Company may be subject to regulations imposed by foreign regulators, in particular FATCA. FATCA provisions generally impose a reporting to the U.S. Internal Revenue Service of non-U.S. financial institutions that do not comply with FATCA and U.S. persons' (within the meaning of FATCA) direct and indirect ownership of non-U.S. accounts and non-U.S. entities. Failure to provide the requested information will lead to a 30% withholding tax applying to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends.

Under the terms of FATCA, the Company will be treated as a Foreign Financial Institution (within the meaning of FATCA). As such, the Company may require all investors to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned regulations.

Should the Company become subject to a withholding tax as a result of FATCA, the value of the Shares held by all Shareholders may be materially affected.

The Company and/or its Shareholders may also be indirectly affected by the fact that a non U.S. financial entity does not comply with FATCA regulations even if the Company satisfies with its own FATCA obligations.

Despite anything else herein contained, the Company shall have the right to:

- withhold any taxes or similar charges that it is legally required to withhold by applicable laws and regulations in respect of any shareholding in the Company;
- require any Shareholder or beneficial owner of the Shares to promptly furnish such personal data as may be required by the Company in order to comply with applicable laws and regulations and/or to promptly determine the amount of withholding to be retained;
- divulge any such personal information to the Luxembourg tax authority, as may be required by applicable laws or regulations or requested by such authority; and
- delay payments of any dividend or redemption proceeds to a Shareholder until the Company holds sufficient information to comply with applicable laws and regulations or determine the correct amount to be withheld.

#### Common Reporting Standard

The Company may be subject to the Standard for Automatic Exchange of Financial Account Information in Tax matters (the "Standard") and its Common Reporting Standard (the "CRS") as set out in the Luxembourg law dated 18

December 2015 implementing Council Directive 2014/107/EU of 9 December 2014 as regards mandatory automatic exchange of information in the field of taxation (the "CRS-Law").

Capitalized terms used in this section have the meaning as set forth in the CRS Law, unless provided otherwise herein.

Under the terms of the CRS-Law, the Company is treated as a Luxembourg Reporting Financial Institution. As such, as of 30 June 2017 and without prejudice to other applicable data protection provisions, the Company is required to annually report to the Luxembourg tax authority personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain shareholders as per the CRS-Law (the "Reportable Persons") and (ii) Controlling Persons of certain non-financial entities ("NFEs") which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS-Law (the "Information"), will include personal data related to the Reportable Persons.

The Company's ability to satisfy its reporting obligations under the CRS-Law will depend on each Shareholder providing the Company with the Information, along with the required supporting documentary evidence. In this context, the Shareholders are hereby informed that, as data controller, the Company will process the Information for the purposes as set out in the CRS-Law. The Shareholders undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Company.

The term "Controlling Person" means in the present context any natural persons who exercise control over an entity. In the case of a trust it means the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, persons in equivalent or similar positions. The term "Controlling Persons" must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

The Shareholders are further informed that the Information related to Reportable Persons within the meaning of the CRS-Law will be disclosed to the Luxembourg tax authority annually for the purposes set out in the CRS-Law. In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authority.

Similarly, the Shareholders undertake to inform the Company within thirty (30) days of receipt of these statements should any included personal data be not accurate. The Shareholders further undertake to immediately inform the Company of, and provide the Company with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Any Shareholder that fails to comply with the Company's Information or documentation requests may be held liable for penalties imposed on the Company and attributable to such shareholder's failure to provide the Information.

#### Sustainability Risks

Pursuant to the SFDR, the Subfunds are required to disclose the manner in which sustainability risks (as defined hereafter) are integrated into the investment decision and the results of the assessment of the likely impacts of sustainability risks on the returns of the Subfunds.

Sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments made by the Subfunds ("Sustainability Risk").

Such risk is principally linked to climate-related events resulting from climate change (the so-called physical risks) or to the society's response to climate change (the so-called transition risks), which may result in unanticipated losses that could affect the Subfunds' investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behavior, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

Sustainability Risks are integrated in the investment decision making and risk monitoring to the extent that they represent potential or actual material risks and/or opportunities to maximising the long-term risk-adjusted returns.



The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. In general, where a Sustainability Risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value.

Such assessment of the likely impact must therefore be conducted at portfolio level. Further details and specific information is given for each Subfund in Chapter 24, "Subfunds".

The Management Company delegates the portfolio management function of the funds under management and as such does not currently have access to sufficient ESG information for determining and weighting with adequate accuracy the negative sustainability effects across all its delegated portfolio managers. Therefore, the Management Company has decided not to consider directly and at its level the adverse impacts of investment decisions on sustainability factors (PAS1) according to Art. 4 SFDR.

### **Epidemics and Other Health Risks**

Many countries have experienced outbreaks of infectious illnesses in recent decades, including swine flu, avian influenza, SARS and Covid-19 (the "Coronavirus"). In December 2019, an initial outbreak of the Coronavirus was reported in Hubei, China. Since then, a large and growing number of cases have been confirmed around the world. The Coronavirus outbreak has resulted in numerous deaths and the imposition of both local and more widespread "work from home" and other quarantine measures, border closures and other travel restrictions, causing social unrest and commercial disruption on a global scale. The World Health Organization has declared the Coronavirus outbreak a pandemic.

The ongoing spread of the Coronavirus has had, and will continue to have, a material adverse impact on local economies in the affected jurisdictions and also on the global economy, as cross border commercial activity and market sentiment are increasingly impacted by the outbreak and government and other measures seeking to contain its spread. In addition to these developments having adverse consequences for certain portfolio companies and other issuers in or through which the Subfunds invest and the value of the Subfunds' investments therein, could be, adversely impacted, including through quarantine measures and travel restrictions imposed on the Management Company (and/or the Investment Manager) personnel or service providers based or temporarily located in affected countries, or any related health issues of such personnel or service providers. Any of the foregoing events could materially and adversely affect the Subfunds' ability to source, manage and divest its investments and its ability to fulfil its investment objectives. Similar consequences could arise with respect to other comparable infectious diseases.

### **8. Net Asset Value**

Unless stated otherwise specified in Chapter 24, "Subfunds", the Net Asset Value of the Shares of each Subfund shall be calculated under the responsibility of the Company's Board of Directors in Luxembourg on each Banking Day on which banks are normally open all day for business in Luxembourg (each such day being referred to as a "Valuation Day").

In case the Valuation Day is not a full Banking Day in Luxembourg, the Net Asset Value of that Valuation Day will be calculated on the next following Banking Day. If a Valuation Day falls on a day which is a holiday in countries whose stock exchanges or other markets are decisive for valuing the majority of a Subfund's assets, the Company may decide, by way of exception, that the Net Asset Value of the Shares in this Subfund will not be determined on such days.

For determining the Net Asset Value, the assets and liabilities of the Company shall be allocated to the Subfunds (and to the individual Classes within each Subfund), the calculation is carried out by dividing the Net Asset Value of the Subfund by the total number of Shares outstanding for the relevant Subfund or the relevant Class. If the Subfund in question has more than one Class, that portion of the Net Asset Value of the Subfund attributable to the particular Class will be divided by the number of issued Shares of that Class.

The Net Asset Value of an Alternate Currency Class shall be calculated first in the Reference Currency of the relevant Subfund.

The Net Asset Value of the Alternate Currency Class shall be calculated through conversion at the mid-market rate between the Reference Currency and the Alternate Currency of the relevant Class.

The Net Asset Value of the Alternate Currency Class will in particular reflect the costs and expenses incurred for the currency conversion in connection

with the subscription, redemption and conversion of Shares in this Class and for hedging the currency risk.

Unless otherwise specified in Chapter 24, "Subfunds", the assets of each Subfund shall be valued as follows:

- a) Securities which are listed or regularly traded on a stock exchange shall be valued at the last available traded price. If such a price is not available for a particular trading day, but a closing mid-price (the mean of the closing bid and ask prices) or a closing bid price is available, the closing mid-price, or alternatively the closing bid price, may be taken as a basis for the valuation.
- b) If a security is traded on several stock exchanges, the valuation shall be made by reference to the exchange which is the main market for this security.
- c) In the case of securities for which trading on a stock exchange is not significant but which are traded on a secondary market with regulated trading among securities dealers (with the effect that the price reflects market conditions), the valuation may be based on this secondary market.
- d) Securities traded on a regulated market shall be valued in the same way as those listed on a stock exchange.
- e) Securities that are not listed on a stock exchange and are not traded on a regulated market shall be valued at their last available market price. If no such price is available, the Company shall value these securities in accordance with other criteria to be established by the Board of Directors and on the basis of the probable sales price, the value of which shall be estimated with due care and in good faith.
- f) Derivatives shall be treated in accordance with the above. OTC swap transactions will be valued on a consistent basis based on bid, offer or mid prices as determined in good faith pursuant to procedures established by the Board of Directors. When deciding whether to use the bid, offer or mid prices the Board of Directors will take into consideration the anticipated subscription or redemption flows, among other parameters. If, in the opinion of the Board of Directors, such values do not reflect the fair market value of the relevant OTC swap transactions, the value of such OTC swap transactions will be determined in good faith by the Board of Directors or by such other method as it deems in its discretion appropriate.
- g) The valuation price of a money market instrument which has a maturity or remaining term to maturity of less than 12 months and does not have any specific sensitivity to market parameters, including credit risk, shall, based on the net acquisition price or on the price at the time when the investment's remaining term to maturity falls below 12 months, be progressively adjusted to the repayment price while keeping the resulting investment return constant. In the event of a significant change in market conditions, the basis for the valuation of different investments shall be brought into line with the new market yields.
- h) Units or Shares of UCITs or UCIs shall be valued on the basis of their most recently calculated Net Asset Value, where necessary by taking due account of the redemption fee. Where no Net Asset Value and only buy and sell prices are available for units or Shares of UCITs or other UCIs, the units or Shares of such UCITs or UCIs may be valued at the mean of such buy and sell prices.
- i) The value of credit default swaps is calculated on a regular basis using comprehensible, transparent criteria. The Company and the Statutory Auditor shall monitor the comprehensibility and transparency of the valuation methods and their application.
- j) Fiduciary and fixed-term deposits shall be valued at their respective nominal value plus accrued interest.

The amounts resulting from such valuations shall be converted into the Reference Currency of each Subfund at the prevailing mid-market rate. Foreign exchange transactions conducted for the purpose of hedging currency risks shall be taken into consideration when carrying out this conversion.

If a valuation in accordance with the above rules is rendered impossible or incorrect due to particular or changed circumstances, the Company's Board of Directors shall be entitled to use other generally recognized and auditable valuation principles in order to reach a proper valuation of the Subfund's assets. The Net Asset Value of the Share shall be rounded up or down, as the case may be, to the next smallest unit of the Reference Currency which is currently used unless otherwise specified in Chapter 24, "Subfunds".

The Net Asset Value of one or more Classes may also be converted into other currencies at the mid-market rate should the Board of Directors decide to effect the issue and redemption of Shares in one or more other currencies. Should the Board of Directors determine such currencies, the Net Asset Value of the Shares in these currencies shall be rounded up or down to the next smallest unit of currency.

In exceptional circumstances, further valuations may be carried out on the same day; such valuations will be valid for any applications for subscription and/or redemption subsequently received.

The total Net Asset Value of the Company shall be calculated in Euro.

#### Adjustment of the Net Asset Value (Single Swing Pricing)

In order to protect existing Shareholders and subject to the conditions set out in Chapter 24, "Subfunds", the Net Asset Value per Class of a Subfund may be adjusted upwards or downwards by a maximum percentage ("Swing Factor") indicated in Chapter 23., "Summary of Classes", in the event of a net surplus of subscription or redemption applications on a particular Valuation Day. In such case the same Net Asset Value applies to all incoming and outgoing investors on that particular Valuation Day. Whilst the adjustment is normally not expected to exceed the threshold set out in Chapter 24, "Subfunds", the Board of Directors may decide to increase the maximum swing factor of the Net Asset Value in exceptional circumstances to protect Shareholders' interests.

The adjustment of the Net Asset Value aims to cover in particular but not exclusively transaction costs, tax charges and bid/offer spreads incurred by the respective Subfund due to subscriptions, redemptions and/or conversions in and out of the Subfund. Existing Shareholders would no longer have to indirectly bear these costs, since they are directly integrated into the calculation of the Net Asset Value and hence, are borne by incoming and outgoing investors.

The Net Asset Value may be adjusted on every Valuation Day on a net deal basis. The Board of Directors can set a threshold (net capital flows that needs to be exceeded) to apply the adjustment to the Net Asset Value. Shareholders should note that the performance calculated on the basis of the adjusted Net Asset Value might not reflect the true portfolio performance as a consequence of the adjustment of the Net Asset Value.

## **9. Expenses and Taxes**

### **i. Taxes**

#### **Taxation of the Company**

##### Subscription tax

The following summary is based on the laws and practices currently applicable in the Grand Duchy of Luxembourg and is subject to changes thereto.

Unless otherwise specified in Chapter 24, "Subfunds", the Company's assets are subject to a tax ("taxe d'abonnement") in the Grand Duchy of Luxembourg of 0.05% p. a., payable quarterly.

The rate of the subscription tax is 0.04%, 0.03%, 0.02% or 0.01% per annum for the proportion of the Net Asset Value of a Subfund invested in sustainable economic activities as defined by article 3 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the "Sustainable Activities") if such proportion represents at least 5%, 20%, 35% or 50%, respectively, of the Net Asset Value of such Subfund and if the conditions set out in article 174 (3) of the Law of 17 December 2010 are fulfilled.

This rate is however of 0.01% per annum for:

- individual Subfunds the exclusive object of which is the collective investment in money market instruments and the placing of deposits with credit institutions;
- individual Subfunds the exclusive object of which is the collective investment in deposits with credit institutions; and,
- individual Subfunds as well as for individual Classes, provided that the Shares of such Subfund or Class are reserved to one or more institutional investors (defined as investors referred to in Article 174, para. 2, lit. c) of the Law of 17 December 2010 and meeting the conditions resulting from the Luxembourg regulator's administrative practice).

The Net Asset Value of each Subfund at the end of each quarter is taken as the basis for calculation.

Are further exempt from the subscription tax:

- the value of the assets of a Subfund represented by units or shares held in other UCIs, provided such units or shares have already been subject to the subscription tax;
- individual Subfunds (i) whose securities are reserved for institutional investors, (ii) whose exclusive object is the collective investment in money market instruments and the placing of deposits with credit institutions, (iii) whose weighted residual portfolio maturity must not exceed ninety (90) days, and (iv) which have obtained the highest possible rating from a recognized rating agency;
- Subfunds whose Shares are reserved for (i) institutions for occupational retirement provision, or similar investment vehicles, created on the initiative of a same group for the benefit of its employees and (ii) undertakings of this same group investing funds they hold, to provide retirement benefits to their employees;
- Subfunds whose main objective is the investment in microfinance institutions; and
- Subfunds (i) whose Shares are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public, and (ii) whose exclusive object is to replicate the performance of one or more indices.

#### Income Tax

The Company is not subject to Luxembourg income taxes.

#### Withholding tax

Under current Luxembourg tax law, there is no tax on any distribution, redemption or payment made by the Company to its Shareholders. There is no withholding tax on the distribution of liquidation proceeds to the Shareholders. Dividends, interest, income and gains received by the Company on its investments may be subject to non-recoverable withholding tax or other taxes in the countries of origin.

#### VAT

The Company is considered in Luxembourg as a taxable person for value added tax ("VAT") purposes without input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Company could potentially trigger VAT and require the VAT registration of the Company in Luxembourg as to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability in principle arises in Luxembourg in respect of any payments by the Company to its Shareholders to the extent such payments are linked to their subscription to the Shares and do therefore not constitute the consideration received for any taxable services supplied.

#### **Taxation of the Shareholders**

##### **Income tax**

A Shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of the Shares or the execution, performance or enforcement of his/her rights hereunder.

A Shareholder is not liable to any Luxembourg income tax on reimbursement of share capital previously contributed to the Company.

##### Luxembourg resident individuals

Dividends and other payments derived from the Shares by a resident individual Shareholder, who acts in the course of the management of either his/her private wealth or his/her professional/business activity, are subject to income tax at the ordinary progressive rates.

Capital gains realized upon the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative and are thus subject to income tax at ordinary rates if the Shares are disposed of within six (6) months after their acquisition or if their disposal precedes their acquisition. A participation is deemed to be substantial where a resident individual Shareholder holds or has held, either alone or together with his spouse or partner and/or minor children, directly or

indirectly at any time within the five (5) years preceding the disposal, more than ten percent (10%) of the share capital of the Company. A Shareholder is also deemed to alienate a substantial participation if he acquired free of charge, within the five (5) years preceding the transfer, a participation that was constituting a substantial participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period). Capital gains realized on a substantial participation more than six (6) months after the acquisition thereof are taxed according to the half-global rate method (i.e. the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on the substantial participation). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the participation.

Capital gains realized on the disposal of the Shares by a resident individual Shareholder, who acts in the course of the management of his/her professional/business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

#### Luxembourg resident companies

A Luxembourg resident company (société de capitaux) must include any profits derived, as well as any gain realized on the sale, disposal or redemption of Shares, in their taxable profits for Luxembourg income tax assessment purposes.

#### Luxembourg residents benefiting from a special tax regime

Shareholders which are Luxembourg resident companies benefiting from a special tax regime, such as (i) undertakings for collective investment subject to the Law of 17 December 2010, (ii) specialized investment funds subject to the amended Luxembourg law of 13 February 2007 on specialized investment funds and (iii) family wealth management companies governed by the amended Luxembourg law of 11 May 2007, are income tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg income tax.

#### Luxembourg non-resident Shareholders

A non-resident Shareholder, who has neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, is generally not liable to any Luxembourg income tax on income received and capital gains realized upon the sale, disposal or redemption of the Shares.

A non-resident company which has a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable, must include any income received, as well as any gain realized on the sale, disposal or redemption of Shares, in its taxable income for Luxembourg tax assessment purposes. The same inclusion applies to an individual, acting in the course of the management of a professional or business undertaking, who has a permanent establishment or a permanent representative in Luxembourg, to which the Shares are attributable. Taxable gains are determined as being the difference between the sale, repurchase or redemption price and the lower of the cost or book value of the Shares sold or redeemed.

#### Net wealth tax

A Luxembourg resident Shareholder, or a non-resident Shareholder who has a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable, is subject to Luxembourg net wealth tax on such Shares, except if the Shareholder is (i) a resident or non-resident individual taxpayer, (ii) an undertaking for collective investment subject to the Law of 17 December 2010, (iii) a securitization company governed by the Luxembourg law of 22 March 2004 on securitization, (iv) a company governed by the Luxembourg law of 15 June 2004 on venture capital vehicles, (v) a specialized investment fund governed by the amended Luxembourg Law of 13 February 2007 on specialized investment funds, or (vi) a family wealth management company governed by the amended Luxembourg law of 11 May 2007.

#### Other taxes

Under Luxembourg tax law, where an individual Shareholder is a resident of Luxembourg for tax purposes at the time of his/her death, the Shares are included in his or her taxable basis for inheritance tax purposes. On the contrary, no inheritance tax is levied on the transfer of the Shares upon death of a Shareholder in cases where the deceased was not a resident of Luxembourg for inheritance purposes.

Gift tax may be due on a gift or donation of the Shares, if the gift is recorded in a Luxembourg notary deed or otherwise registered in Luxembourg. The tax consequences will vary for each investor in accordance with the laws and practices currently in force in a Shareholder's country of citizenship, residence or temporary domicile, and in accordance with his or her personal circumstances.

Investors should therefore ensure they are fully informed in this respect and should, if necessary, consult their financial advisers.

#### **Certain U.S. Regulatory and Tax Matters – Foreign Account Tax Compliance**

The Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act (commonly known as "FATCA") generally impose a new reporting regime and potentially a 30% withholding tax with respect to (i) certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends ("Withholdable Payments") and (ii) a portion of certain non-US source payments from non-US entities that have not entered into FFI Agreements (as defined below) to the extent attributable to Withholdable Payments ("Passthru Payments"). As a general matter, the new rules are designed to require US Persons' direct and indirect ownership of non-US accounts and non-US entities to be reported to the US Internal Revenue Service (the "IRS"). The 30% withholding tax regime applies if there is a failure to provide required information regarding US ownership.

Generally, the new rules will subject all Withholdable Payments and Passthru Payments received by the Company to 30% withholding tax (including the share that is allocable to Non-US Investors) unless the Company enters into an agreement (a "FFI Agreement") with the IRS to provide information, representations and waivers of non-US law (including any information notice relating to data protection) as may be required to comply with the provisions of the new rules, including, information regarding its direct and indirect US accountholders, or otherwise qualifies for an exemption, including an exemption under an intergovernmental agreement (or "IGA") between the United States and a country in which the non-US entity is resident or otherwise has a relevant presence.

The governments of Luxembourg and the United States have entered into an IGA regarding FATCA. Provided the Company adheres to any applicable terms of the IGA, the Company will not be subject to withholding or generally required to withhold amounts on payments it makes under FATCA. Additionally, the Company will not have to enter into an FFI agreement with the IRS and instead will be required to obtain information regarding its Shareholders and to report such information to the Luxembourg government, which, in turn, will report such information to the IRS.

Any tax caused by a Shareholder's failure to comply with FATCA will be borne by such Shareholder.

Each prospective investor and each Shareholder should consult its own tax advisors regarding the requirements under FATCA with respect to its own situation.

Each Shareholder and each transferee of a Shareholder's interest in any Subfund shall furnish (including by way of updates) to the Management Company, or any third party designated by the Management Company (a "Designated Third Party"), in such form and at such time as is reasonably requested by the Management Company (including by way of electronic certification) any information, representations, waivers and forms relating to the Shareholder (or the Shareholder's direct or indirect owners or account holders) as shall reasonably be requested by the Management Company or the Designated Third Party to assist it in obtaining any exemption, reduction or refund of any withholding or other taxes imposed by any taxing authority or other governmental agency (including withholding taxes imposed pursuant to the Hiring Incentives to Restore Employment Act of 2010, or any similar or successor legislation or intergovernmental agreement, or any agreement entered into pursuant to any such legislation or intergovernmental agreement) upon the Company, amounts paid to the Company, or amounts allocable or distributable by the Company to such Shareholder or transferee. In the event that any Shareholder or transferee of a Shareholder's interest fails to furnish such information, representations, waivers or forms to the Management Company or the Designated Third Party, the Management Company or the Designated Third Party shall have full authority to take any and all of the following actions: (i) withhold any taxes required to be withheld pursuant to any applicable legislation, regulations, rules or agreements; (ii) redeem the Shareholder's or transferee's interest in any Subfund, and (iii) form and operate an investment vehicle organized in the United States that is treated as a "domestic partnership" for purposes of section 7701 of the

Internal Revenue Code of 1986, as amended and transfer such Shareholder's or transferee's interest in any Subfund or interest in such Subfund assets and liabilities to such investment vehicle. If requested by the Management Company or the Designated Third Party, the Shareholder or transferee shall execute any and all documents, opinions, instruments and certificates as the Management Company or the Designated Third Party shall have reasonably requested or that are otherwise required to effectuate the foregoing. Each Shareholder hereby grants to the Management Company or the Designated Third Party a power of attorney, coupled with an interest, to execute any such documents, opinions, instruments or certificates on behalf of the Shareholder, if the Shareholder fails to do so.

The Management Company or the Designated Third Party may disclose information regarding any Shareholder (including any information provided by the Shareholder pursuant to this Chapter) to any person to whom information is required or requested to be disclosed by any taxing authority or other governmental agency including transfers to jurisdictions which do not have strict data protection or similar laws, to enable the Company to comply with any applicable law or regulation or agreement with a governmental authority.

Each Shareholder hereby waives all rights it may have under applicable bank secrecy, data protection and similar legislation that would otherwise prohibit any such disclosure and warrants that each person whose information it provides (or has provided) to the Management Company or the Designated Third Party has been given such information, and has given such consent, as may be necessary to permit the collection, processing, disclosure, transfer and reporting of their information as set out in this Chapter and this paragraph.

The Management Company or the Designated Third Party may enter into agreements on behalf of the Company with any applicable taxing authority (including any agreement entered into pursuant to the Hiring Incentives to Restore Employment Act of 2010, or any similar or successor legislation or intergovernmental agreement) to the extent it determines such an agreement is in the best interest of the Company or any Shareholder.

#### **Data protection information in the context of FATCA processing**

In accordance with the FATCA Law, Luxembourg Financial Institutions ("FI") are required to report to the Luxembourg tax authority (i.e. Administration des Contributions Directes, the "Luxembourg Tax Authority") information regarding reportable persons such as defined in the FATCA Law.

The Company is the data controller and processes personal data of Shareholders and Controlling Persons as reportable persons for FATCA purposes.

The Company processes personal data concerning Shareholders or their Controlling Persons for the purpose of complying with the Company's legal obligations under the FATCA Law. These personal data include the name, date and place of birth, address, U.S. tax identification number, the country of tax residence and residence address, the phone number, the account number (or functional equivalent), the account balance or value, the total gross amount of interest, the total gross amount of dividends, the total gross amount of other income generated with respect to the assets held in the account, the total gross proceeds from the sale or redemption of property paid or credited to the account, the total gross amount of interest paid or credited to the account, the total gross amount paid or credited to the Shareholder with respect to the account, standing instructions to transfer funds to an account maintained in the United States, and any other relevant information in relation to the Shareholders or their Controlling Persons for the purposes of the FATCA Law (the "FATCA Personal Data").

The FATCA Personal Data will be reported by the Management Company or the UCI Administrator, as applicable, to the Luxembourg Tax Authority. The Luxembourg Tax Authority, under its own responsibility, will in turn pass on the FATCA Personal Data to the IRS in application of the FATCA Law.

In particular, Shareholders and Controlling Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg Tax Authority.

FATCA Personal Data may also be processed by the Company's data processors ("Processors") which, in the context of FATCA processing, may include the Management Company and the UCI Administrator.

The Company's ability to satisfy its reporting obligations under the FATCA Law will depend on each Shareholder or Controlling Person providing the Company with the FATCA Personal Data, including information regarding direct or indirect owners of each Shareholder, along with the required supporting documentary evidence. Upon request of the Company, each Shareholder or

Controlling Person must provide the Company with such information. Failure to do so within the prescribed timeframe may trigger a notification of the account to the Luxembourg Tax Authority.

Although the Company will attempt to satisfy any obligation imposed on it to avoid any taxes or penalties imposed by the FATCA Law, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a tax or penalty as result of the FATCA Law, the value of the Shares may suffer material losses.

Any Shareholder or Controlling Person that fails to comply with the Company's documentation requests may be charged with any taxes and penalties of the FATCA Law imposed on the Company (inter alia: withholding under section 1471 of the U.S. Internal Revenue Code, a fine of up to 250.000 euros or a fine of up to 0,5 per cent of the amounts that should have been reported and which may not be less than 1.500 euros) attributable to such Shareholder's or Controlling Person's failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such Shareholders.

Shareholders and Controlling Persons should consult their own tax advisor or otherwise seek professional advice regarding the impact of the FATCA-Law on their investment.

FATCA Personal Data will be processed in accordance with the provisions of the data protection notice which will be made available in the application form issued by the Company to the investors.

#### **Automatic Exchange of Information – Common Reporting Standard**

Capitalized terms used in this section should have the meaning as set forth in the Luxembourg law dated 18 December 2015 (the "CRS Law"), unless provided otherwise herein.

On 9 December 2014, the Council of the European Union adopted the Directive 2014/107/EU amending the Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation which now provides for an automatic exchange of financial account information between EU Member States ("DAC Directive"). The adoption of the aforementioned directive implements the OECD's CRS and generalizes the automatic exchange of information within the European Union as of 1 January 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information between financial authorities. Under this Multilateral Agreement, Luxembourg will automatically exchange financial account information with other participating jurisdictions as of 1 January 2016. The CRS Law implements this Multilateral Agreement, jointly with the DAC Directive introducing the CRS in Luxembourg law.

Under the terms of the CRS Law, the Company may be required to annually report to the Luxembourg tax authority the name, address, state(s) of residence, TIN(s), as well as the date and place of birth of i) each Reportable Person that is an account holder, ii) and, in the case of a Passive NFE within the meaning of the CRS Law, of each Controlling Person(s) that is a Reportable Person. Such information may be disclosed by the Luxembourg tax authority to foreign tax authorities.

The Company's ability to satisfy its reporting obligations under the CRS Law will depend on each Shareholder providing the Company with the Information, including information regarding direct or indirect owners of each Shareholder, along with the required supporting documentary evidence. Upon request of the Company, each Shareholder shall agree to provide the Company such information.

Although the Company will attempt to satisfy any obligation imposed on it to avoid any taxes or penalties imposed by the CRS Law, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a tax or penalty as result of the CRS Law, the value of the Shares may suffer material losses.

Any Shareholder that fails to comply with the Company's documentation requests may be charged with any taxes and penalties imposed on the Company attributable to such Shareholder's failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such Shareholder.

Shareholders should consult their own tax advisor or otherwise seek professional advice regarding the impact of the CRS Law on their investment.

#### **Data Protection Information in the Context of CRS Processing**

In accordance with the CRS Law, Luxembourg FI are required to report to the Luxembourg Tax Authority information regarding Reportable Persons such as defined in the CRS Law.

As Luxembourg Reporting FI, the Company is the data controller and processes personal data of Shareholders and Controlling Persons as Reportable Persons for the purposes set out in the CRS Law.

In this context, the Company may be required to report to the Luxembourg Tax Authority the name, residence address, TIN(s), the date and place of birth, the country of tax residence(s), the phone number, the account number (or functional equivalent), standing instructions to transfer funds to an account maintained in a foreign jurisdiction, the account balance or value, the total gross amount of interest, the total gross amount of dividends, the total gross amount of other income generated with respect to the assets held in the account, the total gross proceeds from the sale or redemption of property paid or credited to the account, the total gross amount of interest paid or credited to the account, the total gross amount paid or credited to the Shareholder with respect to the account, as well as any other information required by applicable laws of i) each Reportable Person that is an account holder, ii) and, in the case of a Passive NFE within the meaning of the CRS Law, of each Controlling Person that is a Reportable Person (the "CRS Personal Data").

CRS Personal Data regarding the Shareholders or the Controlling Persons will be reported by the Reporting FI to the Luxembourg Tax Authority. The Luxembourg Tax Authority, under its own responsibility, will in turn pass on the CRS Personal Data to the competent tax authorities of one or more Reportable Jurisdiction(s). The Company processes the CRS Personal Data regarding the Shareholders or the Controlling Persons only for the purpose of complying with the Company's legal obligations under the CRS Law.

In particular, Shareholders and Controlling Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg Tax Authority.

CRS Personal Data may also be processed by the Company's data processors ("Processors") which, in the context of CRS processing, may include the Management Company of the Company and the UCI Administrator of the Company.

The Company's ability to satisfy its reporting obligations under the CRS Law will depend on each Shareholder or Controlling Person providing the Company with the CRS Personal Data, including information regarding direct or indirect owners of each Shareholder, along with the required supporting documentary evidence. Upon request of the Company, each Shareholder or Controlling Person must provide the Company with such information. Failure to do so within the prescribed timeframe may trigger a notification of the account to the Luxembourg Tax Authority.

Although the Company will attempt to satisfy any obligation imposed on it to avoid any taxes or penalties imposed by the CRS Law, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a tax or penalty as result of the CRS Law, the value of the Shares may suffer material losses.

Any Shareholder or Controlling Person that fails to comply with the Company's documentation requests may be charged with any taxes and penalties of the CRS Law imposed on the Company (inter alia: a fine of up to 250.000 euros or a fine of up to 0,5 per cent of the amounts that should have been reported and which may not be less than 1.500 euros) attributable to such Shareholder's or Controlling Person's failure to provide the information and the Company may, in its sole discretion, redeem the Shares of such Shareholder.

Shareholders should consult their own tax advisor or otherwise seek professional advice regarding the impact of the CRS Law on their investment.

CRS Personal Data will be processed in accordance with the provisions of the data protection notice which will be made available in the application form issued by the Company to the investors

## ii. Expenses

Apart from the above-mentioned "taxe d'abonnement", the Company shall bear the costs specified below, unless otherwise specified in Chapter 24, "Subfunds":

- a) All taxes which may be payable on the assets, income and expenses chargeable to the Company;
- b) Standard brokerage and bank charges incurred by the Company through securities transactions in relation to the portfolio (these charges shall be included in the acquisition cost of such securities and deducted from the sale proceeds);
- c) A monthly management fee for the Management Company, payable at the end of each month, based on the average daily Net Asset Value

of the relevant Class during that month. The UCI Administrator, the Investment Manager(s) and the Distributors will be paid out of this fee. If the Management Company instructs the Company to pay the UCI Administrator, the Investment Manager(s) and/or the Distributors directly, the management fee will be reduced accordingly. The management fee may be charged at different rates for individual Subfunds and Classes within a Subfund or may be waived altogether. Further details of the management fees may be found in Chapter 24, "Subfunds";

- d) The Management Company is further entitled to a fee of up to EUR 10,000 p.a. per Sub-Fund (plus applicable taxes, if any) for the services rendered to the Company, including for providing to the Company the AML/CFT Compliance Officer (*responsable du contrôle des obligations*) under the service agreement on the performance of AML/ CFT related tasks;
- e) The possible, additional performance-related fees for the relevant Subfund, which are set out in Chapter 24, "Subfunds";
- f) Fees payable to the Depositary, which are charged at rates agreed from time to time with the Company on the basis of usual market rates prevailing in Luxembourg, and which are based on the net assets of the respective Subfund and/or the value of transferable securities and other assets held or determined as a fixed sum; the fees payable to the Depositary may not exceed the pre-determined percentage amount although in certain cases the transaction fees and the fees of the Depositary's correspondents may be charged additionally;
- g) Fees payable to the paying agents (in particular, a coupon payment commission), transfer agents and the authorized representatives in the countries of registration;
- h) Fees payable to the UCI Administrator for its services as domiciliary agent of the Company;
- i) Fees payable to the UCI Administrator in the context of the analysis of the Company's ultimate beneficial owners and filings with the RBO;
- j) All other charges incurred for sales activities and other services rendered to the Company but not mentioned in the present section; for certain Classes, these fees may be borne in full or in part by the Investment Manager;
- k) Fees incurred for collateral management in relation to derivative transactions;
- l) Expenses, including those for legal advice, which may be incurred by the Company or the Depositary as a result of measures taken on behalf of the Shareholders;
- m) The cost of preparing, depositing and publishing the Articles of Incorporation and other documents in respect of the Company, including notifications for registration, Key Investor Information Documents, prospectuses or memoranda for all government authorities and stock exchanges (including local securities dealers' associations) which are required in connection with the Company or with offering the Shares; the cost of printing and distributing annual and semi-annual reports for the Shareholders in all required languages, together with the cost of printing and distributing all other reports and documents which are required by the relevant legislation or regulations of the above-mentioned authorities and calculating the daily Net Asset Value, the cost of notifications to Shareholders including the publication of prices for the Shareholders, the fees and costs of the Company's auditors and legal advisers, and all other similar administrative expenses, and other expenses directly incurred in connection with the offer and sale of Shares, including the cost of printing copies of the aforementioned documents or reports as are used in marketing the Company's Shares. The cost of advertising may also be charged;
- n) fees and reasonable and documented travel and out-of-pocket expenses payable to the members of the Board of Directors, including insurance related coverage;
- o) an annual FX hedging fee of up to 0.03% p.a. payable to the FX Hedging Agent is charged to the Alternate Currency Classes of the Subfunds, as set out in Chapter 24, "Subfunds". The FX hedging fee is calculated on a pro rata temporis basis on the basis of the average net assets of the relevant Alternate Currency Class upon calculation of its net asset value. Margins/spreads charged by the FX counterparties on

transactions (including those charged for agency style execution service) are not covered by the FX hedging fee.

All recurring fees shall first be deducted from investment income, then from the gains from securities transactions and then from the Company's assets. Other non-recurring fees, such as the costs for establishing new Subfunds or Classes, may be written off over a period of up to five years.

The costs attributable to the individual Subfunds are allocated directly to them; otherwise the costs shall be divided among the individual Subfunds in proportion to the Net Asset Value of each Subfund.

## 10. Accounting Year

The accounting year of the Company closes on June 30 of each year.

## 11. Appropriation of Net Income and Capital Gains

### Capital growth Shares

At present, no distribution is envisaged for capital-growth Classes of the Subfunds (see Chapter 24, "Subfunds") and the income generated shall be used to increase the Net Asset Value of the Shares after deduction of general costs. However, within the scope of statutory provisions the Company may distribute from time to time, in whole or in part, ordinary net income and/or realized capital gains as well as all non-recurring income, after deduction of realized capital losses.

### Distribution Shares

The Annual General Meeting of Shareholders of the Subfunds shall, on proposal of the Board of Directors, decide what distribution shall be made from the net investment income attributable to each distributing Class of each Subfund (see Chapter 24, "Subfunds"). In addition, gains made on the sale of assets belonging to the Subfund may be distributed to investors. Further distributions may be made from the Subfund's assets in order to achieve an appropriate distribution ratio.

Distributions may on no account cause the Company's capital to fall below the minimum amount prescribed by law.

Distributions shall generally be effected on an annual basis or at such other intervals as the Board of Directors may decide. The Company intends to effect the annual distributions within three months of the end of the relevant accounting year.

### General Information

Payment of income distributions shall be made in the manner described in Chapter 4, "Investment in ESG-AM FUND", iii. "Redemption of Shares".

Claims for distributions which are not enforced within five years shall lapse and the assets involved shall revert to the relevant Classes.

## 12. Lifetime, Liquidation and Merger

The Company and the Subfunds have been established for an unlimited period, unless otherwise specified in Chapter 24, "Subfunds". However, an extraordinary General Meeting of Shareholders may dissolve the Company. To be valid, such a resolution shall require the minimum quorum prescribed by law. If the capital of the Company falls below two thirds of the minimum amount, the Board of Directors must submit the question of the Company's dissolution to a General Meeting of Shareholders for which no quorum is prescribed and which may pass a resolution by a simple majority of the Shares represented. If the capital of the Company falls below one quarter of the minimum amount, the Board of Directors must submit the question of the Company's dissolution to a General Meeting of Shareholders for which no quorum shall be prescribed; Shareholders holding one quarter of the Shares at the General Meeting may pass a resolution to dissolve the Company. The minimum capital required under Luxembourg legislation currently stands at EUR 1,250,000. If the Company is liquidated, the liquidation shall be carried out in accordance with Luxembourg Law and the liquidator(s) named by the General Meeting of Shareholders shall dispose of the Company's assets in the best interests of the Shareholders and the net liquidation proceeds of the Subfunds shall be distributed pro rata to the Shareholders of these Subfunds.

If necessary in the interests of investors, a Subfund may be dissolved or the Shares of a Subfund may be subject to compulsory redemption. The relevant resolution is taken on the basis of a resolution by the Board of Directors of the Company.

A Subfund may be liquidated and Shares in the Subfund concerned may be subject to compulsory redemption based on:

- a resolution by the Company's Board of Directors, as the Subfund may no longer be appropriately managed within the interests of the Shareholders; or
- a resolution of the General Meeting of the Subfund in question; the Articles of Incorporation specify that the quorum and majority requirements laid down by Luxembourg legislation in respect of resolutions to amend the Articles of Incorporation shall apply to such General Meetings.

Any resolution passed by the Company's Board of Directors to dissolve a Subfund shall be published in accordance with Chapter 14, "Information for Shareholders". The Net Asset Value of the Shares of the relevant Subfund will be paid out on the date of the mandatory redemption of the Shares. Any redemption proceeds that cannot be distributed to the Shareholders at the close of the liquidation procedure shall be deposited with the "Caisse des Consignations" in Luxembourg until the statutory period of limitation has elapsed.

The Board of Directors of the Company and the General Meeting of Shareholders of a Subfund may decide to merge the relevant Subfund with another existing Subfund or to transfer the Subfund to another UCITS established under Luxembourg law in return for the issuing of units/shares of this UCITS to the Shareholders. Such a resolution shall be published at the initiative of the Company. The publication shall contain information on the Subfund or the relevant UCITS and shall appear thirty days ahead of the merger in order to give the Shareholders concerned the chance to demand redemption without payment of a redemption fee before the transaction takes place. There are no quorum requirements for meetings deciding on mergers of different funds within the Company and the resolutions can be passed by a simple majority of the Shares of the relevant Subfunds represented. Resolutions on the transfer of a Subfund's assets and liabilities to a different UCITS are subject to the quorum and majority requirements prescribed by Luxembourg Law for amendments to the Articles of Incorporation. If a Subfund is merged with another open-ended Luxembourg fund or with a foreign UCI, the resolutions of the General Meeting of these Subfunds are only binding for those Shareholders who voted for this merger.

## 13. General Meetings

The first annual general meeting of Shareholders ("AGM") shall be held in 2023. Subsequent AGMs shall be held within four (4) months of the Company's accounting year end at the registered office of the Company, or such other place in the Grand Duchy of Luxembourg as may be specified in the notice of the meeting.

Notices relating to the General Meetings will be published in the newspapers mentioned in Chapter 14, "Information for Shareholders", and/or in Chapter 24, "Subfunds". Meetings of the Shareholders of a particular Subfund may only pass resolutions relating to that Subfund.

## 14. Information for Shareholders

Information about the launch of new Subfunds may be obtained from the Depositary and the Distributors.

The audited annual reports shall be made available to Shareholders free of charge at the registered office of the Management Company, at the paying agents, information agents and Distributors, within four months of the close of each accounting year. Unaudited semi-annual reports shall be made available in the same way within two months after the end of the accounting period to which they refer.

The first audited annual report shall be made available within four months as of 30 June 2023, whereas the first un-audited semi-annual report shall be made available within two months as of 31 December 2022.

Other information regarding the Company, as well as the issue and redemption prices of the Shares, may be obtained on any Banking Day at the registered office of the Management Company. The Net Asset Value of the Classes is published on the website of the Management Company under:

<https://www.credit-suisse.com/microsites/multiconcept/en.htm>.

All notices to Shareholders, including any information relating to a suspension of the calculation of the Net Asset Value, shall, if required, be published in RESA and/or in "Luxemburger Wort" and in various newspapers in those countries in which the Shares are admitted for public distribution. The Company may also place announcements in other newspapers and periodicals of its choice.

Investors may obtain the Prospectus, the Key Investor Information Document, the latest annual and semi-annual reports and copies of the Articles of Incorporation free of charge from the registered office of the Company. The relevant contractual agreements, as well as the Management Company's articles of incorporation are available for inspection at the registered offices of the Company during normal business hours.

In the event of an error or non-compliance falling within the scope of Circular CSSF 24/856 on the investor protection in case of a NAV calculation error, a non-compliance with investment rules and other errors at the level of a UCI (applicable as of 1 January 2025) and if, further to the corrective measures, Shareholders are indemnified, the rights of investors having subscribed for Shares of a Subfund through a financial intermediary may be affected upon compensation payment to such financial intermediary (in its capacity of Shareholder).

#### 15. Management Company

The Company has appointed MultiConcept Fund Management S.A. as the Management Company. In this capacity, the Management Company acts as asset manager, administrator and Distributor of the Company's shares. The Management Company has delegated the above-mentioned tasks as follows:

Tasks relating to investment management are performed by the Investment Managers named in the Chapter 24, "Subfunds", of a Subfund and administrative tasks are performed by Credit Suisse Fund Services (Luxembourg) S.A..

The Distributors named in Chapter 21, "Main Parties", are responsible for the distribution of the Company's shares.

The Management Company was incorporated in Luxembourg on 26 January 2004 as a joint-stock company for an indefinite period and is subject to the provisions of chapter 15 of the Law of 17 December 2010. It has its registered office at 5, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg.

The articles of incorporation of the Management Company were published in the "Mémorial, Recueil des Sociétés et Associations" on 14 February 2004 and have since that time been amended several times. The latest amendments were published on 12 March 2014. The articles of incorporation of the Management Company are filed in their consolidated, legally binding form for public reference in the Luxembourg Trade and Companies Register under no. RCS Luxembourg B 98 834.

The equity capital of the Management Company amounts to three million three hundred thirty-six thousand one hundred and twenty-five (3,336,125) Swiss francs.

The board of directors of the Management Company shall have plenary powers on behalf of the Management Company and shall cause and undertake all such actions and provisions which are necessary in pursuit of the Management Company's objective, particularly in relation to the management of the Company's assets, administration and distribution of Shares.

The Board of Directors is currently composed of the members listed in Chapter 21, "Main Parties".

The Management Company shall be supervised by an independent auditor. At present, this function is performed by KPMG Luxembourg, société coopérative, Luxembourg.

In addition to the Company, the Management Company also manages other undertakings for collective investment.

#### 16. Investment Manager and Sub-Investment Manager

The Board of Directors is responsible for investing the Subfunds' assets. The Board of Directors has appointed the Management Company to implement the Subfunds' investment policy on a day-to-day basis.

In order to implement the policy of each Subfund, the Management Company may delegate, under its permanent supervision and responsibility, the

management of the assets of the Subfunds to one or more Investment Managers.

Pursuant to the respective investment management agreement, the respective Investment Manager has discretion, on a day-to-day basis and subject to the overall control and ultimate responsibility of the Management Company, to purchase and sell securities and otherwise to manage the respective Subfund's portfolio.

The Investment Manager may appoint in accordance with the investment management agreement entered into between the Investment Manager and the Management Company one or more Sub-Investment Managers for each Subfund to assist it in the management of the individual portfolios. The Investment Manager and Sub-Investment Manager/s for the respective Subfunds are indicated in Chapter 24, "Subfunds". The Management Company may at any time appoint an Investment Manager other than the one/s named in Chapter 24, "Subfunds", or may terminate the relation with any of the Investment Manager/s.

#### 17. Depositary

The following section is effective until 20 October 2024:

Pursuant to a depositary and paying agent services agreement (the "Depositary Agreement"), Credit Suisse (Luxembourg) S.A. has been appointed as depositary of the Company (the "Depositary"). The Depositary will also provide paying agent services to the Company.

Credit Suisse (Luxembourg) S.A. is a public limited company (société anonyme) under the laws of Luxembourg incorporated for an unlimited duration. Its registered and administrative offices are at 5, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg. It is registered with the Luxembourg Trade and Companies Register under no. RCS Luxembourg B 11 756. It is licensed to engage in all banking operations under Luxembourg law.

The Depositary has been appointed for the safe-keeping of the assets of the Company in the form of custody of financial instruments, the record keeping and verification of ownership of other assets of the Company as well as for the effective and proper monitoring of the Company's cash flows in accordance with the provisions of the Law of 17 December 2010 and the Depositary Agreement.

In addition, the Depositary shall also ensure that (i) the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with Luxembourg law and the Articles of Incorporation; (ii) the value of the Shares is calculated in accordance with Luxembourg law and the Articles of Incorporation; (iii) the instructions of the Management Company or the Company are carried out, unless they conflict with applicable Luxembourg law and/or the Articles of Incorporation; (iv) in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits; and (v) the Company's incomes are applied in accordance with Luxembourg law and the Articles of Incorporation.

In compliance with the provisions of the Depositary Agreement and the Law of 17 December 2010, the Depositary may, subject to certain conditions and in order to effectively conduct its duties, delegate part or all of its safe-keeping duties in relation to financial instruments that can be held in custody and that are duly entrusted to the Depositary for custody purposes to one or more sub-custodian(s), and/or in relation to other assets of the Company all or part of its duties regarding the record keeping and verification of ownership to other delegates, as they are appointed by the Depositary from time to time. The Depositary shall exercise all due skill, care and diligence as required by the Law of 17 December 2010 in the selection and the appointment of any sub-custodian and/or other delegate to whom it intends to delegate parts of its tasks and has to continue to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any sub-custodian and/or other delegate to which it has delegated parts of its tasks as well as of the arrangements of the sub-custodian and/or other delegate in respect of the matters delegated to it. In particular, any delegation of custody tasks may only occur when the sub-custodian, at all times during the performance of the tasks delegated to it, segregates the assets of the Company from the Depositary's own assets and from assets belonging to the sub-custodian in accordance with the Law of 17 December 2010.

As a matter of principle the Depositary does not allow its sub-custodians to make use of delegates for the custody of financial instruments unless further delegation by the sub-custodian has been agreed by the Depositary. To the extent, sub-custodians are accordingly entitled to use further delegates for the

purpose of holding financial instruments of the Company or Subfunds that can be held in custody, the Depositary will require the sub-custodians to comply for the purpose of such sub-delegation with the requirements set forth by applicable laws and regulations, e.g. namely in respect of asset segregation.

Prior to the appointment and/or the use of any sub-custodian for the purposes of holding financial instruments of the Company or Subfunds, the Depositary analyses - based on applicable laws and regulations as well as its conflict of interests policy - potential conflicts of interests that may arise from such delegation of safekeeping functions and has - as of the date of this Prospectus - not identified any potential conflict of interest that could arise out of such delegation.

As per the date of this Prospectus, the Depositary does not use any sub-custodian which is part of the Credit Suisse Group and thereby avoids conflicts of interests which might potentially result thereof.

Should a conflict of interest be identified and in case such conflict of interest cannot be neutralized, such conflict of interest will be disclosed to Shareholders and the Prospectus revised accordingly.

An up-to-date list of these sub-custodians along with their delegate(s) for the purpose of holding in custody financial instruments of the Company or Subfunds can be found on the webpage <https://www.credit-suisse.com/media/pb/docs/lu/privatebanking/services/list-of-credit-suisse-lux-sub-custodians.pdf> and will be made available to Shareholders and investors upon request.

The Depositary's liability shall not be affected by any such delegation to a sub-custodian unless otherwise stipulated in the Law of 17 December 2010 and/or the Depositary Agreement.

The Depositary is liable to the Company or its Shareholders for the loss of a financial instrument held in custody by the Depositary and/or a sub-custodian. In case of loss of such financial instrument, the Depositary has to return a financial instrument of an identical type or the corresponding amount to the Company without undue delay. In accordance with the provisions of the Law of 17 December 2010, the Depositary will not be liable for the loss of a financial instrument, if such loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall be liable to the Company and to the Shareholders for all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its duties in accordance with applicable law, in particular the Law of 17 December 2010 and/or the Depositary Agreement.

The Company and the Depositary may terminate the Depositary Agreement at any time by giving ninety (90) days' notice in writing. In case of a voluntary withdrawal of the Depositary or of its removal by the Company, the Depositary must be replaced at the latest within two (2) months after the expiry of the aforementioned termination period by a successor depositary to whom the Company's assets are to be delivered and who will take over the functions and responsibilities of the Depositary. If the Company does not name such successor depositary in time the Depositary may notify the CSSF of the situation. The Company will take the necessary steps, if any, to initiate the liquidation of the Company, if no successor depositary bank has been appointed within two (2) months after the expiry of the aforementioned termination notice of ninety (90) days.

The following section will be effective as from 21 October 2024:

The Company has appointed UBS Europe SE, Luxembourg Branch as its Depositary within the meaning of the Law of 17 December 2010 and the Commission Delegated Regulation (EU) 2016/438, as amended, supplementing the UCITS Directive ("UCITS Level II Regulation"), pursuant to the Depositary and Paying Agent Agreement.

The Company has also appointed the Depositary as Paying Agent.

The Depositary is a Luxembourg established branch of UBS Europe SE, a European Company (Societas Europaea), having its registered office in Frankfurt am Main, Germany, registered with the German Trade Register under number HRB 107046. UBS Europe SE, Luxembourg Branch has its place of business at 33A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg and is registered with the RCS under number RCS Luxembourg B 209.123.

#### Depositary duties

The relationship between the Company, the Management Company and the Depositary is subject to the terms of the Depositary and Paying Agent

Agreement. Pursuant to the Depositary and Paying Agent Agreement, the Depositary has been appointed for the safekeeping of financial instruments that can be held in custody, for the record keeping and verification of ownership of other assets of the Company as well as to ensure the effective and proper monitoring of the Company's cash flows in accordance with the provisions of the Law of 17 December 2010 and the Depositary and Paying Agent Agreement. Assets held in custody by the Depositary shall not be reused by the Depositary, or any third party to which the custody function has been delegated, for their own account, unless such reuse is expressly allowed by the Law of 17 December 2010.

In addition, the Depositary shall also ensure that:

- (i) the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with Luxembourg law and the Articles of Incorporation,
- (ii) the value of the Shares is calculated in accordance with Luxembourg law and the Articles of Incorporation,
- (iii) the instructions of the Management Company or the Company are carried out, unless they conflict with applicable Luxembourg law and/or the Articles of Incorporation,
- (iv) in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits, and
- (v) the Company's income is applied in accordance with Luxembourg law or the Articles of Incorporation.

The Depositary shall assume its duties and responsibilities in accordance with the provisions of the Law of 17 December 2010. The Depositary must act honestly, fairly, professionally, independently and solely in the interest of the Company and its Shareholders.

#### Delegation and conflict of interests

In compliance with the provisions of the Depositary and Paying Agent Agreement and the Law of 17 December 2010, the Depositary may, subject to certain conditions, delegate part or all of its safekeeping duties in relation to financial instruments that can be held in custody to sub-custodian(s) (including any affiliates of UBS AG), as they are appointed by the Depositary from time to time.

Prior to the appointment of any sub-custodian and on an ongoing basis pursuant to applicable laws and regulations as well as its conflict of interests policy, the Depositary shall assess potential conflicts of interests that may arise from the delegation of safekeeping functions. The Depositary is part of the UBS Group, a worldwide, full-service private banking, investment banking, asset management and financial services organization which is a major participant in the global financial markets. As such, potential conflicts of interest from the delegation of its safekeeping functions could arise as the Depositary and its affiliates are active in various business activities and may have differing direct or indirect interests. Irrespective of whether a given sub-custodian is part of the UBS Group or not, the Depositary shall exercise the same level of due skill, care and diligence both in relation to the selection and appointment as well as in the on-going monitoring of the relevant sub-custodian. Furthermore, the conditions of any appointment of a sub-custodian that is member of the UBS Group shall be negotiated at arm's length in order to ensure the protection of interests of the Company and its Shareholders. Should a conflict of interest occur and in case such conflict of interest cannot be mitigated, such conflict of interest as well as the decisions taken will be disclosed to the Shareholders. An up-to-date description of any safekeeping functions delegated by the Depositary and an up-to-date list of these delegates can be found on the following webpage:  
<https://www.ubs.com/global/en/legalinfo2/luxembourg.html>.

#### Liability

The Depositary is liable to the Company and its Shareholders for the loss of a financial instrument held in custody (such financial instruments as defined in article 34(3)(a) of the Law of 17 December 2010 and article 12 of the UCITS Level II Regulation, the "Fund Custodial Assets") by the Depositary and/or a sub-custodian in accordance with article 35 of the Law of 17 December 2010 (the "Loss of a Fund Custodial Asset").

In case of Loss of a Fund Custodial Asset, the Depositary shall return a financial instrument of an identical type or the corresponding amount to the Company without undue delay. In accordance with the provisions of the Law of 17



December 2010, the Depositary shall not be liable for the Loss of a Fund Custodial Asset, if such Loss of a Fund Custodial Asset has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall also be liable to the Company and to the Shareholders for all other direct losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its duties in accordance with the Law of 17 December 2010.

The Depositary's liability shall not be affected by any delegation, unless otherwise stipulated in the Law of 17 December 2010.

#### Termination

The Company and the Depositary may terminate the Depositary and Paying Agent Agreement at any time by giving three (3) months' prior written notice. The Depositary and Paying Agent Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of its obligations. In case no new depositary is appointed before the expiry of the notice period, the Depositary shall take all necessary steps to ensure good preservation of the interests of the Company's investors, including the obligation to maintain or open all the accounts necessary for the safekeeping of the different assets of the Company until the closure of the liquidation of the Company.

#### Fees

The Depositary is entitled to receive a remuneration for its services as agreed in the Depositary and Paying Agent Agreement. In addition, the Depositary is entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses and disbursements, including, but not limited to, taxes, duties, charges and broker fees, whether existing now or imposed in the future and which are paid by the Depositary or for which the Depositary may be held liable and for the charges of any correspondents.

#### Depositary's independence from the Company

The Depositary is not involved, directly or indirectly, with the business affairs, organization or management of the Company and is not responsible for the content of this document and thus accepts no responsibility for the accuracy of any information contained herein or the validity of the structure and investments of the Company. The Depositary has no decision-making discretion nor any advice duty relating to the Company's investments and is prohibited from meddling in the management of the Company's investments. The Depositary does not have any investment decision-making role in relation to the Company.

#### Outsourcing and data protection

Information about outsourcing and potential processing of investors' data by the Depositary may be found at <https://www.ubs.com/lu/en/wealth-management/about-us/europe-se.html>, specifically in the General Terms and Conditions (GTCs) of the Depositary (containing relevant outsourcing information) and the privacy notice (covering personal data processing pursuant to the applicable data protection laws).

### **18. UCI Administrator**

As mentioned in Chapter 15, "Management Company", the Management Company has transferred the administration of the Company to Credit Suisse Fund Services (Luxembourg) S.A., a public limited company (société anonyme) incorporated under the laws of Luxembourg and having its registered office at 5, rue Jean Monnet, L-2180 Luxembourg, Grand Duchy of Luxembourg. It is registered with the Luxembourg Trade and Companies Register under no. RCS Luxembourg B 45 727. The UCI Administrator is a service company registered in Luxembourg, which belongs to UBS Group AG, and has authorized the latter in turn to delegate tasks wholly or partly to one or more third parties under the supervision and responsibility of the Management Company.

The UCI Administrator assumes all administrative duties that arise in connection with the administration of the Company, including the issue and redemption of Shares, the Net Asset Value calculation and accounting function, the client communication function and the registrar function.

### **19. Regulatory Disclosure**

#### **Conflicts of Interest**

The Management Company, the UCI Administrator, the Depositary and certain Distributors are part of UBS Group AG (the "Affiliated Person").

The Affiliated Person is a worldwide, full-service private banking, investment banking, asset management and financial services organization and a major participant in the global financial markets. As such, the Affiliated Person is active in various business activities and may have other direct or indirect interests in the financial markets in which the Company invests. The Company will not be entitled to compensation related to such business activities.

The Management Company is not prohibited to enter into any transactions with the Affiliated Person, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length. In such case, in addition to the management fees the Management Company earns for managing the Company, it may also have an arrangement with the issuer, dealer and/or Distributor of any products entitling it to a Share in the revenue from such products that it purchases on behalf of the Company.

Moreover, the Management Company is not prohibited to purchase or to provide advice to purchase any products on behalf of the Company where the issuer, dealer and/or Distributor of such products is part of the Affiliated Person provided that such transactions are carried out in the best interest of the Company as if effected on normal commercial terms negotiated at arm's length. Entities of the Affiliated Person act as counterparty and in respect of financial derivative contracts entered into by the Company.

Potential conflicts of interest or duties may arise because the Affiliated Person may have invested directly or indirectly in the Company. The Affiliated Person could hold a relatively large proportion of Shares in the Company.

Employees and Directors of the Affiliated Person may hold Shares in the Company. Employees of the Affiliated Person are bound by the terms of the respective policy on personal transactions and conflicts of interest applicable to them.

In the conduct of its business the Management Company and the Affiliated Person's policy is to identify, manage and where necessary prohibit any action or transaction that may pose a conflict between the interests of the Affiliated Persons' various business activities and the Company or its investors. The Affiliated Person, as well as the Management Company strive to manage any conflicts in a manner consistent with the highest standards of integrity and fair dealing. For this purpose, both have implemented procedures that shall ensure that any business activities involving a conflict which may harm the interests of the Company or its investors, are carried out with an appropriate level of independence and that any conflicts are resolved fairly.

Such procedures include, but are not limited to the following:

- Procedure to prevent or control the exchange of information between entities of the Affiliated Person;
- Procedure to ensure that any voting rights attached to the Company's assets are exercised in the sole interests of the Company and its investors;
- Procedures to ensure that any investment activities on behalf of the Company are executed in accordance with the highest ethical standards and in the interests of the Company and its investors;
- Procedure on management of conflicts of interest.

Notwithstanding its due care and best effort, there is a risk that the organisational or administrative arrangements made by the Management Company for the management of conflicts of interest are not sufficient to ensure with reasonable confidence, that risks of damage to the interests of the Company or its Shareholders will be prevented. In such case these non-neutralised conflicts of interest as well as the decisions taken will be reported to investors in an appropriate manner (e.g. in the notes to the financial statements of the Company). Respective information will also be available free of charge at the registered office of the Management Company.

#### **Complaints Handling**

Investors are entitled to file complaints free of charge with the Distributor or the Management Company in an official language of their home country.

The complaints handling procedure is available free of charge at the registered office of the Management Company.

#### **Exercise of Voting Rights**

The Management Company has in place a dedicated policy as regards the exercise of voting rights attached to the instruments held in the Subfunds in order to act in the best interest of the Subfunds and the Shareholders and to

avoid any possible conflicts of interest in relation to other funds, subfunds and investors. The Company has authorized the Management Company to exercise any voting rights attached to instruments held in the Subfunds on behalf of the Subfunds.

The Management Company may also sub-delegate its right to exercise such voting rights on behalf of the Subfunds to the Investment Manager of the respective Subfund if the Investment Manager has in place a voting rights policy in order to act in the interest of the Subfund and the Shareholders and to avoid any possible conflicts of interest in relation to other funds, subfunds and investors and furthermore exercises voting rights in the interest of the respective Subfund and the Shareholders.

Details of the actions taken will be made available to Shareholders free of charge on their request.

#### **Best Execution**

The Management Company acts in the best interests of the Company when executing investment decisions. For that purpose it takes all reasonable steps to obtain the best possible result for the Company, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, or any other consideration relevant to the execution of the order (best execution). Where the Investment Managers are permitted to execute transactions, they will be committed contractually to apply equivalent best execution principles, if they are not already subject to equivalent best execution laws and regulations.

The best execution policy is available for investors free of charge at the registered office of the Management Company.

#### **Investor Rights**

The Company draws the investors' attention to the fact that any investor will only be able to fully exercise its investor rights directly against the Company - notably the right to participate in general shareholders' meetings - if the investor is registered itself and in its own name in the registered account kept for the Company and its Shareholders by the Company's UCI Administrator. In cases where an investor invests in the Company through an intermediary investing into the Company in its own name but on behalf of the investor, it may not always be possible for the investor to exercise certain shareholder rights directly against the Company. Investors are advised to take advice on their rights.

#### **Remuneration Policy**

The Management Company has implemented the group standard remuneration policy and published a local appendix which is consistent with, and promotes, sound and effective risk management and that neither encourages risk taking which is inconsistent with the risk profiles of the Subfunds and the Articles of Incorporation nor impairs compliance with the Management Company's duty to act in the best interest of the Company and its Shareholders.

All employees of the UBS Group are subject to the Group Compensation Policy, the objectives of which include:

(a) supporting a performance culture that is based on merit and differentiates and rewards excellent performance, both in the short and long term, and recognizes UBS's company values;

(b) balancing the mix of fixed and variable compensation to appropriately reflect the value and responsibility of the role performed day to day, and to influence appropriate behaviours and actions; and

(c) consistency with, and promotion of, effective risk management practices and UBS's compliance and control culture.

Details of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including a description of the global UBS Group compensation committee are available on <https://www.credit-suisse.com/microsites/multiconcept/en.html> and will be made available to investors free of charge upon request.

#### **20. Data Protection**

The Company and the Management Company are committed to protecting the personal data of the investors (including prospective investors) and of the other individuals whose personal information comes into their possession in the context of the investor's investments in the Company.

The Company and the Management Company have taken all necessary steps, to ensure compliance with the EU Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC and with any implementing legislation applicable to them (together, the "Data Protection Law") in respect of personal data processed by them in connection with investments made into the Company. This includes (non-exclusively) actions required in relation to: information about processing of the investor's personal data and, as the case may be, consent mechanisms, procedures for responding to requests to exercise individual rights, contractual arrangements with suppliers and other third parties, arrangements for overseas data transfers and record keeping and reporting policies and procedures. Personal data shall have the meaning given in the Data Protection Law and includes any information relating to an identifiable individual, such as the investor's name, address, invested amount, the investor's individual representatives' names as well as the name of the ultimate beneficial owner, where applicable, and such investor's bank account details.

When subscribing to the Shares, each investor is informed of the processing of his/her personal data (or, when the investor is a legal person, of the processing of such investor's individual representatives and/or ultimate beneficial owners' personal data) via a data protection notice which will be made available in the application form issued by the Company to the investors. This notice will inform the investors about the processing activities undertaken by the Company, the Management Company and their delegates in more details.

#### **21. Main Parties**

##### **Company**

ESG-AM FUND  
5, rue Jean Monnet,  
L-2180 Luxembourg

##### **Board of Directors of the Company**

Philipp Good  
CEO of ESG-AM, Zürich

Heiko Hector  
Independent Director, Grand Duchy of Luxembourg

Eduard von Kymmel  
Independent Director, Grand Duchy of Luxembourg

##### **Independent Auditor of the Company**

PricewaterhouseCoopers, société coopérative  
2, rue Gerhard Mercator  
L-2182 Luxembourg

##### **Management Company**

MultiConcept Fund Management S.A.  
5, rue Jean Monnet  
L-2180 Luxembourg

##### **Board of Directors of the Management Company**

Annemarie Nicole Arens  
Independent Director, Grand Duchy of Luxembourg

Marcus Ulm  
CEO MultiConcept Fund Management S.A., Grand-Duchy of Luxembourg

Arnold Louis Spruit  
Independent Director, Grand-Duchy of Luxembourg

Yves Schepperle  
Head Products White Labelling Solutions,  
UBS Fund Management (Switzerland) AG, Switzerland

**Independent Auditor of the Management Company**

PricewaterhouseCoopers, société coopérative  
2, rue Gerhard Mercator  
L-2182 Luxembourg

**Depository**

Until 20 October 2024:  
Credit Suisse (Luxembourg) S.A.  
5, rue Jean Monnet  
L-2180 Luxembourg

As from 21 October 2024:  
UBS Europe SE, Luxembourg Branch,  
33A, avenue J.F. Kennedy, L-1855 Luxembourg

**UCI Administrator**

Credit Suisse Fund Services (Luxembourg) S.A.  
5, rue Jean Monnet  
L-2180 Luxembourg

**Paying Agents**

The Company has appointed paying agents and may appoint further such paying agents to sell the Shares in specific legal jurisdictions. The paying agents are named in Chapter 24, "Subfunds".

**Distributors**

The Company has appointed Distributors and may appoint further such Distributors to sell the Shares in specific legal jurisdictions. The Distributors are named in Chapter 24, "Subfunds".

**22. Distribution of Shares**

In accordance with current laws, the Company intends to appoint Distributors to offer and sell the Shares of each Subfund in all countries in which the offer and sale of the Shares is permitted. In this context, the Distributors shall be entitled to retain for themselves the issuing and/or conversion and/or redemption fees for the Shares sold by them or to waive such fees in full or in part. Distribution agreements with Distributors are concluded for an indefinite period and may be terminated by either contracting party in writing subject to a three-month period of notice.

The Company's current Distributors are listed under "Distributors" in Chapter 24, "Subfunds". Additional Distributors may be appointed by the Company in due course.

### 23. Summary of Classes

All fees have to be understood plus applicable taxes (if any).

Subfund	Classes <sup>1</sup> <sub>2</sub>	Currency <sup>3</sup>	Initial issue price <sup>4</sup>	Minimum Initial subscription and minimum holding	Appropriation of Net Income and Capital Gains <sup>5</sup>	Profile of a typical investor <sup>6</sup>	Swing Factor	Subscription Charge	Management Fee		UCI Administration Fee, Registrar and Transfer Agent Fee and Domiciliary Agent Fee <sup>7</sup>	Depository Fee <sup>8</sup>
									Investment Management Fee <sup>9</sup>	Management Company Fee <sup>10</sup>		
ESG-AM FUND – ESG-AM High Yield Social Transformation Fund	A (EUR) Acc.	EUR	100 EUR	1 Share	Acc.	Retail	0.3% (subscriptions or redemptions) 0.15% (conversions)	Up to 2%	Up to 0.80%	Up to 0.04% p.a. subject to a minimum fee of EUR 40,000 p.a. per Subfund	UCI administration fee of up to 0.03% p.a. subject to a minimum fee of EUR 35,000 p.a. per Subfund; registrar and transfer agent	Depository fee up to 0.03% p.a. subject to a minimum fee of EUR 25,000 p.a., plus a depository control and monitoring fee of EUR 4,500 p.a. per Subfund
	A (CHF hedged) Acc.	CHF	100 CHF									
	A (USD hedged) Acc.	USD	100 USD									

<sup>1</sup> This Summary of Classes should not be relied upon as a substitute for reading the entire Prospectus

<sup>2</sup> Shares of all Classes are available in uncertificated form only.

<sup>3</sup> Hedged Classes are Classes to which a hedging strategy aiming at mitigating currency risk is applied, in accordance with ESMA opinion on share classes of UCITS (ESMA34-43-296).

<sup>4</sup> After the initial issue, the issue price will be calculated as set out in sections “Subscription of Shares” and “Net Asset Value” of the respective Subfund related section of Chapter 24. “Subfunds”.

<sup>5</sup> Acc. = Accumulating / Dist. = Distributing. Entitlements to fractions of Shares will be rounded down to three (3) decimal places.

<sup>6</sup> Institutional investors are investors referred to in Art. 174, para. 2, lit. c) of the Law of 17 December 2010 and meeting the conditions resulting from the Luxembourg administrative practice. The “taxe d’abonnement” mentioned in Section 1) of Chapter 9, “Expenses and Taxes”, is reduced to 0.01% p.a. for these Classes :

<sup>7</sup> These fees are calculated monthly on the basis of the average Net Asset Value of the respective Class.

<sup>8</sup> Such fee is calculated monthly on the basis of the average Net Asset Value of the respective Class.

<sup>9</sup> Such fee is calculated monthly on the basis of the average Net Asset Value of the respective Class.

<sup>10</sup> Such fee is calculated monthly on the basis of the average Net Asset Value of the respective Class.

A (EUR) Dist.	EUR	100 EUR	1 Share	Dist.								fee of EUR 3,000 per Class; domiciliary agent fee of EUR 9,000 p.a. on Company level plus EUR 6,000 p.a. on Subfund level
A (CHF hedged) Dist.	CHF	100 CHF										
A (USD hedged) Dist.	USD	100 USD										
I (EUR) Acc.	EUR	100 EUR	125,000 EUR	Acc.	Institutional							
I (CHF hedged) Acc.	CHF	100 CHF	125,000 CHF									
I (USD hedged) Acc.	USD	100 USD	125,000 USD									
I (EUR) Dist.	EUR	100 EUR	125,000 EUR	Dist.	Institutional							
I (CHF hedged) Dist.	CHF	100 CHF	125,000 CHF									
I (USD hedged) Dist.	USD	100 USD	125,000 USD									
G (EUR) Acc.	EUR	100 EUR	5,000,000 EUR	Acc.	Institutional							
G (CHF hedged) Acc.	CHF	100 CHF	5,000,000 CHF									
G (USD hedged) Acc.	USD	100 USD	5,000,000 USD									
							None		Up to 0.55%			
									Up to 0.48%			

	G (EUR) Dist.	EUR	100 EUR	5,000,000 EUR	Dist.	Institutional			Up to 0.40%			
	G (CHF hedged) Dist.	CHF	100 CHF	5,000,000 CHF								
	G (USD hedged) Dist.	USD	100 USD	5,000,000 USD								
	M (EUR) Acc.	EUR	100 EUR	25,000,000 EUR	Acc.							
	M (CHF hedged) Acc.	CHF	100 CHF	25,000,000 CHF								
	M (USD hedged) Acc.	USD	100 USD	25,000,000 USD								
	M (EUR) Dist.	EUR	100 EUR	25,000,000 EUR	Dist.							
	M (CHF hedged) Dist.	CHF	100 CHF	25,000,000 CHF								
	M (USD hedged) Dist.	USD	100 USD	25,000,000 USD								
ESG-AM FUND – ESG-AM Multi Credit Fund	A (EUR) Acc.	EUR	100 EUR	1 Share	Acc.	Retail	0.3% (subscriptions or redemptions) 0.15% (conversions)	Up to 2%	Up to 0.75%	Up to 0.04% p.a. subject to a minimum fee of EUR 40,000 p.a. per Subfund	UCI administration fee of up to 0.03% p.a. subject to a minimum fee of EUR 35,000 p.a. per Subfund; registrar and transfer agent	Depository fee up to 0.03% p.a. subject to a minimum fee of EUR 25,000 p.a. plus a depository control and monitoring fee of EUR 4,500 p.a. per Subfund
	A (CHF hedged) Acc.	CHF	100 CHF									
	A (USD hedged) Acc.	USD	100 USD									

A (EUR) Dist.	EUR	100 EUR	1 Share	Dist.								fee of EUR 3,000 per Class; domiciliary agent fee of EUR 9,000 p.a. on Company level plus EUR 6,000 p.a. on Subfund level
A (CHF hedged) Dist.	CHF	100 CHF										
A (USD hedged) Dist.	USD	100 USD										
I (EUR) Acc.	EUR	100 EUR	125,000 EUR	Acc.	Institutional				Up to 0.50%			
I (CHF hedged) Acc.	CHF	100 CHF	125,000 CHF									
I (USD hedged) Acc.	USD	100 USD	125,000 USD									
I (EUR) Dist.	EUR	100 EUR	125,000 EUR	Dist.	Institutional		None					
I (CHF hedged) Dist.	CHF	100 CHF	125,000 CHF									
I (USD hedged) Dist.	USD	100 USD	125,000 USD									
G (EUR) Acc.	EUR	100 EUR	5,000,000 EUR	Acc.	Institutional				Up to 0.42%			
G (CHF hedged) Acc.	CHF	100 CHF	5,000,000 CHF									
G (USD hedged) Acc.	USD	100 USD	5,000,000 USD									

	G (EUR) Dist.	EUR	100 EUR	5,000,000 EUR	Dist.	Institutional	Up to 0.35%				
	G (CHF hedged) Dist.	CHF	100 CHF	5,000,000 CHF							
	G (USD hedged) Dist.	USD	100 USD	5,000,000 USD							
	M (EUR) Acc.	EUR	100 EUR	25,000,000 EUR	Acc.						
	M (CHF hedged) Acc.	CHF	100 CHF	25,000,000 CHF							
	M (USD hedged) Acc.	USD	100 USD	25,000,000 USD							
	M (EUR) Dist.	EUR	100 EUR	25,000,000 EUR	Dist.						
	M (CHF hedged) Dist.	CHF	100 CHF	25,000,000 CHF							
	M (USD hedged) Dist.	USD	100 USD	25,000,000 USD							



## 24. Subfunds

### I. ESG-AM FUND – ESG-AM High Yield Social Transformation Fund

#### Investment Objective

The Subfund ESG-AM FUND – ESG-AM High Yield Social Transformation Fund (for the purposes of this section the “Subfund”) is actively managed and seeks to invest primarily in fixed and variable interest securities with financial performance with reference to the ICE BofA BB-B Rated Developed Markets High Yield Constrained Index (H4DC) (the “Benchmark”).

The Subfund has as sustainable investing objectives, investing in issuers having, committing or intending to commit to high social standards. The Subfund focuses on the following targets:

- Promote gender equality, diversity and equal pay;
- Develop human capital and promote secure and fair working conditions; and
- Ensure fair supply chain management.

The Subfund primarily contributes to the following UN Sustainable Development Goals to achieve a positive impact on social transformation:

- SDG 5: Gender Equality; and
- SDG 8: Decent work and economic growth.

The Investment Manager understands and promotes with "social transformation" the impact of companies around the following topics:

- equal opportunities for all, including: gender equality and equal pay for equal work, training and skills development, employment and inclusion of people with disabilities;
- working conditions, including secure and adaptable employment, wages, social dialogue, collective bargaining and the involvement of employees, work-life balance, a healthy, safe and well-adapted work environment; and
- respect for human rights, fundamental freedoms, democratic principles and standards set out in the International Bill of Human Rights and other core UN human rights conventions, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work and the fundamental conventions of the International Labour Organization (ILO), and the Charter of Fundamental Rights of the European Union.

According to the UNESCO, there is a significant need to deal with the current impact of social transformations: The world is undergoing important social transformations driven by the impact of globalization, global environmental change as well as economic and financial crises, resulting in growing inequalities, extreme poverty, exclusion and the denial of basic human rights. The Subfund invests in companies which apply business practices that improve the impact of social transformation. Companies are analyzed according to their social performance, in particular in the context of gender and diversity, fair working conditions, the respect of human rights and fair supply chain relations.

The Benchmark, which is used by the Subfund within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, as may be amended or supplemented from time to time (the “Benchmark Regulation”) is a third-country benchmark within the meaning of the Benchmark Regulation. ICE Data Indices LLC is the administrator of the Benchmark as defined in the Benchmark Regulation (the “Benchmark Administrator”) and has not yet applied for recognition under the Benchmark Regulation. The Benchmark Administrator has until 31 December 2025 to apply for recognition or endorsement under the Benchmark Regulation.

The Management Company has adopted a written plan setting out actions, which it will take with respect to the Subfund in the event that the Benchmark materially changes or ceases to be provided (the “Contingency Plan”), as required by article 28(2) of the Benchmark Regulation. In such case, the Prospectus will be updated accordingly. Investors may access the Contingency Plan upon request at the registered office of the Company.

The Subfund will predominantly invest in corporate bonds which are part of the Benchmark, the Investment Manager also retains a degree of flexibility to invest in corporate bonds which are not a component of the Benchmark as a means of adding performance. Thus, the composition of the portfolio of the Subfund may differ substantially from the composition of the Benchmark.

The Subfund is an Article 9 fund for the purpose of the SFDR.

**The disclosures for financial products referred to in article 9(1) to (4a) of the SFDR can be found in the pre-contractual disclosures attached at the end of this section of Chapter 24, “Subfunds”.**

#### Investment Policy

To achieve the investment objective, in accordance with Chapter 5, “Investment Restrictions” and the provisions of article 41 of the Law of 17 December 2010 et seq., the Subfund may invest in the following assets:

1) The debt securities in which the Subfund may invest shall include all varieties of fixed and floating-rate income securities, bonds (including green bonds, sustainable bonds, social bonds as well as sustainability linked bonds), mortgage- and other asset-backed securities (including collateralised debt obligations) and convertible securities.

a) The Subfund may invest (directly or indirectly) up to one third of its net assets globally in debt securities with a rating of at least BBB- (or an equivalent rating) of Standard&Poors, Moody’s or from another recognized rating agency or deemed to be of the same credit quality by the Investment Manager, as well as the market-implied rating.

b) At least two thirds of the Subfund’s net assets shall be invested (directly or indirectly) globally in debt securities with a minimum rating of B- (or an equivalent rating) and with a maximum rating of BB+ (or an equivalent rating) of Standard&Poor’s, Moody’s or from another recognized rating agency or deemed to be of the same credit quality by the Investment Manager, as well as the market-implied rating. The Subfund may invest up to 10% of its net assets in distressed securities (the “Opportunistic High Yield Bonds”), i.e., distressed bonds that are priced below 40% of their nominal value, but have not yet defaulted. The value of Opportunistic High Yield Bonds may arise over time from short-term market volatilities in credits or interest rate markets. In case debt securities are downgraded below B- (or an equivalent rating) of Standard&Poor’s or Moody’s or the market implied rating or have defaulted, the Investment Manager shall adopt as a priority objective for its sales transactions the disposal of such securities, taking due account of the interests of Shareholders.

c) In case of different ratings, the higher rating shall be applied.

d) The following investment restrictions apply as regards aforesaid debt securities:

(i) The Subfund will not invest more than 10% of its net assets in asset- or mortgage-backed securities;

(ii) The Subfund will not invest more than 10% of its net assets in debt securities which do not have at least one rating of a recognized rating agency or a market-implied rating;

(iii) The Subfund’s exposure to convertible bonds is limited to up to 25% of its net assets; and

(iv) The Subfund will not invest more than 10% of its net assets in contingent convertible bonds (CoCos).

2) The Subfund’s exposure to equities or equity-like securities is limited to up to 10% of its net assets. In addition, these equity or equity-like must comply with the following conditions:

a) The respective equity or equity-like security is a convertible security, if, in the sole judgement of the Investment Manager, most of its value is attributable to its yield and other debt features;

b) The respective equity or equity related security is received upon conversion of a convertible security;

c) The respective equity or equity related security is in an unit with, or attached to, fixed-income or floating rate securities;

d) The respective equity or equity related security is included in a reorganization, restructuring or other exchange transaction; or

e) The respective equity or equity related security is purchased in connection with or in anticipation of a recapitalization or other financial restructuring transaction involving a pre-existing investment of the Subfund.

3) Further, the Subfund may invest up to 10% of its net assets in money market instruments as per paragraph h) of section 1) of Chapter 5, “Investment Restrictions”, and in liquid assets as per Chapter 3, “Investment Policy”.

4) In accordance with paragraph 5) of Chapter 5., “Investment Restrictions”, the Subfund will not invest more than 10% of its net assets in Target Funds.

5) Financial derivative instruments within the meaning of paragraph g) of section 1) of Chapter 5, "Investment Restrictions", may be used in the interest of the efficient management of the portfolio or for hedging purposes. The overall risk associated with derivatives must not exceed the Subfund's total net assets. In terms of risk calculations, the market value of the underlying instruments together with premiums paid, the counterparty's default risk, future market fluctuations and the time required to realize the positions must be taken into account. Derivatives acquired in order to hedge all or part of portfolio items against changes in market risk are not factored into this calculation. This possibility is reserved solely for cases in which the risk-reducing effect is evident and free of all doubt.

6) Within the limits set out in Chapter 5, "Investment Restrictions", the Subfund may invest in Shares of another Subfund of the Company.

7) The Subfund may invest up to 10% of its net assets in debt securities issued by issuers based in so-called Emerging Market Countries. In this context, Emerging Market Countries are defined as countries which are not considered by the World Bank to be developed, high-income industrialized countries.

8) There is no restriction concerning the currencies in which the securities in which the Subfund invests are denominated, although any currency exposure other than the Reference Currency may be hedged. The Subfund shall not invest more than 5% of its net assets in securities denominated in a currency which is not included in the Benchmark.

#### Global Exposure

The global exposure of the Subfund will be calculated on the basis of the commitment approach.

#### Profile of a Typical Investor

The Subfund is suitable for investors wishing to have an exposure to global corporate high yield bonds. A typical investor should be able to tolerate significant fluctuations in the Net Asset Value

#### Specific Risk Factors

In addition to the risks listed in Chapter 7, "Risk Factors", investors should note that the Reference Currency of the Subfund is EUR, and although the Investment Manager has the ability to hedge the Subfund's exposure to movements in other currencies, there is the risk that any foreign currency exposure will not be fully or successfully hedged and that the Net Asset Value could move down due to a fall in the value of non-EUR currencies against the EUR. Where the Investment Manager decides to hedge part or all of a currency exposure, the hedging process may from time to time result in a small residual currency exposure due to market movements.

Investments of the Subfund might include investments in Emerging Market Countries. The probable returns on securities of issuers from Emerging Market Countries are generally higher than the returns on similar securities of equivalent issuers from developed, industrialized countries. However, the higher return should be viewed as compensation for the greater risk to which the investor is exposed. Further information on the risks of investments in Emerging Market Countries is set out in Chapter 7, "Risk Factors"

Investors should further take into considerations the risks associated with investments in the "high yield" sector. The Subfund might invest in fixed-income or floating-rate securities in the non-investment grade sector (high yield debt securities). Compared to investment grade securities, such securities are generally lower-rated securities and will usually offer higher yields to compensate for the reduced creditworthiness or increased risk of default attached to these debt instruments. Also, there is a risk that such securities might suffer liquidity issues because of unusual market conditions, an unusually high volume of redemption requests or other reasons. In such case the Subfund may not be able to pay redemption proceeds within the time period stated in this Prospectus.

Investors should also note the risks concerning investments in small to medium sized companies and investments in CoCos, as described in Chapter 7, "Risk Factors".

#### Specific Sustainability Risks

The Subfund will be exposed to some Sustainability Risks, which will differ depending on the investment instruments. In particular, some companies, markets and sectors will have greater exposure to Sustainability Risks than others.

The Subfund may be exposed to regions which might have relatively low governmental or regulatory oversight or low transparency or disclosure of sustainability factors.

Pursuant to Art. 6 of the SFDR, (i) Sustainability Risks are integrated into the investment decision process, and (ii) the Management Company shall disclose the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Subfund.

#### (i) Integration of Sustainability Risks into investment decisions

Pursuant to Art. 6 of the SFDR, potential Sustainability Risks are integrated into the investment decision process and ongoing risk monitoring to the extent that they represent potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns. Further description on the assessment of potential Sustainability Risks is outlined in the following section.

An analysis of Sustainability Risks focuses on ESG risks that can impact the value of the Subfund. Sustainability Risks can be linked to environmental degradation and climate-related events resulting from climate change (the so-called physical risks) or to society's response to climate change (the so-called transition risks), which may result in unanticipated losses that could negatively affect the investments and financial condition of the Subfund. Social events (e.g. events relating to inequality, inclusiveness, labor relations, investment in human capital, accident prevention, changing customer behavior, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

The Investment Manager is responsible for the incorporation of materially relevant Sustainability Risks into due diligence and research, valuation, asset selection, portfolio construction, and ongoing investment monitoring alongside with other material risk factors. To do this, the Investment Manager leverages the following information and resources:

- Disclosures made by companies and issuers (which may include a company's quarterly financials, earnings calls, general company reporting and/or disclosures, including sustainability-related disclosures);
- Publicly available information (official reports or industry data); and
- Third-party research and data.

However, this does not mean that all Sustainability Risks will be relevant in relation to each potential investment. The relevance and materiality of the Sustainability Risks will depend on a range of factors, including the nature of the investment, the likelihood of the Sustainability Risks arising and the likely scale of impact.

#### (ii) Results of the assessment of the likely impacts of Sustainability Risks on the returns of the Subfund

In applying the binding elements described in the pre-contractual disclosures attached to this section of Chapter 24, "Subfunds", the Investment Manager takes into account Sustainability Risks and sustainability factors in its investment decision and may thus deliberately forego opportunities for the Subfund to gain exposure and it may choose to sell an asset when it might otherwise be disadvantageous to do so. Accordingly, the universe of investments for the Subfund is smaller than that of other funds. The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region, and asset class. In general, where a Sustainability Risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value. Such assessment of the likely impact will therefore be conducted at the portfolio level.

Despite the proactive approach with regard to Sustainability Risks, it cannot be ruled out that ESG factors can influence the value of the Subfund's portfolio and the Subfund's return.

Notwithstanding the criteria set out in Article 7(1), first subparagraph of the SFDR and the fact that the Management Company discloses under article 4(1)(b) of the SFDR at entity level (as described under "Sustainability Risk" in Chapter 7, "Risk Factors"), the Management Company hereby confirms that the Subfund pursues a reduction of negative externalities caused by the investments underlying it as further detailed in the pre-contractual disclosures attached to this section of Chapter 24, "Subfunds" and in the annual report.

Shareholders and potential investors should also take into consideration the Sustainability Risks described in Chapter 7, "Risk Factors".

#### Performance

Information about the performance of the Subfund is contained in the Key Investor Information Document. Historical performance is not a guarantee of future returns.

## Reference Currency

The Reference Currency of the Subfund is EUR.

The Investment Manager may decide to hedge or not to hedge the Subfund's exposure to other currencies, if it considers this to be in the interest of the Shareholders. Currency hedging (if any) will be made through the use of various techniques including the entering into forward currency contracts, currency options and futures. The relevant currency hedging is intended to reduce a Shareholder's exposure to the respective currencies in which the Subfund's investments are denominated. There is no guarantee that any hedging will be effective. Where the currency exposure of the Subfund is not fully hedged or where the hedging transactions are not completely effective, the value of the assets of the Subfund may be affected favourably or unfavourably by fluctuations in currency rates. From time to time the Investment Manager may not fully hedge the currency exposure, if it considers this to be in the interest of the Shareholders. Any costs incurred relating to the above mentioned hedging will be borne by the Subfund.

In addition, the foreign exchange exposure of the assets of the Subfund attributable to any Class denominated in any currency other than the Reference Currency of the Subfund is generally hedged in order to minimize, so far as reasonably practicable, the impact of fluctuations in the exchange rates between the Reference Currency of the Subfund and such other currency. Again, there can be no guarantee that any such hedges that are put in place will be effective. The costs and any benefit of hedging the foreign currency exposure of the assets attributable to any Class with a reference currency other than the Reference Currency of the Subfund will be allocated solely to the relevant Class.

## Classes

Shares of the Subfund are available in the different Classes detailed in Chapter 23, "Summary of Classes". Shareholders and potential investors are invited to contact to Company or the UCI Administrator in order to find out whether a specific Class has already been launched.

## Net Asset Value

As defined in Chapter 8, "Net Asset Value", the Net Asset Value of the Shares of the Subfund shall be calculated as of each Valuation Day (as defined in Chapter 8, "Net Asset Value").

## Adjustment of the Net Asset Value (Single Swing Pricing)

The Net Asset Value per Share calculated in accordance with Chapter 8, "Net Asset Value" will be increased by (i) up to a maximum of 0.3% in the event of a net surplus of subscription applications or (ii) up to a maximum of 0.15% in the event of a net surplus of conversion applications in favor of the Subfund or reduced by up to a maximum of 0.3% in the event of a net surplus of redemption applications in respect of the applications received on the respective Valuation Day.

Under exceptional circumstances the Company may, in the interest of Shareholders, decide to increase the maximum Swing Factor indicated above. In such case the Company would inform the investors in accordance with Chapter 14, "Information for Shareholders".

## Subscription of Shares

Shares may be purchased on any Banking Day except on 24 December and 31 December at the Net Asset Value per Share of the relevant Class, plus the applicable subscription charges and any taxes.

A subscription charge in favor of the Distributors of up to 2% of the Net Asset Value per Share (after adjustment of the Net Asset Value per Share in accordance with the Company's the swing pricing policy) will be charged in case of a subscription of Shares of Classes A (EUR) Accumulating, A (EUR) Distributing, A (CHF Hedged) Accumulating, A (CHF Hedged) Distributing, A (USD Hedged) Accumulating and A (USD Hedged) Distributing.

## Redemption of Shares

The Company will in principle redeem Shares on any Banking Day except on 24 December and 31 December at the Net Asset Value per Share of the relevant Class, less any applicable taxes.

No redemption charge will be levied.

## Conversion of Shares

Shareholders may convert all or part of their Shares into Shares of another Class of the Subfund or into Shares of the same or another Class of another Subfund.

No conversion charge will be levied.

## Management Fee, UCI Administration Fee, Registrar and Transfer Agency Fee, Domiciliation Agent Fee and Depositary Fee

### 1) Management Fee

In accordance with lit. c) of section ii. ("Expenses") of Chapter 9, "Expenses and Taxes", the management fee is composed of the management company fee and the investment management fee:

a) The management company fee in favor of the Management Company amounts to up to 0.04 % p.a. and is calculated monthly on the basis of the average Net Asset Value of the respective Class, subject to a minimum fee of up to 40,000,- EUR p.a. (plus applicable taxes, if any).

b) The Management Company is further be entitled to a fee of up to EUR 10,000 (plus applicable taxes, if any) for the services rendered to the Company, including for providing to the Company the AML/CFT Compliance Officer (*responsable du contrôle des obligations*).

c) Details of the investment management fee in favor of the Investment Manager (plus applicable taxes, if any) is reflected in Chapter 23, "Summary of Classes".

### 2) UCI Administration Fee and Registrar and Transfer Agent Fee

The UCI Administrator is entitled to receive a UCI administration fee for its UCI administration services of up to 0.03 % p.a. calculated monthly on the basis of the average Net Asset Value of the respective Class, subject to a minimum fee in the amount of EUR 35,000 p.a. (each plus any applicable taxes, if any).

In addition, the UCI Administrator is entitled to receive a fee for its registrar and transfer agent services of EUR 3,000 p.a. (plus applicable taxes, if any) per Class.

Further, the UCI Administrator is entitled to receive a fee for its services as domiciliation agent of EUR 9,000 p.a. on Company level plus EUR 6,000 p.a. on Subfund level (each plus applicable taxes).

### 3) Depositary Fee

The Depositary is entitled to receive a depositary bank and brokerage services fee which is calculated monthly on the basis of the average Net Asset Value of the respective Class. Such fee amounts to up to 0.03% p.a., subject to a minimum fee in the amount of EUR 25,000 p.a. (each plus any applicable taxes).

In addition, the Depositary receives a depositary control and monitoring fee of EUR 4,500 p.a.(plus any applicable taxes).

Sub-custodian fees for Emerging Market Countries are not included in such depositary bank fee and will be charged additionally.

The actual fees that are charged shall be disclosed in the respective annual or semi-annual report.

## Investment Manager

To assist it with the management of its duties, the Management Company has appointed ESG-AM AG, Gutenbergstrasse 10, CH-8002 Zurich, Switzerland, approved and supervised by Eidgenössische Finanzmarktaufsicht as investment manager.

## Distributor

ESG AM-AG  
Gutenbergstrasse 10,  
CH-8002 Zurich

## Paying Agent

### Until 20 October 2024:

Credit Suisse (Luxembourg) S.A.  
5, rue Jean Monnet  
L-2180 Luxembourg

### As from 21 October 2024:

UBS Europe SE, Luxembourg Branch  
33A, avenue J.F. Kennedy  
L-1855 Luxembourg.

**Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That

**Product name:** ESG-AM FUND – ESG-AM High Yield Social Transformation Fund

**Legal entity identifier:** 549300ZP8WZNYPR3IT85

## Sustainable investment objective

**Does this financial product have a sustainable investment objective?**

   **Yes**

       **No**

It will make a minimum of % **sustainable investments with an environmental objective:** %
   
  in economic activities that qualify as environmentally sustainable under the EU Taxonomy
   
  in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of % of sustainable investments
   
  with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
   
  with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
   
  with a social objective

Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

It will make a minimum of **sustainable investments with a social objective: 90 %**
  It promotes E/S characteristics, but **will not make any sustainable investments**



**What is the sustainable investment objective of this financial product?**

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

This product is classified as an article 9 fund under the SFDR.

The Subfund has as sustainable investing objectives, investing in issuers having, committing or intending to commit to high social standards. The Subfund focuses on the following targets:

- Promote gender equality, diversity and equal pay;
- Develop human capital and promote secure and fair working conditions;
- Ensure fair supply chain management.

To achieve the objectives of high social standards the Investment Manager focuses on enabling impactful companies to grow, encourage improvement via engagement and influence the public discourse by being vocal about these goals.

The Subfund primarily contributes to the following UN Sustainable Development Goals:

- SDG 5: Gender Equality;
- SDG 8: Decent work and economic growth.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objectives of the Subfund

• ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

The Subfund strives for financial results, while at the same time pursuing the objectives of high social standards of its invested issuers without significantly harming any other objectives. To measure the performance of the sustainable investment objective, the Subfund reports annually on:

- The Investment Manager's "Social Transformation Score" ("STS") system;
- The gender distribution;
- Severity of social controversies; and
- Green bonds, sustainable bonds, social bonds as well as sustainability linked bonds in % of the Net Asset Value of the Subfund.

• ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

The Subfund complies with the “do no significantly harm” principle from Article 2(17) SFDR in relation to the mandatory principal adverse impact (“PAI”) indicators of Table 1 of Annex I of the RTS as well as any relevant PAI indicators of Tables 2 and 3 of such Annex I.

With the aim to promote the improvement of these PAI indicators over time, the Investment Manager monitors the development of the PAI indicators on a regular basis, at least in intervals of two months. In case of a significant deterioration of an indicator, an analysis of such deterioration will be conducted taking into consideration the PAI-related performance of the Subfund, data availability and applied methodologies. Remedial measures will be taken to mend the deterioration, taking into account the interests of the Shareholders.

Careful assessment and monitoring on ESG-factors is a central part of the Subfund’s investment process. In addition, the Subfund considers investments based on an exclusion list as mentioned in the exclusions and restrictions section below.

Prior to investment, all investments of the Subfund are being screened against a list of ESG criteria aligned with sector-specific frameworks, such as the UN Global Compact Principles (the “UNGC Principles”). The ten UNGC Principles cover four main themes, which are human rights, labor rights, the environment, anti-bribery and anti-corruption. Companies in violation with the UNGC Principles will be excluded.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The controversies screening is part of the ESG rating of the companies and the screening on violations of the UNGC Principles, the Organisation for Economic Cooperation and Development (“OECD”) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights is part of the negative screening of the Subfund.

Furthermore, ESG criteria will be taken into account at various levels in the investment process, supported by research and information available, as well as leading external providers. Based on an ESG analysis, individual securities are excluded in accordance with the exclusions and restrictions described below, or securities issued by companies that are characterized by having very low ESG score or involved in confirmed very severe controversial incidents which are inadequately addressed by the affected issuer. At the same time, a positive selection applies, to prioritize companies with a better ESG performance, so that the ESG score of the portfolio of the Subfund reaches a satisfactory level.

The Subfund collects ESG data from issuers and the mandatory PAI indicators of Table 1 of Annex I of the RTS as well as any relevant PAI indicators of Tables 2 and 3 of such Annex I. The performance of the indicators is guiding the investment team with regards

to which environmental aspects the Subfund must focus, to decrease potential adverse sustainability impacts, caused by the activities of the issuers.

(Add)



### Does this financial product consider principal adverse impacts on sustainability factors?

Yes

Besides collecting ESG data from investee companies, the Investment Manager also collects and discloses the mandatory PAI indicators of Table 1 of Annex I of the RTS as well as any relevant PAI indicators of Tables 2 and 3 of such Annex I. The performance of the indicators guides the investment team with regards to which social aspects the Subfund must focus on in order to promote the decrement of potential adverse sustainability impacts caused by the activities of the investee companies. Further information on PAI on sustainability factors is available in the annual report of the Company.

No

(Add)



### What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment strategy strives for financial results while at the same time pursuing the objectives of high social standards of its invested issuers without significantly harming any other objectives.

To achieve the objectives of high social standards, the Investment Manager focuses on enabling impactful companies to grow, encourage improvement via engagement and influence the public discourse by being vocal about these goals.

To select eligible issuers, the Investment Manager's proprietary STS methodology includes the following main criteria:

1. Gender, diversity & equal pay;
2. Human capital;
3. Supply chain management;
4. Social controversies

The securities in which the Subfund may invest will be selected worldwide by reference to the Investment Manager's proprietary STS, that indicates the current level of the underlying company's social standard and how material it commits or intends to commit to improve. The STS considers internal and external information gained from several sources such as inhouse research, engagement feedback and specialized data providers. Along with sound financial scores of each issuer, this STS will be considered both prior to investment as well as on an ongoing basis.

Each issuer of a debt security in which the Subfund invests will be given a STS on a scale of 1 to 4 (whereas 4 is considered to be the lowest score, although there is no evidence that the issuer will deliver on its measured sustainable social performance and/or its committed improvements). The Investment Manager focusses its investments in issuers with a STS of 1-3. The Investment Manager will not target a specific average STS for the overall portfolio, but the STS will influence the portfolio allocation. The STS among other investment criteria, such as financial ratios (duration, credit exposure, liquidity, etc) and risk related aspects

(diversification in sectors, ratings, countries, etc) will define the size of the allocation in a particular issuer at any given time.

Issuers with low STS levels will be target of engagement activities to improve their social activities. These engagement activities include the following: (i) "Transparency Engagement" aiming to improve data availability for the STS; (ii) "Impact Engagement" conducted in order to ensure the issuer's commitment to improve social standards; and (iii) "Incident Engagement" in case of high social controversies or incidents related to the social targets. The Investment Manager expects improvement of the issuers. If the issuers fail to deliver on the Investment Manager's expectation or the STS worsens materially, the Investment Manager will dispose of the holdings. Based on the engagement activities, the Investment Manager expects the average STS of the Subfund increases over time. A maximum of 10% of the Subfund's net assets can be invested worldwide in issuers which do not yet fulfill the requirements in terms of STS but are still complying with the "do no significant harm" principle, environmental performance and good governance principles.

The score considers a best-in-class approach, which ranks issuers compared to their relevant peers in an industry or category. The criteria of the score are also focused on forward looking indicators that capture future commitments of the issuers. With an expected better data availability in the future, the issuers can/ will also be ranked based on their recent historical performance, so a best-in-progress approach can be applied. The Investment Manager will also exercise engagement activities and use engagement and constructive dialogue with issuers to improve their performance and increase the impact of the Subfund.

#### Exclusions and Restrictions

Issuers or instruments with limited or no positive contribution to the social transformation in line with the objectives (STS 4), will be excluded from the Subfund.

The Investment Manager will further undertake a broader assessment of the Environmental, Social and Governance ("ESG") performance of the issuers. This process helps the Investment Manager to avoid issuers with material ESG risks in a wider context.

In aiming to achieve stable long-term returns, the Investment Manager will exclude investments in the following segments:

- Companies involved in any activities related to controversial weapons;
- Companies in violation with the UNGC Principles or the OECD Guidelines for Multinational Enterprises;
- Companies that are involved in the cultivation and production of tobacco;
- Companies that generate over 5% of their revenues from the production of conventional weapons;
- Utilities that generate over 5% of their revenues from nuclear power. Utilities with higher exposure to nuclear will only be invested via green bonds;
- Companies that generate 1% or more of their revenues from the exploration, mining, extraction, distribution or refining of hard coal and lignite;
- Companies that generate over 5% of their revenues from the application of fracking technology or the extraction and processing of oil sands;
- Companies that generate 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;
- Companies that generate 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels;
- Companies that generate 50% or more of their revenues from electricity generation with a GHG intensity of more than 100g CO<sub>2</sub>e/kWh;
- Companies that generate over 5% of their revenues from gambling; and
- Companies that generate a revenue share larger than 5% with production and distribution of pornography.



The following criteria on country level will exclude sovereigns / emitters that show the following deficits in the areas of human rights / democracy, the environment, corruption and the Nuclear Non-Proliferation Treaty:

- “Not free” classified countries (Freedom House);
- Biological diversity (UN Convention): non-legally bound;
- Corruption: Transparency International’s Corruption Perception Score with minimum threshold; and
- Nuclear Non-Proliferation Treaty not legally bound.

• ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The application of the “exclusions and restrictions” are binding.

The STS focuses on scores from 1-3 (out of 4).

In applying the aforesaid binding elements, the Investment Manager ensures that at least 90 % of the net assets of the Subfund will be made in sustainable investments within the meaning of the SFDR (with the exception of cash investments, derivatives, money market instruments and other investments for which there is insufficient data). A maximum of 10% of the Subfund’s net assets can be invested worldwide in issuers which do not yet fulfill the requirements in terms of STS but are still complying with the “do no significant harm” principle, environmental performance and good governance principles.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

• ***What is the policy to assess good governance practices of the investee companies?***

The evaluation of good governance is based on the ratings by independent ESG rating agencies. The governance ratings are based on the following sub-criteria:

- Board composition and independence;
- Remuneration; and
- Shareholder rights.

In addition, information on the reputational risk of companies due to potential failures in their ESG performance are sourced from best-in-class providers to ensure full transparency on current news flow.

Where potential issues arise, the performance of an issuer is below expected, or when the reported data is incomplete to reach a conclusion, the Investment Manager will engage with the issuer to evaluate the performance, and social related commitment against the relevant indicators established in the selection process. The Investment Manager will encourage companies to improve disclosure and contribute to the social transformation. The engagement will be a dynamic process and is subject to changes according to the Subfund’s investment policy.



**What is the asset allocation and the minimum share of sustainable investments?**

**Asset allocation** describes the share

	<p><b>#1 Sustainable</b> covers sustainable investments with environmental or social objectives.</p>
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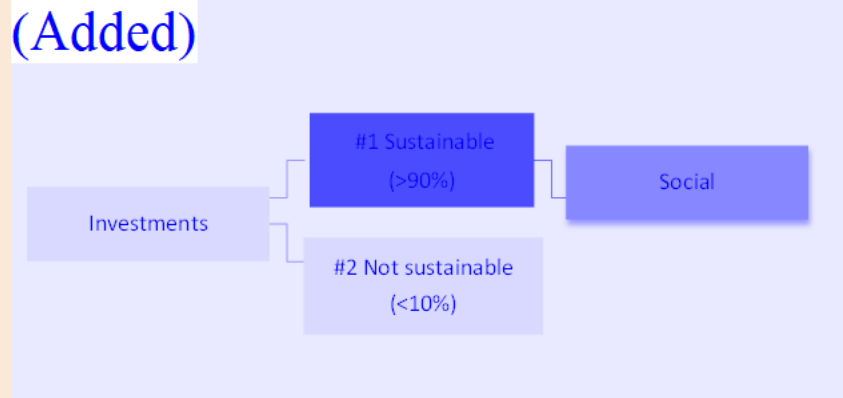
of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

**-turnover**  
reflecting the share of revenue from green activities of investee companies

**-capital expenditure**  
(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

**-operational expenditure** (OpEx)  
reflecting green operational activities of investee companies.



**#2 Not sustainable** includes investments which do not qualify as sustainable investments.

At least 90% of the Subfund's net assets will be invested in sustainable investments within the meaning of the SFDR (with the exception of cash investments, derivatives, money market instruments and other investments for which there is insufficient data and therefore a limited by the maximum cap established in the Investment Policy). These sustainable investments can consist of types of investments described in the section Investment Policy. A maximum of 10% of the Subfund's net assets can be invested worldwide in issuers which do not yet fulfill the requirements in terms of the STS but are still complying with the "do no significant harm" principle and good governance principles.

The small proportion of investments that are not sustainable investments may not contribute to a social objective within the meaning of the SFDR and it is not expected that these other investments will affect the continued implementation of the Sustainable Investment objective of the Subfund and the Investment Manager will ensure that these other investments comply with the binding elements of the investment strategy.

● **How does the use of derivatives attain the sustainable investment objective?**

The Investment Manager does not use derivatives for the purposes of attaining the sustainable investment objectives. The Investment Manager may use derivative instruments for other purposes as outlined in section "Investment Policy" above, including for efficient portfolio management purposes and/or for hedging purposes, but not in view of attaining the sustainable investment objectives.

If possible, the use of derivatives will not violate the described ESG-criteria and standards. If the investment strategy requires the use of derivatives, the short-selling of non-complying investments will be accepted



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>11</sup>?**

**Yes:**

<sup>11</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

In fossil gas

In nuclear energy

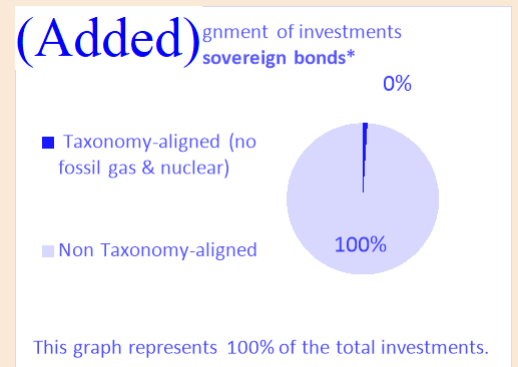
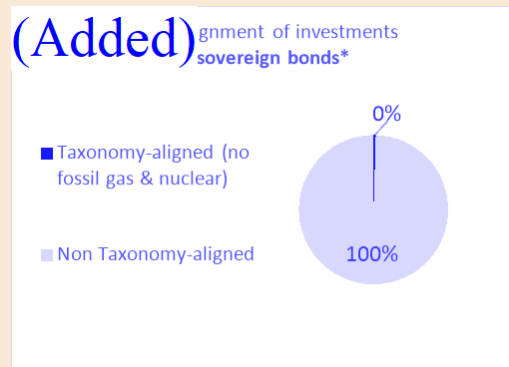
No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

- **What is the minimum share of investments in transitional and enabling activities?**

As the Subfund follows primarily social objectives, the Subfund focuses primarily on social transition.

**(Add)** are sustainable investments with an environmental objective that **do**

**(Add)** What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

**not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

As the Subfund follows primarily social objectives, the alignment with the EU Taxonomy is not actively managed.

The Subfund focuses on social objectives and at least 90% of the Subfund’s assets will be sustainable investments with a social objective.



**What is the minimum share of sustainable investments with a social objective?**

The Subfund focuses on social objectives and at least 90% of the Subfund’s assets will be socially sustainable investments.



**What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

At least 90% of the Subfund's net assets will be invested in sustainable investments within the meaning of the SFDR. These sustainable investments can consist of types of investments described in the section "Investment Policy" above.

A maximum of 10% of the Subfund’s net assets can be invested worldwide in issuers that do not meet the sustainable objectives but are still complying with the “do no significant harm” principle and good governance principles. This includes cash deposits as well as investments in derivatives, money market instruments and other investments for which there is insufficient data.

The small proportion of investments that are not sustainable investments may not contribute to an environmental or social objective within the meaning of the SFDR and it is not expected that these other investments will affect the continued implementation of the sustainable investment objective of the Subfund and the Investment Manager will ensure that these other investments ensure a minimum level of environmental and social protection.



**Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

No.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

The Subfund will be managed relative to the ICE BofA BB-B Rated Developed Markets High Yield Constrained Index (H4DC)(the "Benchmark"). The Benchmark is designed to track the performance of below-investment grade corporate debt denominated rated BB/B in US Dollars, Canadian Dollars, British Pounds and Euro that are publicly issued in the major US or Eurobond markets. In addition, the Subfund will seek to achieve its investment objective to deliver a higher STS compared to the Benchmark. The Investment Manager may (but is under no obligation to) invest in component securities of the Benchmark that meet the STS score criteria set out above as well as in securities anticipated to enter or exit this Benchmark. For the avoidance of doubt, the Subfund’s objective is not to track the performance of the Benchmark and the Benchmark is not aligned with the Subfund’s sustainable investment objective.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

All companies will be evaluated according to the methodology (STS model) described above. The investment universe adapts the index universe in regards of rebalancing (adds and drops). Since there are no benchmarks with social objectives for high yield available, there is no alignment in the context of the evaluation of social performance possible.

- ***How does the designated index differ from a relevant broad market index?***

The designated index does not differ from a relevant broad market index.

- ***Where can the methodology used for the calculation of the designated index be found?***

Further information concerning the Benchmark can be found on the following website:  
<https://indices.theice.com>

(Add)



**Where can I find more product specific information online?**

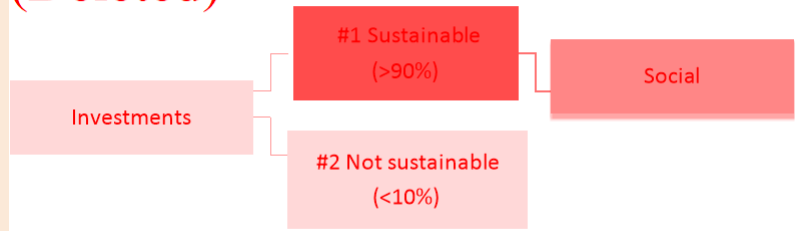
**More product-specific information can be found on the website:**

products – ESG Asset Management AG (esg-am.ch)

(Del)



(Deleted)



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The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

## II. ESG-F FUND – ESG-AM Multi Cr Fund

### Investm Objectiv

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the Sub  
ESG-A  
FUND –  
AM I  
Credit

(for the purposes of this section the “Subfund”) is to maximize long term risk-adjusted total returns for its Shareholders, comprising income and capital growth. The strategy seeks to capitalize on the Investment Manager’s ‘best ideas in global credit’ by allocating assets across the full spectrum of global fixed income sectors including convertibles and derivatives with a greater focus on credit opportunities.

The Subfund has two main sustainable investing objectives

I) investing in issuers having, committing or intending to commit to high social standards. The Subfund focuses on the following targets:

- Promote gender equality, diversity and equal pay
- Develop human capital and promote secure and fair working conditions
- Ensure fair supply chain management

II) investing in issuers committing or intending to commit to substantial reductions in greenhouse gas (GHG) emissions in line with a net-zero GHG emissions pathway contributing to achieve the targets of the agreement adopted under the United Nations Framework Convention on Climate Change, approved on 5 October 2015 and which entered into force on 4 November 2016 (the "Paris Agreement") as regards limiting global warming to well below 2 degrees Celsius above pre-industrial levels.

The Subfund primarily contributes to the following UN Sustainable Development Goals:

SDG 5: Gender Equality

SDG 7: Affordable and Clean energy

SDG 8: Decent work and economic growth

SDG 13: Climate Action

The Subfund is an Article 9 fund for the purpose of the SFDR.

**The disclosures for financial products referred to in article 9(1) to (4a) of the SFDR can be found in the pre-contractual disclosures attached at the end of this section of Chapter 24, "Subfunds".**

### Investment Policy

The Subfund is actively managed.

To achieve the investment objective, in accordance with Chapter 5, “Investment Restrictions” and the provisions of article 41 of the Law of 17 December 2010 et seq., the Subfund may invest in the following assets:

1) At least two thirds of the Subfund’s net assets shall be invested (directly or indirectly) globally in debt securities with a minimum rating of B- (or an equivalent rating). The ratings of the securities are determined by Standard&Poor's, Moody's or from a recognized rating agency or deemed to

be of the same credit quality by the Investment Manager as well as the market-implied rating. The market-implied rating is calculated, particular for convertibles bonds, based on the risk premium a company has to pay for its bonds compared with "risk-free liabilities" on the market. The market-implied rating is only applied, where there is no rating available from the above-mentioned ratings agencies. These assets include fixed and variable-interest securities such as corporate bonds, government bonds, bonds issued by supranational organizations, green bonds, sustainable bonds, social bonds as well as sustainability linked bonds, covered bonds, bonds with warrants, exchangeable and convertible bonds, contingent convertible bonds (CoCo bonds), hybrid bonds, subordinated bonds, asset-backed securities (e.g. asset-backed securities (ABS), residential mortgage-backed securities (RMBS) and commercial mortgage-backed securities (CMBS), collateralized loan obligations (CLO), collateralized bond obligations (CBO), etc.), linked bonds (credit linked loans, loan participation notes) and zero-bonds.

The above-mentioned asset-backed and mortgage-backed securities (e.g. ABS, RMBS, CMBS, CLO, CBO, etc.) must have a good to first-class rating quality at the time of acquisition by the Subfund, i.e. at least investment grade (determined by Standard&Poor's or Moody's or the market implied rating).

The Subfund may invest up to 5% of its net assets in distressed securities (the "Opportunistic High Yield Bonds"), i.e., distressed bonds that are priced below 40% of their nominal value, but have not yet defaulted. The value of Opportunistic High Yield Bonds may arise over time from short-term market volatilities in credits or interest rate markets.

In case debt securities are downgraded below B- (or an equivalent rating) of Standard&Poor's or Moody's or the market implied rating or have defaulted, the Investment Manager shall adopt as a priority objective for its sales transactions the disposal of such securities, taking due account of the interests of Shareholders.

In case of different ratings, the higher rating shall be applied.

The following investment restrictions apply as regards aforesaid debt securities:

a) The Subfund will not invest more than 10% of its net assets in asset-backed securities (e.g. asset-backed securities (ABS), residential mortgage-backed securities (RMBS) and commercial mortgage-backed securities (CMBS), collateralized loan obligations (CLO), collateralized bond obligations (CBO), etc.);

b) The Subfund will not invest more than 5% of its net assets in debt securities which do not have at least one rating of a recognized rating agency or a market-implied rating;

c) The Subfund's exposure to convertible bonds is limited to up to 50% of its net assets; and

d) The Subfund will not invest more than 5% of its net assets in contingent convertible bonds (CoCos).

2) The Subfund's exposure to equities or equity-like securities is limited to up to 10% of its net assets. In addition, these equity or equity-like must comply with the following conditions:

1. Taxonomy-alignment of investments including sovereign bonds\*



2. Taxonomy-alignment of investments excluding sovereign bonds\*



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

- a) The respective equity or equity-like security is a convertible security, if, in the sole judgement of the Investment Manager, most of its value is attributable to its yield and other debt features;
- b) The respective equity or equity related security is received upon conversion of a convertible security;
- c) The respective equity or equity related security is in an unit with, or attached to, fixed-income or floating rate securities;
- d) The respective equity or equity related security is included in a reorganization, restructuring or other exchange transaction; or
- e) The respective equity or equity related security is purchased in connection with or in anticipation of a recapitalization or other financial restructuring transaction involving a pre-existing investment of the Subfund.
- 3) Further, the Subfund may invest up to 20% of its net assets in money market instruments as per paragraph h) of section 1) of Chapter 5, "Investment Restrictions", and in liquid assets as per Chapter 3, "Investment Policy".
- 4) In accordance with paragraph 5) of Chapter 5., "Investment Restrictions", the Subfund will not invest more than 10% of its net assets in Target Funds.
- 5) Financial derivative instruments within the meaning of paragraph g) of section 1) of Chapter 5, "Investment Restrictions", may only be used in the interest of the efficient management of the portfolio and/or for hedging purposes. The overall risk associated with derivatives must not exceed the Subfund's total net assets. In terms of risk calculations, the market value of the underlying instruments together with premiums paid, the counterparty's default risk, future market fluctuations and the time required to realize the positions must be taken into account. Derivatives acquired in order to hedge all or part of portfolio items against changes in market risk are not factored into this calculation. This possibility is reserved solely for cases in which the risk-reducing effect is evident and free of all doubt.
- 6) Within the limits set out in Chapter 5., "Investment Restrictions", the Subfund may invest in Shares of another Subfund of the Company.
- 7) The Subfund may invest globally, including in assets which are issued by issuers classified as or situated in so-called Emerging Market Countries. In this context, Emerging Market Countries are defined as countries which are not considered by the World Bank to be developed, high-income industrialized countries. The Subfund's exposure to issuers domiciled in Emerging Market Countries is limited to up to 33% of the Subfund's net assets.

#### Global Exposure

The global exposure of the Subfund will be calculated on the basis of the commitment approach.

#### Profile of a Typical Investor

The Subfund is suitable for investors wishing to have an exposure to global fixed income sectors (including, but not limited to, bonds, convertibles and derivatives). A typical investor should be able to tolerate significant fluctuations in the Net Asset Value.

#### Specific Risk Factors

In addition to the risks listed in Chapter 7, "Risk Factors", investors should note that the Reference Currency of the Subfund is EUR, and although the Investment Manager has the ability to hedge the Subfund's exposure to movements in other currencies, there is the risk that any foreign currency exposure will not be fully or successfully hedged and that the Net Asset Value could move down due to a fall in the value of non-EUR currencies against the EUR. Where the Investment Manager decides to hedge part or all of a currency exposure, the hedging process may from time to time result in a small residual currency exposure due to market movements.

Investments of the Subfund might include investments in Emerging Market Countries. The probable returns on securities of issuers from Emerging Market Countries are generally higher than the returns on similar securities of equivalent issuers from developed, industrialized countries. However, the higher return should be viewed as compensation for the greater risk to which the investor is exposed. Further information on the risks of investments in Emerging Market Countries is set out in Chapter 7, "Risk Factors".

Investors should further take into considerations the risks associated with investments in the "high yield" sector. The Subfund might invest in fixed-income or floating-rate securities in the non-investment grade sector (high yield debt securities). Compared to investment grade securities, such securities are generally lower-rated securities and will usually offer higher yields to compensate for the reduced creditworthiness or increased risk of

default attached to these debt instruments. Also, there is a risk that such securities might suffer liquidity issues because of unusual market conditions, an unusually high volume of redemption requests or other reasons. In such case the Subfund may not be able to pay redemption proceeds within the time period stated in this Prospectus.

Investors should also note the risks concerning investments in small to medium sized companies and investments in CoCos, as described in Chapter 7, "Risk Factors".

#### Specific Sustainability Risks

The Subfund will be exposed to some Sustainability Risks, which will differ depending on the investment instruments. In particular, some companies, markets and sectors will have greater exposure to Sustainability Risks than others.

The Subfund may be exposed to regions which might have relatively low governmental or regulatory oversight or low transparency or disclosure of sustainability factors.

Pursuant to Art. 6 of the SFDR, (i) Sustainability Risks are integrated into the investment decision process, and (ii) the Management Company shall disclose the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Subfund.

##### (i) Integration of Sustainability Risks into investment decisions

Pursuant to Art. 6 of the SFDR, potential Sustainability Risks are integrated into the investment decision process and ongoing risk monitoring to the extent that they represent potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns. Further description on the assessment of potential Sustainability Risks is outlined in the following section.

An analysis of Sustainability Risks focuses on ESG risks that can impact the value of the Subfund. Sustainability Risks can be linked to environmental degradation and climate-related events resulting from climate change (the so-called physical risks) or to society's response to climate change (the so-called transition risks), which may result in unanticipated losses that could negatively affect the investments and financial condition of the Subfund. Social events (e.g. events relating to inequality, inclusiveness, labor relations, investment in human capital, accident prevention, changing customer behavior, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

The Investment Manager is responsible for the incorporation of materially relevant Sustainability Risks into due diligence and research, valuation, asset selection, portfolio construction, and ongoing investment monitoring alongside with other material risk factors. To do this, the Investment Manager leverages the following information and resources:

- Disclosures made by companies and issuers (which may include a company's quarterly financials, earnings calls, general company reporting and/or disclosures, including sustainability-related disclosures);
- Publicly available information (official reports or industry data); and
- Third-party research and data.

However, this does not mean that all Sustainability Risks will be relevant in relation to each potential investment. The relevance and materiality of the Sustainability Risks will depend on a range of factors, including the nature of the investment, the likelihood of the Sustainability Risks arising and the likely scale of impact.

##### (ii) Results of the assessment of the likely impacts of Sustainability Risks on the returns of the Subfund

In applying the binding elements described in the pre-contractual disclosures attached to this section of Chapter 24, "Subfunds", the Investment Manager takes into account Sustainability Risks and sustainability factors in its investment decision and may thus deliberately forego opportunities for the Subfund to gain exposure and it may choose to sell an asset when it might otherwise be disadvantageous to do so. Accordingly, the universe of investments for the Subfund is smaller than that of other funds. The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region, and asset class. In general, where a Sustainability Risk occurs in respect of an asset, there will be a negative impact



on, or entire loss of, its value. Such assessment of the likely impact will therefore be conducted at the portfolio level.

Despite the proactive approach with regard to Sustainability Risks, it cannot be ruled out that ESG factors can influence the value of the Subfund's portfolio and the Subfund's return.

Notwithstanding the criteria set out in Article 7(1), first subparagraph of the SFDR and the fact that the Management Company discloses under article 4(1)(b) of the SFDR at entity level (as described under "Sustainability Risk" in Chapter 7, "Risk Factors"), the Management Company hereby confirms that the Subfund pursues a reduction of negative externalities caused by the investments underlying it as further detailed in the pre-contractual disclosures attached to this section of Chapter 24, "Subfunds" and in the annual report.

Shareholders and potential investors should also take into consideration the Sustainability Risks described in Chapter 7, "Risk Factors".

#### **Performance**

Information about the performance of the Subfund is contained in the Key Investor Information Document. Historical performance is not a guarantee of future returns.

#### **Reference Currency**

The Reference Currency of the Subfund is EUR.

The Investment Manager may decide to hedge or not to hedge the Subfund's exposure to other currencies, if it considers this to be in the interest of the Shareholders. Currency hedging (if any) will be made through the use of various techniques including the entering into forward currency contracts, currency options and futures. The relevant currency hedging is intended to reduce a Shareholder's exposure to the respective currencies in which the Subfund's investments are denominated. There is no guarantee that any hedging will be effective. Where the currency exposure of the Subfund is not fully hedged or where the hedging transactions are not completely effective, the value of the assets of the Subfund may be affected favourably or unfavourably by fluctuations in currency rates. From time to time the Investment Manager may not fully hedge the currency exposure, if it considers this to be in the interest of the Shareholders. Any costs incurred relating to the above mentioned hedging will be borne by the Subfund.

In addition, the foreign exchange exposure of the assets of the Subfund attributable to any Class denominated in any currency other than the Reference Currency of the Subfund is generally hedged in order to minimize, so far as reasonably practicable, the impact of fluctuations in the exchange rates between the Reference Currency of the Subfund and such other currency. Again, there can be no guarantee that any such hedges that are put in place will be effective. The costs and any benefit of hedging the foreign currency exposure of the assets attributable to any Class with a reference currency other than the Reference Currency of the Subfund will be allocated solely to the relevant Class.

#### **Classes**

Shares of the Subfund are available in the different Classes detailed in Chapter 23, "Summary of Classes". Shareholders and potential investors are invited to contact to Company or the UCI Administrator in order to find out whether a specific Class has already been launched.

#### **Net Asset Value**

As defined in Chapter 8, "Net Asset Value", the Net Asset Value of the Shares of the Subfund shall be calculated as of each Valuation Day (as defined in Chapter 8, "Net Asset Value").

#### **Adjustment of the Net Asset Value (Single Swing Pricing)**

The Net Asset Value per Share calculated in accordance with Chapter 8, "Net Asset Value" will be increased by (i) up to a maximum of 0.3% in the event of a net surplus of subscription applications or (ii) up to a maximum of 0.15% in the event of a net surplus of conversion applications in favor of the Subfund or reduced by up to a maximum of 0.3% in the event of a net surplus of redemption applications in respect of the applications received on the respective Valuation Day.

Under exceptional circumstances the Company may, in the interest of Shareholders, decide to increase the maximum swing factor indicated above. In such case the Company would inform the investors in accordance with Chapter 14, "Information for Shareholders".

#### **Subscription of Shares**

Shares may be purchased on any Banking Day except on 24 December and 31 December at the Net Asset Value per Share of the relevant Class, plus the applicable subscription charges and any taxes.

A subscription charge in favor of the Distributors of up to 2% of the Net Asset Value per Share (after adjustment of the Net Asset Value per Share in accordance with the Company's swing pricing policy) will be charged in case of a subscription of Shares of Classes A (EUR) Accumulating, A (EUR) Distributing, A (CHF Hedged) Accumulating, A (CHF Hedged) Distributing, A (USD Hedged) Accumulating and A (USD Hedged) Distributing.

#### **Redemption of Shares**

The Company will in principle redeem Shares on any Banking Day except on 24 December and 31 December at the Net Asset Value per Share of the relevant Class, less any applicable taxes.

No redemption charge will be levied.

#### **Conversion of Shares**

Shareholders may convert all or part of their Shares into Shares of another Class of the Subfund or into Shares of the same or another Class of another Subfund.

No conversion charge will be levied.

#### **Management Fee, UCI Administration Fee, Registrar and Transfer Agency Fee, Domiciliation Agent Fee and Depositary Fee**

##### 1) Management Fee

In accordance with lit. c) of section ii. ("Expenses") of Chapter 9, "Expenses and Taxes", the management fee is composed of the management company fee and the investment management fee:

a) The management company fee in favor of the Management Company amounts to up to 0.04 % p.a. and is calculated monthly on the basis of the average Net Asset Value of the respective Class, subject to a minimum fee of up to 40,000,- EUR p.a. (plus applicable taxes, if any).

b) Details of the investment management fee in favor of the Investment Manager (plus applicable taxes, if any) is reflected in Chapter 23, "Summary of Classes".

##### 2) UCI Administration Fee and Registrar and Transfer Agent Fee

The UCI Administrator is entitled to receive a UCI administration fee for its UCI administration services of up to 0.03 % p.a. calculated monthly on the basis of the average Net Asset Value of the respective Class, subject to a minimum fee in the amount of EUR 35,000 p.a. (each plus any applicable taxes, if any).

In addition, the UCI Administrator is entitled to receive a fee for its registrar and transfer agent services of EUR 3,000 p.a. (plus applicable taxes, if any) per Class.

Further, the UCI Administrator is entitled to receive a fee for its services as domiciliation agent of EUR 9,000 p.a. on Company level plus EUR 6,000 p.a. on Subfund level (each plus applicable taxes).

##### 3) Depositary Fee

The Depositary is entitled to receive a depositary bank and brokerage services fee which is calculated monthly on the basis of the average Net Asset Value of the respective Class. Such fee amounts to up to 0.03% p.a., subject to a minimum fee in the amount of EUR 25,000 p.a. (each plus any applicable taxes).

In addition, the Depositary receives a depositary control and monitoring fee of EUR 4,500 p.a. (plus any applicable taxes).

Sub-custodian fees for Emerging Market Countries are not included in such depositary bank fee and will be charged additionally.

The actual fees that are charged shall be disclosed in the respective annual or semi-annual report.

#### **Investment Manager**

To assist it with the management of its duties, the Management Company has appointed ESG-AM AG, Gutenbergstrasse 10, CH-8002 Zurich, Switzerland, approved and supervised by Eidgenössische Finanzmarktaufsicht as investment manager.

#### **Distributor**

ESG AM-AG  
Gutenbergstrasse 10,  
CH-8002 Zurich

**Paying Agent**

Until 20 October 2024:

Credit Suisse (Luxembourg) S.A.  
5, rue Jean Monnet  
L-2180 Luxembourg

As from 21 October 2024:

UBS Europe SE, Luxembourg Branch  
33A, avenue J.F. Kennedy  
L-1855 Luxembourg

**Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Product name:** ESG-AM FUND – ESG-AM Multi-Credit Fund

**Legal entity identifier:** 5493005LLYNZEMFBFV67

### Sustainable investment objective

**Does this financial product have a sustainable investment objective?**

Yes   No

<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: 20%</b>	<input type="checkbox"/> <input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments
<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	<input type="checkbox"/> <input type="checkbox"/> with a social objective

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities.

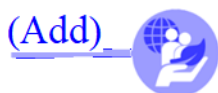


It will make a minimum of **sustainable investments with a social objective: 20%**



It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

## What is the sustainable investment objective of this financial product?

This product is classified as an article 9 fund under the SFDR.

The Subfund has two main sustainable investing objectives:

- I) investing in issuers having, committing or intending to commit to high social standards. The Subfund focuses on the following targets:
  - Promote gender equality, diversity and equal pay;
  - Develop human capital and promote secure and fair working conditions;
  - Ensure fair supply chain management;
- II) investing in issuers committing or intending to commit to substantial reductions in greenhouse gas (GHG) emissions in line with a net-zero GHG emissions pathway contributing to achieve the Paris Agreement targets of limiting global warming to well below 2 degrees Celsius above pre-industrial levels.

The first objective will be targeted by the following asset classes: convertible bonds, bonds with warrants and exchangeable bonds; this category will be subsequently summarized as convertible bonds.

The second objective will be targeted by the following asset classes: fixed and variable-interest securities, corporate bonds, hybrid bonds, covered bonds, contingent convertible bonds (CoCo bonds) and subordinated bonds; this category will be subsequently summarized as corporate bonds.

Bonds issued by governments, agencies and supranational organizations will be mainly invested via green and social bonds and therefore support both sustainable investment targets.

To achieve these objectives, the Investment Manager focuses on enabling impactful companies to grow, encourage improvement via engagement and influence the public discourse by being vocal about these goals.

The Subfund primarily contributes to the following UN Sustainable Development Goals:

- SDG 5: Gender Equality;
- SDG 7: Affordable and Clean energy;
- SDG 8: Decent work and economic growth;
- SDG 13: Climate Action.

At least 80% of the Subfund's net assets will be made in sustainable investments within the meaning of the SFDR (with the exception of cash investments, derivatives, money market instruments and other investments for which there is insufficient data and which are therefore limited by the maximum cap established in section "Investment Policy" above), whereas the Subfund's minimum exposure to sustainable investments in each of aforesaid sub-categories (i.e., investments with an environmental objective and investments with a social investment) will be at least 20% of the Subfund's net assets. The different asset classes follow either environmental or social objectives and the allocation of the asset

classes depends on market conditions. At least 1% of the Subfund's net assets will be sustainable investments with an environmental objective aligned with the EU Taxonomy.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objectives of the Subfund.

● ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

The Subfund strives for financial results, while at the same time pursuing the objectives of high social standards of its invested issuers without significantly harming any other objectives. To measure the performance of the sustainable investment objective, the Subfund reports for convertible bonds annually on the following social indicators:

- The Investment Manager's "Social Transformation Score" ("STS") system;
- The gender distribution;
- Severity of social controversies;
- Corporate bonds annually on the following climate-related indicators;
- Absolute GHG emissions reduced annually;
- Average GHG reduction rate (realized and expected); and
- Green bonds, sustainable bonds, social bonds as well as sustainability linked bonds in % of the Net Asset Value of the Subfund.

● ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

— *How have the indicators for adverse impacts on sustainability factors been taken into account?*

The Subfund complies with the “do not significantly harm” principle from Article 2(17) SFDR in relation to the mandatory principal adverse impact ("PAI") indicators of Table 1 of Annex I of the RTS as well as any relevant PAI indicators of Tables 2 and 3 of such Annex I.

With the aim to promote the improvement of these PAI indicators over time, the Investment Manager monitors the development of the PAI indicators on a regular basis, at least in intervals of two months. In case of a significant deterioration of an indicator, an analysis of such deterioration will be conducted taking into consideration the PAI-related performance of the Subfund, data availability and applied methodologies. Remedial measures will be undertaken to mend the deterioration, taking into account the interests of the Shareholders.

It shall be ensured that the Subfund is not significantly contributing to negative effects on the environment, clients, employees and communities of the issuers and minimizing sustainability related risks. Careful assessment and monitoring on ESG-factors thus is a central part of the Subfund’s investment process. In addition, the Subfund also considers investments based on an exclusion list as mentioned in the exclusions and restrictions section below.

Prior to investment, all investments of the Subfund are being screened against a list of ESG criteria aligned with sector-specific frameworks, such as the UN Global Compact Principles (the "UNGC Principles"). The ten UNGC Principles cover four main themes, which are human rights, labor rights, the environment, anti-bribery and anti-corruption. Companies in violation with the UNGC Principles will be excluded.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The controversies screening is part of the ESG rating of the companies and the screening on violations of the UNGC Principles, the Organisation for Economic Cooperation and Development ("OECD") Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights is part of the negative screening of the Subfund.

Furthermore, ESG criteria will be taken into account at various levels in the investment process, supported by research and information available, as well as leading external providers. Based on an ESG analysis, individual securities are excluded in accordance with the exclusions and restrictions described above, or securities issued by companies that are characterized by having very low ESG score or involved in confirmed very severe controversial incidents which are inadequately addressed by the affected issuer. At the same time, a positive selection applies, to prioritize companies with a better ESG performance, so that the ESG score of the portfolio of the Subfund reaches a satisfactory level.

The Subfund collects ESG data from issuers and the mandatory PAI indicators of Table 1 of Annex I of the RTS as well as any relevant PAI indicators of Tables 2 and 3 of such Annex I. The performance of the indicators is guiding the investment team with regards to which environmental and/or social aspects the Subfund must focus, to decrease potential adverse sustainability impacts, caused by the activities of the issuers.

The Subfund furthermore monitors the environmental and/or social performance of the issuers on a regular basis.

(Add)



**Does this financial product consider principal adverse impacts on sustainability factors?**

**Yes**

Besides collecting ESG data from investee companies, the Investment Manager also collects and discloses the mandatory PAI indicators of Table 1 of Annex I of the RTS as well as any relevant PAI indicators of Tables 2 and 3 of such Annex I. The performance of the indicators guides the investment team with regards to which environmental and social aspects the Subfund must focus on in order to promoted the decrement of potential adverse sustainability impacts caused by the activities of the investee companies. The Investment Manager will prepare regular reports on the principle adverse impacts, at least on an annual basis. Further information on PAI on sustainability factors is available in the annual report of the Company.

**No**

(Add)



**What investment strategy does this financial product follow?**

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment strategy strives for financial results while at the same time pursuing the above-described sustainable investment objectives without significantly harming any other objectives.

To achieve the objectives, the Investment Manager focuses on enabling impactful companies to grow, encourage improvement via engagement and influence the public discourse by being vocal about these goals.

To select eligible issuers, the following methodologies are applied:

- Social Transformation Score

The convertible bonds, in which the Subfund may invest will be selected worldwide by reference to the Investment Manager's proprietary STS, that indicates the current level of the underlying company's social standard and how material it commits or intends to commit to improve. The STS considers internal and external information gained from several sources such as inhouse research, engagement feedback and specialized data providers. Along with sound financial scores of each issuer, this STS will be considered both prior to investment as well as on an ongoing basis

Each issuer of a debt security in which the Subfund invests will be given a STS on a scale of 1 to 4 (whereas 4 is considered to be the lowest score, although there is no evidence that the issuer will deliver on its measured sustainable social performance and/or its committed improvements). The Investment Manager focuses its investments in issuers with a STS of 1-3. The Investment Manager will not target a specific average STS for the overall portfolio, but the STS will influence the portfolio allocation. The STS among other investment criteria, such as financial ratios (duration, credit exposure, liquidity, etc) and risk related aspects (diversification in sectors, ratings, countries, etc) will define the size of the allocation in a particular issuer at any given time.

Issuers with low STS levels will be target of engagement activities to improve their social activities. These engagement activities include the following: (i) "Transparency Engagement" aiming to improve data availability for the STS; (ii) "Impact Engagement" conducted in order to ensure the issuer's commitment to improve social standards; and (iii) "Incident Engagement" in case of high social controversies or incidents related to the social targets. The Investment Manager expects improvement of the issuers. If the issuers fail to deliver on the Investment Manager's expectation or the STS worsens materially, the Investment Manager will dispose of the holdings. Based on the engagement activities, the Investment Manager expects the average STS of the Subfund increases over time.

To select eligible issuers, the Investment Manager's proprietary STS methodology includes the following main criteria:

- Gender, diversity & equal pay;
- Human capital;
- Supply chain management;
- Social controversies.

The score considers a best-in-class approach, which ranks issuers compared to their relevant peers in an industry or category. The criteria of the score are also focused on forward looking indicators that capture future commitments of the issuers. With an expected better data availability in the future, the issuers can/ will also be ranked based on their recent historical performance, so a best-in-progress approach can be applied. The Investment Manager will also exercise engagement activities and use engagement and constructive dialogue with issuers to improve their performance and increase the impact of the Subfund.



- Climate Transition Score

To achieve the investment objective, the majority of the Subfund's corporate bonds shall be invested (directly or indirectly) worldwide in debt securities, bonds, notes and similar fixed and variable interest securities issued by government, public and private issuers which target substantial GHG emissions reductions or where the issuers are committed or intend to commit to a net-zero emissions pathway following eligibility criteria defined for the Subfund (the "Eligibility Criteria").

To select eligible issuers, the Eligibility Criteria includes a ranking of issuers as sustainable investments, according to the following criteria:

- Nature of the business, including corporates in hard-to-abate carbon sectors whose transition is relevant to limit global warming to well below 2 degrees Celsius.
- Reputational risks.
- Level of public disclosure of GHG emissions and climate related data, including coverage and quality of such disclosures.
- Establishment of net-zero science-based targets in line with the Paris Agreement and intermediate targets showing clear commitment to decarbonize their activities.
- Performance, in carbon intensity, relative to peers in the same sector, as a way to prioritize investment in issuer with larger emissions reduction potential.

These criteria serve as quantitative inputs for the climate transition rating methodology applied in respect of the Subfund. The Climate Transition Ratings aim at quantifying the expected contribution of an investment or a company to a successful global transition to a net-zero emissions pathway. In this methodology, a weighting is allocated to each of the criteria, where the level of public disclosure of GHG emissions, as well as establishment of net-zero science-based targets in line with the Paris Agreement has the highest weighting. Eligible issuers are those that rank above the minimum threshold set by the Investment Manager. Issuers are assessed for inclusion in (or exclusion from) the investable universe whenever necessary and if a material change occurs in any of the Eligibility Criteria. The Investment Manager does not rely on an EU Climate Transition Benchmark for its assessment. A material change comprises among other things of substantial changes in coverage and quality of the disclosure of GHG emissions, a substantial increase in reputational issues, deviation from interim targets, as well as if a decrease in ambition of decarbonization targets. These climate transition criteria are derived from public and private initiatives to ensure climate data disclosure and strict science-based target setting such as the Carbon Disclosure Project (CDP), the Science Based Targets Initiative and the Climate Bonds Initiative, among others. Issuer showing two consecutive years of misalignments with their reduction trajectory will also be excluded from the Subfund's portfolio.

- Exclusions and Restrictions

For convertible bonds issuers or instruments with limited or no positive contribution to the social transformation in line with the objectives (STS 4), will be excluded from the Subfund.

For issuers of corporate bonds or instruments with limited or no positive contribution to the climate transition in line with the objectives of the Paris Agreement will be excluded from the Subfund.

The Investment Manager will further undertake a broader assessment of the Environmental, Social and Governance ("ESG") performance of the issuers. This process helps the Investment Manager to avoid issuers with material ESG risks in a wider context.

In aiming to achieve stable long-term returns, the Investment Manager will exclude investments in the following segments:

- Companies involved in any activities related to controversial weapons;
- Companies in violation with the UNGC Principles or the OECD Guidelines for Multinational Enterprises;
- Companies that are involved in the cultivation and production of tobacco;
- Companies that generate over 5% of their revenues from the production of conventional weapons;
- Utilities that generate over 5% of their revenues from nuclear power. Utilities with higher exposure to nuclear will only be invested via green bonds;
- Companies that generate 1% or more of their revenues from the exploration, mining, extraction, distribution or refining of hard coal and lignite;
- Companies that generate over 5% of their revenues from the application of fracking technology or the extraction and processing of oil sands;
- Companies that generate 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;
- Companies that generate 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels;
- Companies that generate 50% or more of their revenues from electricity generation with a GHG intensity of more than 100g CO<sub>2</sub>e/kWh;
- Companies that generate over 5% of their revenues from gambling; and
- Companies that generate a revenue share larger than 5% with production and distribution of pornography.

For corporate bond issuers, the Subfund applies lower thresholds on revenues generated from specific fossil fuel related activities:

- For corporate bonds issuers the Subfund excludes all activities related to fossil fuels, including exploration, extraction and refining (when consolidated turnover from these activities is above 1%).

The following criteria on country level will exclude sovereigns / emitters that show the following deficits in the areas of human rights / democracy, the environment, corruption and the Nuclear Non-Proliferation Treaty:

- “Not free” classified countries (Freedom House);
- Biological diversity (UN Convention): non-legally bound;
- Corruption: Transparency International’s Corruption Perception Score with minimum threshold; and
- Nuclear Non-Proliferation Treaty not legally bound.

- ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The application of the “exclusions and restrictions” are binding.

For convertible bonds the STS focuses on scores from 1-3 (out of 4)

Issuers of corporate bonds or instruments with limited or no positive contribution to the climate transition in line with the objectives of the Paris Agreement will be excluded from the Subfund.

A maximum of 20% of the Subfund’s net assets can be invested worldwide in issuers which do not yet fulfill the sustainable investment objectives but are still complying

with the “do no significant harm” principle, environmental performance and good governance principles.

In applying the aforesaid binding elements, the Investment Manager ensures that at least 80 % of the net assets of the Subfund will be made in sustainable investments within the meaning of the SFDR (with the exception of cash investments, derivatives for efficient portfolio management purposes and/or hedging purposes, money market instruments and other investments for which there is insufficient data), whereas the Subfund's minimum exposure to sustainable investments in each of aforesaid sub-categories (i.e., investments with an environmental objective and investments with a social investment) will be at least 20% of the Subfund's net assets. The different asset classes follow either environmental or social objectives and the allocation of the asset classes depends on market conditions. At least 1% of the Subfund's net assets will be sustainable investments with an environmental objective aligned with the EU Taxonomy.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the policy to assess good governance practices of the investee companies?**

The evaluation of good governance is based on the ratings by independent ESG rating agencies. The governance ratings are based on the following sub-criteria:

- Board composition and independence;
- Remuneration; and
- Shareholder rights.

In addition, information on the reputational risk of companies due to potential failures in their ESG performance are sourced from best-in-class providers to ensure full transparency on current news flow.

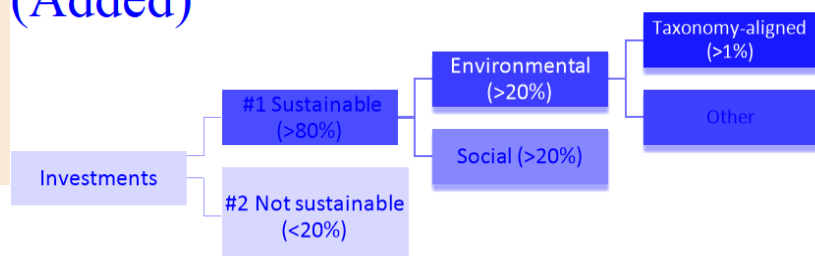
Where potential issues arise, the performance of an issuer is below expected, or when the reported data is incomplete to reach a conclusion, the Investment Manager will engage with the issuer to evaluate the performance, and social related commitment against the relevant indicators established in the selection process. The Investment Manager will encourage companies to improve disclosure and contribute to the social and climate related transformation. The engagement will be a dynamic process and is subject to changes according to the Subfund’s investment policy.



**What is the asset allocation and the minimum share of sustainable investments?**

**Asset allocation** describes the share of investments in specific assets.

(Added)



**#1 Sustainable** covers sustainable investments with environmental or social objectives.

**#2 Not sustainable** includes investments which do not qualify as

Taxonomy-aligned activities are expressed as a share of:

**-turnover**

reflecting the share of revenue from green activities of investee companies

**-capital expenditure**

(CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

**-operational expenditure (OpEx)**

reflecting green operational activities of investee companies.

sustainable investments.

At least 80% of the Subfund's net assets will be invested in sustainable investments within the meaning of the SFDR (with the exception of cash investments, derivatives for efficient portfolio management purposes and/or hedging purposes, money market instruments and other investments for which there is insufficient data and therefore a limited by the maximum cap established in the Investment Policy). These sustainable investments can consist of types of investments described in the section Investment Policy. A maximum of 20% of the Subfund's net assets can be invested worldwide in issuers which do not yet fulfill the requirements in terms of the sustainable investment objectives but are still complying with the "do no significant harm" principle and good governance principles.

The small proportion of investments that are not sustainable investments may not contribute to an environmental and social objective within the meaning of the SFDR and it is not expected that these other investments will affect the continued implementation of the sustainable investment objectives of the Subfund and the Investment Manager will ensure that these other investments comply with the binding elements of the investment strategy.

- ***How does the use of derivatives attain the sustainable investment objective?***

The Investment Manager may use derivative instruments for the purposes outlined in section "Investment Policy" above, i.e. for efficient portfolio management purposes and/or for hedging purposes.

If possible, the use of derivatives for efficient portfolio management purposes and/or hedging purposes will not violate the described ESG-criteria and standards (i.e., exclusions and for corporate underlyings an ESG scoring). If the investment strategy requires the use of derivatives for efficient portfolio management purposes and/or hedging purposes, the short-selling of non-complying investments will be accepted.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

In order to achieve its sustainable investment objective to invest in issuers committing or intending to commit to substantial reductions in GHG emissions, at least 20% of the Subfund's net assets will be sustainable investments with an environmental objective, whereas at least 1% of the Subfund's net assets will be sustainable investments with an environmental objective aligned with the EU Taxonomy.

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>12</sup>?***

**Yes:**

<sup>12</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

In fossil gas

In nuclear energy

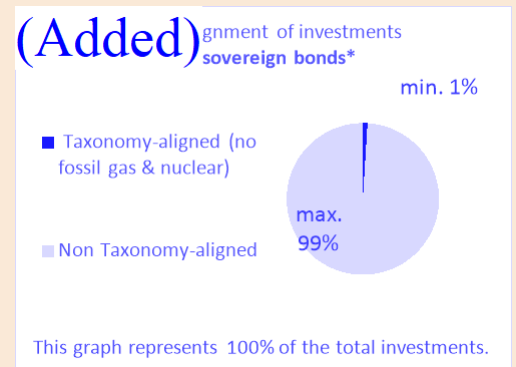
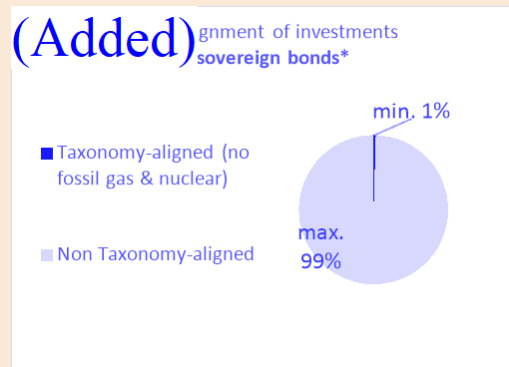
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To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

- **What is the minimum share of investments in transitional and enabling activities?**

The Subfund's minimum share of investments in transitional and/or enabling activities is each set at 10% of its net assets.

**(Add)** are

sustainable investments with an environmental objective that **do not take into account the**

**(Add)**

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The Subfund's minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is set at 0% of its net assets. The Subfund's assets which have an environmental objective and which are managed in accordance with the Investment Manager's climate transition score (as described above) are not primarily invested in activities aligned with the EU Taxonomy, but in issuers across all sectors which target substantial GHG emissions reductions or which

**criteria** for environmentally sustainable economic activities under the EU Taxonomy.

are committed or intend to commit to a net-zero emissions pathway. Therefore, an alignment of the Subfund's sustainable investments with an environmental objective with the EU Taxonomy is possible, but not the main objective of the Subfund.



**What is the minimum share of sustainable investments with a social objective?**

The Subfund's minimum share of socially sustainable investments is set at of 20% of its net assets.



**What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

At least 80% of the Subfund's net assets will be invested in sustainable investments within the meaning of the SFDR. These sustainable investments can consist of types of investments described in the section "Investment Policy" above.

A maximum of 20% of the Subfund’s net assets can be invested worldwide in issuers that do not meet the sustainable objectives but are still complying with the “do no significant harm” principle and good governance principles. This includes cash deposits as well as investments in derivatives for efficient portfolio management purposes and/or hedging purposes, money market instruments and other investments for which there is insufficient data.

The small proportion of investments that are not sustainable investments may not contribute to an environmental or a social objective within the meaning of the SFDR and it is not expected that these other investments will affect the continued implementation of the sustainable investment objective of the Subfund and the Investment Manager will ensure that these other investments ensure a minimum level of environmental and social protection.



**Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

Not applicable.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**

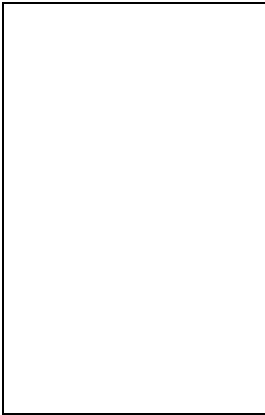
n.a.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

n.a.

- **How does the designated index differ from a relevant broad market index?**

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



n.a.

- ***Where can the methodology used for the calculation of the designated index be found?***

n.a.

(Add)



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

products – ESG Asset Management AG (esg-am.ch)

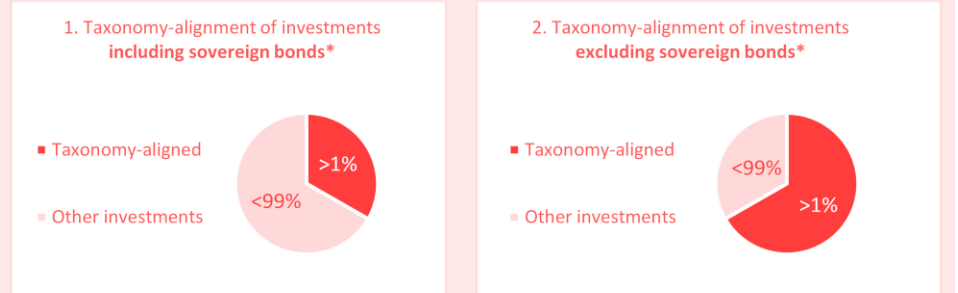
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The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures



## 25. Information for Investors in Switzerland

### i. General Information

Effective as of 30 April 2024, the Representative of the Company in Switzerland is UBS Fund Management (Switzerland) AG, Aeschenvorstadt 1, CH-4051 Basel as a result of the merger by absorption with Credit Suisse Funds AG.

Effective 01 July 2024, the Paying Agent of the Company in Switzerland is UBS Switzerland AG, Bahnhofstrasse 45, CH-8001 Zurich, as a result of the merger by absorption with Credit Suisse (Switzerland) Ltd.

Shareholders may obtain the Prospectus, the Key Investor Information Document, copies of the Articles and the latest annual and semi-annual reports free of charge from the Representative in Switzerland.

All notices to Shareholders shall be published at least on the electronic platform "www.swissfunddata.ch". The issue and the redemption prices or the Net Asset Value together with a footnote "excluding commissions" shall be published on each valuation day on the electronic platform "www.swissfunddata.ch" as a minimum.

With respect to Shares offered (the term offering also includes advertising such Shares pursuant to art. 127a of the Swiss Collective Investment Schemes Ordinance of 22 November 2006) in Switzerland, the place of performance is at the registered office of the Representative in Switzerland. The place of jurisdiction is at the registered office of the Representative in Switzerland or the registered office or domicile of the Unitholder.

### ii. Information in Relation to the Distribution

The Company and its agents may pay retrocessions as remuneration for offering activity in respect of Shares in Switzerland. This remuneration may be deemed payment for the following services in particular:

- Stocking and distribution of marketing and legal documents;
- Forwarding and/or providing the publications required by law as well as other publications;
- Complying to due diligence requirements delegated by the Management Company and pertaining to the Distributor;
- Clarifying and answering specific investor queries regarding the investment product or the provider.

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

The disclosure of the receipt of retrocessions is governed by the relevant provisions of the Swiss Financial Services Act of 15 June 2018.

In the case of offering activity in Switzerland, the Management Company and its agents may, upon 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 received by the Management Company and therefore do not represent an additional charge on the fund assets;
- they are granted on the basis of objective criteria;
- all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Management Company are as follows:

- the volume subscribed by the investor or the total volume they hold in the collective investment scheme or, where applicable, in the product range of the promoter;
- the amount of the fees generated by the investor;
- the investment behavior 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 Management Company must disclose the amounts of such rebates free of charge.

### iii. Possibility of Forwarding the Investment Management Fee

The Investment Manager may, at its sole discretion, forward all or part of its Investment Management Fee to investors or other recipients.

24.170RS

